



## Market Insight Report Reprint

# NTT Ltd deploys local managed services platform for the Indian business community

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## Introduction

Following the integration of its Indian business entities – NTT India, Netmagic (the global datacenters and cloud infrastructure division of NTT) and NTT Communications India – into a unified brand, NTT Ltd has streamlined its capabilities in the areas of datacenter and cloud, networking, cybersecurity, collaboration and productivity services, customer experience services, and enterprise application services. While taking advantage of global resources and R&D capabilities, the local team has made a concerted effort to deploy a managed services platform for the Indian business community. Designed to be a one-stop shop for hybrid and multicloud management, it is touted as providing full visibility into multiple tools and platforms, with real-time monitoring for better analytics and insight.

## THE TAKE

Having been in the managed services arena right from the start, NTT Ltd continues to round out its local resources and capabilities with homegrown technology platforms and vertically focused offerings. The local managed services platform is designed to alleviate the concerns of Indian businesses that are interested in digitally enabled operations and customer experience, but wary of inadequate skills and resources for ongoing management and support. Adding data-driven technologies to its managed services offerings should help with broader enterprise adoption, as should the interest in fully automated infrastructure and operation. The flexibility of service delivery can help attract a diverse group of customers. Given that more than 70% of banking clients prefer dedicated on-site support, it may want to articulate the value and effectiveness of its co-managed service option sooner rather than later.

## Context

In India, NTT Ltd has a well-established base of more than 6,500 employees in sales and marketing, product engineering, and customer support, delivering services out of 11 regional offices and 10 datacenters. Having invested considerably in product innovation – with three R&D centers and more than 2,000 field support engineers covering more than 2,200 cities – the company is proud of its Pan-India presence. SimpliCloud (public cloud) is currently available in six datacenters in Mumbai (three), Chennai, Bengaluru and Noida, while SimpliCloud VPC is delivered from three datacenters in Mumbai (two) and Bengaluru.

The company's digital-ready services strategy is organized around the themes of intelligent infrastructure, intelligent workplace, intelligent business and intelligent cybersecurity – all backed by its managed services and consulting service capabilities. Leveraging technologies such as automation, data analytics and machine learning/AI, the company believes that it can provide a full range of managed services capabilities. It claims to have managed complex hybrid/multicloud environments for more than 2,500 customers. With robotic process automation, things like virtual tools, automation software, ticket creation and operation management are fully automated for timely detection and resolution.

On the security front, the company has a solid base of 2,000 cybersecurity experts operating out of 10 security operations centers (SOCs) around the world to deliver a suite of managed security services. Having more than 5,000 professional service engineers with a combined 11,000 vendor certifications in India, NTT Ltd pursues co-innovation and co-development opportunities with both technology partners and leading cloud hyperscalers. Key partners include VMware, NetApp, IBM, Cisco and AppDynamics. It has established a center of excellence with Google for collaborative innovation, and is working closely with AWS and Microsoft Azure. With an annual R&D budget of \$3.6bn over the next five years, new technological innovations are expected.

## Product

With a new generation of data- and insight-driven managed services capabilities, the company says the Managed Services (MS) platform in India is running on separate instances from the global managed services platform.

While there are similarities from an architectural design standpoint when compared with the global platform, it is uniquely designed to meet hybrid IT and cloud management requirements in the local market. Using a mix of commercial tools (60%) and its own IP (40%), the local MS platform comprises five building blocks:

- The front-end service portal is to provide self-service insight into the status, health and performance of the client's existing IT environment.
- The IT Service Management layer is where DevOps and agile methodologies come into play, in addition to enabling automated processes and tools aligned with ITIL.
- The workload operations management component enables automation, remediation and optimal deployment based on reference architecture.
- The infrastructure operations management component provides automated service assurance processes and tools that enable remote infrastructure management and predictive monitoring.
- The service integration layer supports clients' hybrid IT environments – whether it be public clouds (AWS, Microsoft Azure, GCP), private clouds, SaaS-enabled collaboration and productivity tools, security, or on-premises datacenters.

From a management standpoint, both NTT and third-party services are integrated with the billing and reporting systems, to enable customers to get a consolidated view of their current and projected spending, among other capabilities. The MS platform is modular and can be deployed as a single tenant for large Indian enterprises that expect to have a high level of flexibility or have significant compliance requirements, particularly corporations in the banking and financial services (BFS) sector. Accordingly, the MS platform is customizable and can be engineered in a way to meet specific technical, business or regulatory requirements while running in a multi-tenant environment. A few clients have custom API integration requirements based on their technology stack.

There are six core managed services that align with its intelligent offerings. Under the category of intelligent infrastructure, it includes managed hybrid infrastructure (datacenter and cloud) and managed network. For intelligent workplace, it provides managed collaboration and productivity services such as SharePoint, as well as managed application services like Office 365. Managed customer experience – contact centers, in particular – is an important part of its intelligent business offerings. Intelligent cybersecurity is backed by a portfolio of managed security offerings that address vertical and regional requirements. The company notes that it has embedded AI and data analytics into the MS platform to identify anomalies and correlate and triage incidents within the infrastructure, which can help determine root causes and provide predictive analysis. The goal is to reduce MTTR (mean time to repair) and increase MTBF (mean time between failures) by moving from its current proactive approach to a predictive approach.

Using its SOCs as an example, NTT Ltd highlights its AI/ML ability to analyze 800 billion logs and identify over 800,000 potential alerts on a monthly basis. Accordingly, more than 75% of those logs and potential events are analyzed and triaged by NTT's Advanced Analytics Engine, which uses detection logic powered by AI/ML to identify new and unknown threats.

NTT Ltd also collaborate a lot with partners, including NTT Data, for co-selling opportunities. With NTT Data, for example, it provides functional support and digital service advisory, yet the entire customer experience is managed by NTT Ltd with a single SLA. In a nutshell, the local team will take the lead to identify areas that will provide support together with partners, and then jointly approach the client. Taking application modernization as an example, workload migration and the implementation of CI/CD pipelines with containerized apps are primarily handled by the local team in India, while refactoring apps or rewriting codes will be done by the NTT Data team.

As far as service delivery is concerned, MS can be fully managed by NTT's managed services team and delivered remotely out of its Delivery Centers in Mumbai and Bangalore. Alternatively, customers can co-manage with NTT's MS team while gaining support remotely from its Delivery Centers. Customers looking to offload partial responsibility to NTT's Competency Team, which comprises subject-matter experts across all infrastructure and technology towers, can select the hybrid model. The company also provides dedicated IT support on customers' premises as requested. According to our data, more than 70% of banking customers prefer dedicated on-site support. By use case, dedicated on-site support is in high demand for companies providing end-user helpdesk, regardless of industry vertical.

In terms of pricing structure, various managed service offerings can be delivered at a fixed monthly fee with a contractual agreement of three years.

## Strategy

As part of the company's roadmap, the goal is to integrate the local MS platform with NTTI Insight, which is the company's service portal that provides analytics, ticket management and policy-based governance with CMP functionality, to provide a single source of truth for monitoring all activities across networks and applications. Although it has a fairly flexible service-delivery model with fully managed and co-managed options for on-site and remote support, there is still a learning curve for customers to realize the value of the co-managed/shared model.

## Competition

In India, NTT Ltd is competing squarely with incumbents and startups for managed services support. Tata Communications, Bharti Airtel (via Nxtra Data), CtrlS (Cloud4C), Sify Technologies and ESDS are some of the active players in India's hybrid and multicloud market. Datacenter and cloud startup NxtGen has invested a great deal in automation for hybrid infrastructure management, and is investing in AI for competitive differentiation.

For managed private cloud and hybrid cloud deployments, it will be challenged by SIs and technology providers such as Accenture, Atos, IBM, HPE, HCL Technologies, Capgemini, Infosys, TCS, LTI and Wipro for service delivery, although it is also collaborating with GSIs for outcome-based services. Besides the global hyperscalers – AWS, Microsoft Azure and Google – foreign providers eyeing cloud opportunities in India include IJ, Alibaba Cloud and Tencent, among others.

## SWOT Analysis

<p><b>STRENGTHS</b></p> <p>While leveraging global resources, the company has done a good job of building its leadership in India with its local MS platform that is highly automated and has AI capability. Having a strong base of local engineers to provide dedicated on-site support could only help.</p>	<p><b>WEAKNESSES</b></p> <p>In spite of having a strong base of local engineers, to achieve the optimal use of technical resources, it may want to articulate the value and effectiveness of a co-managed service option sooner rather than later, particularly among customers in the BFS industry.</p>
<p><b>OPPORTUNITIES</b></p> <p>As businesses increasingly operate in a hybrid/multicloud environment, they are more willing to turn to providers for ongoing support and management. This can only be good for technology specialists and MSPs.</p>	<p><b>THREATS</b></p> <p>When it comes to managing hybrid IT and cloud environments, there are plenty of options available and increased pressure to innovate.</p>

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