

From Tallinn to Tokyo

With a growing demand in emerging markets, CITIC Telecom CPC is expanding its footprint and service offering through a carefully crafted strategy based on cutting-edge technology, according to Managing Director (Europe) *James Halberstadt*

While most global telecommunications providers carve the world into the traditional Americas, Europe and Asia, they tend to define their strength in just one of these regions. CITIC Telecom CPC (CITIC CPC), on the other hand, has created a unique set of capabilities that start in Eastern Europe and stretch all the way to Japan.

As operations in Eastern Europe, Russia, the Commonwealth of Independent States (CIS) and China are more challenging to global providers – due, in large part, to their complex regulatory environments – these regions are often less well served. This state of affairs, however, is starting to shift, thanks to the growing demand for global network services within emerging markets. These regions are beginning to request cloud-based services that are local to them, but that isn't to say they don't also seek providers with a global reach and product offering.

CITIC CPC's focus on direct wholesale and enterprise connectivity between Eastern Europe and Asia is feeding this new demand. This, in turn, is seeing a considerable increase in the number of new services offered by CITIC CPC, as well as an expansion in the group's capacity.

In light of the company's recent acquisition of LINX Telecom, *European CEO* spoke to James Halberstadt, Managing Director of CITIC CPC Europe, to learn how the company is navigating this important period in its history.

What are some of the regulatory challenges to creating network solutions across international borders, and how do you overcome them?

It's fair to say the international telecoms industry as a whole became deregulated during the late 1990s and early 2000s. This led to a glut of commoditised bandwidth across the US, Europe and Asia, with many different available operators. Now, local loop, facilities-based access infrastructure is the only hurdle preventing alternative providers from competing effectively.

There are a number of markets, however, that remain more difficult to operate in – such as China, Russia and the CIS – as they continue to receive strong oversight from their respective governments. This, in turn, necessitates licence ownership and a local presence – in the form of local offices, business entities and people – in order for a telecoms provider to operate successfully.

CITIC CPC is no stranger to operating in difficult markets: China, our largest market, is regulated by the Ministry of Industry and Information Technology, which reports directly to the Chinese Government. Operating in China for more than 16 years has put us in good stead to learn how to operate in markets with similar compliance regulations.

How does China's One Belt, One Road initiative tie in with recent developments at CITIC CPC?

CITIC CPC falls under the CITIC Group, which is a state-owned, Fortune 500 organisation in China. The One Belt, One Road (OBOR) initiative is at the forefront of the Chinese Government's strategy to promote and facilitate business both in and out of China.

The acquisition of LINX Telecom, which was rebranded as CITIC Telecom CPC Europe on completion, provides points of presence (POPs) along the Silk Road. With POPs in Russia, Eastern Europe, Central Asia and Kazakhstan, CITIC CPC is now in a position to serve the needs of Asian clients that win contracts that have forced them to expand westward. Likewise, we are also seeing European companies invest in the East and successfully win contracts from the OBOR.



“All service providers need to be at the forefront of technology in order to remain relevant to their customers”

towards cloud-based, software-as-a-service applications that are more typically located somewhere on the internet.

While previously 80 percent of traffic was destined for the data centre and 20 percent for the internet, this trend is rapidly moving the other way. The network environment is increasingly complex as enterprises operate in a hybrid configuration. This means business applications can be stored in multiple locations, both within and outside the private network environment.

SD-WAN solutions can be deployed over any underlying network transport as an overlay to the network. These solutions are deployed via 'zero touch', with policies downloaded from a graphical-user-interface-based orchestration system. Orchestrator policies allow network managers to identify applications (even if they are all HTTPS-based) and create path selection rules to route the traffic in the most efficient way possible – whether it's based on bandwidth, latency or quality.

Finally, the SD-WAN service measures and makes decisions in real time, ensuring there is no disruption if the network environment is changed. End users' application usage is, therefore, automatically optimised and protected from adverse network events.

Why is it important that CITIC CPC works with world-class technology partners when delivering its services?

Technology evolves at an ever-increasing pace, and all service providers need to be at the forefront of technology in order to remain relevant to their customers. Security services are a good example, as five years ago a port-based, stateful firewall was considered a satisfactory enterprise security solution. Today, an application-aware firewall with built-in threat management is only the beginning.

Enterprises must have a multilayered approach in order to protect against viruses, malware, cross-scripted websites, botnets, phishing attacks and more. Security information and event management services that collect data from multiple sources and use big data analytics to detect anomalies, as well as warn of possible attacks, will soon become obligatory for every chief information security officer.

In light of such advancements, CITIC CPC's TrustCSI security service continues to evolve and make use of new vendors that arrive in the market. Moreover, we have a research facility in Chengdu that tests and develops solutions from technology partners, including blockchain, big data analytics and other emerging technologies.

Can you provide some examples of the ways your customers are using cloud solutions to add value?

Our customers are increasingly moving their services to the cloud. This is not only to save money, but also to allow technology – and the efficiencies new technologies bring – to transform the way they operate. For example, a leather bag manufacturer has recently leveraged CITIC CPC's SmartCLOUD solution to analyse cloth shape and size to ensure patterns are cut in a way that minimises the amount of cloth wasted.

An IT team that remains busy 'keeping the lights on' has no time to think creatively and strategically to help the business work in more interesting and competitive ways. CITIC CPC's cloud solutions, however, ensure our customers' IT leaders are free to spend more time in the boardroom and less time in the data centre.

How do SD-WAN technologies help businesses deliver optimal application performance?

Traffic patterns in corporate networks are reversing as companies move away from client server environments, which store applications solely in their own data centre, and move

With the digital threat landscape evolving all the time, how does CITIC CPC ensure its clients are always protected?

CITIC CPC's motto is 'innovation never stops', and our engineering lab in Chengdu continues to be at the forefront of technology innovation. As testament to this ethos, CITIC CPC holds technology and vendor workshops with its customers in order to share the exciting innovations happening within CITIC CPC and the marketplace as a whole. We always strive to bring new technologies to market in order to allow our end customers to progress within their own competitive fields.

As a result, our Chinese and Asian sales teams have many customers in Europe with requirements that can now be fulfilled, and the same goes for our European customers, who can now enjoy unified network and cloud-based services across Asia. Looking to the future, growth in the European enterprise market is of paramount importance as we seek to help businesses with networking and cloud requirements that stretch all the way from Tallinn to Tokyo. ■