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Orange Adds Predictive AI Power to Its Network Monitoring with Service Manage-Watch Launch

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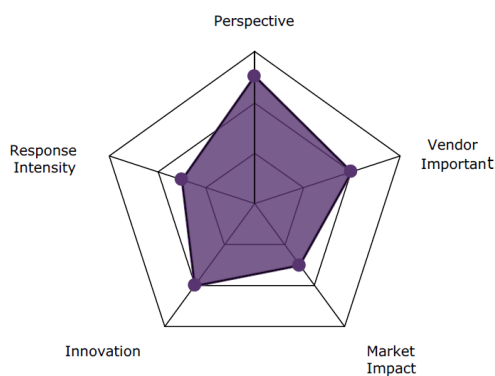
INTELLIGENCE REPORT

REPORT SUMMARY:

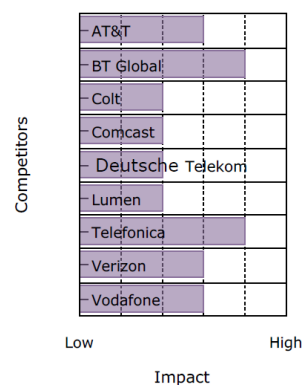
Orange’s new Service Manage-Watch network monitoring proposition offers AI-enhanced capabilities, including a predictive element backed by SLAs. Service monitoring is mission critical for businesses, and AI will be a key point of differentiation.

QUICK TAKE

EVENT RATING



COMPETITIVE IMPACT



EVENT SUMMARY

May 24, 2022- Orange Business Services has launched Service Manage-Watch, a network monitoring service that includes the full range of traditional network monitoring and reporting capabilities with the addition of an AI component. The AI capabilities include automated reporting of AI tickets and an ongoing AI/machine learning process designed to improve fault detection/anticipation and remediation as well as improving overall network performance.

ANALYTICAL PERSPECTIVE

GlobalData is very positive on Orange Business Services' new Service Manage-Watch proposition because it offers a convincing and meaningful first step on the path to delivering AI-powered automated networks. The final goal remains ill-defined and a long way off, but Orange has set out the beginning of what it may look like, at least when it comes to service monitoring and error prevention/correction. It is important that Orange has backed Service Manage-Watch's predictive capabilities with SLAs as it is a demonstration of faith, rather than the aspirational air that has surrounded many previous announcements from telcos when it comes to predictive networking.

Ten percent (10%) of tickets being issued automatically is not a dramatic commitment, and Orange's rivals will be tempted to dismiss it as at best a marginal factor. However, it is certainly better for Orange to act with caution than to trust that an AI platform will be able to get everything right the first time. No two enterprise networks are configured in exactly the same way, and it will take time for AI to be able to recognize what is optimal/sub-optimal behavior across multiple topographies and services.

This launch is also important for Orange as it sets out a way that it can begin to differentiate itself from both its telco and SI rivals, but also from hyperscalers who are increasingly intent on muscling in on the WAN market. The majority of Tier I telcos are already operating AI across their networks both to guide investment and to improve performance/predict faults. Offering predictive maintenance to customers is significantly less common and more challenging to achieve.

Orange is positioning itself in the vanguard in a key battleground. GlobalData's research highlights that customer portals remain vital to enterprises even as a managed services approach becomes more common. Most enterprises are also underwhelmed with the experience they have received so far from monitoring portals. The predictive element will be attractive to many MNCs. Being able to apply this approach to a multi-cloud environment is also key to highlighting why telco networks have an edge over hyperscaler solutions. Orange can offer service monitoring down to the access level in a way that hyperscalers cannot.

A fly in the ointment is that each hyperscaler can offer greater visibility into workloads running on its own infrastructure- something that Orange cannot do at present. But this hyperscaler advantage does not extend to workloads running on rival hyperscaler platforms and is not likely to in the near future. The reality is that most enterprises operate a hybrid, multicloud environment including public, private, and co-located infrastructure. Orange and other telcos can differentiate through their relative cloud neutrality. Tools like Service Manage-Watch are the beginning of building the clear business case for this model by establishing the telcos are more than just 'dumb pipes.'

The final piece is the AI itself. Orange has not built the platform, but it has invested in data experts and consultants who can advise on how to get the best out of it. GlobalData's conversations with businesses who have already tried to implement AI technologies suggest that a DIY approach is difficult and often unsuccessful. By positioning itself to engage at the consultative level, Orange is expanding its ability to have important conversations with enterprises and to make itself more mission critical.

Service Manage-Watch is only a tentative first step, but it is a good first step.

COMPETITIVE STRENGTHS

Service Manage- Watch has been live to customers since February, giving Orange time to build up its AI database and smooth out any new product gremlins. GlobalData can confirm that Orange already has significant customers for the service, including a wide-ranging contract with a major MNC. The provider also has partnerships to help it further develop the platform.

Orange is prepared to put its money where its mouth is when it comes to the AI/predictive aspects of Service Manage- Watch. Orange is offering an SLA guaranteeing that, as standard, 10% of all trouble tickets will be generated automatically. A further SLA guarantees that, of those 10% of automatically generated tickets, only 5% will be false positives/negatives. Orange will over time seek to be more ambitious with its automation SLAs as the AI gains access to more data and its models can be refined and expanded.

Along with an extensive and customizable range of standard reporting features, Service Manage-Watch will also generate reports recommending suggested improvements to customers about their use of Service Manage-Watch and its predictive actions, as well as for the wider configuration of customer networks.

Orange has already built out a significant team of AI data experts allowing it to offer 24/7 customer support for the AI aspects of Service Manage-Watch. The AI team is colocated with Orange's wider support services to ensure an integrated customer experience and to give its AI experts further access to real-world scenarios for the purpose of creating more and more effective automated responses to network incidents.

While the option is there for customers to self-configure the AI/predictive aspects of Service Manage-Watch, Orange is rightly leading with a consultation-first approach. Orange believes that customer estate and requirement auditing will deliver better results for enterprises. This approach tallies with GlobalData's conversations with enterprises which have already deployed AI technology.

Orange has already pre-integrated much of its network and firewall portfolio with Service Manage-Watch, including Business VPN, VPN Galerie (cloud access), and its SD-WAN capabilities.

COMPETITIVE CONCERNS

Service Manage-Watch is not yet able to deliver visibility into workloads running on public cloud instances. The API engineering to enable this is not simple and requires the cooperation of Orange's hyperscaler partners. However, this piece will be critical for Orange in delivering a holistic monitoring service.

The need for either investment in pre-deployment consultative services or deep in-house AI capabilities will limit customer uptake for this service and make it difficult to scale. The service is not necessarily intended to be a 'mass-market' proposition, but it is also reliant on achieving a critical mass of data from multiple networks and services to fully empower the AI platform. There is a risk that Orange will be trapped in a chicken/egg impasse.

Service Manage-Watch includes automated error reporting, but it does not yet include a self-healing component. Self-healing networks are a 'holy grail' that no provider has fully delivered, and most have made only very limited progress, but Orange's telco competitors are working towards it, as are the hyperscalers.

RESPONSE & RECOMMENDATIONS

Orange: Orange should beware overpromising with the predictive element of Service Manage-Watch; the predictive AI element is valuable, but its modest ambitions mean it will not be revolutionary. Orange should more clearly highlight the value the AI can offer in route cause analysis- especially in scenarios where a single fault generates multiple tickets.

Orange: As Orange develops Service Manage-Watch, it should seek to incorporate a deeper security component in line with its wider development of its SASE strategy. This could include automated network performance alerts and recommendations with the same capabilities for security issues delivered in the same portal.

Network Service Providers: All Tier I telcos should be working towards a version of AI-powered, self-healing networks and should be able set out a roadmap for such features as part of a wider network-as-a-service (NaaS) vision.

Vendors: Network technology vendors (e.g., Nokia) can highlight how they can offer enterprises AI-enhanced service monitoring tools using overlay monitoring technologies.

Hyperscaler AI: Hyperscalers such as Microsoft and Amazon moving into the WAN space should highlight that they support their networks with significant in-house, AI capabilities.