





THE SKY'S THE LIMIT FOR AT&T

How a process of continual transformation put the telecom giant at the forefront of cloud-based, mobile technology solutions.

BY JOE GUIINTO



NO ONE KNOWS WHO SAID IT FIRST.

But we do know that for more than 100 years, people have been making a statement about New York City that, more or less, goes like this: “New York will be a superb/great/wonderful city when it is finished.”

When will that be? In New York today, construction cranes still dot the landscape. No, it’s not finished. It never will be. But the continual process of transformation is part of what makes New York superb.

AT&T knows something about this kind of continual transformation. The company’s history stretches back nearly as long as people have been commenting on New York’s ongoing transformation. The American Telephone and Telegraph Company was established in 1885, as a small subsidiary of the Bell Telephone Co. that was founded by Alexander Graham Bell. He was a visionary and transformative figure, but it’s still hard to believe Bell could have imagined that AT&T would someday transform into a multinational diversified telecommunications company providing everything from long-distance services to cutting-edge, cloud-based mobile technology solutions. In fact, just seven years ago, it was hard to believe that AT&T would even transform into the diversified telecommunications provider it is today.

In 2007, AT&T’s executives set the company — and its subsidiaries — on its current course, in what was a dramatic departure from the company’s longtime roots in long-distance service.

One of the first things the company did was to declare, both internally and externally, that they would be known as a wireless company. AT&T’s executives have noted, in various interviews, that there was pushback from the owners, stating that the fixed-line side of the business generated a majority of revenue and that’s where the bulk of the company’s employees worked.

Other companies trying to implement transformation know something about this. Transforming an enterprise carries risk. It can fail in small ways that slow the company’s progress. Or it

can fail outright.

For AT&T, failure was not an option. Last year it made \$18.2 billion on \$129 billion in revenue thanks to the high-level transformation that shifted the company’s strategy toward wireless service, as well as other, smaller transformations that have changed everything from the company’s financial systems to the way AT&T’s corporate offices look.

But AT&T, like New York, is still not finished. It’s now embarking on a transformation of its cloud-based services, one it hopes can help other companies transform the core of their businesses — moving increasingly to the cloud as a way of doing business.

CRYSTAL CLEAR RECEPTION

When you adopt cloud-based solutions, you’re not just upgrading an operating system, you’re embarking on a new way of doing business. You’re embarking on a transformation.

Or, certainly, that’s how Jon Summers, senior vice president for growth platforms at AT&T who is responsible for cloud and security solutions targeted to AT&T business customers, sees it. And he sees the cloud as a tool for change.

“Businesses are looking at cloud and evaluating it as a significant opportunity to improve efficiencies for their business,” Summers says. “They view it as an opportunity to help them increase their agility and help them deliver products and services to the market faster.”

But moving to cloud-based methods of doing business, whether it’s just giving your employees access to all of their internal communications tools or developing sales platforms that customers can access with mobile devices, is a big change. And Summers says many businesses are cautious about committing to that kind of transformation.

“Customers are really looking hard at making this shift,” he says. “They want to enable their workforce with mobile applications on mobile devices. But, at the same time, they want

to have some degree of control in terms of providing security for those mobile users. This is the dilemma a lot of them are working their way through.”

Concerning security, Summers notes that many CIOs are increasingly concerned regarding the exposure of highly sensitive or proprietary information.

“By combining our mobility, security, NetBond (the company’s proprietary cloud-computing platform which isolates traffic from other customer traffic, creating a private network connection), and cloud capabilities, AT&T is able to deliver a differentiated, secure mobile cloud solution.”

DIALING IN ON GROWTH

Summers says AT&T is aggressively working to not only transform the customer relationship, but to also deliver innovative solutions in new growth areas.

“Our growth platforms not only expand our clients business potential and contribute significantly to revenue growth, but they also reduce churn and create value with our core network and mobility services,” says Summers.

For the moment, he says some of the companies who are adopting cloud-based solutions are start-ups and web developers. There are other cloud users in the enterprise space who will require products like NetBond to enable migration to the cloud, and AT&T is currently enabling NetBond with companies like IBM and HP.

Furthermore, AT&T is starting to convince clients across an array of industries — everything from retail to healthcare to manufacturing — that it has secure and reliable cloud platforms that bypass the public Internet and can reshape everyday business.

“We see a hybrid landscape evolving in which companies require choice,” says Steve Caniano, vice president of networked cloud solutions, who is on Summers’ team at AT&T. “That’s why AT&T

introduced NetBond and our network-enabled cloud. We want to create a seamless, on-net service that delivers an enterprise-class solution with performance, cost, and security advantages.”

Summers says that the shift toward the mobile cloud is revolutionary for the industry.

“This is a pretty massive transformation for AT&T and for our customers,” Summers says. “Like our customers, we want to take advantage of cloud. When we started this effort a few years ago, the cloud market was still in its infancy.

However, according to AT&T, one thing is fairly constant as cloud adoption advances: Decision makers are not just following the latest technology buzz when they consider their next-generation cloud architectures. They are balancing business needs, such as market differentiation, economics, ROI, and scalability, with a build-vs.-buy analysis.

“As we study the market and talk to customers, we see even more growth ahead as these issues around security and performance are addressed. We think as customers gain more confidence about the security and performance of cloud that the adoption rate will start to accelerate.”

Just seven years ago, AT&T was a long-distance company whose move to mobile was scoffed at both internally and externally. But after a successful transition helped it become a leader in the space, today, when a company official says, “Mobility is how businesses do business,” it’s hard not to listen closely.



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