

Tata Communications' Global Meeting Exchange (GMX)



Challenge/Opportunity

EXECUTIVE SUMMARY

COMPANY PROFILE

Tata Communications is a leading global telecommunications provider that delivers managed solutions to multinational enterprises, service providers, and Indian consumers. The Tata Global Network includes one of the most advanced and largest submarine cable networks, a Tier-1 IP network, with connectivity to more than 200 countries across 400 points of presence (POPs), and nearly 1 million square feet of data center and colocation space worldwide.

COMPANY HISTORY

The company was founded as VSNL (Videsh Sanchaar Nigam Limited) in 1986. On 13 February 2008, VSNL, formerly owned by the government, was taken over by the Tata Group and renamed Tata Communications Ltd.

Tata Communications' Global Meeting Exchange (GMX) addresses the need of enterprises to communicate and collaborate with their counterparts regardless of which carrier they are connected to. The solution addresses enterprises' growing demand for high-definition (HD) video conferencing with global reach and support.

Tata Communications faces the following challenges in developing and delivering GMX:

- In a diverse environment of vendors and carriers, interoperability is critical, and Tata is working with its partners to address this. For example, Tata has announced a commitment to deliver multiscreen interoperability between Cisco, Tandberg, and other third-party systems by releasing its Telepresence Interoperability Protocol (TIP) as an open standard. This open standard is a good start for the video industry, but there is much more work to be done in providing the full interoperability that is required by enterprises.
- Several questions still remain on the business models and commercial agreements around international telepresence services. The revenue distribution for traffic across multiple telecommunication providers' networks is still a work in progress, and some confusion can be expected around who owns the customer's relationship in some particular cases.
- Although video is becoming a strong application in enterprise communication, it is unlikely to replace all voice applications and communication use cases. High-definition (HD) video collaboration will continue to be an advanced service that will co-exist with other business communications services.

In spite of the challenges, Tata is committed to providing a solution that allows interconnection between individual organizations' telepresence intranets. Tata GMX accepts customer connections, regardless of their network service provider. This arrangement will help them address the opportunity created by enterprises' need to communicate and collaborate with their counterparts regardless of which carrier network they use. This offer reduces capital expenses (CAPEX) and addresses the growing demand for operating expense (OPEX)-based models among enterprises. Tata GMX provides a secure, service-level agreement (SLA)-based service with "metered" call model. It also addresses the growing demand for a global-scale HD video collaboration among enterprises. Tata GMX has infrastructure on three continents, supporting all possible call flows, and providing a low entry cost for extending the reach of video collaboration to branch offices, customers, suppliers, and service providers. GMX will help Tata potentially create long-term customer relationships that go beyond standard support and maintenance, and provide both supplier and enterprise with a framework for technology evolution.

Alliances/Partnerships

- Tata's telepresence and video collaboration strategy is underpinned by its networks capabilities and based on a technology partnership with Cisco, which was established in 2008.
- Tata was one of the first telcos to partner with other telepresence exchange operators to enable inter-carrier connections. Its GMX alliance partnership program allows Tata's partners to offer global B2B services beyond their home markets. All customers on the GMX can dial into the partners' home markets for extended reach.
- The Intercarrier Exchange connects rooms on the networks of Tata Communications' Inter-Exchange partners, BT and Telefonica, and the National Lambda Rail network, which links leading U.S. universities. These telcos have taken advantage of their video conferencing experience to drive the managed telepresence market globally, and are now relying on this partnership with Tata to extend reach and further drive intercompany video.
- Tata was the first company to offer public rooms, which are extended through partnerships with local telcos and hotel groups, such as the Taj Hotel Resorts and Palaces and Starwood Hotels.
- Tata also has a partnership with GetThere, a global provider of travel and collaboration management solutions, to provide access to public and private telepresence rooms for GetThere's customers who want to meet virtually. This partnership helps to promote adoption of the technology and extends the geographical coverage of the platform beyond the corporate network. A global network of public rooms may give MNCs (multinational corporations) a better range of options and help them to justify the investment.
- Other partnerships include Amex, which integrates telepresence services as an option within its existing travel planning portfolio. Telepresence is integrated into its virtual meetings solution, and public suites are available at various locations including some Marriott, Starwood, and Taj hotels. According to Amex, "The virtual meeting exchange platform is currently available through an offline reservation desk and is expected to be available online in 2011."

Strategy

Tata Communications launched its telepresence service in 2008. It is building a strong partner network to expand globally and is present in 21 major cities across five continents, totaling 22 rooms, spanning 12 countries. Tata is planning to increase the number of public telepresence rooms that it operates to more than 30 by early 2011. Public rooms are under construction in Tokyo, Hong Kong, Munich, Frankfurt, Dallas, Washington D.C., Los Angeles, San Francisco, Moscow, Astana, and Almaty. The core solution comprises the Global Meeting Exchange (GMX). This enables business-to-business meetings between public rooms or customer-owned private rooms on the telepresence network. The public rooms are Cisco Telepresence® facilities open to the general public in major business centers across the globe and are available at a pay-per-use hourly rate. The private room service is a fully managed internal enterprise solution provided by Tata Communications.

Tata was the first telco to offer public rooms, which helps to drive the service even when customers consider that scale does not justify dedicated rooms. This offering helps to promote adoption of the technology and extends the geographical coverage of the platform beyond the corporate network. A global network of public rooms may give enterprises a better range of options and help them to justify the investment. Besides, telepresence infrastructure is hosted and managed by Tata with single point of accountability. This arrangement addresses the increasing pressure on the CIOs' budget and the growing preference for OPEX-based models (as opposed to CAPEX). Ovum's research with MNCs shows that companies consider implementing telepresence as a high expected reward program for cost savings. Metrics and reporting are available to manage user behavior and drive business decision making. These tools help enterprises to focus on the highest rewarding areas within their organizations and maximize the return on the investment.

Tata Communications is in the vanguard in establishing intercarrier connections with other major operators for global B2B services. Its global exchange infrastructure covers three continents. Customers can connect through the partners' domestic markets for extended reach. GMX alliance partnerships extend reach and lower costs access to other networks.

Business-to-business and public room interconnection options can maximize utilization and business benefits. A global network of public rooms and the possibility to federate with customers and external stakeholders may give multinational corporations (MNCs) a better range of options and help them to justify the investment.

Tata plans to deploy this service to its wholesale customers as "white label" solutions. After building a global network and expending capital and efforts on this platform, it makes sense to optimize this investment by wholesaling this capability to regional and local telcos that want to deliver these services but cannot afford to build a global presence. In addition to transferring the product and technology, normally present in the white label model, Tata will also provide support for solution launch and go-to-market activities.

"When clients are doing business globally, it makes sense to offer a meeting solution that's 'global' as well. Meetings no longer just mean sitting around a table, and the telepresence technology we're unveiling in Europe helps clients shape meetings to their own needs."

—Mary Casey, Vice President of Global Sales, Starwood Hotels

Success Factors/Metrics/Monetization

- Tata Communications aims to be among the leading providers of global/multiregional services to MNCs. Tata's leading position in Global Meeting Exchange services is a key element in this strategy. Tata has moved from an Indian-centric telco (in 2006, more than three-quarters of the company's revenue came from India) to a relatively well-balanced business distribution across the globe, although India is still its largest market and now accounts for 37 percent of revenue.
- At this stage, Tata does not disclose figures about the services revenue or number of active customers. However, the increasing number of partners joining its GMX alliance and the growing number of customers are clear signs that the strategy is paying off. Recent customer contracts include:
 - Car manufacturer PSA Peugeot Citroen: private telepresence rooms. Tata says it is the first car manufacturer to use a high-definition, virtual collaboration tool to connect its research and development facility with its executive offices around the world, reducing time for product development through better collaboration. Five rooms installed across three locations: France (3), Brazil (1) and China (1).
 - Starwood Hotels & Resorts Worldwide: public telepresence rooms. Starwood now has a total of eight public telepresence rooms available globally across seven locations in Germany (2), France (1), Canada (1), United States (1), Australia (1), and Kuwait (1).

Company Background

- Read [Tata Communications overview](#)

Case Study Source: Cisco sponsored research developed by [Ovum](#)

“As an expert in emerging markets with strong local partnerships and a world-class global network, Tata Communications was the obvious choice for this deployment. Our new telepresence rooms will enable us to lead within our industry in terms of innovation and development. This cutting-edge technology will also dramatically improve collaboration and business transformation across the group.”

—Daniel Zamparini, Group CIO, PSA Peugeot Citroen



Americas Headquarters
Cisco Systems, Inc.
San Jose, CA

Asia Pacific Headquarters
Cisco Systems (USA) Pte. Ltd.
Singapore

Europe Headquarters
Cisco Systems International BV Amsterdam,
The Netherlands

Cisco has more than 200 offices worldwide. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at www.cisco.com/go/offices.

Cisco and the Cisco logo are trademarks or registered trademarks of Cisco and/or its affiliates in the U.S. and other countries. To view a list of Cisco trademarks, go to this URL: www.cisco.com/go/trademarks. Third party trademarks mentioned are the property of their respective owners. The use of the word partner does not imply a partnership relationship between Cisco and any other company. (1110R)

Printed in USA

FLGD 10307 03/12