

**NETEVENTS**

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*In the HOT SEAT*

Itzik Weinstein

**CEO, Telco Systems**

Hi. Good morning. My name is Itzik Weinstein. I'm from Telco Systems. I have 10 minutes to speak about the cloud, not just the cloud, but the carrier cloud. And I'll try to explain what we see, what the vision is, and how we see the difference in the cloud providers.

There are two main categories that we see. One of them is the virtual one, which provides cloud services, but they are interested only in the services on the cloud. The network for them is totally commodity. They don't care which network you're going to use, how you're going to get to the cloud, whatever difficulties or issues are on the way. They are focused on the cloud itself, the service on the cloud itself.

What I would like to speak about is on the other side, which is the carriers that are focused on trying to stay a monopoly or capture the audience or capture the customers to them and deliver end to end cloud services. These two groups of providers for cloud services, whether it is computing or data centres, it doesn't matter, have different motivations or different directions they want to go to, and each one of them are looking how to maximise their benefit or their value or their revenues. For the virtual ones, they are looking for more services. They're looking how to sell more. For the carriers, it's a different issue. They are trying to innovate themselves, bringing more value into their platform or carrier network or how to get more out of each of their customers.

If we look at these two, we can see the different approaches that exist in other areas, and we always see this. This is the openness versus the closed approach. The carriers try to [indiscernible] or monopolise or close the opportunity for others to participate and try to maximise what they have from their customers and capture them, while the virtual ones try to work more on an open platform. They see this as a commodity and

don't care which network you're going to run or if this is one or more than one trying to get their services. As long as you can get to the service, they don't care how.

This is the same with others. We saw this in Android versus Apple, or if we speak about Linux and Windows. For many years we have seen these two approaches of closed and open. Is there a winner? I don't think so. Will there be a winner? I don't think so. Both approaches have their customers. This has been existing for many years and many others are carriers in the market and it will exist in here as well, and there will be customers to virtual clouds and there will be customers to carrier.

We see the value that they're trying to bring within their cloud applications. What about the value to the end user? What about the issues of the end user? Have they been solved? Is this important if this is between these two groups? Our vision says no. It doesn't matter. It really doesn't matter. The issue exists in both directions or in both options. All they're trying to give or to show to the user with this new way of dealing is the quality of the experience. Try to give them the same experience as the experience before, when the applications or data were on their own LAN or on their own computer. Seamlessly, with a timely manner, but the issues exist. Still, there are security issues. There is the speed, the quality, the experience that the end user feels when he uses data on his cloud versus on his own network. All these issues need to be addressed, and whether you're going to virtual or you're going to carrier, the answers as to how to attack these issues that the end user feels are different. What we see out of this and the vision that we see in the market and the needs that we see is that the answer to these questions can be isolated from the question whether this is a virtual or carrier. This is more about the quality of the experience for the end user, and if you give the right answer, or the good answer, it doesn't matter which one of the clouds you're going to choose.

In order to answer these questions of security and low latency for such specific applications that need this or if you're speaking about [indiscernible], we do believe that there is a need for a new category of device, which is the cloud gateway. The cloud gateway can play a role in between the cloud to the network or in between clouds. There is a need to find a way to give all these services to the end user when he is approaching the cloud. It can be with a new category device, which we do believe needs to go to the open approach of the hardware and software and give an opportunity of best of breed to this new equipment.

There was talk on flutter in the network here. If you don't use such a device, you still need some kind of switch router. You still need some kind of security device. You still need some kind of load balancer device, to load between the clouds or to load between servers. You need multiple devices. With the open architecture or the open future that we see in this new category of device, we speak about a device with some kind of a known and open architecture that can host all of these in one box.

When I say all of these with an open view, it doesn't mean from one vendor. You can have the platform with the switching capabilities, your auto switch capabilities, and then the security and all others, load balancing. Whatever needs to be in this box can come from off-the-shelf hardware with a software that comes with it. The integrator

or the customer themselves can choose best of breed in order to build such a device. The open view or the open innovation here comes to the hardware and not only in software like it used to be, and trying not to capture everything within one provider and hook the customer totally, but going with the openness approach and try to flatten the hierarchy here and give more flexibility and value to the end user when he uses such a provider.

The idea of such a provider giving this kind of product, which needs to have the resilience, the low latency, the option of security, the option of cashing in a low balance in order to provide quality of experience, still giving the opportunity to choose several applications that you want to add onto such a device in order to maximise the value for yourself. This opportunity gives something that we do believe is needed and missing today in providing cloud applications and cloud services to the market. It doesn't matter if this is virtual or carrier cloud providers. Both of them need this on top of the services they give in the cloud.

This is again between the cloud and the network and between clouds. Between clouds it is also important to have this. The idea is that sometimes or in periods of times during the day, the traffic goes up. Whether this is in the morning when people come to work and are just getting their data out or when they're backing it up at the end of the day or when the IT runs the backup on the system. The traffic is going up and the congestion is going up and something needs to balance this in between, whether this is in more than one cloud, or when we say cloud, this is not any new term to networking. It is just changing the meaning. We used to call the network cloud. Now, the cloud is not one entity. It might be more than one entity, and between clouds, we also need the capability of low latency security and above.

This new category, which is today fulfilled by multiple boxes, multiple vendors, again integration, again hooking the customer, again the issue of managing this can come in one box with the open approach. Hardware and not only software, but hardware and software give more value to customers.

Thank you.

### **Manek Dubash – Editorial Director, NetEvents**

Thank you very much, Itzik. Thanks for an interesting presentation. First of all, why don't you talk in the same language everyone else talks? Everyone else talks about hybrid clouds. Everyone else talks about bringing all these clouds together. You have a private cloud, you have public cloud, and then you have the whole thing, or you don't have, there are very few actually in existence, the hybrid clouds, but that seems to be the end game where people want to go.

First of all, why are you trying to complicate things?

### **Itzik Weinstein**

You can look at it from the complication point of view. I am looking at it from the innovation point of view. You see innovation in data. You see innovation in mobile. You don't see a lot of innovation in networking. We are taking the open approach

another step forward, and we try to bring real innovation into this and to open the hardware and say, you are not hooked to me anymore, you're not bound to me. This really is open architecture. We are going to a common known architecture in the market. You can buy off-the-shelf blades. You can put your own software. You can add to this value as you see it and not as I see it. It's complicated? No, it's innovation.

**Manek Dubash**

Yes, innovation. First of all, I take issue with your analogy about iPhone, and with Linux and Windows, because do people really care about openness? Just to adopt your analogy, iPhones are being sold by the million every day. They're the antipathy of openness. They're absolutely closed, and yet people love them, because for most people, that's good enough. Isn't good enough good enough?

**Itzik Weinstein**

I've touched this. Is there are winner? No, I don't think so. There is a place for both of them. As we do believe, with this new approach of cloud gateway, it can serve both worlds, the closed one and the open one. I don't see there is a winner, and the history says there is no winner, and as you said, on Apple, people will continue to choose. Some like the openness. Some like, some don't care really, but we do believe that the issue here is the value to the end user and bringing him the quality of experience. It serves both.

**Manek Dubash**

Yes, but I can do what you're doing in software. I can go to Eucalyptus. I can go to any other CloudStack vendors. This is the sort of thing you're talking about, and I can bring together all these different clouds, just using software I can download, and get service from those guys. Why do I need added hardware to do this? I have got enough hardware in my data centres, thank you very much.

**Itzik Weinstein**

That's the issue. We are not trying to bring more hardware into the data centres. We are speaking only about the edge. Data centre without connectivity is meaningless. I am not touching the data centre. We are a networking company. What we're trying to bring is the edge. It's the connection in between the network and the cloud or in between clouds and bring more value in there. You must have hardware there. You must have connectivity there. You cannot do it with software only.

**Manek Dubash**

Explain to me a bit more about how that works then.

**Itzik Weinstein**

Again, today you need a router switch in order to connect. Then, everybody needs security. You need a Firewall or something, and then what about load balancing and

policy and everything? If you have one box, and it's open architecture, you have many slots. You can have the switching blade. You buy the switching blade and connectivity to the network. Now you can add whatever you want. If you want security, you buy a blade from a security company, and this is something existing. I'm not speaking hypothetically or in dreams. You switch and you choose which security you're going to take, and then again, you can do it on load balancing, you can do it on DPI/DPA. You can do it on whatever. At the end of the day, you have only one box to manage, and you have one management opportunity. The integration is done for you because you are going to open this in known aspects and known architecture. Ease your life.

**Manek Dubash**

Let me see if I've got this right. You provide a box, and as service provider I can plug this in and operate across different networks and so on, and you have an ecosystem of people who are providing plug-ins for that physical hardware, or maybe software as well?

**Itzik Weinstein**

Yes.

**Manek Dubash**

How is that open, when basically, I have to go to these particular people to get that stuff? Is the hardware truly open? Do you provide absolute open source of all the stuff that's in that box?

**Itzik Weinstein**

The architecture is open. We didn't invent it. The ecosystem is not ours. It's worldwide. Very big companies, any companies play in this architecture. We are part of it.

**Manek Dubash**

What is the architecture?

**Itzik Weinstein**

ATCA.

**Manek Dubash**

Tell me more about that.

**Itzik Weinstein**

ATCA is a well-known hardware spec. The ecosystem is very big. Very big companies in the market use this, and they decided to go to a known and open architecture in order to provide [indiscernible] architecture. When they produce the

hardware, there are many options to buy best of breed products out of this, whether this is security or others, or DPI or DPA. Even companies that have all this software can buy a CPU blade with memory, put their software on it, and time to market tomorrow, they can have a product out there. It's eased their life, which is something that is market-proven. We're playing this. We have customers already. We see some of them choose one security blade, others choose another. We play in both. What we supply is the switching blade and the hosting for this and management that can manage the idea as a whole.

**Manek Dubash**

So proof of openness is that there must be lots of other players in this market.

**Itzik Weinstein**

Yes. This is true.

**Manek Dubash**

How many?

**Itzik Weinstein**

You caught me by a number, but a few tens.

**Manek Dubash**

Do we believe him? Is this man telling you the truth? Hands up if you believe him.

**Itzik Weinstein**

Nobody believes me?

**Manek Dubash**

Nobody believes you. You have got some more convincing to do.

**Itzik Weinstein**

I can tell you that big switching, routing companies, a lot bigger than me, believe in this. I can tell you that Intel believe in this. I can tell you that the manufacturer [indiscernible], a big Taiwanese one called Advantech, believe in this.

**Manek Dubash**

It's called?

**Itzik Weinstein**

Advantech.

**Manek Dubash**

I've heard of them.

**Itzik Weinstein**

There are a lot of deployments around the world of ATCA. As I said, we didn't invent it. It's existed many years already. We are just adopting this. One option is to have it, as I said, on this cloud gateway, which is a platform to host more opportunities. We are using this as well as a very high-density aggregator to the network. We're using the same architecture or the same methodology on our own product now.

**Manek Dubash**

How many people are actually using your kit?

**Itzik Weinstein**

Currently, we have a very big security company that use this approach and took this as the [hosting] and using this and connecting to the network and add on top of this their own security hardware, official hardware with their software, and there it is already deployed into the market. On our own product itself, we are currently on trials with three vendors in the world, as we have just announced. Time will tell.

**Manek Dubash**

Time will tell. Do you believe him now? Is he telling the truth? Hands up. One over there. Thank you, Jim.

**Itzik Weinstein**

You're going to be the winner.

**Manek Dubash**

I guess that'll have to do for now. Itzik, thank you for being a sport on this. Thank you.

**Itzik Weinstein**

Thank you very much.

**Manek Dubash**

That's the end of the plenary session for today. I hope you've enjoyed that and it's been useful. This afternoon, as I say after lunch, we'll be going to the most important part of this event, which is basically the meetings between yourselves as press and the vendors, and then, this evening, we're going to have some fun at the races. We'll see you in this hall again tomorrow morning. Enjoy. Thank you.

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