



Global opportunities and greater revenue through Partner Services

A Tata Communications white paper

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Communication Service Providers (SPs) are looking to drive greater revenue by reaching more markets, deliver cutting-edge services that differentiate them from their competitors, and retain and gain more customers in the most cost-effective means possible.

They are faced with three possibilities for achieving these goals. The first is to build-out their own global infrastructure, which is cost-prohibitive to most providers. The second option is to negotiate multiple international and regional partner service agreements which is operationally complex and time consuming. The last, and most cost-effective, is to partner with a global provider that can deliver the widest array of services, the greatest coverage, and give them the option of branded or co-branded service. Partnering with a full-service global provider cuts complexity, lowers cost, and also reduces time-to-market.

This is a 'win-win' strategy:

- End-user customers, particularly multinational corporations (MNCs), receive the latest in services and performance, such as video, network infrastructure, and secure data connectivity
- The Service Provider maintains and even gains customers through its ever-expanding service portfolio and network footprint provided by its global partner

This paper will show Service Providers just how far this trend has already evolved. The paper will also demonstrate to service providers how to move into new markets more easily and retain brand identity, while moving up the value chain of services they currently offer their customers.

Communication Service Providers (SPs) the world over face enormous challenges in growing their businesses and acquiring and retaining customers.

This white paper can serve as a road map for increasing sales and expanding an SP's portfolio of services without extensive capital or operating costs by partnering with a global service provider. The larger question is how to reliably partner with a global provider and do so profitably. This paper will answer the following questions when considering a global services provider partner:

- What market trends should SPs take into account when expanding their businesses?
- What challenges should SPs overcome to increase revenue with minimum capital risk?
- Where are the hottest opportunities for revenue growth, and can their global partner provide them access?
- What new services will customers demand?
- What criteria should an SP use in choosing a global services partner?

Armed with this knowledge, SPs can make a more informed decision before entering into global provider agreements to expand their reach, add new services, and above all, retain current customers, attract new business, and increase revenue.



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Service Providers are looking to provide additional value added services to their customers, particularly MNCs, not only to increase the SP's portfolio and revenue, but also to retain MNCs that may look elsewhere if they cannot get the service and reach their growth demands.

Therefore, retention through greater global reach and new services is the answer. As a result, the main market trends in service and capabilities that SPs must address to not only protect their current customer base but also grow their businesses are:

- New services, such as video conferencing, multimedia content delivery systems, and lower latency networks for better voice and transaction-dependant applications
- Greater global network coverage, especially to emerging markets such as the Middle East, India, Asia, Africa, and South America
- Reliable and high-speed service to major worldwide business centres
- Greater range of customer service choices
- Global service and support
- Reduce time-to-market for new service
- Ability to build and retain brand identity in new markets
- Maintain brand in new markets through white labelling with partners



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To address the market trends for greater reach, open new markets, and provide greater service options and capabilities for its customers, SPs are faced with the following challenges:

Capital expenses and outlays to build-out new markets

Service Providers may consider physically extending their networks into new markets. While building-out their network into new regions gives them total control over the extended network infrastructure, this strategy comes with significant capital and operating investments.

Besides the significant capital outlays of new cabling, equipment, and integration, they may face other unforeseen challenges such as local regulatory and licensing requirements and hiring and/or contracting local technicians to implement and support the new network.

Any and all of these challenges can drastically extend the time-to-market and delay any return on their investment. Additionally, there is no guarantee that the new market will support their level of capital investment, creating a loss rather than a profit for their considerable efforts.

For these reasons, an increasing number of SPs are outsourcing intra-regional and global service agreements with service provider partners. This is a trend that began nearly three years ago, and will continue to grow over the coming years. Ovum's June 2012 study of Service Providers concluded that the growth in partnering in the wholesale telecom industry is more than a "fashionable trend"¹. In fact, there are real benefits to Service Providers willing to invest time and resources into developing mutually beneficial relationships with partners. "Partnering is a low risk, low cost, quicker to market strategic alternative to in-house development or acquisition"².

"An increasing number of carriers have accepted that partnering enables them to broaden their service portfolios, increase network reach, and respond more quickly to changing customer requirements than the alternatives of in-house development or mergers and acquisition"

'Partnering for Wholesale Success', David James, Principal Analyst Wholesale Telecoms, Ovum, 2012

¹ Partnering for Wholesale Success, David James, Principal Analyst Wholesale Telecoms, Ovum, 2012

² Ibid.

Service portfolio expansion

When looking to expand their business and provide more value to their customers by offering additional services, SPs are faced with the choice of building their own services, often at considerable expense and long lead times for deployment, or partnering with third-party providers that already have mature, ready-to-deploy solutions. Comparing these two options, partnering provides far less capital outlay, considerably lower risk, and gives them nearly instantaneous 'on demand' roll-out of service to the SPs' customer base.

Time-to-market

Whether reaching new global business centres or emerging markets, SPs need to extend their geographic reach quickly to support their MNCs in regions where they do not have their own infrastructure. Partnering with a third party with established infrastructure and market presence enables the SP to avoid costly and timely lead time to establish services to support their entire customer base on an 'as needed' basis. In many cases this can give the SP 'first mover' advantage and leapfrog the competition by delivering quality service in markets where their competitors have no visible presence.

Globalisation and emerging market presence

In uncertain economic climates, MNCs need to fuel new growth by expanding their operations into emerging markets. Often, they are moving manufacturing, assembly, or branch locations to new regions for cost-control as well as new market expansion for growth. As a result, MNC's look first to their existing Service Provider to provide the network capability to enable the MNC to expand to emerging markets. However, the Service Provider may not have these capabilities resulting in the Service Provider partnering with a global Service Provider with established local presence in emerging markets. This not only cuts out the CAPEX and OPEX risks by providing access to its mature, in-country infrastructure, but it also allows the SP to set up shop in foreign countries with a partner that has specific cultural and operational experience in the region.

Case study

A major global telecommunications provider needed to expand its MPLS presence in the India and Southeast Asian market for its global customers where it had no infrastructure. Within three months, Tata Communications set up MPLS layer 3 NNI with regionally diverse connectivity, co-branded with Tata Communications, a trusted brand in the region. On-boarding took just over six months, and the partner gained significantly improved customer experience with continued on-net revenue growth. Meanwhile, detailed provisioning and status updates ensured the focus of the partner project, while off-net management was handled entirely by Tata Communications.

Differing regulatory environments

Every country abides by different regulatory, licensing, and political processes to obtain and maintain telecommunications services within their borders, especially when the operator is based in another country. Again, third-party partners with established relationships in a region or country can quickly cut through red tape, streamline time-to-market, and provide expert guidance.

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In too many cases, SP partnering falls short of true, end-to-end, complete lifecycle engagement, leaving the Service Provider with too many loose ends or technical and management complexities to enter new markets effectively and quickly.

Tata Communications provides a unique and industry-leading combination of capabilities and services during the entire lifecycle of a Service Provider's customer business service. Such a long-haul relationship enables a Service Provider to move up or down in virtually any market, depending on customer demand and economic conditions. The result is quick time-to-market with extremely low risk, all the while preserving and enhancing the Service Provider's brand identity through our white-label and localised marketing expertise.

Our approach towards enabling a partner is not a 'one-size fits all' approach. We strongly believe in a consultative strategy that takes into consideration the SP's requirements and plans, and provides a custom on-boarding and support plan.

A designated Partner Manager will serve as the single point of contact for all partner related activities, from the initial strategy to on-going support and deal governance. With this approach Tata Communications provides the SP with global reach, local presence, regulatory management, and additional services to add to its portfolio with little risk.

Our local expertise and mature infrastructure delivers superior service, consistent SLAs, 24x7 technical support, and leading-edge communication technology. Meanwhile, the Service Provider can brand the service, enhancing its market image and attract and retain more customers.

A key differentiator for Tata Communications Partner Services is our independently owned and operated Global Transmission Services subsea and terrestrial cable network. Tata Communications Partner Services enables our 1,600+ SPs to connect to key business locations in Asia, India, Middle East/North Africa (MENA) and Africa. Additionally, our data centres span the globe, with significant presence in all major business centres, which enables us to manage our SP customer's presence in new countries and emerging markets.

Local knowledge and local presence in emerging markets and major business centres

Tata Communications has dedicated network infrastructure, co-location, and managed services in Asia, India, and Africa, allowing SPs to work with one provider versus establishing inconsistent mutual agreements and managing the complexity of dealing with multiple providers.

Speed to market

Tata Communications' local expertise and its established and mature infrastructure in emerging and major markets enables SPs to reduce its time-to-market and the costs associated with turning-up services for their existing or new MNCs.

Tata Communications Partner Services eliminates the risks of deploying new nodes, identifying new access partners, signing feet-on-the-street contracts, and delivering service level agreements, especially for new or limited business opportunities. Therefore, a partnership with Tata Communications Partner Services eliminates these risks, while delivering the end-customers a world-class, award-winning product.

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Access to new services

Tata Communications Partner Services allows SPs to rollout new services with minimal investment with robust, ready-made service offerings. Additionally, using Tata Communications Partner Services, SPs can quickly add leading-edge service and capabilities to its customers without heavy investment in new technology or development.

As Service Provider's enterprise customers become more sophisticated, opportunities exist for SPs to offer value-added services. From managed security and managed data centre services to enhance their IT capabilities, to business video conferencing solutions to facilitate closer collaboration, SPs can offer a broader range of services, applications, and capabilities without the CAPEX and OPEX expenditures or complexities of recruiting and negotiating multiple inter-carrier agreements.

As an example, through the Global Meeting Alliance, SPs get connectivity to many other SP video conferencing networks at a fraction of the cost and time it would take to build out or negotiate inter-carrier contracts. End-customers can leverage this business video service to reach a larger, worldwide TelePresence community.

For service providers in the Middle East and North Africa (MENA), Tata Communications Partner Services not only extended global connectivity, but also introduced managed network services with Ethernet and Global VPN, as well as value-added services such as business video.

Case study

When a top-tier Canadian telecommunications provider began to experience higher demand for global video services from its multinational customers, it was caught in a financial and technology bind. The SP was faced with two options: build out its own global video infrastructure, or negotiate with major regional video providers throughout the world. They soon discovered that both were enormous and costly tasks from both CAPEX and OPEX perspectives and found a third, vastly easier and more reliable solution. With Tata Communications Global Meeting Alliance, the choice was clear. The carrier did not need to build or manage multiple separate infrastructures or inter-connect contracts, nor constantly reconcile different, evolving video standards. It had a quick, painless way to on-board its customers to a global infrastructure through one point of contact. And because Tata Communications handles all its interconnections and local regulatory requirements, management and physical infrastructure; costs are further consolidated for the carrier.

Resell or white label options

Tata Communications Partner Services allow SPs to resell or white label a wide array of advanced and managed services including:

- Managed Network Services, such as Global VPN and WAN Ethernet services
- Integrated Business Video Services
- Managed Hosting & Storage Services
- Co-location and Data Centre Services

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A “win-win” value proposition

The Tata Communications Partner Services model creates a “win-win” situation for all parties.

The MNC gets the proven and mature services it needs, with the ability to easily add new services and technology and the Service Provider retains more customers and wins more new business with limited investment.

MNC win:

- Maintains their current domestic Service Provider relationship and gets the extended reach that it needs
- MNCs entering emerging markets such as Asia, India, MENA, and Africa are able to communicate globally with partners, establish offices in new countries to manage supply-chain, outsource business processes, and sell into new markets
- MNCs have access to a wide range of mature product services delivered by Tata Communications – through the SP - now, and in the future

Service Provider win:

- Reduce upfront capital outlay by leveraging existing and updated infrastructure from Tata Communications Partner Services
- Operational costs minimized with experienced staff and proven processes
- “One-stop-shopping” to Asia, India, Middle East/North Africa (MENA) and Africa with full 360 degree service (e.g., data centre, backhaul, local access, smart hands, SLA, etc.)
- Speed to market
- Service portfolio expansion

Case study

A major European communications provider delivered service to and from India through a partner whose QoS and service did not match its expectations and had begun to cause end-user dissatisfaction. After consultation with Tata Communication, the communications provider quickly designed a custom Tata Communications system through MPLS VPoP, offering flat-rate service and a streamlined ordering system. The switchover included co-location, routers and IPLCs and other equipment for the cut-over. They ran both systems in tandem to insure the new Tata Communications solution was running as expected, then switched over exclusively to the Tata Communications MPLS network once its QoS and superior service were verified. The end result has been greater customer satisfaction, expansion into neighbouring countries, and above all a mutually beneficial relationship. The European communications provider and Tata Communications have partnered for over five years now.

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Why Tata Communications? The “Service Provider to Service Providers”

Tata Communications has invested heavily over the past three years in our sub-terrestrial and terrestrial cable systems around the world and our Next Generation Ethernet network with Provider Backbone Bridging.

This complete transformation of our worldwide infrastructure allows us to deliver services and applications available from no other carrier and to more countries and regions than any other telecommunications provider. Among the leading-edge services our partners can deploy are:

- Managed Network Services including Global VPN and WAN Ethernet services
- Virtual points of presence in India and South Africa
- Integrated Business Video Services & Global Meeting Alliance
- IPX-ready connectivity
- Co-location and Data Centre Services
- Managed Security
- Video Connect
- Content Delivery Networks

Our global footprint of network coverage is the largest in the world, and is leveraged by some of the world’s top carriers to extend their own global coverage.

Tata Communications at a glance

Industry leader	State-of-the-art infrastructure	Customers
<ul style="list-style-type: none">#1 international voice carrier#1 submarine cable owner#1 global Ethernet backbone#1 in enterprise data in India#1 on-net mobile signalling#5 global IP service provider#3 for Asian IP providers <p>Fastest growing and most global Tier-1 IP backbone operator</p>	<ul style="list-style-type: none">over 210,000 km cable consortiumsmember of over 80 cable consortiums400+ PoPs13 Terabits of international bandwidth lit capacity42 data centres with more than 1 million sq./ft. of data centre space	<ul style="list-style-type: none">1,600+ carriers700+ mobile operators~2,000 Enterprise customers globally47,000 SME customers in India650+ corporate customers in South Africacustomers in 190+ countries

References

1. Industry Trends and Outlook, Ovum, 2011.
2. Helping Service Providers Move into New Markets and up the Value Chain, Global Telecoms Business, 2012.

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About Tata Communications

Tata Communications is a leading global provider of a new world of communications. With a leadership position in emerging markets, Tata Communications leverages its advanced solutions capabilities and domain expertise across its global and pan-India network to deliver managed solutions to multi-national enterprises, service providers and Indian consumers.

The Tata Global Network includes one of the most advanced and largest submarine cable networks, a Tier-1 IP network, with connectivity to more than 190+ countries across 400 PoPs, and nearly 1 million square feet of data center and collocation space worldwide.

Tata Communications' depth and breadth of reach in emerging markets includes leadership in Indian enterprise data services, leadership in global international voice, and strategic investments in South Africa (Neotel), Sri Lanka (Tata Communications Lanka Limited) and Nepal (United Telecom Limited).

Tata Communications Limited is listed on the Bombay Stock Exchange and the National Stock Exchange of India and its ADRs are listed on the New York Stock Exchange (NYSE: TCL).

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