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With AWS announcement, Netcracker Continues its Full-Stack Move to the Public Cloud

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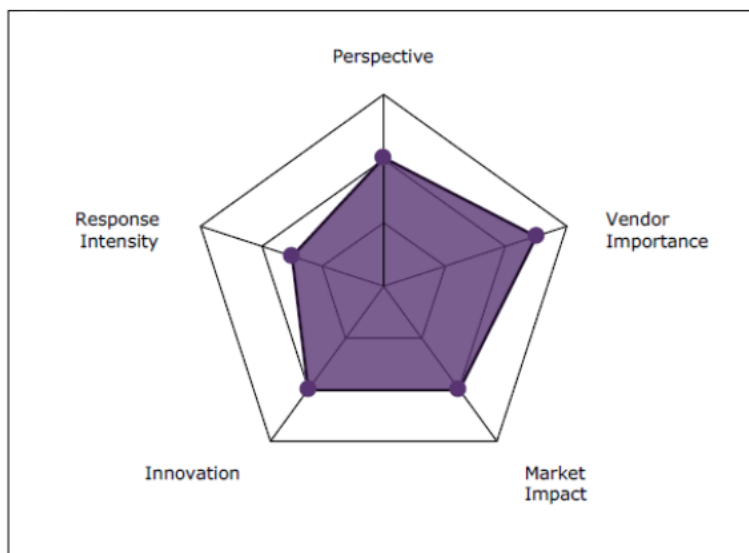
INTELLIGENCE ALERT

REPORT SUMMARY

Along with its Google Cloud announcement last month, Netcracker's new partnership with AWS shows that public cloud is becoming a viable option for telco revenue management and network functions – and bringing new multicloud challenges.
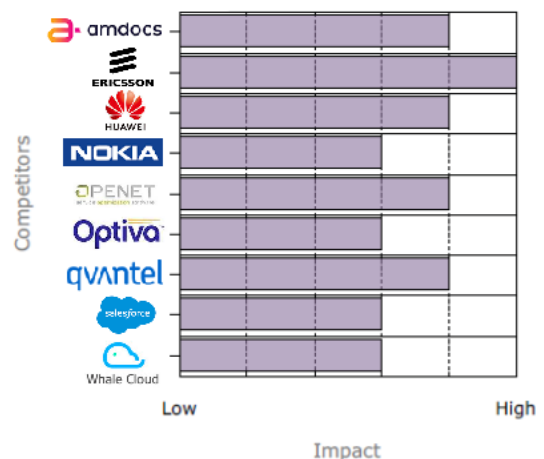
QUICK TAKE

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Event Rating

Perspective · Vendor Importance · Market Impact · Innovation · Response Intensity

Competitive Impact

Competitors: amdocs, ERICSSON, HUAWEI, NOKIA, OPENET, Optiva, qvantel, salesforce, Whale Cloud

Impact: Low — High

COMPETITIVE POSITIVES

- By deploying its full BSS/OSS/MANO stack on AWS, Netcracker shows it is making progress toward an entirely cloud-native architecture.

- Netcracker is rolling out capabilities for multicloud management, an established enterprise IT challenge that is beginning to affect telcos as well.

- By incorporating AWS marketplace services into its own marketplace solution for CSPs, Netcracker is strengthening its ecosystem approach to telco service agility.

- Including T-Mobile Netherlands as a launch customer indicates that Netcracker's AWS-based offering is production-ready, at least on the BSS side.

- Combined with Netcracker and Google Cloud's strategic partnership announcement in March, the AWS relationship indicates that Netcracker plans to make its full stack available on all the top Western public cloud platforms.

COMPETITIVE CONCERNS

- AWS is the most popular public cloud platform for telco IT vendors, especially for BSS. The platform itself will provide little competitive differentiation.

- With its February acquisition of Vlocity, Salesforce is building an in-house public cloud BSS offering. It can argue that its native CRM-centric ecosystem promises a higher level of BSS functionality than vendor/cloud provider partnerships.

- Vendors like Nokia that sell some of their IT functions into public cloud marketplaces may be able to expand and diversify their customer bases more quickly than Netcracker, which sells its functions directly to CSPs.

- Systems integrators like Accenture and Tech Mahindra have more experience and expertise in guiding companies through multicloud strategy and management issues.

- Netcracker has yet to provide a public case of carriers using its network software on the public cloud; the competitive market for public cloud OSS and MANO is still wide open.

EVENT SUMMARY

April 16, 2020- Netcracker announced the deployment of its full stack digital BSS/OSS and orchestration applications on Amazon Web Services (AWS). The announcement includes multicloud management features and includes launch customer T-Mobile Netherlands, which is using Netcracker's BSS on AWS. Netcracker promises high performance and on-demand scaling of its entire operations and business solutions on AWS to deliver innovative digital services with cloud economics.

ANALYTICAL SUMMARY

Perspective

⭐⭐⭐⭐☆

- Positive on Netcracker's provision of its full IT stack on AWS, because it accommodates telcos' cautious but growing willingness to host operational functions on the public cloud. While only the most adventurous carriers will place entire operational segments on AWS, Google Cloud, etc., a growing number is placing some workload capacity on these platforms to handle capacity spikes, ensure business continuity, support secondary digital/greenfield brands, and so on. Placing its entire software stack on AWS enables Netcracker to help carriers make their first steps into the public cloud, and then add more functions there. Together, the full stack deployment and supplementary services contribute to a level of maturity that will encourage telcos to start seriously considering the public cloud for their sensitive data and resiliency demands.

Vendor Importance

⭐⭐⭐⭐⭐

- Very high to Netcracker, because it is buttressing its move to AWS – and, as previously announced, Google Cloud – with multicloud management capabilities and an ecosystem play. Because each public cloud ecosystem has different geographical, commercial, and functional strengths, enterprises have grappled with multicloud management for years; only now are telcos starting to face the same issues of integration, lock-in, cost control, compliance, and so on. Netcracker promises help here, and is also addressing operators' need to introduce more services, more rapidly, by expanding its own service marketplace for CSPs with capabilities from AWS marketplace.

Market Impact

⭐⭐⭐⭐☆

- High to the public cloud market for telecom BSS and OSS, because Netcracker is both putting its entire IT stack on public cloud platforms and supporting that move with help optimizing public cloud management and service agility. While other vendors are making similar moves, there is wide differentiation in approach: Nokia, for example, is more adventurous in selling its functions on other marketplaces, and Whale Cloud benefits from its ownership by Alibaba Cloud, especially in Asia. Other vendors like Ericsson approach public cloud partnerships more tentatively. Netcracker's move provides telcos another approach to consider.

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