

Verizon Business Modernized Managed Network Service Delivery Platform will Combine the Global Powerhouse Verizon Network, and the Systems Integration Capabilities of HCLTech, Ensuring Your Network will be Integrated into Your Digital Ecosystem

JANUARY 2024 | BRIEFING NOTES



Table of Contents

Summary and Key Insight	01
ISG Perspective	01
ISG Impact and Guidance	03
Verizon Business Perspective	03
About the Author	04
Summary Facts	05

About ISG Research™

ISG Research™ provides proprietary research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. ISG Research™ gives business and technology leaders the insight and guidance they need to accelerate growth and create more value.

© 2023 Information Services Group, Inc. All rights reserved. Reproduction of this publication in any form without prior permission is strictly prohibited. Information contained in this report is based on the best available and reliable resources. Opinions expressed in this report reflect ISG's judgment at the time of this report and are subject to change without notice. ISG has no liability for omissions, errors or completeness of information in this report. ISG Research™ is a trademarks of Information Services Group, Inc.

For more information, please email contact@isg-one.com
call +1.203.454.3900, or visit research.isg-one.com

Summary and Key Insight

As the largest sourcing advisory firm in the world, ISG has seen the results of years of enterprises consistently looking for cost take-out in their networks, with very little thought to making investments as they transform nearly everything else in their IT department. ISG believes that network modernization and transformation are critical for digital transformation initiatives to be effective, and we have been advocating for enterprises to strongly consider outsourcing their network to the experts and focus on their core competencies.

At the same time, the Managed Network Services landscape has changed drastically in the last three years, with the Global Tier 1

telecommunications providers finding new competition from Systems Integrators for network management, and from cable broadband operators for fast, inexpensive transport services. Verizon Business recently presented to the Analyst community, and to ISG individually, an in-depth view of its partnership with HCLTech to modernize and transform its Managed Network Services platform. Smart move.

The partnership Verizon Business and HCLTech have announced is more than just modernization of the back office to keep up. It's about creating additional capabilities beyond what is in market today, so Verizon Business can stay ahead of the current market.

ISG Perspective

Let's view the partnership through ISG's lens: In essence, Verizon Business made a strategic move by partnering with HCLTech's software engineering innovation experts to transform and modernize its Managed Service Platform. We think that's a strategic move, and we continue to advocate for Enterprises to stick to their core competencies and let the experts handle the rest such as ADM/DevOps, digital transformation, journey to the cloud, and both cyber security and network services.

As the industry's leading sourcing expert, ISG understands the difficulty of selecting the right partner to achieve the very complex transformations many enterprises are seeking. We have helped other network services providers select partners to help them modernize and transform their internal operational platforms. For Verizon Business, it is more than just streamlining its own backoffice to make itself more efficient internally. This modernization of Verizon Business Managed Network Services (MNS) platform will enable Verizon Business to improve its Managed Network Services with more innovative AI-enabled tools and automations.

The first stage, which according to Verizon Business both parties are focused on, is the modernization of Verizon Business' Managed Services Delivery Platform. This is a good starting point, as it allows both parties to focus on their core objective, without trying to deliver on future promises of go-to-market opportunities at this time.

Like many enterprises, Verizon Business now faces the reality of having to break down its silos, such as inventory management and change management in order to be able to build automation into its data. The breaking down of these silos will provide Verizon Business with a better and cleaner data record, or lake. With this single data lake, Verizon Business will be able to take a more integrated approach: a cross-function, across-tools platform that can use automation and intelligent AI Ops, to create different outcomes and customer experiences.

ISG sees a big part of Verizon Business transformation as moving Verizon Business own platforms to cloud-native contemporary platforms such as ServiceNow.



This is the massive transformation that Verizon Business is now undergoing. Its partnership with HCLTech, which has relevant capabilities in this space, will help Verizon Business achieve this transformation at an accelerated pace. This type of transformation will also help Verizon Business provide Managed Network Services as part of an integrated tool set to its clients.

Says Daniel Lawson, VP of Solutions Architecture **“Enterprise clients want the network and the services provider that sits on top of that network to be part of their broader ecosystem, so that when they correlate across all the things that happen within their business, the network and the MNS provider can participate more fully in that ecosystem. The only way that you do that is to have contemporary tools and that's one of the things that's really important with this HCLTech partnership.”**

The transformation will allow Verizon Business to focus on its core competencies, running its global network, maintaining and growing its PTT and ILEC partnerships, and its set of reliable products that many businesses depend on. It will maintain the customer relationship end-to-end, as well as own and operate all of their assets. More importantly, Verizon Business will continue to be its customers' trusted advisor for providing modern and transformed network solutions. And while Verizon Business recognizes there will be many forward-looking opportunities with HCLTech, it is primarily focused on modernizing its Managed Network Services platform.

Most important to Verizon Business is the customer experience, and how customers commercially want to consume business. This modernization will enable Verizon Business to be more flexible, more integrated and more agile. Many carriers manage infrastructure, routers, switches, access points, DNS, and DHCP IP address management, all on different platforms with different data repositories. If Verizon Business is successful in breaking down its silos and creating a single data lake, when there's an incident or a requested change, upgrade or downgrade, those requests will now be across a single service record, and presumably all of the appropriate changes will

made automatically downstream due to the automation tools. For the Enterprise client, that means faster implementation of its requests and instantaneous visibility of things such as an updated CMDB.

Modern, automated tools will enable Verizon Business to better manage its network infrastructure, identify an outage at the source, and resolve it quickly, especially as AI starts to become deployed to automate these types of incidents. HCLTech, according to Verizon Business, will be pivotal in helping it build this level of automation. As a very product-centric organization, the transition to a services organization will not happen overnight. Some transformation will need to happen first.

As the largest global technology sourcing advisor practice, ISG sets the standard for modern outsourcing and Managed Network Services requirements the top of the market demands. Systems Integrators such as HCLTech, have experience with ISG in these types of sourcing transactions, and ISG would expect it can help Verizon Business get to a network outsourcing platform faster than Verizon Business would on its own.

Verizon Business offered another view of the partnership that ISG sees as probably the best reason for selecting HCLTech as the partners: cultural alignment. Cultural Alignment is one of the five tenets ISG believes is necessary when selecting a service provider as a partner to help an enterprise on their IT modernization journey. There are many facets to having cultural alignment from a corporate perspective, but there needs to be a cultural fit between the two teams working together. Verizon Business spoke to ISG about how both they and HCLTech approached the scope and for this modernization transformation. What we heard is the parties were speaking the same language, approaching everything from the lens of the customer and keeping to Phase I of the partnership. It's difficult to put your finger on it, but you know it when you see it. So, when it comes to Verizon Business and HCLTech, will their partnership be successful? Do they like each other? Do they trust each other? We think so.



ISG Impact and Guidance

As with any outsourcing partnership, it will take time. Based on what ISG sees with our Enterprise sourcing engagements, likely 12 to 18 months will pass before many of the benefits will become real. Transformation and modernization, as many enterprises now understand, is a process, a project, a set of milestones, which both parties must be committed to. There will be a transition process that will take place as HCLTech takes over the operation of the existing platform. That transition, according to Verizon Business, will be accelerated due to the due diligence performed by both parties prior to execution of the contract.

Nearly every ISG enterprise client has now realized that after decades of talking about getting rid of their siloed data, they now must commit to it. The heavy lifting of breaking down Verizon Business existing silos is going to be the long haul of the transformation to achieve the benefits of modernized tools built over centralized data lakes. That will take time, just as it is taking other enterprises time to do the same. As with nearly every transformation sourcing project ISG

sees, cost savings are typically not immediate, as most of these projects are considered an investment. ISG sees this project as an investment by Verizon Business in its infrastructure, just as Enterprises are now having to invest in their own infrastructure. It's not about cost savings, it is about outcomes, and ISG would not expect to see much change to Verizon Business transport pricing.

ISG sees many enterprises succeeding and failing with their partners, and we recognize the success metrics and the warning signs. Verizon Business has committed to frequent updates as it put its formal roadmap together, with some immediate benefits to customers, and ISG will be watching this partnership evolve.

We are optimistic about this partnership as we have heard Verizon Business decision process to select and hire the experts with the expertise to help it achieve a modernized MNS platform, along with the cultural alignment necessary for any partnership to succeed.

Verizon Business Perspective

Verizon Business and HCLTech are mission-driven to deliver modernized, world-class network service offerings with optimized customer experiences to help transform your business. This strategic partnership is an accelerator for transformation of Verizon Business Managed Network Services. Our customers will benefit from a best-in-class MNS portfolio, a highly digitized experience with data-driven service models, a modernized frictionless interface with enhanced lifecycle management, a broad end-to-end partner ecosystem, and joint innovation on an integrated platform.

Together, our companies will deliver enhanced digital customer experiences with Verizon Business

modern, cloud-native unified management platform. Our partnership will enable the integration of Verizon Business heritage OSS-BSS systems along with select HCLTech tools and platforms to enhance automation and AIOps capabilities and improve digital experiences across our ecosystem.

This partnership will elevate customer experiences using the strength of Verizon's global network investments, expertise, and world-class service together with HCLTech's leadership in Managed Network Services, particularly around LAN, Wireless LAN, and AI-enabled tools and automation.



About the Author



Margot Wall

Principal Consultant

Margot.Wall@isg-one.com

Margot Wall is Principal Consultant with ISG since 2007, directly responsible for production and development of ISG Provider Services Educational Deliverables, including Pursuit Effectiveness, FutureSource Education, Win/Loss Reports and additional ISG Research. As a SME in Telecommunications, she brings considerable depth and breadth in network technologies and solutions, having represented all facets of both the client and carrier side of the equation.





In FY22, the company generated **\$134.6B.**



Verizon Communications is headquartered in **New York, U.S.**, and operates in more than **180 countries**. It has about **117,000 employees worldwide.**





ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 900 clients, including more than 75 of the top 100 enterprises in the world, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis. Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,600 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry’s most comprehensive marketplace data.

For more information, visit www.isg-one.com.

