



Network Services

“The Credibility
Challenge”



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Network Services
"The Credibility Challenge"

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(NENSP)

Network Services "The Credibility Challenge"

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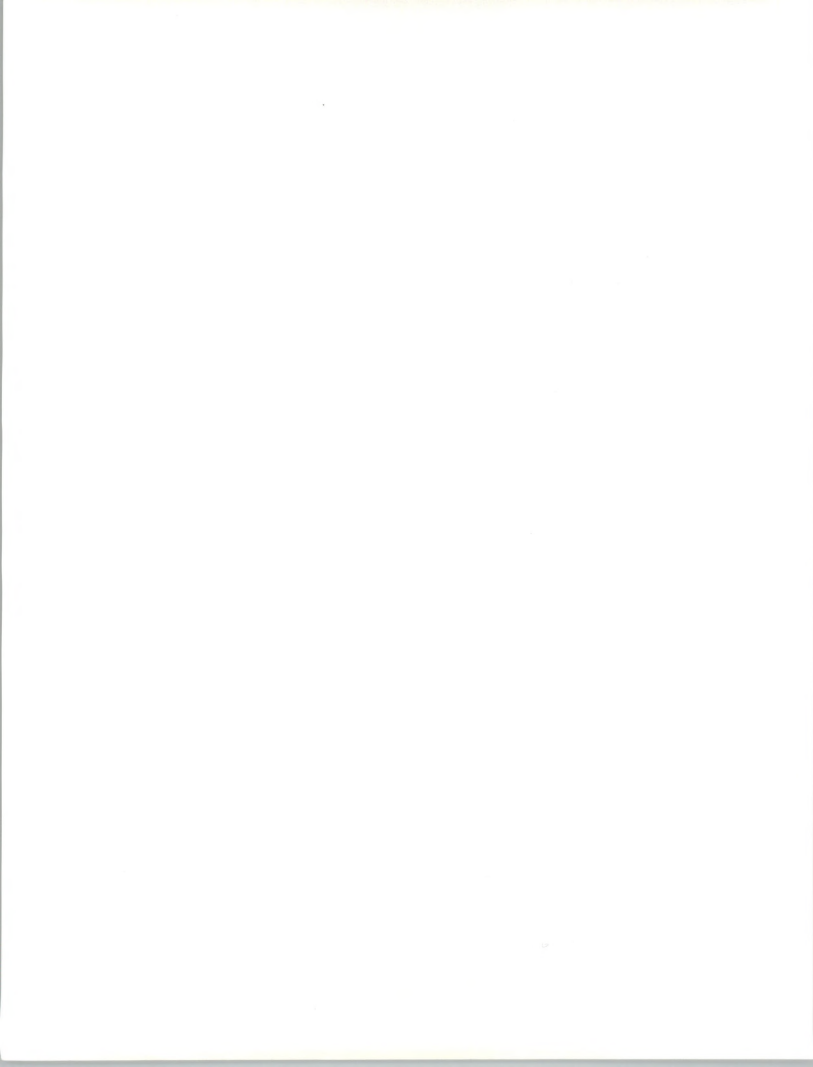
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Network Services
“The Credibility Challenge”

Amanda Southern
Consultant



Vendor Direction

Utility → Value added

Technology → Business

Global reach → Account management

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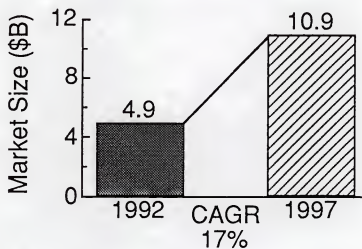
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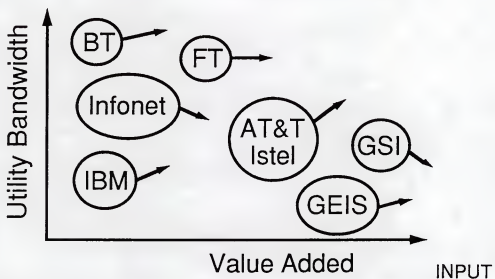
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Vendor Positioning



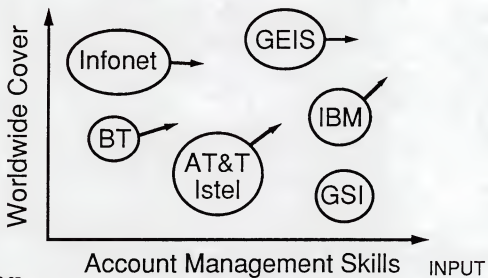
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Vendor Positioning



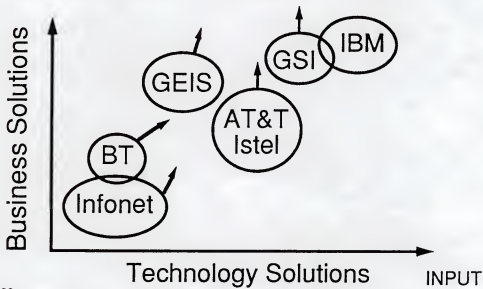
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Vendor Positioning



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GEIS is moving from
network to business and
consultancy services.

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Infonet has excellent local partnerships and knowledge, but suffers from a lack of cohesion.

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BT has to provide added value in order not to be relegated to utility bandwidth provision.

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For **IBM**, network services
is a necessary addition to
the portfolio in order to
retain large accounts.

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AT&T Istel has plans to be
in the 'Top Five' by leveraging
U.S. client business.

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Vendor Ratings

	IBM	GEIS	AT&T Istel	BT	Infonet
Geog. Cover	H	H	M	M	H
Voice Communications	L	L	M	H	L
Data Communications	H	M	H	H	M

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Vendor Ratings

	IBM	GEIS	AT&T Istel	BT	Infonet
Computing HW and SW	H	M	M	L	L
Support	H	M	M	L	L
Integration Capability	H	M	M	L	L

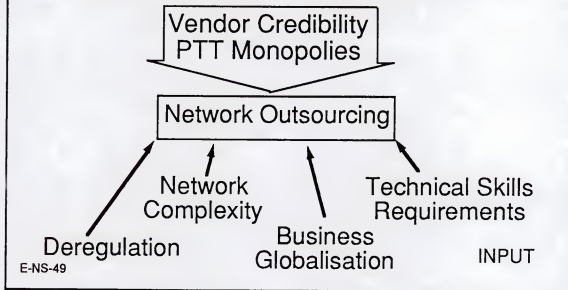
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Network Outsourcing Drivers and Restrictions



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Key User Requirements

- Increased geographic scope
- Freedom of voice communications
- Standardisation of traffic handling
- Simplified management
- Lower wage bills
- Maximise performance

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Major Reservations on Outsourcing

- Loss of control
- Loss of creative management
- Monopoly situation
- High costs
- Unclear vendor strategic direction

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Characteristics of Potential Outsourcing Candidates

- Organisation
 - Network not core business activity
 - Loss industry
 - Strong services orientation
 - Competitors taking lead

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Characteristics of Potential Outsourcing Candidates

- Network
 - Private development low
 - Low in-house management
 - Nationally biased
 - Limited international requirements

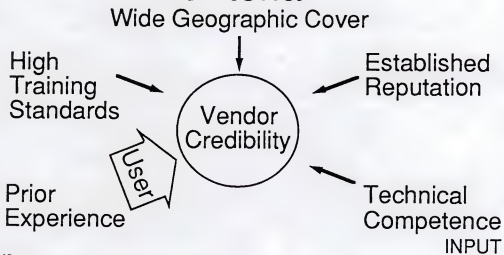
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Key Vendor Selection Criteria



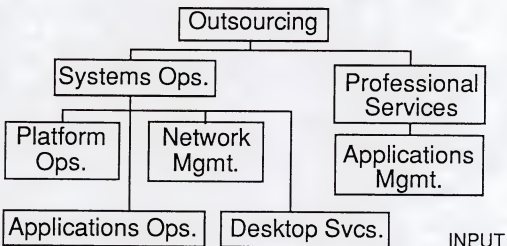
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Outsourcing Components INPUT's View



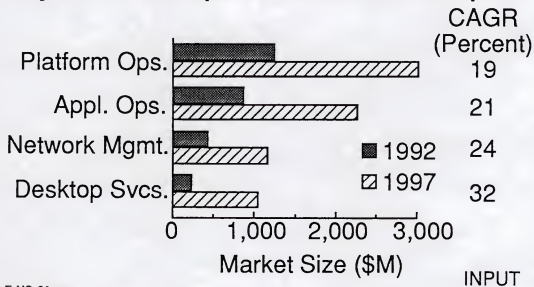
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Systems Operations, Europe



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Network Outsourcing Conclusions from the U.S.

- Costs are reduced
- Network performance improves
- LAN and voice solutions are in the greatest demand

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Network Outsourcing Conclusions from the U.S.

- Preferred vendors are systems integrators
- Platform operations is commonly combined with network

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U.S. Users Achieving

- Significant cost savings
- Reliability and availability improvements
- Increasing levels of satisfaction
- Focus on core business

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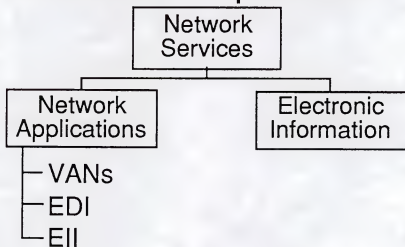
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Network Services Market Components



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Vendor Characteristics

Heritage	IS Industry
Focus	"Top 1,000"
Strengths	Vertical industries
Weaknesses	Geographic cover
Direction	Total solutions

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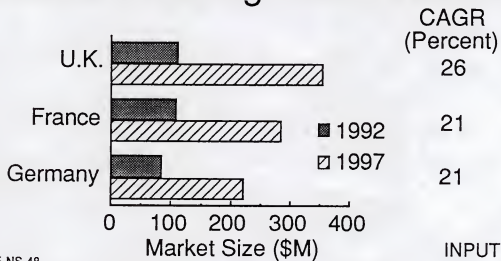
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Major Economy Network Management Markets



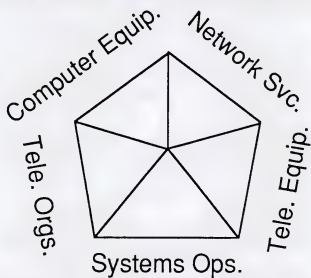
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Vendors Active in Network Outsourcing



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Leading Vendors 1991 Network Applications

	Market Share (%)	Est. Rev. (\$M)
IBM	9.9	110
GEIS	9.5	105
Infonet	9	100
France Telecom	7.2	80

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Leading Vendors 1991 Network Applications

	Market Share (%)	Est. Rev. (\$M)
BT/Tymnet	7.2	80
AT&T Istel	5.4	60
GSI	4.5	50

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Users require close
partnerships with vendors,
based on clearly defined
strategic goals.

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