Enterprise Cloud Services Assessment: Orange – 1Q22

Adrian Dominic Ho

Practice Leader, Digital Enterprise Services

askananalyst@omdia.com

Brought to you by Informa Tech

OMDIA

Contents

- Assessment overview and trends: Cloud services

- Orange's cloud services portfolio

- Orange's go-to-market strategy

- Orange's ratings: Cloud services

- Summary and recommendations

- Appendix

OMDIA

Assessment overview and trends: Cloud services

OMDIA

Global trends in professional and managed cloud services

• Enterprises and governments across the globe are rapidly adopting cloud computing for critical applications; migration accelerated in 2021 to speed up digitalization and maintain resiliency during the prolonged pandemic.

• Globally, hybrid cloud is the dominant model for both new and legacy application classes. On average, 33% of decision makers run their traditional enterprise applications in a private cloud environment (or plan to migrate soon) while 36% run their digitalized applications in a hybrid cloud environment (or plan to migrate).

• Increased cloud adoption also commonly leads to rising complexity, especially with integration management and security of multiple cloud environments alongside legacy systems.

• To overcome challenges from hybrid cloud adoption and to accelerate time to value, many enterprises and governments are engaging external service providers to procure cloud services and assist them in carving out a cloud strategy; about 52% currently buy private cloud or hosting services through an IT partner or channel.

• The market for professional and managed cloud services is expected to total $103.1 bn in 2022, which translates into a year-over-year (YoY) growth of over 13%.

• Service quality and support, security and compliance controls, and technology innovation are the most important criteria for enterprises choosing a cloud IT services partner.

OMDIA

About Omdia's enterprise cloud services assessments

- Purpose of assessments
    - Catalog a provider's professional and managed cloud services, supporting offers, and go-to-market strategy
    - Evaluate providers' cloud capabilities and issue high-level competitive recommendations

- Services assessed
    - Professional services capabilities related to cloud strategy and design
    - Cloud integration in multicloud and hybrid cloud
    - Managed private and hybrid cloud services, including platforms
    - Application modernization and migration capabilities

- Inclusion criteria
    - Global telecommunications providers with proprietary fixed and mobile networks
    - Tier 1 providers capable of supporting large global enterprises and governments' business operations in multiple regions, with revenue of over $200m across multiple regions

- Omdia rating
    - Each provider is scored out of five (maximum), reflecting Omdia's assessment across five equally weighted dimensions: market clout, breadth, depth of managed and professional services, and partner ecosystem.

OMDIA

Orange's cloud services portfolio

OMDIA

Why Orange is important to enterprises in cloud services

- Significant scale

  - Orange is a cloud services provider with a global revenue exceeding €40bn, annually.

  - It derives approximately €7.2bn euros of its total revenue from services to multinational and large domestic enterprises and small and medium-sized enterprises (SMEs).

  - It has gained significant market share in cloud services, which is one of its fastest-growing enterprise verticals; in 2021, Orange's growth in cloud services exceeded 15%, resulting in a three-year CAGR of 32%.

  - Omdia estimates Orange's cloud revenue to total $1.4bn in FY2020/21.

  - Orange boasts over 3,000 dedicated consulting professionals (not all are dedicated to the cloud).

- Solid capabilities and partnerships

  - Orange can use adjacent capabilities in AI, networks, and security to bolster its cloud value proposition, delivering business solutions alongside co-creation models.

  - Orange's credibility in cloud services is boosted by its strong integration credentials.

  - From its growing partnership ecosystem, Orange is harnessing relationships with SAP and Microsoft for capabilities such as cloud certification and training, which are critical for multinational and large enterprise engagements.

  - From strong relationships with hyperscalers, namely Amazon Web Services (AWS), Azure, and Google Cloud Platform (GCP), Orange's training and certification programs will reach 7,000 candidates by 2025; relationships are built around creating sovereign cloud environments, joint go-to-market (GTM) strategies, and joint solutions.

  - Orange's professional services capabilities were bolstered following its establishment of French cloud company Bleu; Orange's cloud and analytics capabilities in Europe were also strengthened by its acquisition of Login Consultants, Business & Decisions, and Basefarm.

OMDIA

Orange: Public and private cloud

- Orange Flexible Engine is a complementary public cloud offering operated by Orange Business Services, alongside hyperscalers.

Portfolio service	Description	Comments
Orange public cloud platform (Flexible Engine and Bleu)	• Over 50 features and services are integrated onto the Flexible Engine platform, including bare metal computing, databases, dedicated cloud, storage, and others • Bleu offers sovereign cloud in partnership with Azure & Microsoft 365 • Hyperscalers' cloud services are resold	• Orange's cloud service is offered as an option for hyperscalers' customers • Satisfies protection of data and regulation as governed by EU laws and regulations • Sold alongside big data and analytics tools • Availability zones are across its data centers (in partnership with Huawei) in over 10 regions including Europe, North America, and Asia & Oceania
Private cloud	• Build and operate dedicated infrastructure for customers, either in Orange data centers, on customers' premises, or with global third parties	• Able to provide full-fledged managed services for entire cloud infrastructures globally, across legacy, database, and cloud-native infrastructures • Complementary application management services ensure scalability and optimize application performance • Integration with public cloud providers supports hybrid architecture (Flexible Engine, Bleu, AWS, Microsoft Azure, and GCP)

Source: Omdia

© 2022 Omdia

© 2022 Omdia

OMDIA

Orange: Cloud management and "innovative" services

- Orange offers value-added cloud services, including a suite of "innovative solutions".

Portfolio service	Description	Comments
Management of applications and systems (hybrid and multicloud management)	• Managed hybrid cloud services, ranging from management of cloud applications (e.g., operating systems, platform as a service [PaaS], containers, databases, and more) through to enterprise and business applications (e.g., SAP), across multiple cloud environments	• Able to support and manage across hyperscalers' platforms, including Azure, GCP, AWS, and private cloud environments • Platform allows real-time access to the health of applications across all cloud environments; orchestration options include infrastructure as code (IaC), Terraform, Heat, and command line interface (CLI) modes • Comprehensive management and support of applications services in other environments (interactions between different environments includes the development and integration of applications across clouds)
Management of innovative solutions	• Big data, AI, chatbots, and maritime connect	• This includes big data platforms offering Hadoop distribution on the market, such as Cloudera or Hortonworks • Expertise is now reinforced by the integration of Basefarm and The Unbelievable Machine, which includes specialists in data science and data analytics for enterprises
Business continuity and disaster response (BCDR)	• Backup of data in the cloud (based on Flexible Engine)	• Business continuity services included globally across all data centers

Source: Omdia

© 2022 Omdia

.

Orange: Cloud professional services: Workplace, audit and design

- Orange offers deep consulting capabilities to help enterprises throughout their cloud lifecycles.

Portfolio service	Description	Comments
Digital workspace management	• Virtual desktop infrastructure (VDI), server-based computing (SBC), and remote desktop service (RDS)	• Virtual workstations managed in a multicloud mode
Audit and strategy	• Analysis of internal systems and IT assets to determine cloud strategy	• Consists largely of three steps • Step one: Infrastructure audit, including of the business criticality of each application and all existing infrastructure components • Step two: Cloud readiness assessment to determine the type of cloud, migration path, and implementational work • Step three: Detailed cloud migration plan of all applications (if possible)
Design and migration	• Design and execute a cloud migration plan	• This includes architectural redesign to ensure optimal application portability across IT assets • Implement best practices to ensure portability • Migration plans are based on several potential scenarios

Source: Omdia

© 2022 Omdia

© 2022 Omdia

OMDIA

Orange: Value-added cloud services (security, SAP, and PaaS)

- Orange's cloud value-add includes security, SAP services, and partnership with Oracle.

Portfolio service	Description	Comments
Cloud security	• Securing entire cloud architectures in compliance with regulations	• This includes security risk assessments like cloud-specific threats on various IaaS, vulnerability testing on warehouse management systems (WMS) and application services, penetration testing, and third-party auditing • Network perimeter security is also part of this offering
SAP and Oracle partnerships	• Dedicated SAP practice • Leveraging Orange's data center assets in West Africa, offering Oracle Cloud Infrastructure (OCI)	• Supporting enterprises with SAP and SAP-HANA workloads by evaluating best architecture and migration choices, based on IT information library (ITIL) best practices • Backup and recovery solution as well as database and configuration management • Joint GTM with Oracle, complimenting Orange's managed cloud services only in West Africa
PaaS	• A development and deployment platform for enterprises to deliver applications in the cloud	• Integrating applications into the Flexible PaaS application platform (Cloud Foundry Open Source, Kubernetes, and multicloud solutions) • Application architecture consulting to increase the flexibility of microservices using cloud-native applications

Source: Omdia

© 2022 Omdia

© 2022 Omdia

OMDIA

Orange: Cloud network services (Cloud Connect)

- Orange Cloud Connect offers secure access to cloud platforms.

Portfolio service	Description	Comments
Cloud Connect	• Direct connect of Flexible Engine with multiprotocol label switching (MPLS)	• Dedicated connection, leveraging enterprises' own routers • Mutualized connection with Orange to connect sites to Flexible Engine

Source: Omdia

© 2022 Omdia

© 2022 Omdia

OMDIA

Orange's go-to-market strategy

© 2022 Omdia

OMDIA

Orange: Go-to-market strategy and differentiators

- Cloud advisory and consulting driven

  - Increasingly leveraging expanded consulting capabilities (both organically and through acquisitions) to reach new and existing customers

  - Able to engage customers throughout their cloud lifecycle, from strategy and application modernization to managed services

  - Centers of excellence (e.g., SAP, big data, AI) established to drive transformational business outcomes with customers

  - Co-creation strategies are becoming more widespread with large enterprise customers; this has increased intimacy and wallet share with these accounts

- Growing partnerships with hyperscalers

  - Strategic collaboration with Huawei, AWS, GCP, and Azure

  - Relationships are inclusive of GTM, joint solutions, and strong certification programs, while reinforcing Orange's market visibility as a one-stop-shop for enterprises' entire cloud journeys

- Extensive European and regional growth

  - Europe remains Orange's strongest region with its largest sales force. Orange targets SMEs right up to global multinationals, especially in its home market, France. Acquisitions in Europe have also extended their sales reach across the region

  - In North America, Orange largely targets existing customers while in Asia & Oceania, it targets multinationals and enterprises

OMDIA

Orange's ratings: Cloud services

© 2022 Omdia

OMDIA

Orange's ratings: Cloud

Summary

Operating model	• Europe based, global cloud services provider
Customer base	• Domestic SMEs, national, and international enterprises
Global reach	• Over 70 data centers in five continents • Over 2,500 cloud experts • Over 1,000 certifications in Azure, AWS, and GCP • Extensive global cloud network reach
Key differentiators	• Deep integration capabilities and a strong track record • Acquisitions have strengthened consulting capabilities and credentials • Data analytics skills bring a unique value proposition to the table • Co-creation with a business outcome approach and model

Source: Omdia   © 2022 Omdia

Competence — Rating

Competence	Rating
Overall leadership score	**4.4**
Cloud market clout	❶❷❸④❺
Cloud services breadth	❶❷❸④❺
Cloud managed services	❶❷❸❹⑤
Cloud professional services	❶❷❸❹⑤
Cloud GTM and partner ecosystem	❶❷❸④❺

Source: Omdia   © 2022 Omdia

Ratings summary

❶ Falls short of industry expectations

❷ Meets basic industry and customer requirements

❸ Meets complex industry requirements and customer expectations

❹ Demonstrates advanced capability

❺ Demonstrates market leadership

OMDIA

Summary and recommendations

OMDIA

Industry recommendations: Orange's cloud services

Recommendations for	Area	Recommendations
Orange's cloud services	Further build out consulting resources	• Orange is investing adequately; its focus should remain on building out consulting capabilities to support enterprises throughout their cloud lifecycles. Since cloud engagements are increasingly consulting-led, knowledge of applications and workloads will be critical. Co-creation and business outcomes approaches are key strategic bets as well.
	Data analytics capabilities	• This is a major differentiator for Orange and should be further enhanced; as more applications and data are moved into the cloud, enterprises want to extract more intelligence, making this a major value-add.
	Industry solutions	• Orange should explore pushing out industry cloud solutions, perhaps with hyperscaler partners; key verticals to focus on are manufacturing and financial services.
	Networks and security	• Orange's heritage in telecoms and cybersecurity could be more actively promoted within its cloud capabilities.

Source: Omdia

© 2022 Omdia

OMDIA

Industry recommendations: Enterprises

Recommendations for	Area	Recommendations
Global multinationals	Business case and strategic guidance	• Professional services and integration are one of Orange's key strengths—the best in Europe, but with less depth in other regions. The ability to deliver business outcomes and invest in co-creation should be factored in.
	Cloud services and data center requirements	• Orange has strengthened its cloud capabilities organically, through partnerships with hyperscalers (and certifications) as well as acquisitions. It offers a broad range of solutions and an ecosystem that any multinational can tap into. Its global data center footprint is also quite extensive.
	Trusted partnerships	• Global multinationals should view Orange as an alternative cloud operator that is hungry to win new cloud business.
European enterprises	Industry and local use cases	• European enterprises should consider Orange as it is a European leader among the telecom providers, especially since Orange has a direct presence with the additional advantage of leveraging its MPLS networks for direct cloud access.
	Opportunities for growth	• SMEs and enterprises will find a stream of cloud services from Orange including a software as a service (SaaS) marketplace to complement its infrastructure offerings.

Source: Omdia

© 2022 Omdia

© 2022 Omdia

OMDIA

Appendix

OMDIA

Rating scale for cloud

Ratings

❶	Capabilities fall short of basic industry expectations
❷	Meets basic industry and customer requirements, but lacks advanced options and/or a differentiating position
❸	Meets sophisticated customers' and industry expectations, both in fundamental capabilities and detailed features and options
❹	Demonstrates comprehensive capabilities, backed by an exceptional range of options and/or specialization
❺	Demonstrates market leadership that others in the industry must align with or compete against

Source: Omdia   © 2022 Omdia

Competencies and criteria

Market clout	Total cloud services revenue and growth; demonstrated thought leadership in cloud across industries and use cases; influence on competitors, customers, and prospects in cloud; cloud market reach by industry/vertical and geography; importance as strategic IT services provider in cloud for key clients and major IT services deals featuring cloud.
Cloud services breadth	Breadth, depth, and maturity of cloud-specific managed services; management and optimization of an entity's cloud lifecycle; specificity and maturity of hybrid and multicloud service capabilities; cloud-specific industry expertise; reference clients in cloud-managed services and IT operations; and a breadth of third-party cloud services supported.
Cloud managed services	Breadth, depth, and maturity of cloud-specific consulting and professional services, including technical and strategic advisory services across design, building, integration, and optimization; an ability to offer custom solutions based on customers' individual needs, willingness or ability to co-create and innovate; and a breadth of third-party cloud provider services supported.
Cloud professional services	Breadth, depth, and cloud partner ecosystem across hyperscalers, private, independent software vendors (ISVs), system integrators (SIs), and strong direct sales and/or channel partner interest; evidence of large or vibrant partner ecosystem and meaningful strategic alliances with key players including hyperscalers, system integrators, and IT solutions vendors.
GTM and partner ecosystem	Cloud solutions and expertise across public and private cloud, ISVs and SaaS, colocation centers, hosting and proprietary (telco) cloud environments; a range of portfolio features and options for hybrid and multicloud; and a breadth of accreditations and certifications with cloud providers.

Source: Omdia   © 2022 Omdia

OMDIA

Definitions for cloud

- Enterprise cloud services assessments use qualitative ratings, based on the analyst's understanding of the subject company's service capabilities, influence, and effectiveness, relative to an industry average among leading peers. The ratings and averages are based on public information and on analysts' knowledge of the industry and its players.

Rating context	Explanation
Geography	This report assesses enterprise cloud services on a global scale across several markets served by leading telcos; key regions include North America, Europe, and Asia & Oceania.
Customers	This report's scoring favors telcos that offer a wide variety of hybrid and multicloud services or have comparatively more depth of expertise in cloud management professional services across larger enterprises and government sectors and across different workloads and use cases.
Portfolio ratings	Ratings for cloud services feature telcos that offer hybrid and multicloud solutions directly or indirectly; i.e., value-added resale, integration, and management or third-party, telco or proprietary cloud capabilities spanning containers, infrastructure, platforms, and software, with expertise in managed and professional services across these cloud(s). This rating also favors innovation, differentiation, and a degree of repeatable solutions versus customization.
Market ratings	Market clout, evidence of thought leadership, GTM, and partner ecosystem ratings represent a broad scope of the provider's strength and effectiveness in cloud and related services. The provider's overall cloud-specific size and influence such as partnership level (e.g., public cloud certifications, managed service provider [MSP] status); effectiveness in sales, marketing, onboarding, and managing the customer experience is also considered.
Adjunct factors	Additional factors assessed reflect continued maturing of cloud services, including research and development (R&D) and investments in cloud, certified staff, accreditations, partner integrations (e.g., APIs), and adjunct services such as cloud security, application migration and modernization, data centers, IoT, 5G, and edge capabilities that integrate or support cloud capabilities.

Source: Omdia

© 2022 Omdia

OMDIA

Appendix (1/2)

Further Reading:

Digital Enterprise Services Insights: Hybrid and Multi-Cloud Services – Global 2022 (Coming soon)

Digital Enterprise Services - Hybrid Cloud Services Forecast – Global 2021–26 (Coming soon)

Digital Enterprise Services Insights: Global CxO Tech Services Agenda 2021 Mid-Year Update (September 2021)

Digital Enterprise Services Insights: Global Cloud Services 2021–22 (August 2021)

2021 Trends to Watch: Cloud Computing (January 2021)

Author
Adrian Ho, Practice Leader, Digital Enterprise Services
askananalyst@omdia.com

OMDIA

Appendix (2/2)

Omdia Consulting

We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Omdia's consulting team may be able to help you. For more information about Omdia's consulting capabilities, please contact us directly at consulting@omdia.com.

Citation Policy

Request external citation and usage of Omdia research and data via citations@omdia.com.

© 2022 Omdia

OMDIA

Disclaimer

The Omdia research, data and information referenced herein (the "Omdia Materials") are the copyrighted property of Informa Tech and its subsidiaries or affiliates (together "Informa Tech") or its third party data providers and represent data, research, opinions, or viewpoints published by Informa Tech, and are not representations of fact.

The Omdia Materials reflect information and opinions from the original publication date and not from the date of this document. The information and opinions expressed in the Omdia Materials are subject to change without notice and Informa Tech does not have any duty or responsibility to update the Omdia Materials or this publication as a result.

Omdia Materials are delivered on an "as-is" and "as-available" basis. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, or correctness of the information, opinions, and conclusions contained in Omdia Materials.

To the maximum extent permitted by law, Informa Tech and its affiliates, officers, directors, employees, agents, and third party data providers disclaim any liability (including, without limitation, any liability arising from fault or negligence) as to the accuracy or completeness or use of the Omdia Materials. Informa Tech will not, under any circumstance whatsoever, be liable for any trading, investment, commercial, or other decisions based on or made in reliance of the Omdia Materials.

Get in touch
Americas
E: customersuccess@omdia.com
08:00 – 18:00 GMT -5

Europe, Middle East & Africa
E: customersuccess@omdia.com
8:00 – 18:00 GMT

Asia Pacific
E: customersuccess@omdia.com
08:00 – 18:00 GMT + 8