

MARKET INSIGHT

CENTURYLINK IN ASIA-PACIFIC: EXCITING TIMES AHEAD

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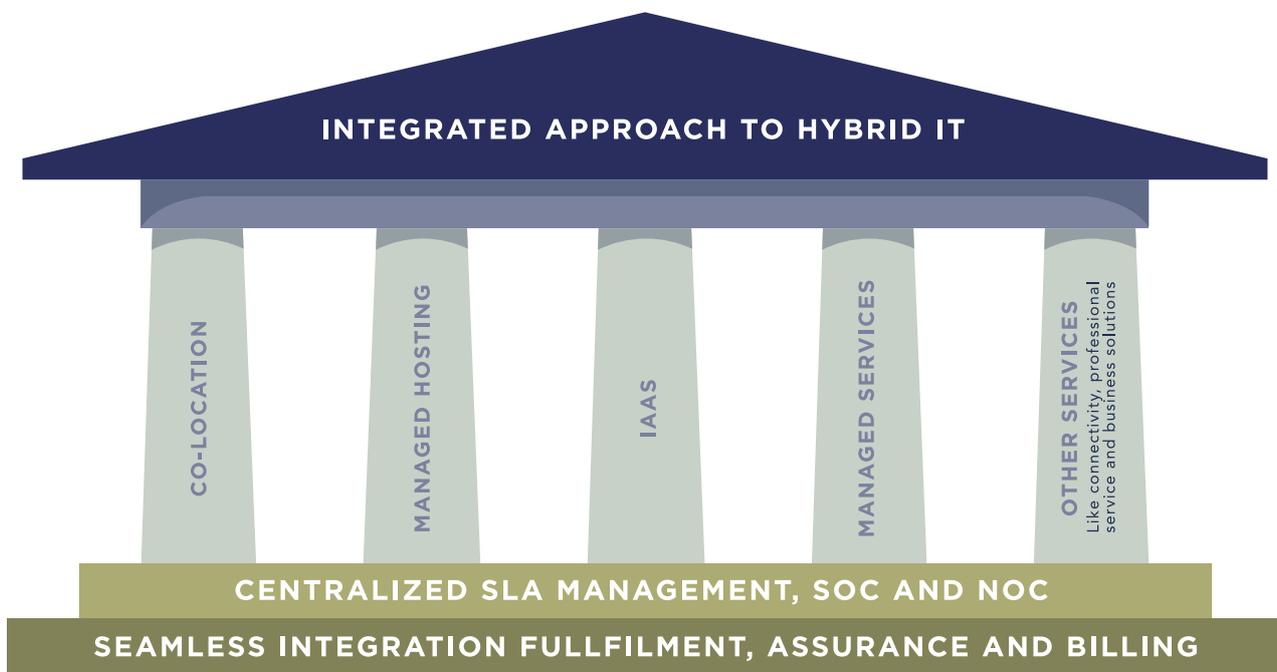


In the past 18 months, CenturyLink has been aggressively ramping up its presence in the Asia-Pacific region. From establishing data centers in new markets such as Australia and China to launching several cloud nodes in the region, the company is taking strategic steps to set up a definitive presence in the Asia-Pacific. While this is in response to its global customers' demand to serve their local needs, CenturyLink has a clear strategy in place to gain local mindshare and customer base through a differentiated Managed Hybrid IT value proposition.

According to Frost & Sullivan research, businesses today deal with a myriad challenges in managing their enterprise IT. Capital budget constraints, growing data storage needs, and slow or poor application performance are the top three factors technology decision-makers face. The new demands of business characterized by the need to improve business agility, enhance price-performance measure, and foster innovation further complicate the role of the CIO and IT team. There is enormous pressure on CIOs to reduce the cost of managing IT infrastructure while ensuring optimal performance levels with cost-efficient service level agreements (SLAs) and risk management to help ensure viable operation. To manage business, commercial and technological considerations, an increasing number of organizations are moving to a Hybrid IT environment.

<p>While the shift to Hybrid IT is helping to overcome most of the issues mentioned above, it is also creating new challenges for the CIO, such as:</p>	<ul style="list-style-type: none"> ○ Managing aging/legacy and new applications ○ Ensuring integration across diverse environments ○ Assessing risk factors with various environments and vendors ○ Managing multiple vendors, their SLAs and pricing
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These issues can influence the CIO's ability to contribute towards and support innovation and entrepreneurship in an organization, and in turn, affect the customer experience and competitiveness of the business. Today, industries are witnessing rapid transformations as new disruptive technologies come to fore and change the status quo. This is where a Managed Hybrid IT approach holds its own. Frost & Sullivan defines an integrated Hybrid IT environment as per the figure below .



<p>For a truly integrated approach to Hybrid IT, the following three characteristics are essential:</p>	<ul style="list-style-type: none"> ○ Service integration ○ Easy management and centralized control ○ Integrated support and management
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CenturyLink is one of few service providers in the world that is able to deliver an integrated Hybrid IT environment to customers through its end-to-end services portfolio. The company’s impressive portfolio has been built over the past four years as a result of several strategic acquisitions including Savvis, Tier 3, AppFog, DataGardens, Cognilytics and Orchestra. The resultant portfolio checks on all three characteristics highlighted above. In fact, CenturyLink takes this proposition one step further with its Managed Hybrid IT value proposition that spans across co-location, managed services, cloud and network services. The company invests significantly in its capabilities and people to allow it to effectively manage the Hybrid IT environment on behalf of its customers. By leveraging on the deep domain knowledge and skills of one vendor for most of their enterprise IT needs while off-loading the management to the vendor, CIOs can now focus more on driving business model innovations and digital disruptions than on managing IT and vendors.

In the Asia-Pacific region, CenturyLink is rapidly scaling up its presence and capabilities to bring a truly unique value proposition to regional markets. The company already serves major hubs/nodes in Singapore, Hong Kong, Japan and Australia and meets domestic demand through local presence in areas such as Mainland China and India, all supported by its vast connectivity network that runs across 10 countries in the region. It also leverages on an ecosystem of partners that spans technology vendors, system integrators, distributors and value-added resellers. The partner ecosystem aims to drive greater coverage across key markets than what its direct sales force has today. Partners can also white-label services and take them to customers as their own, a differentiated value vis-à-vis a hyper-scale cloud service provider. This coupled with a thorough onboarding program adds to the attraction for partners.

In terms of future growth in the region, four things stand out for CenturyLink ahead of its competitors:

<p>GLOBAL SCALE</p>	<p>A network of more than 60 data centers worldwide supported by a vast connectivity network. The extensive network of data centers is backed by stringent SLAs and has demonstrated 100% uptime in the past.</p>
<p>EASY TO USE INTUITIVE CUSTOMER PORTAL</p>	<p>CenturyLink boasts one of the best customer experiences via its portal, especially for cloud services. The online portal is easy to use for almost all types of users and provides extensive visibility into the current health, utilization, spending and other aspects of the customer’s IT environment. Armed with this information, users can make changes right from the customer portal and see them implemented.</p>
<p>A TECHNOLOGY PLATFORM MADE FOR EVERYONE</p>	<p>The underlying technology platform for its Managed Hybrid IT strategy has been assembled via in-house development and strategic acquisitions in the past four years adding multiple facets such as Agile and DevOps; deep API integration; and PaaS integration to attract different sets of users including developers, operations, line of business managers and application managers.</p>
<p>SEAMLESS INTEGRATION ACROSS IT ENVIRONMENTS</p>	<p>The strength of Century Link’s technology platform extends to its integration of co-location, managed hosting and cloud environments. This allows CenturyLink to offer another essential element of a true Hybrid IT environment – the flexibility to migrate workloads across delivery models. It does not lock in clients into one IT environment, and instead brings new levels of agility and flexibility to rapidly-evolving businesses</p>

While CenturyLink is achieving tremendous success with local enterprises, it needs to overcome a few hurdles to become a formidable competitor in the Asia-Pacific. First, its brand recall continues to be low in the region. Brand recognition plays a critical role in the selection of service providers and should be explored in the short-term. Second, its channel strategy and ecosystem for the region is still in its infancy. However, the company is taking significant steps to address this with the addition of an experienced channel team in the region to accelerate CenturyLink’s expanding presence in the Asia-Pacific.

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