FIREWALL AS A SERVICE

By Azured, Telstra & Palo Alto Networks

When Australian Telco giant Telstra faced the prospect of losing tens of millions in revenue, they turned to 'little old Azured' to provide a solution. As Microsoft Azure specialists, it was our creative approach to problem-solving and 'born in the cloud' culture that made us the obvious choice of partner.

THE CHALLENGE

Tens of thousands of Telstra customers were being serviced on soon-to-retire Managed Internet Gateway (MIG) and IPVAS infrastructure. Without a viable replacement on hand, Telstra faced the dire reality of losing tens of millions of AUD in revenue and rendering vulnerable a large customer base.

It was clear that Telstra's client base needed a ground-breaking solution; a premium firewall capable of delivering enterprise levels of security and connectivity at a price point affordable to SMEs.

Unfortunately, there was an absence of partners willing to service the SME space – with the attraction of large, enterprise sized budgets proving too much of a draw for most.

Added to this was the lack of diversity in Telstra's partner ecosystem, being filled with installers, skewed towards traditional network deployment organisations and having a notable absence of innovators.

THE SOLUTION

Built in Azure, FWaaS by Azured enabled Telstra to offer their customers a commoditised yet premium solution; protection from the next generation of threats whilst also delivering internet connectivity to private networks at a flexible, affordable price point on a monthly subscription.

An extra challenge (just for fun, and completely self-imposed)

Hugely appreciative of this ground-breaking opportunity to support Telstra and their customers, we knew we would not be satisfied with merely filling a void with a new product. We needed to add value.

To ensure Telstra customer retention and ongoing customer cloud growth, we wanted to create a productised service that would also be incredibly simple to sell and serve as an entry point for customers towards the fuller adoption of Microsoft cloud.

With these commercial objectives firmly in mind, we created our first SaaS based solution, Firewall as a Service (FWaaS).

HOW WE DID IT

We begin all our projects the same way; firstly by investigating common customer environments and asking 'what do they want?' and (and this is a different question, believe us) 'what do they need?'.

Fast forward hours of review and investigation and the team concluded 'a Managed Internet Gateway hosted in Azure' as the best course of action. Simple. Right?

Then began the conceptual framework for FwaaS, experimenting with how the solution might actually work. This design phase opened regular feedback and input from Telstra to ensure its feasibility as a solution, both commercially and technically.

But we couldn't have done it without them...

Telstra's and Azured's shared reputation for delivering premium products and services to its customers meant there was no room for second-tier firewall providers.

With Palo Alto Networks' engineers, we explored the depth of the services we could deliver within Azure... we were now delving far deeper into Azure than any partner they had worked with to date. Their team helped us to understand the restrictions and caveats of their platform within Azure, whilst providing us access to development and roadmap resources to align our development methodology.

Together with Telstra, we began pairing our solution with their market leading MPLS and cloud peering tool, Cloud Gateway. Telstra's Cloud Gateway is a simple, yet powerful, means of connecting private networks to Azure. Working with Telstra Solution Architects, we constructed a scalable model, leveraging Border Gateway Protocol to deliver internet to MPLS connected sites; a **first within Microsoft Azure**.

Azured combined these assets to construct a scalable and unique platform within Azure, backed by an IT Service Management toolset for incident and issue management to deliver at or above 99.9% uptime SLA to customers.

Our proof of concept and first iteration for FwaaS soon followed; taking the solution from the glint in our tech team's eye to the delivery of our bouncing baby.

This involved creating a manual pilot solution of 165 steps and deploying the framework to a subset of customers to prove the idea. We selected customer environments where the implementation of this service was low-risk and the impact of a potential service failure would be inconsequential (if you're going to fail, fail safe).

But fail it did not. It wasn't long before FwaaS was proving highly successful in this customer subset and was ready for a larger customer base. It was at this stage automation of the 165 steps was also created in preparation for showing our newborn off to the world.

Once FwaaS was ready to be released into the market, we embarked on extending awareness within Telstra plus educational and promotional campaigns as part of ongoing operations. This stage also saw the production of sales and GTM materials – largely driven by what the Telstra sales and technical teams needed.

THIS LITTLE FWaaS GOES TO MARKET... WITH TELSTRA

The primary channel to market for FWaaS has been through Telstra, Telstra partners, Telstra Distributors and Telstra aligned vendors. As such, the FWaaS product offering was deliberately designed around Telstra's core network product - one that is widely understood by Telstra's partner ecosystem.

With this in mind, pricing was approached with a goal to deliver clear and simple processing for Telstra sellers. Commercials were neatly wrapped up into the customer's monthly service bill from Telstra and paid monthly in arrears over a 36 month contract term.

We worked closely with Telstra to prepare and educate their technicians and sellers. Mindful of Telstra's size, protocols and culture, we created and supported a number of programs and resources to aid in the development of the sales pipeline and deal closures:

Go for Azure!
A Telstra program designed to incentivise the sale of new Azure subscriptions by rewarding Telstra Account Executives with pre-paid visa gift cards for selling new subscriptions over $500 per month. We partnered with the Telstra Cloud Technical Solution Specialists to deliver a series of VC based enablement sessions across Australia, demonstrating how easily this could be achieved with FWaaS.

Cloud Rewards
We put forward a plan with Telstra that bundled FWaaS migrations with Cloud Readiness assessments. Enabling customers to not only receive a free migration to FWaaS, but also a readiness assessment that positioned them for the strategic adoption of further cloud services.
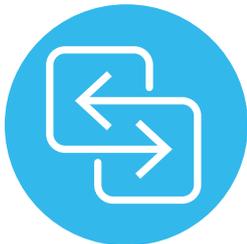
Free Migration
Partnering with Telstra's Microsoft Alliance team, we proposed a limited time offer for free migrations to select customers within Telstra. Successfully driving Azured's FWaaS awareness across the channel, the initiative quickly reached its goal of subsidising deployments for ten customers.

Skill Pills
We delivered a series of face-to-face and VC based enablement sessions with Telstra Technology Specialists across Australia. Demonstrating the superiority of FWaaS vs alternative solutions, whilst addressing concerns and reviewing case studies.

As a Telstra Partner in Residence, we also drove a number of co-selling initiatives with Microsoft & Telstra including:

Q4 2018 campaign & FWaaS speed dating lunches

Co-funded by Microsoft, the Q4 2018 campaign was the first that utilised advertising mediums to create awareness of Azured's FWaaS. The campaign assets included its own webpage, explainer video, branded collateral and extensive digital media content. 'Speed dating lunches' were also held to educate Telstra Sellers on the product. These sessions covered the capability of the solution, the market need it addressed and the ideal FWaaS Telstra customer profile.

The Modern Security Roadshow 2019

The Modern Security Roadshow brought together expert speakers from Microsoft, Azured and Palo Alto Networks across Australia. Over six weeks, the team presented to Telstra and their customers the latest on security in the age of cloud. The roadshow showcased FWaaS to over 200 delegates and generated over 80 new opportunities for Telstra.

FWaaS webinar

At the request of Telstra and Microsoft, our team put together an online webinar. We invited relevant sellers, account executives, customers and technicians across Microsoft and Telstra to this one hour session, which was viewed by over 50 attendees.

THE OUTCOME

As all of our services are placed through Telstra to the customer, additional revenue raised as a by-product of FWaaS such as Azure & 365 migrations and partner-led managed services, are realised by Telstra.

Moreover, due to our seamless integration in the Telstra ecosystem, for each Azured FWaaS, Telstra could reasonably expect a minimum of **5x return on additional services**. We achieved this through:

- Offering free cloud readiness assessments with our FWaaS solution. This was an effective way of enabling Telstra's customers see the 'big cloud picture' and begin making those first steps of transformation. They provided Azured and Telstra with a clear view of other products and services the customers could benefit, from enabling up-sell and cross-sell.

- Launching cross-sell products such as Disaster Recovery as a Service (DRaaS) to complement FWaaS and provide the most risk conscious customers with additional peace of mind.

Telstra - landing and expanding with FWaaS

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Revenue
To date, FWaaS has delivered revenue of over $5 million for Telstra, including pull through sales. Achieved within 18 months, this figure is still growing and is testament to our simple yet effective sales model; land with FWaaS, build out with a cloud readiness assessment, install DRaaS, migrate the customers' workloads to Azure and 365 respectively and then wrap our 24 x 7 managed services around it all; leveraging our skills as an ISV, SI and MSP.

ACR
Now a Microsoft OCP listed product, FWaaS has increased Telstra's Azure Consumption Revenue from $3,000 per month to over $160,000 per month – propelling Azured to the number one Azure Partner for Telstra nationwide, having sold the most Azure by over 250% more than our next closest competitor.

GP
As a result of the way we merged Azure with Telstra's solution set, FWaaS became a product with a blended Telstra Gross Profit in excess of 45%. We were able to achieve this as several of Telstra's core networking products came bundled up with FWaaS. Furthermore, FWaaS required an increase in the size of the underlying MPLS network (Telstra's core product) and subsequently pulled through network increases - dramatically increasing the value of the opportunity to at least five times the value of FWaaS on its own.

Microsoft cloud adoption
Through analysis of our first year of FWaaS results, we discovered a 60% uptake of additional Azured and Microsoft services leading to an increase in consumption in both Modern Workplace and Application & Infrastructure technologies.

CONCLUSION

We nailed it! Our team successfully created a commoditised product that continues to be widely recognised as a solution that has allowed Telstra to retain existing customers whilst supporting the customer on their journey towards full Microsoft cloud adoption. And we continue to work on products and services that create exceptional value for end customers and utilise the full Microsoft Azure platform through Telstra.

Telstra Microsoft Partner of the Year 2018
Our work with Telstra earned us an honourable mention as 'Telstra Microsoft Partner of the Year 2018'.

Telstra Enterprise Innovation Award 2020
One of only four categories in the Telstra Enterprise Partner Awards, we were proud to be announced as a finalist in the Innovation category. In recognition of our innovative approach and success, this award also represents our commitment to our partnership with Telstra and its customers.

Network as a Service
Following on from the success of FWaaS, Azured and Telstra have partnered with technology giant VMware to bring to Telstra customers the promise of cloud, for networks.

With the increasing proliferation of Hybrid Cloud environments, and customers seeking an extensible, scalable and simple means of accessing public cloud resources, we brought to market the natural evolution of Firewall as a Service – our SD-WAN solution, Network as a Service.

NWaaS by Azured offers enhanced application performance and security in hybrid cloud networks, whilst continuing to drive the primacy and importance of Telstra's Next IP service. Crucially, NWaaS enables customers to realise further value from their investments within Telstra products and services, and Microsoft cloud. Ultimately, NWaaS drives great customer outcomes in an increasingly cloud dominated ecosystem, whilst underscoring Telstra's role as a technology enabler within the wider community.

"We're justifiably proud of our success with FWaaS and NWaaS, and hugely appreciative of all the support we've been given from Telstra and their customers, Microsoft, Palo Alto and VMware."

Anthony Koochew, CEO, Azured Australia