

Orange Business Services - Managed Hybrid Cloud Services



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Larsen DeCarlo, Amy

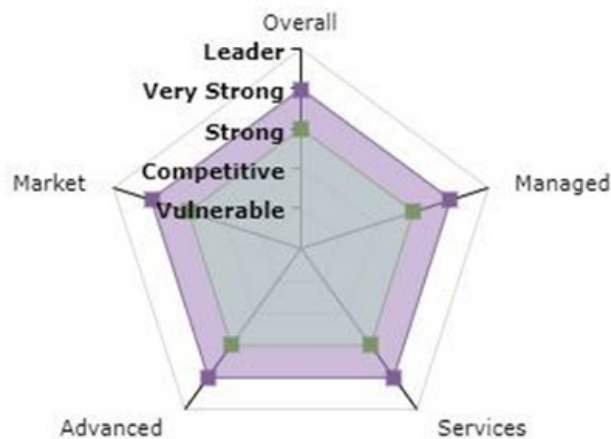
PRODUCT ASSESSMENT REPORT - MANAGED HYBRID CLOUD SERVICES

REPORT SUMMARY

Orange’s multi-cloud efforts are paying dividends in both services innovation and revenue growth. The provider continues to expand and deepen its partner ecosystem, strengthening its enterprise appeal.

SUMMARY

Product Ratings



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- Orange Business Services - Managed Hybrid Cloud Services
- Product Class Average

WHAT'S NEW

- **November 2020:** Orange Business Services (Orange) struck a global strategic collaboration agreement with Amazon Web Services (AWS) and opened a center of excellence dedicated to support the hyperscaler's clients.
- **October 2020:** Orange Business Services is transferring all of its healthcare services to its Enovacom subsidiary.
- **July 2020:** Orange and Google entered into a partnership with Google centered on cloud, AI, and edge computing.

PRODUCT OVERVIEW

Product Name	Orange Business Services Global Cloud Services
Description	The Orange Business Services hosting and cloud services portfolio includes cloud computing (infrastructure as a service) and other hosted IT services 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	<ul style="list-style-type: none"> • Managed Application Services • Private Cloud Services • Multi-Cloud Services • Public and Private IaaS • Virtual Private Cloud • Professional Services • Colocation Services
Key Customers	<ul style="list-style-type: none"> • Amcor • BMW • Borgward Group • European Space Agency • Haier • JTI • Lane Crawford • Siemens
Key Rivals	<ul style="list-style-type: none"> • DXC • IBM • Lumen • Rackspace

ESSENTIAL ANALYSIS

Strengths

- **Catalog Depth:** Through both acquisition and organic expansion, Orange Business Services has built out an extensive managed services portfolio 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, AIOps, 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 multinationals operating in other countries. However, more than half of Orange IT & Cloud Services revenue is coming from outside of France. 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:** Orange has made a number of acquisitions to strengthen its staffing resources, including the additions of Basefarm 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.
- **COVID-19:** With the economic fallout from the global pandemic expected to have a major impact on 2021 IT budgets, there are concerns that many anticipated projects will be delayed for the foreseeable future, including some significant cloud and edge-related engagements. Orange and its peers face an uncertain new year.

CURRENT PERSPECTIVE

VERY STRONG

Orange Business Services is very strong in the hybrid managed 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 proven through strategic partnerships signed in 2020 with AWS and Google. 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, application management, 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 2,400 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 automation, AIOps, and 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 (with over 17 million managed IoT devices), 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

MANAGED/HYBRID CAPABILITIES

Rating:	Very Strong
Private Cloud Services:	Orange Business Services' private cloud offers incorporate infrastructure, outsourced services options, and professional services. The Orange private cloud services can run on the client premises and/or those of Orange facilities, or even in the data centers owned by third-party partners. Key technology partners include VMware, Nutanix, and Microsoft Azure.
Hybrid Cloud Services:	Orange offers bespoke hybrid cloud solutions to clients running on VMware vRA, Prologue's UseltCloud multi-cloud cloud management platform, or Orange's own Digital Service Request Form (DSRF), which can connect to either Orange's own Flexible Engine public cloud or third-party clouds.
Public Cloud Services:	<p>Flexible Engine: Orange's public cloud offer provides a number of features and options including auto-scaling, bare metal, cloud container service, image management service, dedicated host, and server migration service.</p> <p>Orange also provides public cloud and multi-cloud services on top of hyperscalers including AWS, Azure, Google Cloud Platform, and Oracle Cloud.</p>
Dedicated Hosted Services:	Traditional dedicated hosted services delivered from 70+ data centers globally.
Colocation Services:	40 data centers globally offer colocation. Many of Orange Business Services' 1,500 PoPs worldwide are also used for colocation.

Disaster Recovery 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 Disaster Recovery Plan (DRP) service to have their solution hosted globally or partially in the two data centers in active/passive or active/active mode (bespoke solution).

In addition, a cloud-native DRP running on the Orange Flexible Engine public cloud can be set up from existing IT infrastructure so as to benefit from a cloud pay-as-you-use (PAYU) billing model.

Application Re-Engineering Services:

Orange delivers application re-engineering services. These include application performance management solutions implementation, application re-hosting, re-platforming, re-factoring, etc. based on DevOps and cloud-native architectures (containers, microservices, etc.). Orange also partners with Accenture, Wipro, CGI, and others to provide application modernization and integration services.

Cloud Migration and Implementation Services:

Orange Business Services provides structured services to help customers define how to rationalize, consolidate, and migrate their workloads to the cloud. Services include a cloud-readiness assessment, data center network infrastructure audits, data center move and consolidation, infrastructure transformation and transition, and storage optimization as well as vulnerability and security assessment.

Cloud Management and Operations Services:

Provides management support for public (AWS, Azure, GCP, Oracle, Orange's Flexible Engine), private, hybrid, and multi-cloud environments for the full stack from connectivity to applications.

Security and Compliance Services:

All data centers are SAS70 compliant, and operational organizations are ISO9K/20K compliant. Virtual private clouds have six security zones as well as dedicated firewalling and physical server options. Orange Cyberdefense, the provider's security services unit, offers a full complement of managed and consultative services. Orange is also a co-founder of the GAIA-X European initiative-- a secure, federated system that meets the highest standards of digital sovereignty.

Supplemental Cloud 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.

Pricing Model:

Monthly charges are based on the total processing power, storage, and network bandwidth resources used.

SERVICES INFRASTRUCTURE AND RESOURCES

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 70 data centers are Tier 3 or Tier 3+.

Professional Services Resources:	2,400 cloud experts + 3,900 AI, data analytics, and digital experts
Global Cloud Partnerships/Certifications:	Signed strategic partnerships in 2020 with Google and AWS (press release available on Orange's site). Provides multi-cloud management support for AWS, Google Cloud Platform, and Microsoft Azure.
Key Technology Partners:	Azure, AWS, GCP, Huawei, Microsoft, Citrix, NetApp, Cisco, VMware and Dell EMC, SITA, NTT Communications, HP, Accenture, IBM, Atos, and Unisys

ADVANCED CLOUD SERVICES

Rating:	Very Strong
Container Services:	Container Cloud Services: Running on the Kubernetes orchestrator, the Container Cloud Services deploys and manages Docker applications and also provides a graphical orchestration tool for easily building and deploying applications.
Analytics:	Offers supporting services to clients that want to build a data lake on Orange cloud as well as on hyperscalers (AWS, Azure, GCP). Provides data analytics and data science expertise on top of big data infrastructure.
Blockchain:	Hosts crypto providers' ledgers on its cloud; works on co-innovation projects to build solutions.
Edge Compute:	Partnering with Google Cloud and AWS to develop edge compute solutions for IoT and other use cases.
Industry-Specific Solutions/Practices:	Orange's 'Vertical Cloud' concept provides cloud computing solutions that address specific applications and domains, via vertical platform-as-a-service environments tailored to specific industries. Orange also runs a co-innovation program with customers so as to define and deliver business-oriented solutions based on innovative technologies such as computer vision, drone, IoT sensors, etc.

MARKET TRACTION

Rating:	Very Strong
Cloud Services Revenue:	Orange does not disclose cloud services revenues, but contract wins/extensions point to strong growth.