



EQUINIX

CLOUD SERVICE PROVIDERS

DIGITAL EDGE PLAYBOOK

Transforming cloud service offerings for greater value, performance and profit

ABOUT THIS PLAYBOOK

PURPOSE

This playbook outlines how cloud services leaders are responding to competitive pressures from hyperscale providers by evolving their platforms to streamline delivery of tailored solutions directly at the edge. By leveraging proven best practices for interconnection on a standardized global platform, they can deliver personalized services to specific localities and scale the integration of new capabilities through rich ecosystems.

CHALLENGE

Competitive pressures are commoditizing cloud services, lowering prices for basic services and impacting revenues. Complex, traditional IT infrastructures are costly and unable to provide on-demand access or visibility across multiple clouds. As enterprises shift to new modes of digital business, they are demanding fast response times, mobility across clouds, tailored delivery across devices and a reduction in integration complexity, none of which can be accomplished within a traditional architecture.

NEED








To respond to customer demands for high-value, low-friction, multicloud offerings, cloud services companies must re-architect their IT infrastructures on a globally distributed interconnection platform. They can localize the delivery of services across their digital presence, simplify cloud access policies, integrate technology partner controls and leverage dynamic interconnection within ecosystems to create sophisticated new cloud services. The approach reduces costs, provides insights across multiple clouds and enables high performance.

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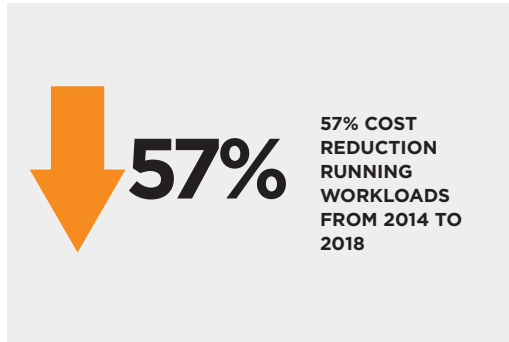
EXECUTIVE SUMMARY

Providers of cloud services need to evolve their architectures to meet demand for high-value offerings at the digital edge

TRENDS AND INSIGHTS		CONSTRAINTS AND CAPABILITIES		PLAYBOOK		
TRENDS	INSIGHTS	CONSTRAINTS	CAPABILITIES	STRATEGY	ROADMAP	PLATFORM
 <p>Increasing commoditization and evolving enterprise requirements are forcing cloud services leaders to adopt a distributed architecture to meet the demand for specialized solutions and services.</p>	 <p>Interconnection Bandwidth growth is compounding, creating an opportunity for cloud services companies to integrate ecosystems, cloud and analytic capabilities and reach new markets with innovative offerings.</p>	 <p>Traditional cloud services' product development and delivery processes based on centralized infrastructures limit business insights into customers, inhibit global collaboration, slow innovation and degrade user experience.</p>	 <p>A distributed interconnection platform streamlines digital engagement and integrates real-time capabilities, enabling cross-cloud visibility and optimal application performance.</p>	 <p>Cloud service providers are distributing business exchange points in proximity to users to deliver tailored offerings, standardize governance, and provide timely intelligence to customers, partners and employees.</p>	 <p>The roadmap offers a step-by-step approach to transforming digital business by interconnecting partners and ecosystems using best practices from an Interconnection Oriented Architecture® (IOA®).</p>	 <p>Achieving these digital transformation goals requires a platform that can support three critical elements provided by Platform Equinix®.</p>

MARKET TRENDS

Commoditization of cloud services is forcing continuous innovation to grow revenue...



TSOLogic Research: AWS Cloud Costs Keep Declining

Implications

- Competitive pressures require cloud services companies to expand specialized solutions and services.
- Transform the business by reducing costs through innovative capabilities connecting clouds, partners and ecosystems.

...while enterprises seek ways to leverage technology advances and avoid vendor lock-in...

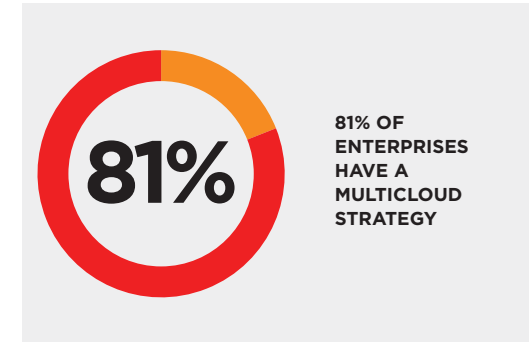


RightScale 2018 State of the Cloud Report

Implications

- Enterprise IT requires higher-level capabilities for automated cloud integration, management and accounting.
- Dynamic, flexible and dedicated connections are needed for greater reliability and security.

...requiring a new, agile architecture that offers low-latency, multicloud connectivity.



RightScale 2018 State of the Cloud Report

Implications

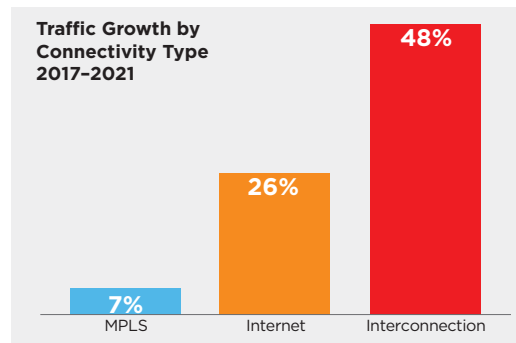
- Interconnection with partner ecosystems enables seamless management and visibility across multicloud and hybrid environments.
- Established points of presence proximate to clouds and users minimizes latency and ensures delivery of high-performance applications.

Summary

Commoditizing pressures are forcing providers of cloud services to innovate specialized solutions that dynamically interconnect partners, ecosystems and customers, while reducing costs. Enterprises seek the flexibility to run workloads across multiple clouds, with simplified management, optimized costs and greater reliability and security. To meet these goals, cloud services companies need an agile, distributed platform with secure interconnection for ecosystem exchange and access to a marketplace of customers and partners to deliver high-performance applications.

INTERCONNECTION INSIGHTS

Interconnection Bandwidth* is projected to outpace growth of internet and MPLS traffic...



Equinix, The Global Interconnection Index

Opportunity

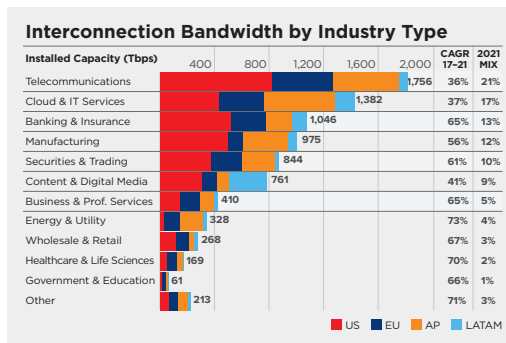
Interconnection, or the ability to privately exchange data between key business partners, is required for digital businesses to scale. Cloud service providers are leveraging this trend by establishing distributed, private traffic exchange and control points near partners, ecosystems and customers.

Summary

Global Interconnection Bandwidth is expected to grow by 48% CAGR through 2021. Cloud services companies are establishing distributed, private traffic exchanges and control points adjacent to partners, ecosystems and customers. Interconnection Bandwidth capacity is scaling up to meet the growing demands of customers for high-quality user experiences.

*Interconnection Bandwidth is the total capacity provisioned to privately and directly exchange traffic with a diverse set of counterparties and providers at distributed IT exchange points.

...with 37% compounding growth year-over-year for cloud and IT services...

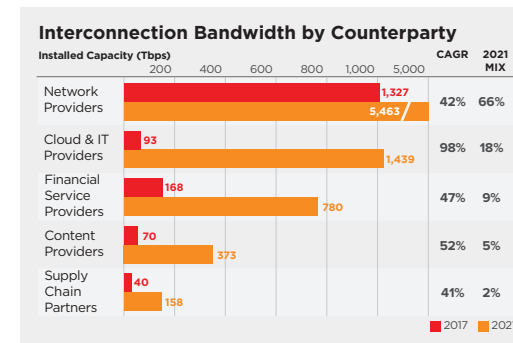


Equinix, The Global Interconnection Index

Opportunity

Interconnection in distributed colocation facilities streamlines the cloud services IT environment, enabling connectivity to customers, partners and ecosystems. Interconnection Bandwidth capacity growth is needed to handle the massive volumes of traffic resulting from new forms of digital engagement.

...and interconnection to ecosystems including cloud and IT providers growing 98%.



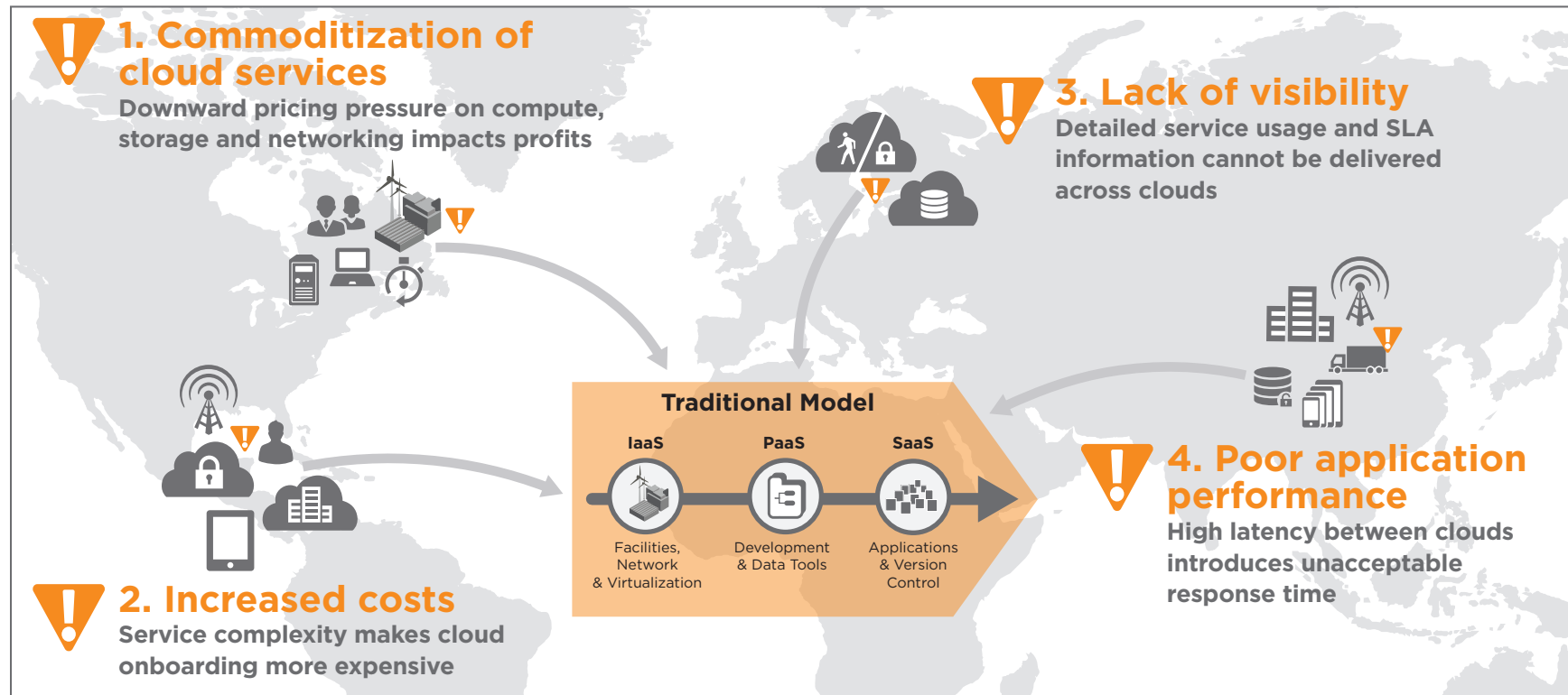
Equinix, The Global Interconnection Index

Opportunity

Interconnection to cloud services providers is the fastest-growing use case for enterprises. Cloud service providers require distributed exchange points for proximate interconnection with networks, ecosystems and customers to deliver the best possible user experience.

CURRENT-STATE CONSTRAINTS

Traditional cloud service architectures inhibit the ability to meet evolving enterprise requirements

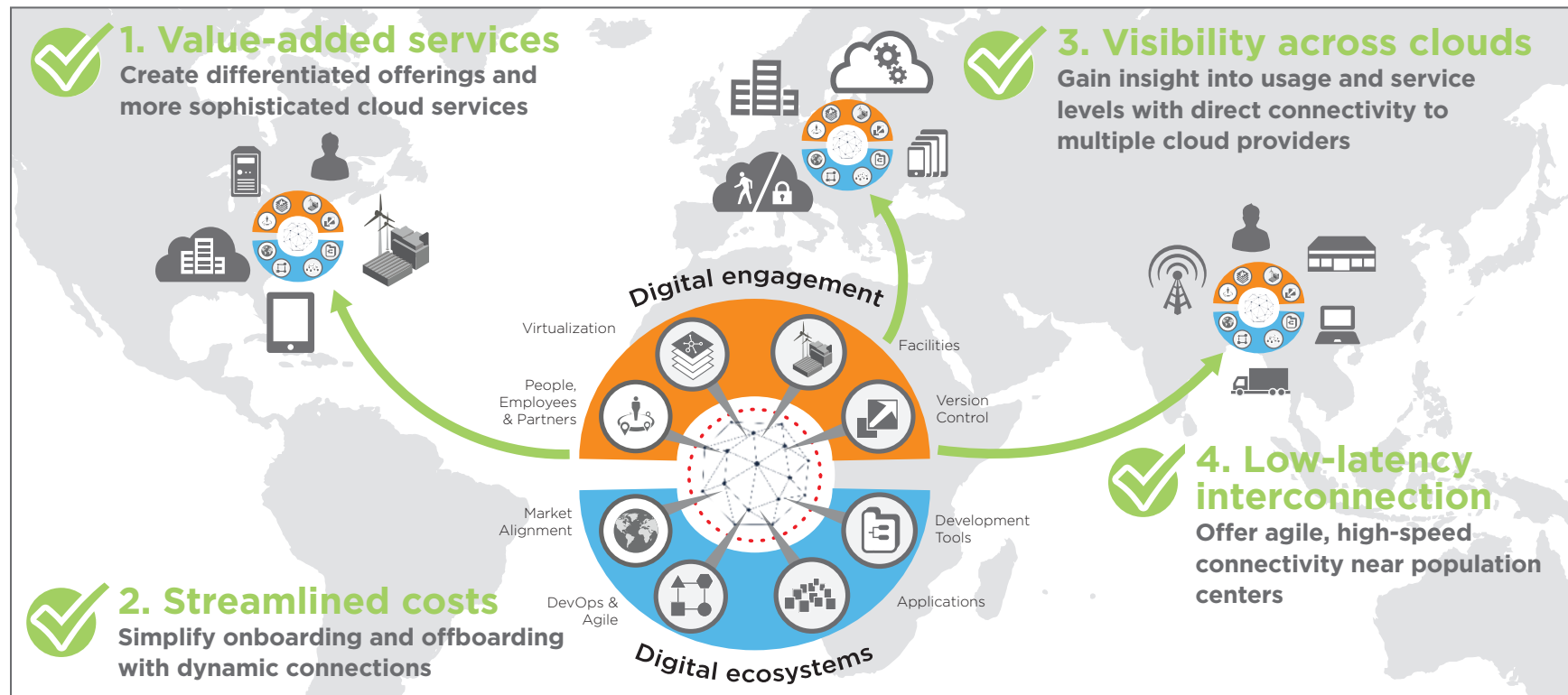


Summary

The commoditization of rapidly advancing cloud services, coupled with basic service price reduction, is putting competitive pressure on cloud service companies. Complex, traditional IT infrastructures increase costs and make cloud onboarding more expensive to deliver. A lack of visibility across clouds prevents accurate service usage tracking and SLA monitoring. Finally, latency for dynamic workloads results in unacceptable response times, degrading the user experience.

FUTURE-STATE CAPABILITIES

An optimized infrastructure enables value-added services, visibility across clouds and improved performance



Summary

Cloud services companies can leverage an optimized, globally-distributed interconnection platform to deliver value-added services that meet evolving customer needs. Dynamic interconnection allows providers to reduce latency, streamline onboarding, reduce costs and enable visibility across clouds. The approach enables new forms of engagement across digital ecosystems, allowing cloud services companies to harvest and distribute insights that improve the customer experience.

STRATEGY

Architecting for new, high-value services requires an interconnection-first approach

Summary

Cloud services companies require new digital capabilities in the face of cloud service commoditization and multicloud requirements. They need to provide high-value services by differentiating the customer experience, standardizing delivery methods and scaling use of data-driven insights using interconnected ecosystems.

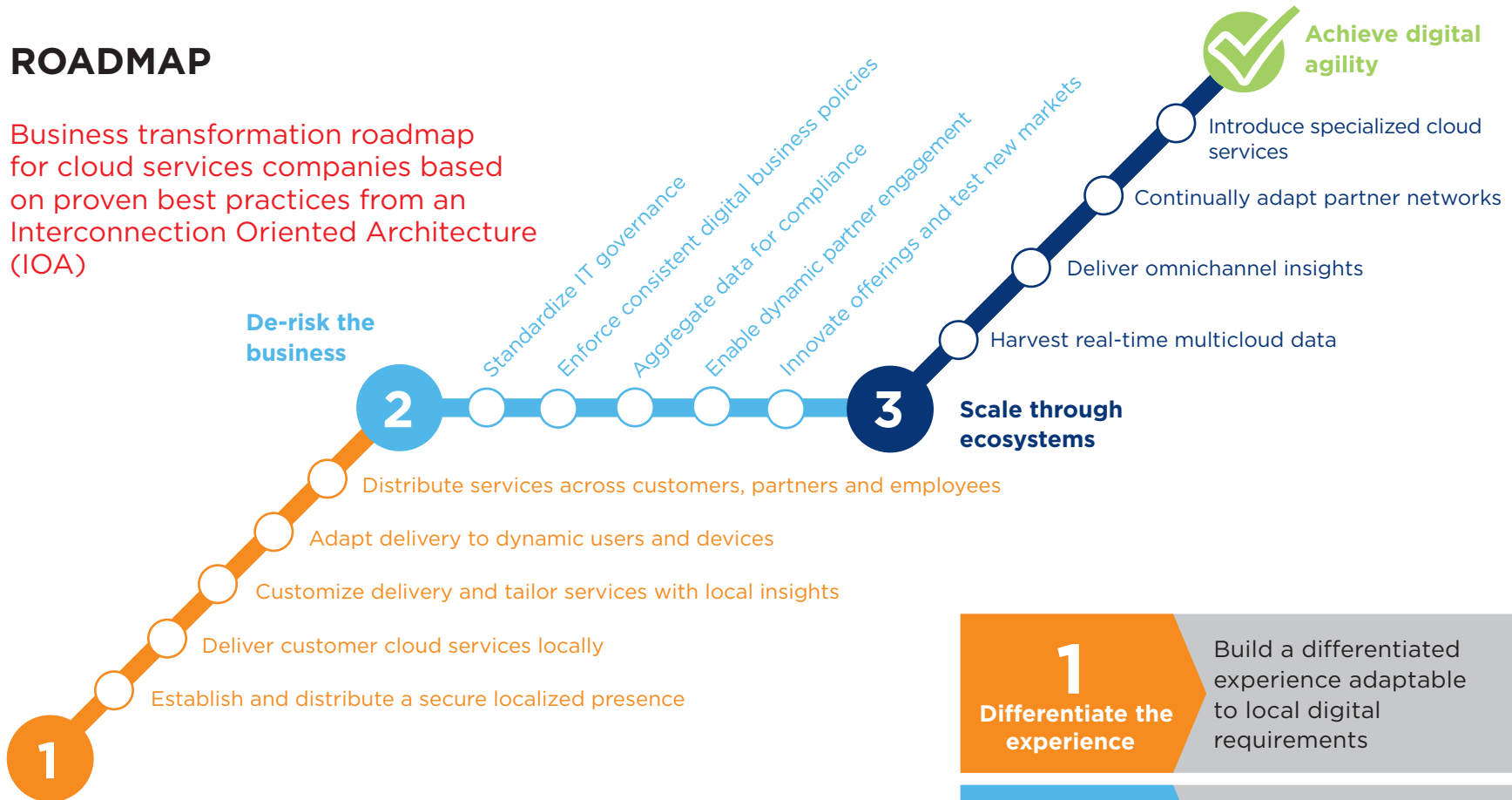
Network, SaaS, content and other service providers enable and integrate cloud platforms, ecosystems and customers by deploying applications for cloud services firms at the digital edge in a highly scalable, pay-as-you-go model.

Hosting and managed services providers help cloud services providers re-architect interconnection options and integrate automated management tools to meet customer demand.



ROADMAP

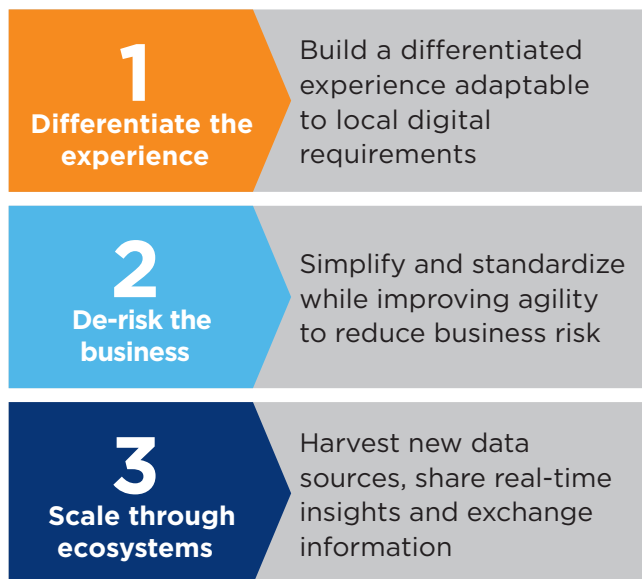
Business transformation roadmap for cloud services companies based on proven best practices from an Interconnection Oriented Architecture (IOA)



Differentiate the experience

Summary

Cloud services companies can leverage a roadmap based on IOA best practices to implement the Digital Edge Playbook. Build a differentiated experience adaptable to local requirements, simplify and standardize to reduce business risk, and scale insights through ecosystem exchange. Access a global marketplace of customers to grow revenue through outcome-based offerings tailored for the digital edge.



PLATFORM

To achieve the benefits of the strategy and the roadmap steps in this playbook, your architecture and platform require three critical elements: global location coverage, private interconnection with rich digital ecosystems and the capability to integrate, standardize and simplify control.

Global Coverage



Digital edge control point locations where you need them, close to...

Customers

Employees

Partners

Things

Reach Everywhere

- Global, metro cities and markets.
- Geographical compliance and sovereignty.
- Business operations and offices.

Interconnection and Ecosystems



Direct and dynamic private exchange of data across...

Networks

Clouds

Payments

Supply Chain

Interconnect Everyone

- Access network and cloud providers.
- Participate in ecosystems exchange.
- Leverage commoditized services.
- Share and exchange data.
- Transact using digital commerce.

Integration and Control



Integrate digital and physical services to control and optimize...

Security

Data

Applications

Business

Integrate Everything

- Marketplace of control functions.
- Cloud and managed services.
- Private data and distribution repositories.
- Globally standard policies.
- Business continuity and control.
- Digital commerce and payments.

GETTING STARTED

Playbook
Companion
Resources

The Platform Equinix Vision



See how an interconnected global platform enables cloud services companies to deliver new capabilities in a competitive market.
eqix.it/PlatformEquinixVision

Request a detailed briefing or strategy workshop with our experts.

Contact your Equinix account executive and learn more at equinix.com

Global Interconnection Index



Learn how growth in Interconnection Bandwidth is creating market opportunities for cloud services companies on a global scale.
eqix.it/InterconnectionIndex

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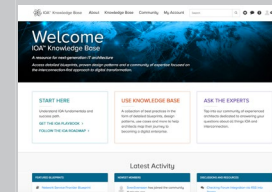
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IOA Knowledge Base



Download proven network architecture blueprints and design patterns based on industry-leading implementations of IOA.
eqix.it/IOAKB

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Equinix, Inc. (Nasdaq: EQIX) connects the world's leading businesses to their customers, employees and partners inside the most-interconnected data centers. In 52 markets across five continents, Equinix is where companies come together to realize new opportunities and accelerate their business, IT and cloud strategies. In a digital economy where enterprise business models are increasingly interdependent, interconnection is essential to success. Equinix operates the only global interconnection platform, sparking new opportunities that are only possible when companies come together.

Learn more at equinix.com

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