Cloud and network synergy for B2B services

As digital transformation continues to advance across industries, more companies are migrating their custom-built, legacy enterprise IT systems to cloud platforms. Huawei predicts that by 2025, all businesses will be on the cloud and 85 percent of enterprise applications will run on cloud platforms. And that means huge growth potential in the IoT space.

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When an enterprise starts using cloud services, LANs that interconnect company departments become WANs that connect each department to cloud services, placing new demands on connectivity.

First, more types of connections are required, such as traditional private lines, Internet private lines, and private lines for enterprise cloud. Moreover, different types of connections are required for different kinds of enterprises. For example, governments and banks need

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secure, high-quality private lines with low-latency, while SMEs might want more cost-effective private lines.

Second, more connections are needed, not just traditional corporate private lines but also IoT connections, given that in the near future, the growth and number of IoT connections will far exceed traditional connections.

Third, as enterprises invariably adopt cloud or hybrid cloud strategies for digital transformation, high requirements are imposed on connection bandwidth, latency, and security.

Thanks to these new demands, there are new growth opportunities for operators in offering B2B services. But at the same time, telcos face a serious challenge from over-the-top (OTT) cloud service providers in the B2B sector.

Amazon Web Services (AWS) is perhaps the leading example. The company delivers services over a cloud platform and supports Amazon's e-commerce business, demonstrating how cloud is a key infrastructure in industry digital transformation. AWS actively works with operators and other IXP service providers to make up for what it lacks in communications and dedicated line services.

Alibaba announced at Mobile World Congress 2018 that it aims to become the world's largest cloud communications service provider within three years. Alibaba has already launched enterprise networking services over the cloud backbone network it recently built. The likes of AWS and Alibaba have significantly impacted operators' B2B private line services, especially cross-regional and national.

In the face of new opportunities and challenges brought by the digital transformation of vertical industries, operators should redefine their B2B service strategies. They should leverage their strengths in connectivity to meet customer needs through cloud-and-network synergy, which will in turn ensure differentiation.

Operators with the willingness, ability, and foundation should use the cloud as a unified platform and portal for B2B services to serve government and enterprise customers.

In addition to delivering basic services, such as computing, storage, and networking, operators can leverage their current strengths to develop cloud services. There are three

steps to achieving this: 1) Migrate existing communications capabilities to the cloud to provide faster and more flexible services. Examples of capabilities are DCI, private line, CDN, enterprise network management, and enterprise communications. 2) Build innovative services like IoT on cloud platforms to provide a broader range of service categories. 3) Leverage cloud platform and network capabilities to develop ecosystem partners, focusing on popular industry scenarios, such as distance education, industry video, and enterprise office, to provide flexible solutions that help government and enterprise customers implement digital transformation.

Operators that mainly offer connectivity should focus on networking and build agile, high-quality, dedicated line services that adapt to the changes in enterprise customers' expectations on private line performance and purchase models.

With enterprises quickly moving to the cloud, demand for cloud private lines has increased dramatically. To successfully grow cloud private line services, operators will need to develop high-performance networks in terms of bandwidth, latency, and security; minute-level service provisioning capabilities; an online retail-like purchase experience; and network intelligence. They will also need to harness their existing network assets to build a competitive advantage over OTT cloud service providers.

As the solution provider with a full understanding of carrier networks and services, Huawei can help operators build complete B2B business solutions. Huawei offers the following services:

Strategic planning: helps operators to establish strategic positioning, identify target customers, and design reasonable packages.

Solution implementation: provides a variety of cloud network solutions such as agile private line, CloudCampus, SD-WAN, cloud services, and IoT.

Operations and maintenance: sorts and integrates telco operations processes into a cloud-based operations and management system and processes.

Ecosystem development: extends the global ecosystem chain based on Huawei's experience in cloud service provision. Ecosystem partners can help operators to expand their upper-layer services.

We believe that by reconstructing connection services and leveraging cloud services to position themselves in the B2B market, operators can make networks more agile and communications simpler. They can then meet the new demands of industry digital transformation with cloud services and networks and find new growth opportunities.