

Telco-hyperscaler partnerships: Where are we in building the edge and what role do telcos play?

STL Partners

29 November 2022

In partnership with:

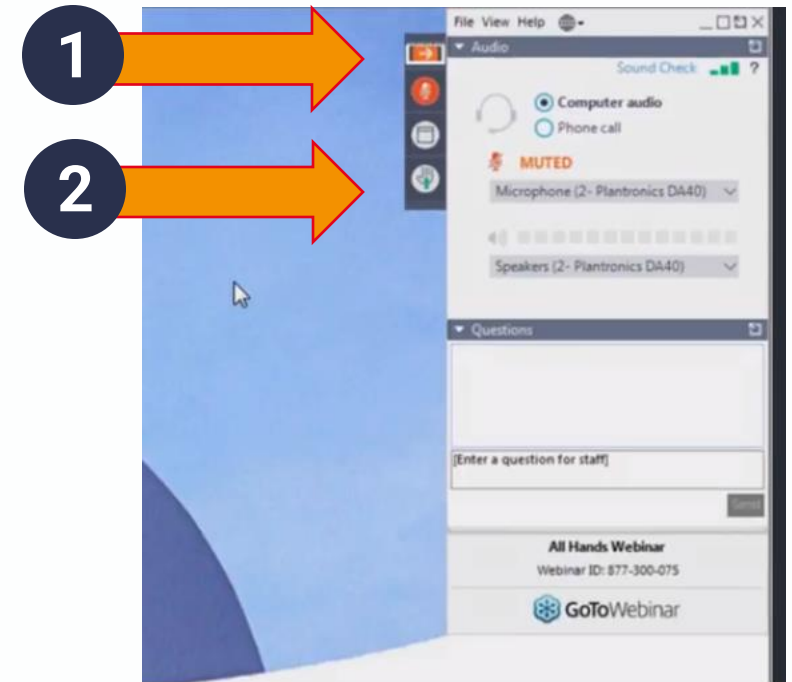


Agenda

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| 1 | Introduction and housekeeping | 5 minutes |
| 2 | Where are we in building the edge and what roles do telcos and hyperscalers play? | 10 minutes |
| 3 | Open source innovation: Enabling business value with multi-cloud edge | 10 minutes |
| 4 | Panel discussion and Q&A | 30 minutes |
| 5 | Wrap up | 5 minutes |

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Our speakers



Tim Otto

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STL Partners



IAN HOOD

Chief Strategist

Red Hat



JOANNA NEWMAN

Global Edge
Computing and 5G
Principal Manager

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DAVID BEHR

CEO, Liquid Cloud and
Cybersecurity

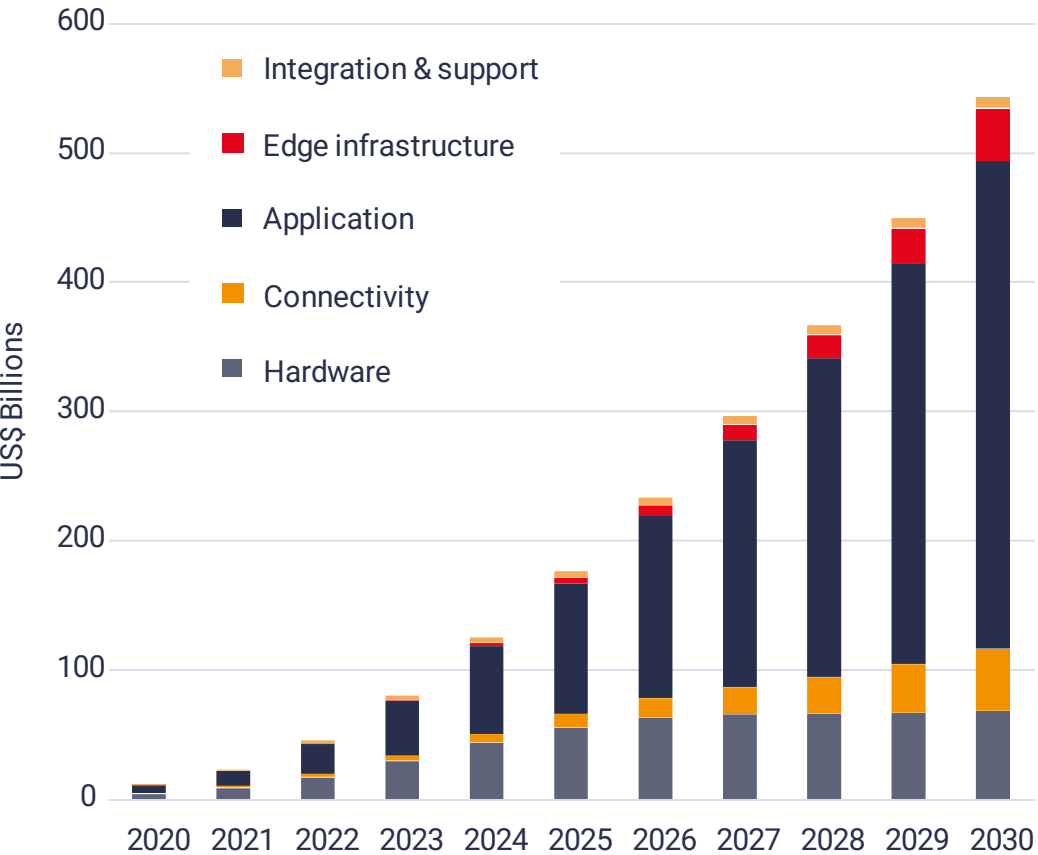
**Liquid Intelligent
Technologies**

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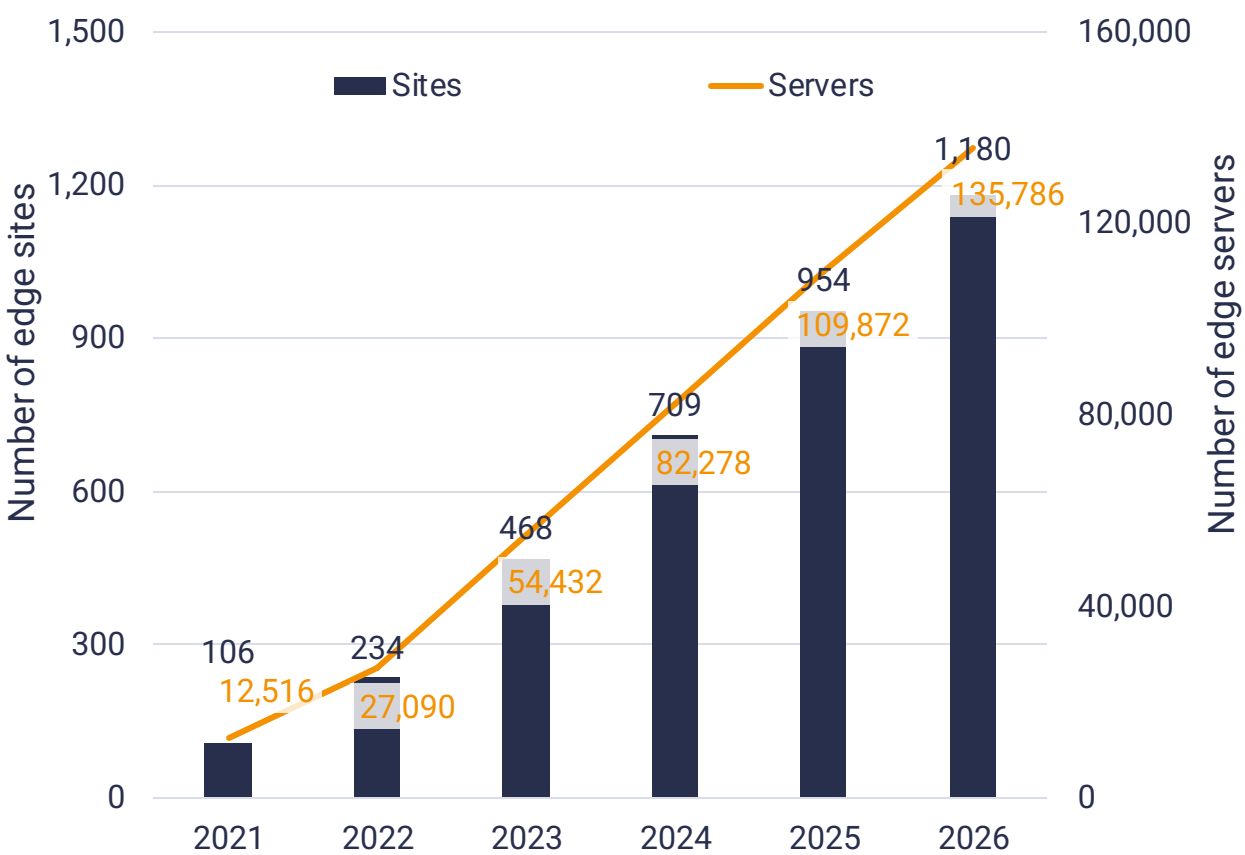
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The overall edge market is estimated to exceed US\$500 billion by 2030 but the network edge capacity buildout is slower than expected

Total edge computing addressable revenue globally by value chain component, 2020 – 2030

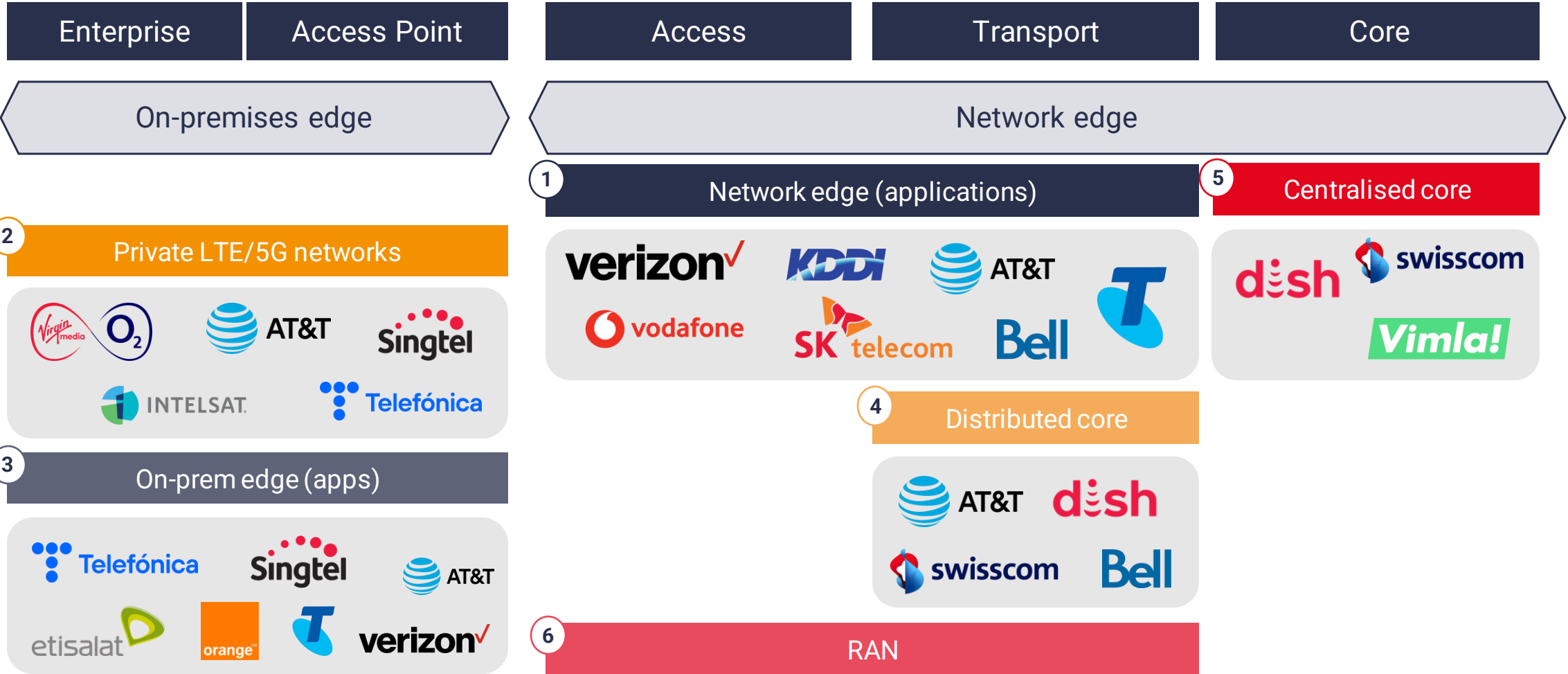


Global network edge data centre* forecast (sites and servers)



Telecoms operators and hyperscalers have been engaging in partnerships across a number of different domains

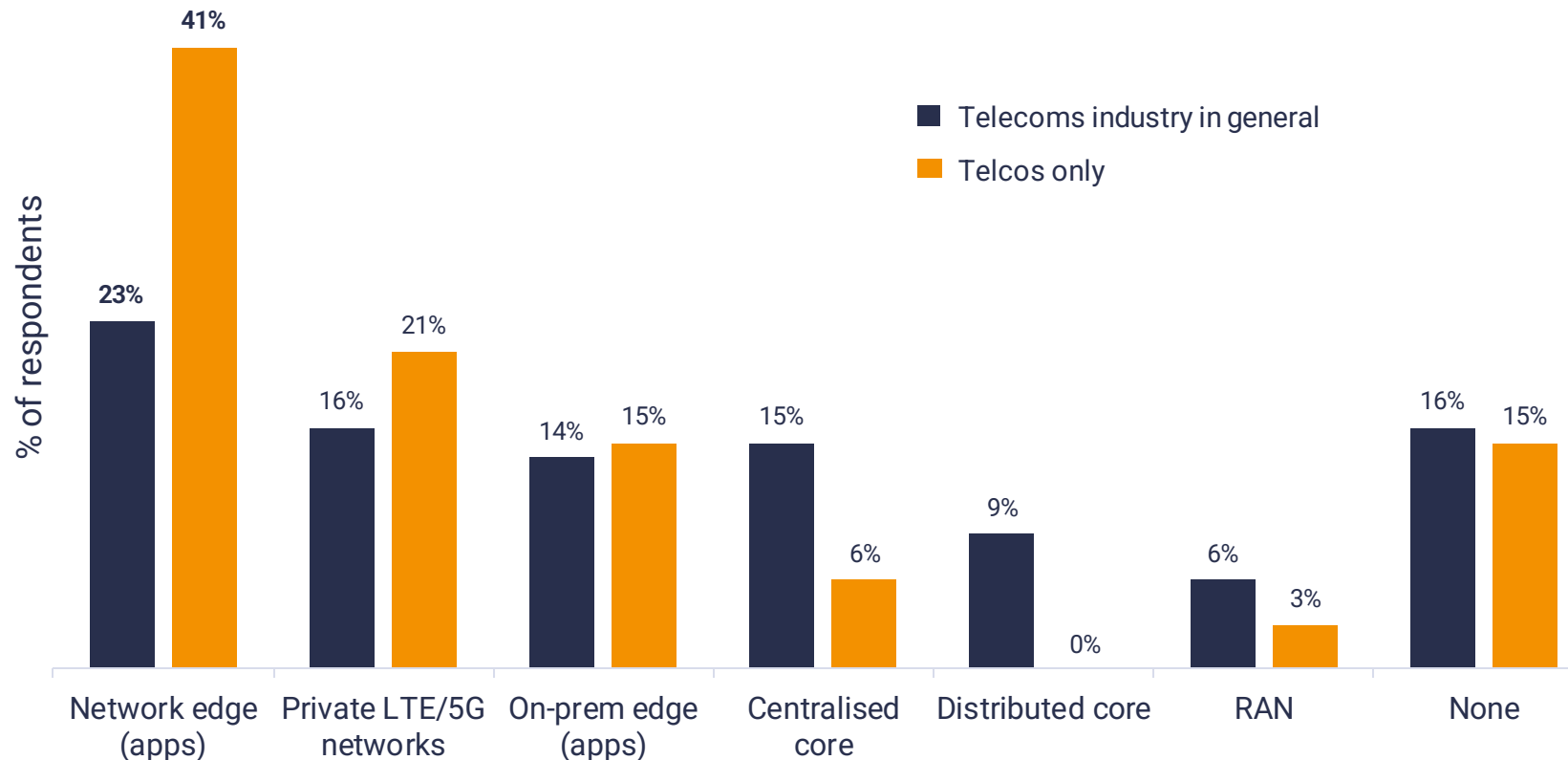
Edge domains (for telco-hyperscaler partnerships)



Telcos operators see hyperscalers as key partners in helping to bringing compute and storage to the edge

Network edge is the most mature edge domain for telco-hyperscaler partnerships, followed by private networks and on-premise edge

In which edge domain is your engagement/partnership with hyperscalers most mature?



1

c.40% of the capacity at network edge sites will be built with hyperscalers' support in the next 1-2 years

2

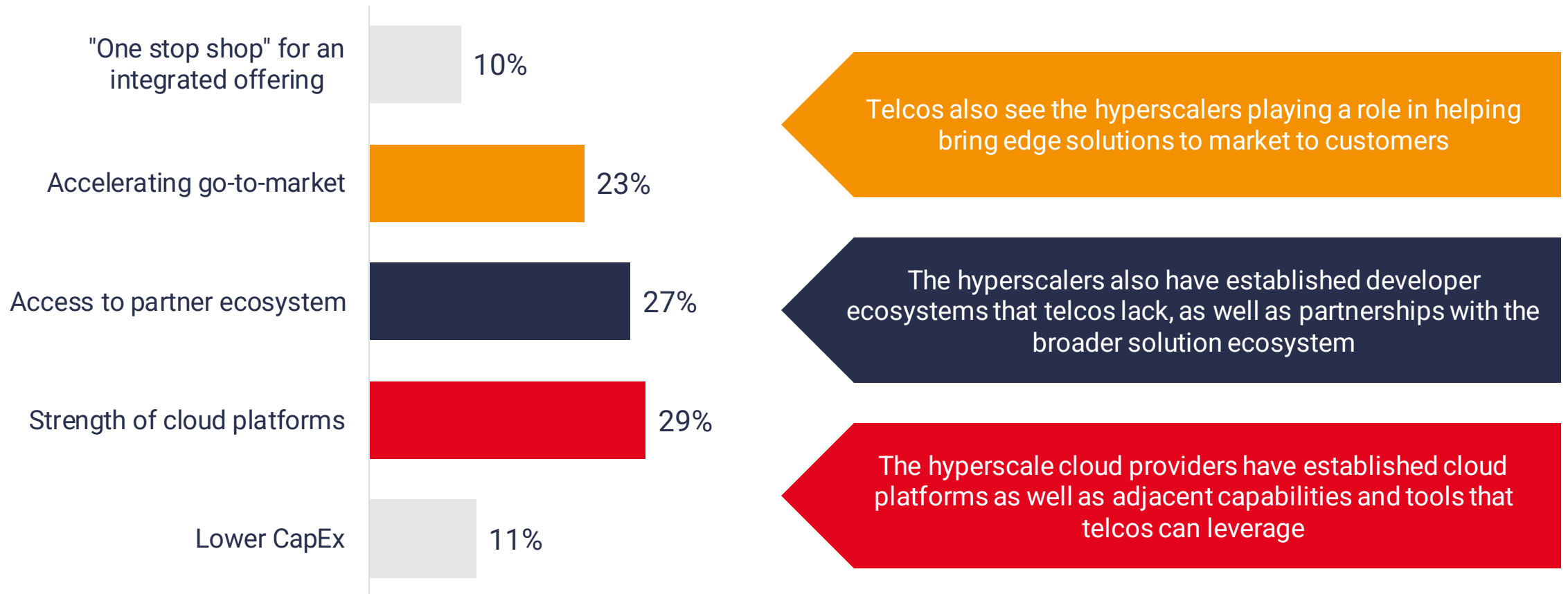
The hyperscalers have been increasingly active in private networks and also have established on-premise edge solutions and partnerships

3

Results show differences in how telcos will build the edge which means the edge will be made up of hybrid, multi-cloud environments

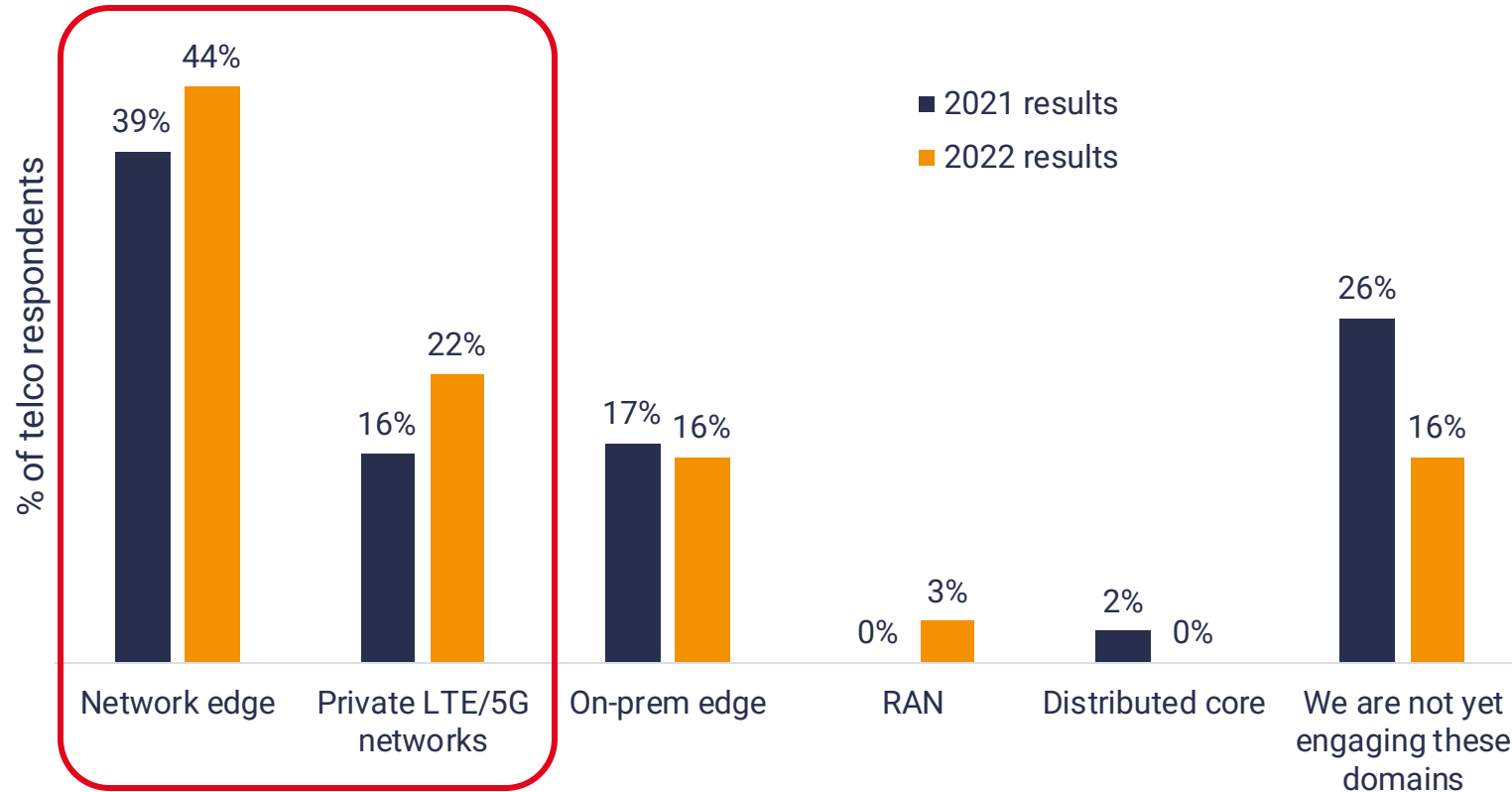
Telcos see the strength of hyperscalers' cloud platforms as the most important advantage of partnering

Q: What do you perceive to be the main benefits for telcos in using hyperscaler AWS, Microsoft Azure, Google Cloud and Alibaba Cloud infrastructure and platforms for edge computing?



Telcos have even accelerated their collaborations with the hyperscalers in the past year, including at the network edge

10% more respondents are now engaging with the hyperscalers in some form of edge domain compared to 2021



We are also seeing more multi-partner scenarios

Some examples include:

- AT&T partnering with Microsoft, HPE and Google
- Verizon with AWS, Red Hat, Microsoft, Nokia
- Bell Canada with AWS and Google
- Singtel with Microsoft, AWS, Intel and own Paragon MEC platform

...but there are few examples so far of partnerships with multiple hyperscalers in the same domain

Given hyperscaler partnerships are inevitable, telcos are focused on how they can retain value

For commercial teams (e.g. Strategy, Enterprise, Wholesale):

1

Reducing overall share of revenue from edge services



2

Hyperscalers threat of becoming telecom companies



3

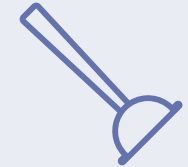
Limits competitive differentiation (CSPs partnering with same HCPs)



For technical teams (e.g. Network, IT):

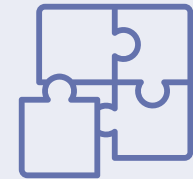
1

Hyperscalers threat of becoming telecom companies



2

Difficulty integrating with **existing network components**



3

Difficulty moving **workloads** to other cloud platforms



The next step for the industry is to focus on furthering partnerships and developing hybrid, multi-cloud capabilities

Our key recommendations:

Evaluate partnership opportunities that accelerate key strategic areas

- Partners vary in their ability to serve different use cases and verticals as well as solution and GTM/delivery capabilities
- Given most of the value sits in the application layer, identify suitable partners that help target customer segments and build specific value propositions that address these opportunities

Identify areas where telcos can provide unique value

- Telcos also have established 'trusted' relationships with enterprises that they should leverage – telcos can develop some integration or professional services capabilities that help build a reputation as a trusted strategic advisor
- There is also a resurging interest in applications interfacing with the networks they run over – making the network and edge compute as easily accessible as possible (via APIs) can enable better application outcomes

Develop the capabilities for multi-cloud

- A key area where CSPs can provide value is in the PaaS layer and orchestration, particularly in a heterogeneous hybrid, multi-cloud environment
- This is about providing the ability to manage and monitor workloads and services across cloud environments with a single pane of glass (for both internal operational teams as well as for enterprise customers)

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Open Source Innovation

Enabling Business Value with Multi-cloud Edge



Ian A. Hood, P. Eng.
Chief Strategist – Global Industries
October 2022



The business drivers behind edge computing

Bringing new technologies and containerized applications to create differentiation



Fostering faster data-driven outcomes

- ▶ Deliver better products
- ▶ Make faster decisions
- ▶ Use resources more efficiently



Delivering better experiences, anywhere

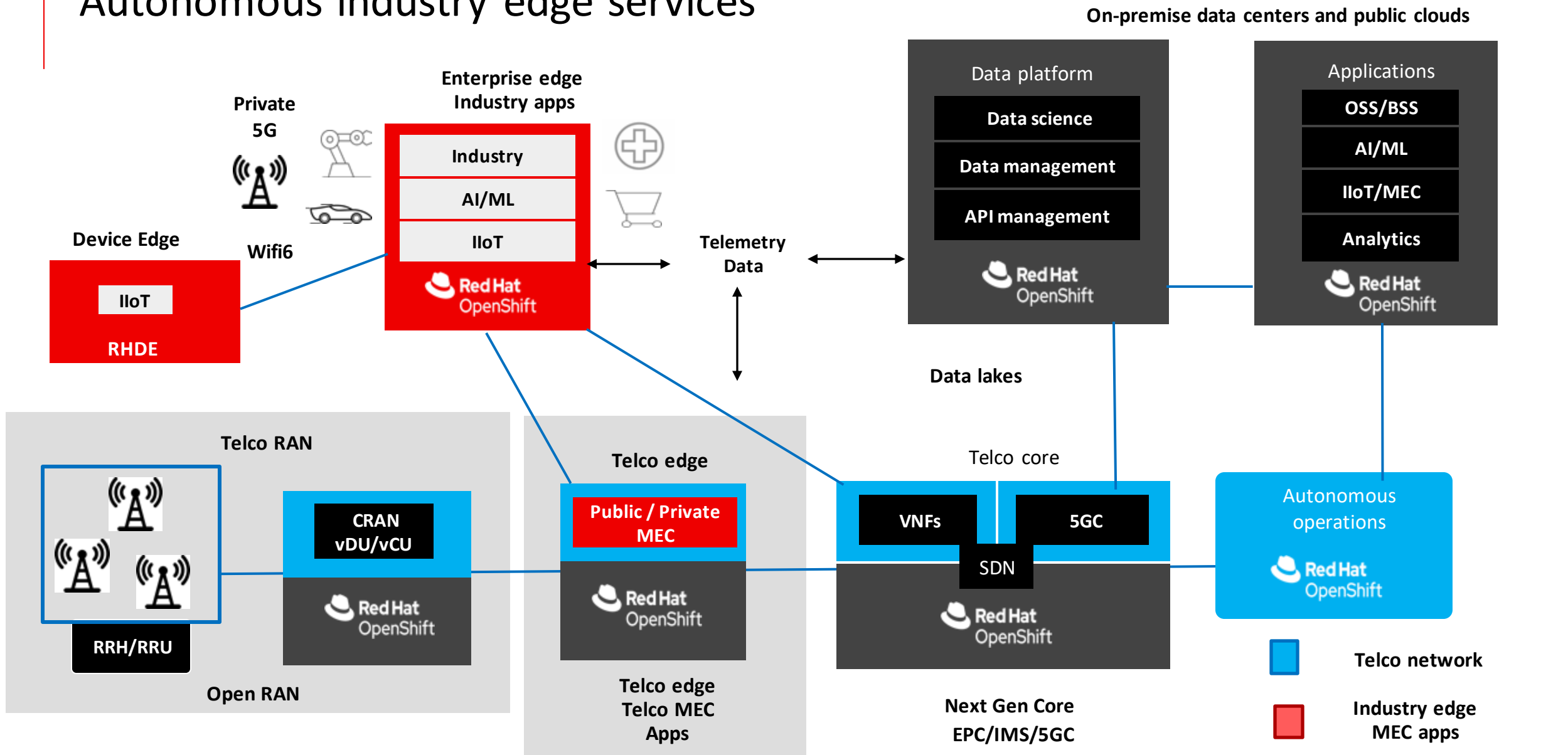
- ▶ Use immersive apps
- ▶ Online streaming, gaming, etc.
- ▶ On a train, ship, oil rig, or even in space



Meet data residency/sovereignty requirements

- ▶ Storing or processing of personal data (subject to legal protections of a country) within a geographical area

Autonomous industry edge services



Enabling 5G/edge business value with AI/ML



Data driven diagnosis
Brain/lung scans
Diagnostic surveillance
Disease /outbreaks



Democratize data science for oil
and gas exploration



Auto Concierge
Autonomous driving



Modular AI platform
AI-powered Intelligent apps
AI as a service



AI-based edge intelligence platform
AI-Powered customer experience
Neural network ecosystem



NPL text analytics agriculture grants
Jupyter notebooks as a service

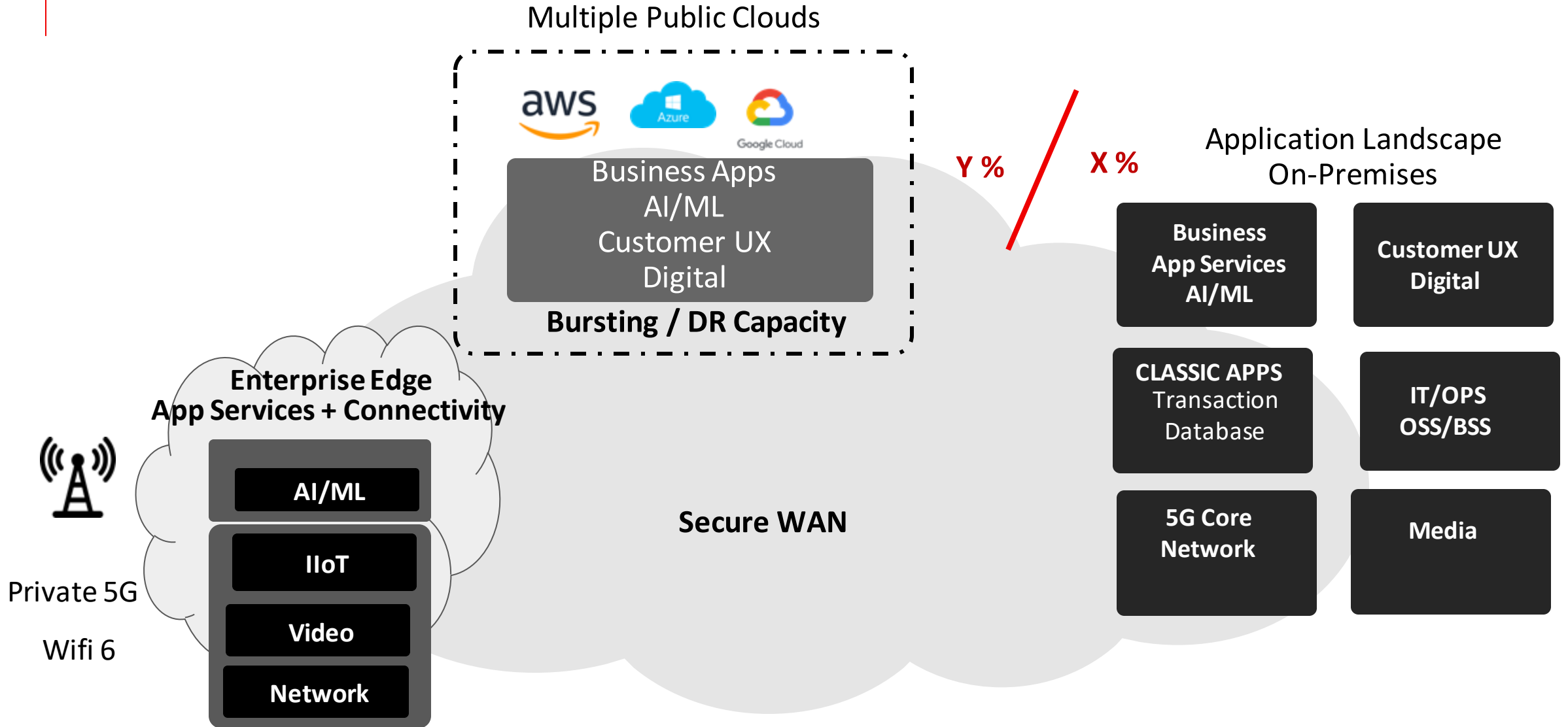


Speed airport
traveler experience

Etisalat in UAE partners with Lenovo

<https://developingtelecoms.com/telecom-technology/wireless-networks/13721-etisalat-uae-and-lenovo-plan-to-roll-out-a-5>

Transforming Applications/Services – Driving Innovation and Business Efficiency



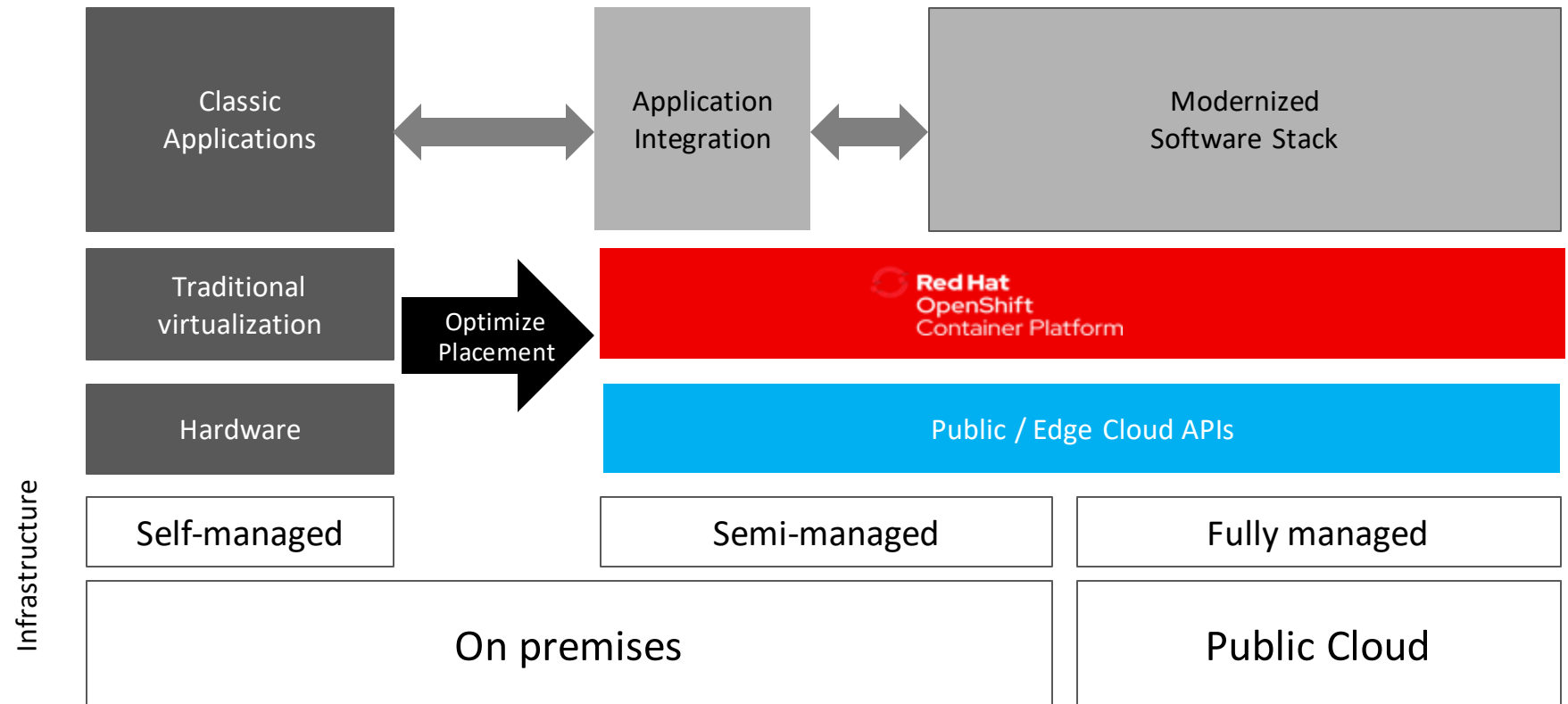
Practical approaches to partially modernize applications / move to the cloud

Challenge

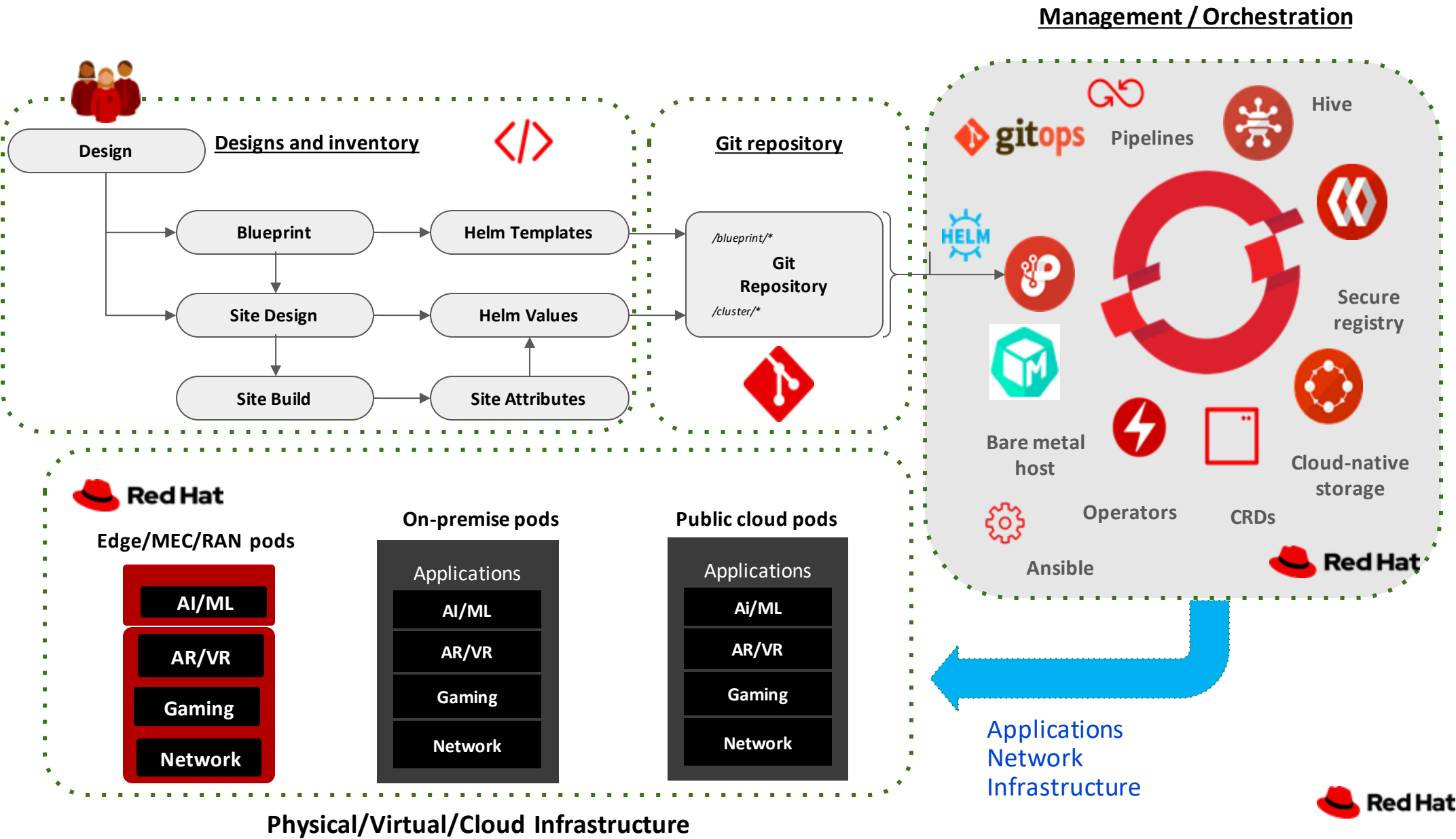
Sprawling environment
Duplication across teams

Approach

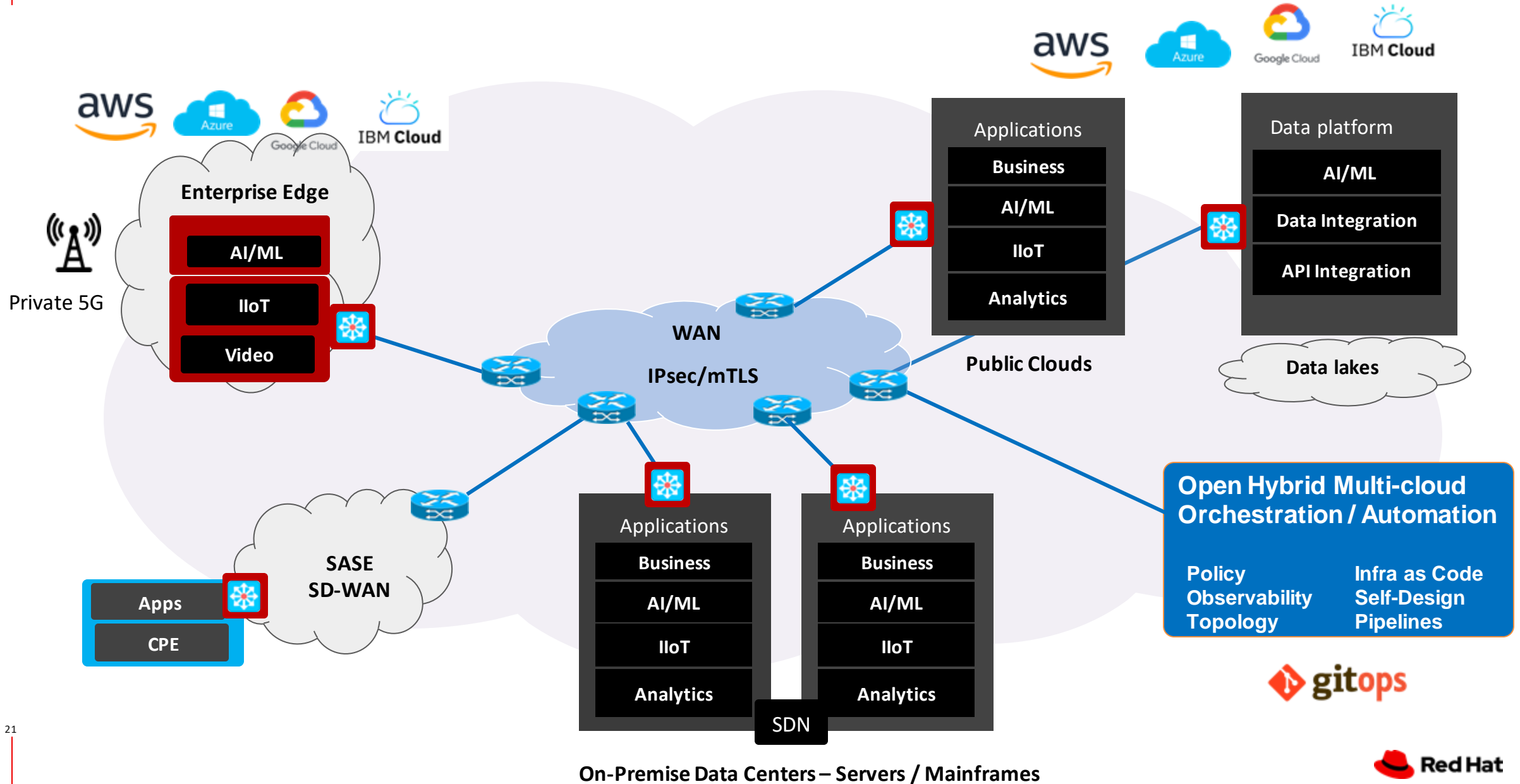
- Pragmatic rebuild
- Cloud native approach
- Align DevSecOps
- Use managed services
- Adopt balanced hybrid cloud
- On premises / public cloud



Hyperautomation – enabling autonomous services



Enabling Business Value - Applications Edge Clouds



Thank you

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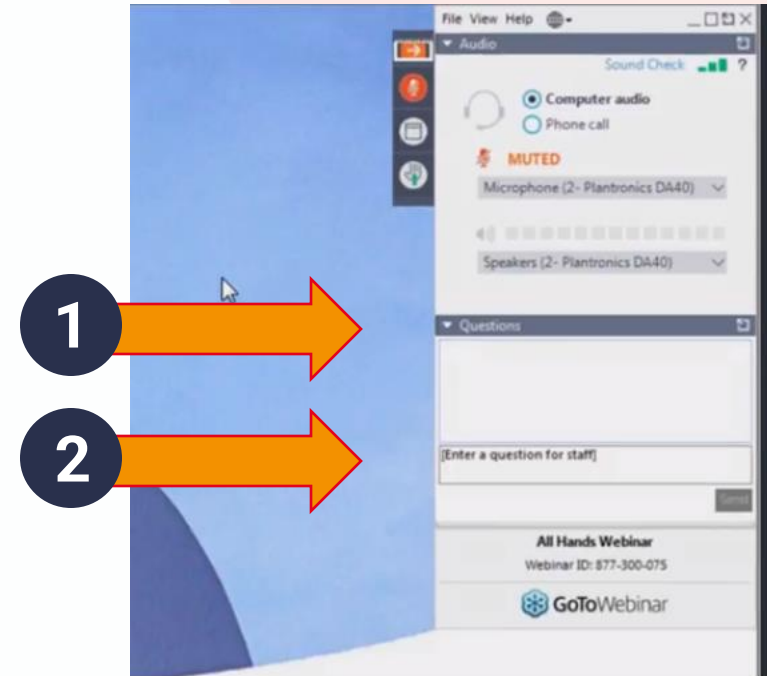
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Panel discussion and Q&A



Q&A session

Please submit any questions using the GoToWebinar control panel



Our panel discussion

Moderator



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Panellists



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Thank you to everyone for joining

We hope you enjoyed the session!


If you have any further questions, please email:

- **Tim Otto**, tim.otto@stlpartners.com
- **Yesmean Luk**, yesmean.luk@stlpartners.com
- **Ian Hood**, ihood@redhat.com

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LAUNCHING THE STL PARTNERS EDGE INVESTMENTS TRACKER

We are excited to be launching our new tool which tracks investments in the rapidly growing edge computing space.


[Read more](#)



FIBRE FOR 5G AND EDGE: WHO DOES IT AND HOW TO BUILD IT?

There is now a valuable but specialised opportunity in building out fibre to support small 5G cells in high value space.


[Read more](#)



AWS & EDGE COMPUTING: WAVELENGTH USE CASES AND APPLICATIONS

AWS, together with telecoms partners like Vodafone and Verizon, has deployed Wavelength locations across the UK and the US.


[Read more](#)



WHERE IS MONEY BEING MADE IN EDGE COMPUTING?

This article cuts through the chatter and presents a pragmatic view for where edge revenues are being made.

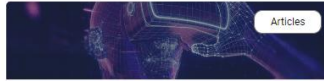
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EDGE COMPUTING: HYPE VERSUS REALITY?

While there has been much discussion about the opportunity that edge computing could enable, actual real-world deployments are still nascent.

[Read more](#)



HOW EDGE COMPUTING CAN UNLOCK THE METAVERSE

Edge computing can help unlock the potential of the Metaverse by providing a distributed compute architecture that can support low

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