

# Netmagic (An NTT Communications Company) growing at a CAGR of 35%

In a chat with VARINDIA, Sunil Gupta, Executive Director and President – Netmagic (An NTT Communications Company) discusses about the evolution and positioning of the company, importance of cloud based IT services, its USPs and growth factors



## How has the company evolved post the investment by NTT Com?

What gave Netmagic Solutions a fillip was the investment from NTT Communications, a subsidiary of NTT Corporation. The investment by NTT has only added to these, expanded our vision both in terms of reach and profits, and increased customer confidence in us. Although NTT has a major stake in Netmagic, we still operate autonomously as an Indian entity.

In addition to the seven existing data centers in India, we are looking at building two more data centers: one is a 300,000 square foot data center in Mumbai. The second will be 250,000 square feet, located at Whitefield, Bengaluru. Both will be operational mid 2018. So, we are doubling our existing capacity.

## Where does Netmagic stand in the market place?

We have been growing at a CAGR of over 35% for the last 4-5 years. With further expansion of our data center footprint and addition of international data network services to our service portfolio, we also aim to meet the growing market needs for mobility, e-commerce, Internet of Things (IoT), cloud, and big data. We plan to add 150 professionals to our existing team of 1,270 employees to support expansion.

We have witnessed a CAGR growth of over 34 percent in the past five years. According to a report by the Cloudscene Leaderboard, for Q1 & Q2 2017, NTT Communications and Netmagic have been ranked 3rd and 5th, respectively, in Asia among the top global data center operators.

Netmagic (An NTT Communications Company) has been investing heavily in data center growth, and we see this momentum continuing in the coming years. They have a global presence, and this has been a major driving factor for the increase in our MNC business – especially for hyper-scale cloud providers. NTT's significant investment has also enabled us to capture the market in a major way.

## Cloud-based IT services - why do people embrace this?

Cloud-based IT services are the buzzword today. As per research, companies that have adopted cloud services experienced a 20.66% average improvement in time to market, 18.80% average increase in process efficiency, and 15.07% reduction in IT spending. Together, these benefits

led to a 19.63% increase in company growth. There are many reasons as to why organizations opt for cloud-based IT services. They are ideal for businesses that have a growing or fluctuating bandwidth demand. It is easy to scale up when the need increases and convenient to scale down again as well. Apart from this, it can help businesses in disaster recovery and thereby save the large, up-front investment needed in this area. Cloud services also cut out the high cost of hardware. Add to this, the ease of setup and management. With cloud computing, companies can reduce the size of their own data centers — or eliminate their data center footprint altogether. They facilitate increased collaboration among employees given that data can be accessed from any location remotely.

## What trends do you see in your business?

We see increased importance of big data and related data management technologies. There may be an increased demand for and growth of both cloud and edge computing due to the proliferation of services running on artificial intelligence. As per predictions by the IDC, enterprise spending on cloud services and infrastructure will be more than \$530 billion by 2021 and more than 90% of enterprises will use multiple cloud services and platforms. The year 2018 is primed for blockchain, big data and cloud computing advancements, all with a better security plan. With cloud services becoming a reality in doing business today, data storage will witness an exponential growth in the coming year.

With the cloud, there will be a major shift in thinking, making wireless networks secure and reliable, and a necessary component of any successful enterprise. Hybrid IT is also a domain which will be in high demand to cater to customized client needs. Netmagic itself is now a super specialist in the domain providing services of other players within their multi-cloud services across one uniform platform. From DevOps, the focus will now shift to DevSecOps. SaaS solutions are expected to become the most

highly deployed cloud service across the globe. Software-defined WAN (SD-WAN) technology will move from being an emerging technology in 2017 to become mainstream in 2018. Netmagic aims to become the pioneer in SD-WAN technology in India and provide next-generation network solutions to Indian enterprises which can address the mass market, and thereby create a significant and profitable business.

## Where do you stand in terms of competition?

Netmagic's USP is its ability to offer customers what they want in terms of end-to-end managed services. Another enabler for us is the fact that we have a physical presence and that we are data center partners to most of the cloud service providers. Our potential back up of cash-rich NTT and our strong project management expertise has allowed us to create very large scale world-class datacenters, unmatched in their scale and quality, by any competition in India. And, we are continuously building more and more DCs, thus giving a huge assurance to global customers — looking for high-quality and long-term scalable space in India. We enable customers in the management of different cloud applications through a single online dashboard and aid the customers in selecting the least expensive cloud or the best performance cloud. We are also placing emphasis on security services. Netmagic's Disaster Recovery (DR), as a service, helps in aligning an organization's infrastructure with their recovery time and recovery point objectives. Netmagic's cloud package has tools such as data analytics and enterprise mobility, which can be used to take a business to the next level.

## Going forward, what holds for you in terms of growth pick-up?

In the next 5 years, we are expecting significant growth despite changes in technology. We are doing about 20% faster in the market.

Our speed and scale of constructing data centers have increased greatly in the last 5 years and in the next 5 years too, we are expecting significant growth despite changes in technology.

Migration to SAP HANA from older SAP ERP deployments could also fuel a massive demand for our hybrid cloud offering of SimpliVPC and public cloud SimpliCloud. Currently almost all the older SAP deployments are done within enterprise data centers. In the next two years, around 3,000 enterprises will move to SAP HANA and many of them will opt for co-location services.

We see a big opportunity in security and that business is growing fastest though on lower base. We have a comprehensive suite of services backed up by 24\*7 operation SOC (Security Operations Centre), we are expanding our capabilities and services and have got good wins in large SOC requirements. ■