5G, CLOUD AND EDGE ECOSYSTEMS: WHAT WE LEARNT FROM THE EXPERTS

Vodafone, Verizon and Tata Communications are all early movers in addressing the edge computing opportunity. This article explores lessons they have learnt and asks some of their senior decision makers how they see edge computing evolving for telecoms operators in 2021 and beyond.

Tilly Gilbert, Senior Consultant

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This article summarises lessons learnt from our recent webinar: 5G, Cloud and Edge Ecosystems. We spoke to:

- **Jennifer Didoni, Head of Cloud Portfolio Management at Vodafone Business**
- **Tri Pham, CSO at Tata Communications**
- **Gordon Hewitt, International Innovation and 5G Executive at Verizon**

To watch the full recording, click here.

Are we at a tipping for edge computing and what's new in conversations with enterprise customers?

> Instead of talking about technology, our conversations focus on business outcomes. COVID has driven massive change within enterprises and they are now evaluating how technology can enable the "new normal".
>
> ***Gordon Hewitt, International Innovation and 5G Executive at Verizon***

While still nascent, edge (along with 5G) is being increasingly brought up by customers, asking if the technology is relevant for them. It was pointed out that some use cases are more mature than others; its often those where edge is the biggest enabler of the solution where this is the case. Jennifer Didoni listed video analytics and computer vision as examples of this.

Enterprises seem to have edge computing firmly on their radar now and, as Tri Pham described, are taking part in proof of concepts with a defined idea of the use cases that they want to test. To respond successfully, telcos need to retain agility because what customers come into conversations wanting and what ends up being valuable for them can be two different things.

Are there different requirements for SMBs versus large enterprise customers?

> For Vodafone, the biggest change is the nature of the customers we are working with. Typically, we sell into the big corporates but we are now having a lot of conversations with SIs and ISVs. The ecosystem is really broadening.
>
> ***Jennifer Didoni, Head of Cloud Portfolio Management at Vodafone Business***

Of course, no one enterprise is the same and edge deployments and POCs to date are often completed with large corporate customers as the anchor / trophy client. As the edge becomes more productised, it is likely that edge providers will focus increasingly on offerings for more than just the largest of enterprises. For an operator like Vodafone, that already has a strong SMB offering, this is already an area of focus. Jennifer Didoni particularly highlighted the number of manufacturing SMBs in mainland Europe as a rich potential edge opportunity.

In comparison, highlighting the difference in their existing customer base and skill set, Tri Pham from Tata Communications stated that, since their systems are all designed with large enterprise in mind, they are unlikely to pursue a edge strategy specifically for SMBs. They require different sales cycles, and the operations and provisioning have to be able to provide customer experience for a customer that may not have an IT department at all. An "in a box" type solution such as those being explored by Dell Technologies and AWS may be a compelling, simple, compact proposition that can address this customer segment.

It is certainly clear that edge not a monolithic proposition, and as the market matures, those telecoms operators at the fore are already thinking about product sets, delivery methods and appropriate channels for the different types of customers they hope to address.

Verizon, Vodafone and Tata all have partnerships with hyperscale cloud providers – how are the dynamics between these players evolving?

> The difference between being a connectivity player and being a cloud player is very thin for me, at the moment.
>
> ***Jennifer Didoni, Head of Cloud Portfolio Management at Vodafone Business***

Jennifer Didoni from Vodafone described the multiple options that Vodafone are exploring, from working with AWS to launch network edge locations in the UK and Germany next quarter, to working with Microsoft for their on-premise edge (plus private network) proposition. She also highlighted their strategic partnerships with IBM in the multi-cloud space, to provide tools to manage multiple clouds.

Verizon too have an AWS partnership and are looking to deploy MEC for internal customers in 2021. Tata Communications are working with Microsoft Azure with their private edge zones solution as one of the coupled networking solutions embedded in the offering.

While each are leveraging the skills and capabilities of hyperscalers to augment their own proposition, Jennifer, Gordon and Tri all highlighted the importance of identifying the sweet spot role for the telco that enables them to differentiate from their hyperscale partners. For Jennifer, the key differentiating skill for operators is their ability to deliver services at scale, globally **with guaranteed SLAs**. For enterprises that wish to consume both their cloud and network services with that guarantor, operators can set themselves apart.

In comparison, Tri Pham indicated that the key operator niche would be in embracing the role of coordinator or orchestrator. For him, telcos will provide value to enterprises in bringing together technology for various parties to create an end-to-end solution, helping the enterprise manage those players and giving them visibility over all of this. To do this successfully, operators are likely to need to embrace neutrality, a step that Tata Communications is already beginning to make, where they offer the coordination role even if the customer chooses to use a different network to themselves.

How ready are telcos for selling edge services and engaging customers?

Historically, the enterprise division of telecoms operators has focused on selling mobile SIMs to business customers; a pre-packaged, horizontal product. In comparison, for many operators, edge computing offers an opportunity to sell new types of services to customers that require a different set of skills; a more consultative sale that will often require deeper, verticalised understanding.

Some operators have already begun to develop these capabilities. Gordon Hewitt highlighted that Verizon already has a significant business with enterprises outside of the US where they do not have a mobile offering. This means they are already used to needing sales and product strategies that support this.

> It is a mistake to try and be all things for everybody. Telcos must narrow their focus to the key use cases for their own customer base.
>
> ***Tri Pham, CSO at Tata Communications***

Both Jennifer and Tri focused on people and recruitment as the critical next step for operators to successfully deliver edge solutions. Jennifer indicated that Vodafone are moving from sales generalists to developing sales specialists to help with their proposition for enterprises. Tri, too, mentioned that recruitment is the key challenge operators still need to overcome. This includes sales skills, but also the requirement for more software engineers and those skills in running both cloud and networking.

For Tata Communications, the end goal is to become a managed service provider for edge computing solutions. This will require end-to-end management of solutions and a high level of engagement with partners within the ecosystem. Today, most operators are not ready to step up to this role, but many have this ambition.

Our discussion with Jennifer, Tri and Gordon highlighted their strong visions, however, and some of the steps along that journey they have made so far.

Tilly Gilbert is a Senior Consultant at STL Partners, specialising in edge computing, 5G, and artificial intelligence.

Get in touch with the author to learn more

tilly.gilbert@stlpartners.com

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