

CenturyLink lays the foundation for managed hybrid IT in Asia with CenturyLink Cloud

Analyst: Agatha Poon

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CenturyLink has expanded its cloud footprint in Asia with the launch of a new public cloud node in Singapore. Together with the existing CenturyLink Cloud nodes in North America and Europe, the company is enhancing its global cloud credibility. The focus of the regional team is to solidify its position as a leading managed hybrid IT provider in Asia-Pacific, using Singapore as a business hub while pursuing international expansion. Targeting multinational corporations (MNCs), the next big task for CenturyLink is to lay the foundation for Platform CenturyLink – a multi-year project to make various enterprise services easily accessible and manageable by using the very same automation and orchestration engine that enables CenturyLink Cloud.

The 451 Take

Taking a single-vendor approach to enabling managed hybrid IT, CenturyLink has expanded its service breadth and depth organically and inorganically. On the product front, the acquisitions of Tier 3, AppFog, DataGardens, Cognilytics and Orchestrate have not only provided CenturyLink with significant IP and talent, they also represent the key building blocks that help the company to bring the vision of Platform CenturyLink to fruition. While not all acquired services and offerings are deployable in Asia-Pacific today, the goal is to deliver a consistent product portfolio and service capability leveraging CenturyLink Cloud as a foundation. The company recognizes the growth and excitement around AWS, Google and comparable services, and it is hoping to create its own value proposition through investing in platform management capabilities, rather than delivering vanilla clouds. Beyond deepening service capability, CenturyLink will need to turn up its marketing volume as it continues to exert its market influence in a region that is highly diverse.

Context

CenturyLink (via Savvis, acquired by CenturyLink in July 2011) began operations in Asia-Pacific in 1999, and has offered virtualized hosted infrastructure in this part of the world since 2007. The company has developed a base of enterprises, including both MNCs and regional enterprises operating in Asia, as well as local business organizations. When it comes to discussing its cloud journey, CenturyLink (formerly Savvis) is an early mover with both custom and standard private cloud offerings. As noted, the recently launched CenturyLink Cloud (in Singapore) is the company's fourth-generation cloud platform, which is running in parallel with the first- and second-generation enterprise cloud platforms in Asia-Pacific.

The company has a total of 58 datacenters globally. In Asia-Pacific, CenturyLink has seven facilities, four of which are self-owned managed datacenters and three are strategic partnerships with service providers. In April CenturyLink announced a strategic partnership with NEXTDC. This partnership will leverage NEXTDC's 5 Australian datacenters for colocation services, with cloud and managed hosting to soon become available in Australia. As part of its international expansion plans, CenturyLink is committed to investing further in markets like Singapore, Hong Kong and Australia, where it has already established a solid presence and is bringing the notion of managed hybrid IT to the forefront. On the network front, the company will continue to upgrade and add new points of presence in Asia-Pacific.

Technology and product

With the introduction of a new cloud node in Singapore, CenturyLink Cloud (the multi-tenant public cloud platform enabled by Tier 3, which CenturyLink acquired in 2013) is now available in 13 locations across North America, Europe and Asia-Pacific. Virtualization and cloud computing technologies aren't really new to Asian enterprises. As noted by CenturyLink, it's still running the first- (dedicated cloud compute) and second- (VPDC) generation cloud platforms, and the growth for dedicated cloud compute remains strong in the region. With that in mind, the company will continue to support multiple cloud platforms in the foreseeable future, although its vision is to provide a single pane of glass for the management of multiple services.

At the core, the automation and orchestration engine of CenturyLink Cloud has laid the foundation of the company's cloud strategy and product roadmap. For public cloud service, customers in Asia-Pacific have access to either standard or hyperscale VMs. Using managed service as a service wrap, the company has provided managed cloud options in a number of cloud datacenters in the

US and Europe. With that said, its managed cloud offering is not yet available in Singapore. But the goal is to have a consistent product portfolio and service capabilities to support global MNCs and regional enterprises. Accordingly, a managed cloud option will be available shortly in Singapore.

Delivering a rich user experience is an area that differentiates CenturyLink Cloud from its previous versions of cloud offerings. Among a number of enterprise-focused features, price transparency and chargeback capability are noteworthy enhancements, since they haven't been a focus among cloud providers. The key to this new capability is CenturyLink Cloud Portal, which, in essence, is a cloud provisioning and management tool for IT admins, line-of-business (LoB) managers, and service-provider partners to deploy, adjust and manage their infrastructure resources in real time. Pricing information is clearly presented and easily adjusted, depending on the selection of various variables. This means users are now able to make informed buying decisions all the way down to the sub-account level, and are billed separately.

At present, CenturyLink Cloud is delivered out the company's datacenter in Singapore. For customers looking for geo-redundancy, this is where DataGardens' disaster recovery as a service (acquired by CenturyLink in 2014) comes into play. While delivering disaster recovery in the cloud, CenturyLink notes that customers tend to be less concerned over data sovereignty and locality for the DR site. Other cloud offerings, such as PaaS (via the acquisition of AppFog), already have a blueprint and can be deployed in Asia-Pacific, although this version is geared toward Web developers. The company says it is working on version 2.0 for its PaaS offering, which is designed to be enterprise-ready.

Targeting global MNCs and regional enterprises, CenturyLink also hopes to make a compelling use case in the managed hybrid IT arena, for which customers can leverage its network and datacenter footprint, cloud platform, and integrated control panel to create their optimal deployment models.

Strategy

CenturyLink sees its managed service capability as part of the value proposition to enable managed hybrid IT. The company says it provides three levels of managed services, ranging from fully automated management (e.g., patch management) and semi-automated monitoring (e.g., intelligent hosting) to high-touch service management, and is backed by the follow-the-sun support team. There are three network operations centers located in Singapore, UK and US to ensure optimal operations across a variety of platforms and product offerings.

The company has a long history of utilizing partnerships to drive sales momentum and facilitate

implementation. This is especially the case in Asia-Pacific, where local SIs and datacenter specialists are playing a pivotal role in developing long-standing relationships with enterprises, including government customers in Asia-Pacific. In China, for instance, CenturyLink has strategic partnerships with GDS Services, Neusoft and CITIC Telecom CPC to provide managed hosting and dedicated cloud computing offerings, leveraging their domain expertise, and datacenter and network assets. As the company looks to ramp up its penetration into Asia-Pacific with CenturyLink Cloud, it expects to grow its partner ecosystem to include cloud distributors and white-label cloud partners. Using the very same CenturyLink Cloud portal, partners can expose different service variables based on segment-specific demand and upload their own logos for branding.

Competition

CenturyLink may be a latecomer in the multi-tenant public cloud market in Asia-Pacific when compared with rivals like Amazon Web Services, Google, Microsoft and SoftLayer, but the company believes that it is well positioned to take on bigger and more established public cloud providers with CenturyLink Cloud. In the context of delivering end-to-end managed hybrid IT offerings, telecom peers such as BT, Orange Business Services, NTT Communications, SingTel, Tata Communications, Telstra and Verizon are eager to stake their claims with strategic investments and M&A activities. With that said, CenturyLink says it has hardly seen any competitive threat from these providers. While Rackspace is actively pursuing cloud opportunities in Asia-Pacific, CenturyLink doesn't see itself competing with Rackspace for the same enterprise segment. Large SIs that have taken a hybrid approach to IT service management may bump up against CenturyLink while prospecting. These include CSC, Dimension Data, Fujitsu, HP, NEC and IBM, among others. Additional competition in managed network and cloud services comes from the likes of CITIC Telecom CPC (which is also a partner in China), Datacom, PCCW Solutions and Macquarie Telecom, particularly in the midmarket.

SWOT Analysis

Strengths

CenturyLink has a ready-made customer base for managed services and private cloud offerings. The availability of CenturyLink Cloud in Asia-Pacific helps augment its managed hybrid IT capability.

Opportunities

The cloud computing market in the Asia-Pacific region is expected to grow more than threefold by 2019, from \$1.8bn in revenue in 2014 to more than \$6.4bn, according to 451 Research's Market Monitor. There is room for every player.

Weaknesses

Going after global MNCs and regional enterprises, the company could do more to deliver a consistent, seamless user experience regardless of deployment model and platform choice. Its investment in the automation and orchestration stack is a first step.

Threats

Aside from fending off competition, industry-specific regulatory barriers for running production workloads in the cloud still exist, and data sovereignty remains a contentious issue in individual Asian economies.

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