

Cloud Strategy: Pipeline's Q&A with AT&T

By Tim Young

Very often, the discussion around the growth of newer service offerings focuses on the plucky upstarts and fringe players, for whom the risks of backing rising technologies is relatively low, and the rewards for betting wisely are outrageously high.

However, it's important to note that for many technology trends, mature players have every bit as much motivation to back the rising trends, and any comparative lack of agility, compared to the upstarts, is offset by formidable wherewithal and impressive leadership.

The much-heralded rise of cloud computing as a major component of overall communications strategy is not, however, a fringe development. Major service

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providers are leveraging the cloud as a fundamental component of their growth strategy, and this move is based on the urge to meet customers where they are. Increasingly, it seems, those customers are on the move, and the cloud is helping them stay connected along the way.

I know that Gartner's "magic quadrant" reports are not universally loved, but I find them a really interesting and generally well-thought-out tool for mapping a given tech arena. For those unfamiliar with the reports, Gartner analysts divide an array of players in a particular domain into four general groups, placing them on a grid with four quadrants: "niche players", "challengers", "visionaries", and

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“leaders”. In that “leaders” quadrant—the so-called “magic quadrant”—you’ll find, among others, AT&T.

We sat down with Steve Caniano, AT&T’s Vice President of Hosting and Cloud Services, to talk a bit about the hows and whys of AT&T’s formidable cloud strategy.

Tim Young, Editor-in-Chief, Pipeline: From the standpoint of a major service provider, what is the allure of the cloud?

Steve Caniano, VP of Hosting and Cloud Services, AT&T: Well, first of all, it’s what our customers want in the way of solutions. We’ve seen a shift, over time, to a more network-centric model. Our customers are becoming more mobile, and they want access to any service, anywhere, at any time, and in many cases, from any device. We see the “cloud” model as a way of adding that capability for our customers.

Pipeline: And how about the increasing ubiquity of the term “cloud”? Is that hype, or is it the result of a substantive shift in the communications space?

Caniano: Well, the term itself definitely has a load of hype around it, which is not all that helpful to the industry. There’s definitely that dynamic right now. However, there also is a definite shift taking place

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towards more on-demand services.

Pipeline: Why now? Is the increased cloud interest the result of a change in technology or a change in paradigm?

Caniano: I see the increasing talk about the cloud as a confluence of many events that are dove-tailing. The first step was virtualization of networks. We’ve been on that journey for many years. A second step was very much the mobilization of business. The ability to have your customers, employees, partners work anywhere and from any device. Couple those two dynamics with the need to have your applications accessible in a centralized location, and the cloud becomes much more compelling. For a seamless work experience, the applications themselves need to reside in a robust mobile cloud. Those themes come together to drive the next wave.

Pipeline: What are some mission-critical services

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“The cloud is a complimentary architecture for other architectures that exist.”

that are finding their way onto the cloud that might not have a few years ago?

Caniano: Well, there’s a natural evolution in the maturing of any business model. At first, you have fairly straight-forward use-cases, with relatively little risk. As these business models mature, however, and services mature, you start to adopt more serious use-cases. We saw this with the cloud. At first, you saw development and testing taking place in the cloud, and now, over time, we’re moving to critical data in the cloud. Things like the archiving of sensitive data taking place in a cloud environment.

However, one thing to keep in mind about AT&T’s approach to the cloud, and about the cloud in general, is that it is consumption-oriented. The cloud is a complimentary architecture for other architectures that exist. There are cases in which the cloud makes sense, and other cases in which it may not.

Pipeline: One element of your inclusion in the Gartner “magic quadrant” report was the “completeness of vision” that you show with regards to cloud concepts, with an especially high weight given to market understanding, offering strategy, and innovation. How has AT&T gone about developing this complete vision?

Caniano: Just as in any case, our vision for cloud is tied to our customers, who understand their own business needs. While we like to feel like we have very good vision in terms of where business is going, our vision is ultimately driven by the needs of our customers. Those customers who need to be very dynamic are moving in a direction to mobilize most of their business processes and applications. They’re demonstrating a need for certain real-time capabilities that reflect the business requirements today.

The only thing I’d emphasize is that I do think this is an evolving market, and a paradigm shift that will continue to take shape. Enterprise customers need to make sure they understand their requirements of the technology, and the corresponding capabilities of the CSP they’re dealing with. Cloud is no different. For our part, we see cloud as part and parcel of the network. That’s the approach we take.