# GlobalData.

# Orange Business Services - Data Center and Cloud Services

April 29, 2020

**Larsen DeCarlo, Amy**

## PRODUCT ASSESSMENT REPORT - DATA CENTER AND CLOUD SERVICES
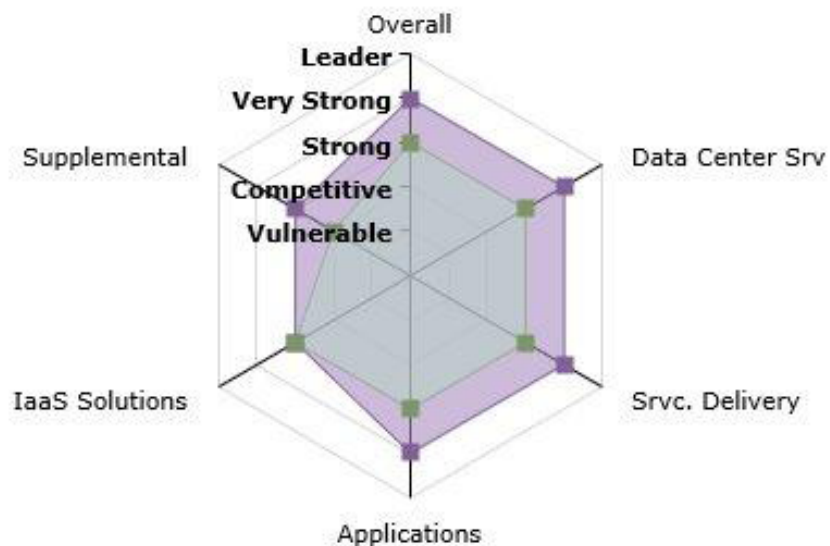
### REPORT SUMMARY

Orange's multi-cloud efforts are paying dividends in both services innovation and revenue growth. The company's response to customer challenges during the COVID-19 outbreak serves as a proof point of Orange's progress.

## SUMMARY

# GlobalData.



**Product Ratings**

Legend:
- Orange Business Services - Data Center and Cloud Services
- Product Class Average

Copyright @ 2020 GlobalData Generated: May 6, 2020

## WHAT'S NEW

- **February 2020:** Abu Dhabi Municipality (ADM) and Orange Business Services are working together to develop a smart cities virtualization app that will support the city management services delivered in the UAE's capital city. The bespoke app, 'IoT Cockpit,' provides visualization via an immersive, interactive user interface for the city authorities monitoring elements of the urban landscape.

- **October 2019:** Orange Business Services has developed solutions to enable maritime connectivity offering secure private cloud and IoT services to facilitate vessel management.

- **September 2019:** Midea selected Orange Business Services as its global cloud service provider covering Asia, Europe, North America, and South America.

## PRODUCT OVERVIEW

| | |
|---|---|
| **Product Name** | Orange Business Services Private/Hybrid Cloud Data Center Solutions |
| **Description** | The Orange Business Services data center and cloud services portfolio includes cloud computing (infrastructure as a service) and other hosted IT services (including software as a service) offered on flexible consumption models depending on customer need, as well as complementary professional and managed services to accompany customers throughout their digital transformation journey. |
| **Components** | • Managed Application Services<br>• Private Cloud Services<br>• Public and Private IaaS<br>• Virtual Private Cloud<br>• Professional Services<br>• Colocation Services |
| **Key Customers** | • Amcor<br>• BMW<br>• Borgward Group<br>• European Space Agency<br>• Haier<br>• JTI<br>• Lane Crawford<br>• Siemens |

| **Key Rivals** | • Atos |
| | • Capgemini |
| | • IBM |
| | • DXC Technology |
| | • OVH |
| | • Rackspace |
| | • T-Systems |
| | • Vodafone |

## ESSENTIAL ANALYSIS

| Strengths | Limitations |
| --- | --- |

**Strengths**

- **Catalog Depth:** Through both acquisition and organic expansion, Orange Business Services has built out an extensive data center solution set that spans colocation to the cloud. The provider also offers a strong set of managed application services, which it has extended to include support for multi-cloud and cloud-native applications as well as SAP & SAP HANA.

- **Multi-Cloud Position:** Orange Business Services has evolved its cloud strategy and expanded its partner roster to facilitate the effective management of hybrid and multi-cloud environments. Investments in areas including intelligent automation, AI ops, and professional development in support of third-party partner clouds are paying dividends as more organizations look for support managing workloads across disparate environments.

- **Cloud Momentum:** Orange is seeing tremendous growth in cloud, boasting more than 19% organic growth. The provider has become significantly more competitive, boasting a 58% win rate in 2019 versus 43% in 2018. Sources of revenue are much more geographically diverse, with more than half coming from outside of France, a big jump from prior years.

- **Offshore Service Provider:** With the launch of offshore and maritime operations for ships in the seas and oceans, Orange has found a new prospect pool. The maritime IT services make Orange a more accessible global service provider through its secure, 'ship-in-a-box' private cloud and IoT services.

**Limitations**

- **Regional Limits:** A perception lingers that Orange Business Services' sole focus is on France, to the exclusion of multi-nationals operating in other countries. While the company has 70 data centers around the world and has been successfully growing revenues outside the country, some competitors can offer cloud data center locations in many more jurisdictions.

- **People Power:** OBS has made a number of acquisitions to strengthen its staffing resources, including the additions of Baseform and the Unbelievable Machine Company, which added 500 cloud experts to the 1,800 already in house. However, the company staffing distribution is less geographically diverse than some of its global rivals.

## CURRENT PERSPECTIVE

### VERY STRONG

Orange Business Services is very strong in the data center and cloud services market, because it has the scale and portfolio depth to support business requirements ranging from pay-per-use, on-demand computing aimed at SMEs to complex multi-cloud engagements. Cloud is a crucial growth engine for the organization, central to growth across its managed services. The provider has invested in building out its staffing resources, through both acquisition and organically. In 2019, Orange Business Services hired more than 300 new staff members, adding more than 100 certifications.

Orange sees cloud as an ecosystem play, with the need to engage startups as well as large global players like AWS, Google, and Microsoft. Its 2018 acquisition of Basefarm brought thousands of SME and large enterprise hosting, e-commerce, and managed cloud and data center services customers, and it is now helping Orange take on a multi-cloud world where the value is not necessarily in IaaS but in services that integrate and orchestrate resources from the wider ecosystem.

As such, Orange is positioning itself in the cloud as a key managed and professional services provider, offering solutions through the provisioning of end-to-end connectivity, security, and multi-cloud orchestration. Among the assets acquired from Basefarm is its multi-cloud automation, orchestration, and management platform, which Orange found to be superior to both its previous management platform and other third-party tools. The integrated, AI-powered platform provides customers with an API-based management portal supporting end-to-end monitoring for both network and IT resources. Another asset: more than 2,300 professional & managed cloud services experts and 3,900 AI, data, and digital professionals.

Many service provider peers also see orchestration and integration of the cloud ecosystem as their USP, limiting differentiation, so Orange has heightened its focus on customer experience. Leveraging Orange's existing strengths in customer service, the provider can highlight metrics around application performance and operational efficiency in support of service level agreements (SLAs) defined by agreed business outcomes and customizable based on priority. It also has a compelling multi-source services integration offer which can be applied to and combined with cloud deployments.

The customer-centered approach is driven top down from a broad strategy to enable enterprise digital transformation driven by customer needs for digital solutions inside and outside the business. As such, its cloud portfolio is directly linked with adjacent solutions in big data and analytics (Datavenue), network (SD-WAN, multi-cloud VPN Gallery), security, and the Internet of Things, making it key to current and future investment.

## COMPETITIVE RECOMMENDATIONS

### Provider

- **Multi-Cloud Play:** Orange should continue to position its experience across multiple third-party environments as giving it the expertise it needs to support clients' efforts in multi-cloud deployments. The provider needs to continue to elevate its messaging around multi-cloud service orchestration and optimization.

- **Customer Experience:** A strong reputation for enterprise customer satisfaction combined with a customer experience-centric strategy can win over prospects if proof points applicable to hybrid cloud can be established.

## Competitors

- **Geographic Coverage:** Various competitors can offer cloud data center locations in many more jurisdictions to win customers that have especially strict data sovereignty compliance issues.

- **Network Focused:** Competitors with a stronger SaaS/PaaS story can position Orange as concentrated on network-related applications and services.

## Buyers

- **Digital Transformation:** Orange is well positioned to augment private cloud services with globally distributed public cloud services, supporting application migration and the switching of legacy systems to the cloud as well as managing the whole environment.

- **Integrated Portfolio:** Orange should be considered as an end-to-end provider; its portfolio brings depth in public, private, and hybrid cloud services across multiple technology platforms.

- **France & Nordics Leadership:** Strength in local cloud data centers, networks, and security resources makes Orange a potential top choice for enterprises with a France-centric and Nordics-centric (and potentially EU-centric) footprint.

## Metrics

| DATA CENTER SERVICES | |
|---|---|
| **Rating:** | Very Strong |
| **Dedicated Managed/Hosting Services:** | Traditional hosted, colocated, on-premises managed data center and cloud services from 70+ data centers globally. Flexible Computing multi-tenant shared IaaS platform supports customers from simple hosting for SMEs in France to custom large-scale outsourcing for enterprises, all with services managed through a universal support process run from global service centers, underpinned by Orange Business Services' global network of 1,500 PoPs in 166 countries. |
| **Colocation Services:** | 40 data centers globally offer colocation. Many of Orange Business Services' 1,500 PoPs worldwide are also used for colocation. |
| **On-Demand Compute Services and Storage Services:** | • **On-demand Storage:** Flexible Back-up as a Service is a fully managed solution based on EMC Avamar technology in Orange data centers, priced per GB of data saved. Flexible Storage, based on Cloudwatt infrastructure, provides file storage, as a sync and share solution for French businesses.<br><br>• Flexible Computing Advanced virtual data centers offer a pool of resources (CPU, RAM, disk, FWL, load-balancing), a self-provisioning portal, charged according to total resources used.<br><br>• Flexible Computing Premium is for larger/more complex application requirements/customers, offering automated virtual server environments (and optional dedicated servers) and a catalogue of IT infrastructures services with four management levels (managed OS, middleware monitoring, managed middleware, managed applications), charged according to usage. Flexible Computing Private offers integration of technologies and tools to deliver dedicated, secure, customized, flexible infrastructures, in Orange Business Services' or customers' data centers. |

| Disaster Recovery/ Business Continuity Services: | Shared cloud infrastructure (FCA) is duplicated in two data centers (failover); a customer is hosted in one data center and backup routed to another. A customer could also choose to deploy a DRP service to have his solution hosted globally or partially in the two data centers in active/passive or active/active mode (bespoke solution). |
| --- | --- |

## SERVICE DELIVERY INFRASTRUCTURE

| Rating: | Very Strong |
| --- | --- |
| Data Center Infrastructure: | Cloud and IT services are currently delivered from two data centers in Paris, Rueil, and Chevilly, plus a state-of-the-art facility in Normandy for shared cloud solutions; and from France, the Netherlands, the U.S., South America, Singapore, and China for the Flexible Engine Public cloud solution as part of Huawei Cloud Alliance. Outside of France, cloud-ready data centers are established in Germany, Russia, Hong Kong, Singapore, Sydney, and the U.S., with partner locations and planned Orange locations in Poland, Brazil, Romania, and the UK. All of these data centers are Tier 3 or Tier 3+. In 2018, Orange gained 11 additional data centers in Europe through its acquisition of Basefarm. |
| Network Connectivity: | All data centers are interconnected through Orange Business Services' own core backbone MPLS network which reaches 187 countries, 73 countries with Ethernet and 63 with DSL. Services can be accessed through the Internet or VPN. VPN access can also be provided via International Ethernet Link service, available in 34 countries for up to 1Gbps bandwidth interconnect.<br><br>The Enterprise Application Management (EAM) acceleration service based on Riverbed has been integrated into Business VPN Galerie to improve the user experience for cloud users at remote sites. The service boosts the performance of all major cloud services in Business VPN Galerie over enterprise customers' VPNs. |
| Redundancy Measures: | Synchronous site mirroring between Rueil and Chevilly in Paris. Global Major Service Centers are situated in India, Cairo, Mauritius, Brazil, and France, for global coverage and resilience. Additionally, all its services are secured through 16 Security Operation Centers in the U.S., Europe, and APAC. |
| Site Security: | All data centers are equipped with external cameras, perimeter fencing, 24-hour security, and badge reader or biometric entry control at both site and room level. All data centers are SAS70 compliant, and operational organizations are ISO9K / 20K compliant. |

## PACKAGED MANAGED/HOSTED APPLICATION SERVICES

| | |
|---|---|
| **Rating:** | Very Strong |
| **Commercial Hosted/ Managed Enterprise Application Services:** | Enterprise Resource Planning: Managed SAP and SAP HANA.<br><br>Customer Relationship Management: Contact center as a service; Virtual Contact Center Service using a shared platform hosted by Orange Business Services.<br><br>Collaboration: Managed Microsoft Exchange, SharePoint; Microsoft Online services (including messaging, IM, shared workspaces, and web conferencing).<br><br>Fully managed onsite and hosted security solutions, backed by security consultancy.<br><br>Private Application Store: A catalogue of applications (collaboration and other applications) hosted in Orange Business Services' or customer data centers. |
| **On-Demand/SaaS solution availability:** | On-demand and SaaS available for enterprise services, for example:<br><br>• **Flexible Workspace:** Desktop as a service (VDI) to securely access corporate desktop and applications from any device including BYOD, thin-client, tablet, smartphone, etc. on a monthly per seat basis.<br><br>• **Business VPN Galerie:** An option of the company's Business VPN managed network offer for access to a wide range of hyperscalers and SaaS providers including AWS, MS Azure, GCP, Salesforce, SAP, Cisco Webex, Oracle Cloud, IBM Cloud, and Zscaler.<br><br>• **Security as a Service:** Messaging Protection Suite, Web Protection Suite, with choices of service management levels and SLAs, pay-per-use model, validation workflow, and reporting. Flexible Workspace: SaaS.<br><br>• **Flexible Contact Center:** SaaS with portal to allocate one of the five profiles to end users. |
| **On-Demand Collaboration Applications:** | **Collaboration:** Managed Microsoft Exchange, SharePoint; 'Office Together' Microsoft Online services (including messaging, IM, shared workspaces and web conferencing). Business Together as a Service: unified communications and collaboration. "Pay as you go" pricing per user and profile, can scale up and down based on business needs. Available to international markets, hosted in global data centers. Cisco and Avaya IP telephony solutions are available on a private cloud basis. |

## IAAS SOLUTIONS

| | |
|---|---|
| **Rating:** | Strong |
| **Use Cases:** | General use-case and business applications: Development and test environments, web-facing applications, business applications where customers wish to self-manage the underlying infrastructure. Flexible Computing Private is for larger/more complex application requirements/customers, offering automated virtual server environments (and optional dedicated servers) and a catalogue of IT infrastructure services with four management levels, where customers wish to offload operations tasks to Orange and free up resources. |
| **Server Configurations:** | A complete catalogue of servers is offered for dedicated use. A range of dedicated servers can also be specified as part of Flexible Computing Private solutions including converged (Cisco, Dell, HP, etc.) and hyperconverged solutions such as Nutanix or VxRail. |
| **Storage Options:** | Flexible Back-up as a Service is a fully managed solution based on EMC Avamar technology in Orange data centers, priced per Gb of data saved. |
| **Virtualization Technology:** | Citrix, VMware, OpenStack |
| **Database Options:** | Oracle, MySQL, MS SQL Server, PostgreSQL |
| **Security/ Compliance Controls:** | All data centers are SAS70 compliant, and operational organizations are ISO9K / 20K compliant. Virtual private clouds have 6 security zones, and dedicated firewalling and physical server options. |
| **Portal Features:** | Portal with provisioning, monitoring, managing, administrating, and billing features. |
| **Provisioning/ Decommissioning Time:** | Largely dependent on solution used. Immediate provisioning when using IaaS/ PaaS solutions such as Flexible Computing Advanced and Flexible Engine. |
| **APIs:** | APIs are fully available in Flexible Engine offering. |
| **Pricing Model/ Minimum Contract Terms:** | Flexible Computing: Monthly charges are based on the total processing power, storage, and network bandwidth resources used. |

## SUPPLEMENTAL SERVICES

| | |
|---|---|
| **Rating:** | Strong |
| **Application Integration Services:** | Partners with Accenture, Wipro, CGI, and others. |
| **Data Center Strategy Services:** | Orange Business Services provides structured services to help customers define how to rationalize, consolidate, or modernize their data centers to support the customer business activity, including: data center strategy, cloud-readiness assessment, data center network infrastructure audits, data center move and consolidation, infrastructure transformation and transition, storage optimization, application performance management solutions implementation, application re-hosting, re-platforming, re-factoring, etc. |
| **Supplemental Cloud Migration Services:** | Assess, design, implement, manage, and optimize consultancy and integration services to plan and support clients' projects in a multi-cloud environment. Cloud Coach services support ongoing need for advice from existing customers. |
| **Key Ecosystem Partners:** | Huawei, Microsoft, Citrix, NetApp, Cisco, VMware and Dell EMC, SITA, NTT Communications, HP, Accenture, IBM, Atos, Unisys, Azure, AWS, and GCP. |