Cygate and Hewlett Packard Enterprise help Swedish companies transition to the cloud

HPE ProLiant for Microsoft Azure Stack enables Cygate and its customers to overcome data security challenges

Objective
Improve customers’ business speed and agility while keeping sensitive data on-premises

Approach
The HPE ProLiant for Microsoft® Azure Stack hybrid cloud solution allows customers to meet Sweden’s data compliance requirements while leveraging the benefits of being part of the country’s largest data network.

IT matters
- Reduces network latency that can occur when running high-performance applications across a hybrid cloud environment by up to 80%
- Allows developers to deploy across hybrid cloud environments without changing code or deployment processes
- Streamlines onboarding and maintenance by using automation and a self-service portal

Business matters
- Meets growing customer demand to consume IT as a service
- Drives the transformation toward recurring revenue in contrast to Cygate’s traditional IT infrastructure business model
- Allows resources to be redirected from IT maintenance to managed and professional services for transition, transformation, and integration services

Challenge
Speed and security without the investment
Cygate is the IT solutions arm of Telia Company, the region’s largest telco. Partially owned by the Swedish government, Telia’s digital infrastructure stretches across the Nordics and Baltics and is connected to virtually all major public cloud services. Cygate offers multitenant hosting and develops customized solutions for midsize and large organizations from multiple data centers and 20 local offices throughout Sweden.

As Cygate’s customers move to the public cloud to optimize operations and performance, they look to Cygate to help them manage transition issues. One such challenge is the European Union’s (EU’s) 2018 General Data Protection Regulation (GDPR), which requires companies to abide by stringent new privacy rules. The GDPR is making companies rethink the way they do business and host data in the cloud.

As Cygate’s customers transition to the cloud, they’re looking to do so without up-front capital investments and potential data security risks. Thanks to the HPE ProLiant for Microsoft Azure Stack hybrid cloud solution, Cygate can offer its customers the same ecosystem of services and functions found in Microsoft Azure, but as a locally delivered, highly scalable, and high-performing service.
“Customers start looking at the big public cloud service providers because that’s where the innovation is,” says Cygate’s Cloud Business Manager Emil Svensson. “The problem is what we call ‘The Three Ls’: the legacy, the latency, and the legal issues that prevent them from moving completely into the cloud.”

To help overcome The Three Ls, Cygate began evaluating hybrid cloud solutions—specifically, those compatible with the Microsoft Azure public cloud platform that many of its customers were already leveraging for applications and services.

Solution

HPE innovation and support
Cygate selected and deployed the HPE ProLiant for Microsoft Azure Stack hybrid cloud solution in 2018. The solution allows customers to deploy workloads and services seamlessly between Microsoft Azure and Azure Stack, operated on Cygate’s premises.

Svensson pointed to several factors that influenced his choice to partner with HPE on this solution. Particularly important to Cygate was the close partnership between HPE and Microsoft, which Svensson anticipates will deliver ongoing innovation that will continue to pay off for Cygate’s customers. Svensson also notes the commitment from HPE.

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“We saw a strong will from HPE to work together and actually invest in us as a partner,” he says. “HPE was a partner we wanted to grow our business with because we believe that HPE’s technology and infrastructure strategy aligns with ours.”

Another differentiator was the fact that Cygate was able to use its existing rack infrastructure with the HPE solution. “This was a significant consideration in our decision,” recalls Svensson. “HPE’s flexibility made our transition easier and more cost-effective because we otherwise would have had to make room for HPE proprietary racks and redesign the power and the cooling systems.” And, then, of course, as a cloud service provider operating in an extremely competitive market, we needed to consider price versus performance,” Svensson adds. “HPE exceeded our expectations in this area.”

The HPE solution offers multiple configuration options—Cygate opted for 12 nodes—and includes on-site installation. HPE handled the entire process, including system startup, Azure Stack integration, and training.

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“One of the biggest advantages of working with HPE is their competence,” Svensson says. “The installation went well, and HPE worked closely with us prior to the install to ensure everything was ready and in place.”

With HPE handling the installation, Cygate was able to focus on business matters, like crafting its selling proposition for the solution.

“HPE has been very willing to help us strategize how we can extend our Azure Stack hybrid cloud offering to our customers, making it even more compelling to our business.”

– Emil Svensson, Cloud Business Manager, Cygate
Benefits

The best of both clouds
Because the GDPR requires an unprecedented level of data protection, more and more Swedish industries—from finance to retail to natural resources—are benefiting from Cygate’s HPE hybrid cloud platforms. Customers can confidently conduct business around the globe, tap into new markets, and deploy apps and services in more places.

And, with Cygate’s hosted Azure Stack offering, customers can experience the benefits of full cloud integration—innovation, agility, accelerated growth—without risky up-front investments in IT infrastructure. Its uniquely granular pay-as-you-go model means customers can scale up and down when and where they need to.

“Customers can be in the cloud without having to commit to anything,” Svensson says. “They can modernize and streamline their business processes affordably and without much risk.”

Cygate’s customers are also saving time and resources. Developers can test apps on the local cloud without experiencing latency that can occur when connecting to the public cloud and, because Azure and Azure Stack are API-compatible, developers can build an application once and deploy it to the cloud or on-premises without changing the code.

New revenue streams
Like its customers, Cygate is able to monetize opportunities provided by the new solution. It has expanded its services to include helping customers develop and execute their hybrid cloud strategy and customize their add-on solutions, such as backup and disaster recovery. Cygate is also an HPE reseller, allowing it to generate revenue via two additional channels:

• Selling the HPE ProLiant for Microsoft Azure Stack solution directly to customers: In this scenario, Cygate sells the solution to the customer; HPE installs it; and the customer manages its Azure Stack subscription through Microsoft. The customer manages the solution themselves.

• Managing customers’ on-site Azure Stack solution: Cygate supports the customer’s HPE ProLiant for Microsoft Azure Stack infrastructure by performing the day-to-day tasks that an on-site administrator would traditionally handle, such as patches and updates or deploying and maintaining virtual machines.

Also like its customers, Cygate can scale on a pay-as-you-go basis as necessary, such as when more customers onboard or ramp up their bandwidth needs. Additionally, standardized templates and automated updates allow for quick customer onboarding and frees up IT resources from maintenance tasks to more profitable activities, such as managed services or integration services.
HPE Pointnext Services support has been key to the success of Cygate’s new hybrid cloud environment, says Svensson. “The integrated support we receive from HPE and Microsoft makes this an easy platform to operate, allowing us to spend less time managing the infrastructure and instead focus on delivering value to our customers.”

As the first provider to offer the HPE ProLiant for Microsoft Azure Stack solution in the Swedish market, Cygate has set itself apart as a leader in the region’s adoption of hybrid cloud computing and anticipates extensive growth as it continues to build its partnership with HPE.

“We can devote more resources to managed services, or transition or integration services, rather than just maintaining the platform—it’s just another benefit of our relationship with HPE and Microsoft.”

— Emil Svensson, Cloud Business Manager, Cygate