Current Analysis
Outsmart your competitors

Growing Competition in Telecom Infrastructure Services

Telebriefing

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Washington DC | San Diego | Boston | Dallas | Paris | London | Tokyo

Agenda

Growing Competition in Telecom Infrastructure Services

- Market Overview: What is TIS
- Carrier-Class Services
- Network Operator Demographics
- Solution Selection Criteria & Competitor Positioning
- Summary & Q&A

What is TIS?

- **Telecom Infrastructure Services (TIS) is our broad term for:**
  - Services delivered by **vendors** to **carriers**
  - Services **related to the network**

- **TIS has three segments:**
  - Professional Services
  - Managed Services
  - Technical Services

  - All of these can overlap with each other

Segmentation & Taxonomy

Professional Services

Network Design, Planning, Consulting, Engineering

System/network integration

Network optimization

Common characteristics:

- Project-based
- Custom

Managed Services

Application and Service Hosting

Operations outsourcing

Build-Operate-Transfer

Common characteristics:

- Process-based
- Recurring service

Technical Services

Deployment

Maintenance

Support

Training

Common character

- Traditional
- Product-dependent

Technical Services

"Interesting" characteristics:

- Managed
- Multi-vendor

Services Market Competitive Events

New Service Launches

- Andrew Corp. Launches Managed Maintenance Services
- Nokia Joins the Managed Applications Market with Nokia Mobility Hosting
- UTStarcom Seeks to Add Value with New Professional Services Solutions
- Ericsson Highlights Managed Field Operations Service
- Telindus Goes RetroVue to Bring GoBackTV to European Operators

New Resources (People, Places, etc)

- Nortel Invests Long Term in New Service Center in Mexico
- Lucent Opens Another GNOC to Support Its Managed Services Portfolio
- Nortel Brings Its Services Organization Up to Date
- Nokia Expands North American Services with LCC Acquisition
- Atos Origin Goes Automatic in Europe with Intelliden

Customer Wins

- Monthly Round-up: Infrastructure Services Contracts Announced in Oct. 2006

Market Drivers and Trends

- **All suppliers have developed high priority services strategies**
  - 20% - 30% of revenues now derived from services
  - Service organizations now equal business units
- **Demand Drivers:**
  - OpEx reduction is not a trend– it is a fixture
  - Increasing operator competition leads to commercial rather than technology orientation
  - Multi-vendor networks require new expertise
  - Use of technology “partner” rather than “supplier” reduces risk
- **Supply Drivers:**
  - Monetize, measure and increase embedded services revenues
  - Avoid becoming a commodity supplier; increase value-add
  - Services approach gives vendors access to competitors’ accounts
  - Use of service partners to provide expertise lacking in vendor

Carrier-Class Professional Services

Typical Offers	*Typical Players*	*Requirements*
Network Security	Alcatel·Lucent SIEMENS NORTEL	Technology Depth Technology Breadth Process Management
Network Optimization	WFI next generation networks	Engineering Technology Depth Technology Breadth
Network Transformation	Alcatel·Lucent ERICSSON CISCO	Platform Project Management Responsibility

IPTV System Integration Solutions

Vendor	Solution	Services Value
Accenture	[ad hoc]	Business Case Partnership Advocate Technical Solution Design Operational Advice
Alcatel	Triple Play Services Integration	Services Definition Reference Solution (Platform) Project Management Operations & Maintenance
HP	HP IPTV	Hardware & Management Platforms Ecosystem Development Integration & Testing
Siemens	SURPASS Home Entertainment	Middleware Platform Ecosystem Development Turnkey Deployment
Wipro	IMS-Enabled IPTV	Integration and implementation

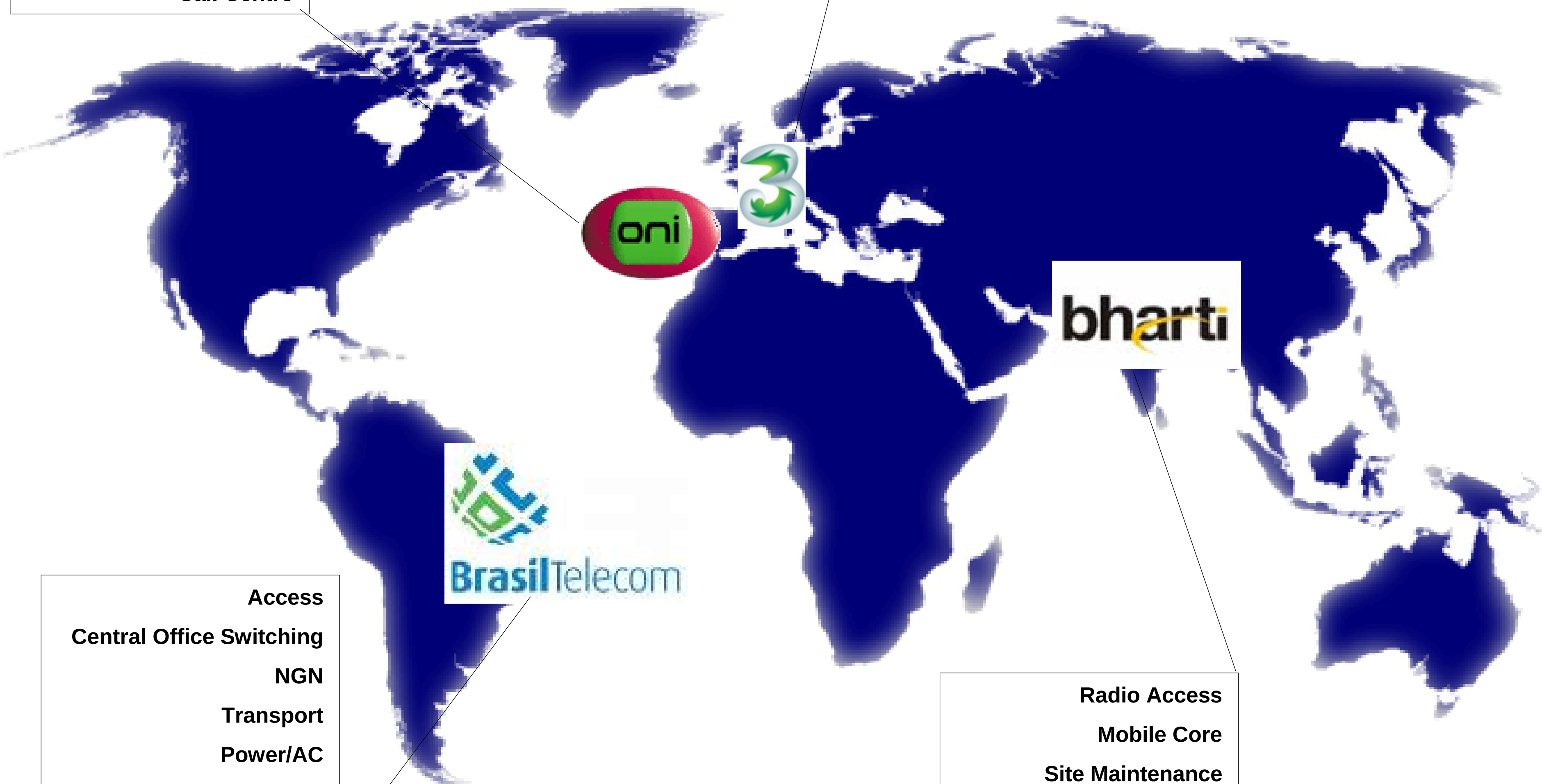
Carrier-Class Managed Services

Typical Offers	Typical Players	Requirements
Service Hosting	Alcatel·Lucent ERICSSON SIEMENS	Applications Speed to Market Flexibility
Build-Operate-Transfer	SIEMENS	Platform Project Management Responsibility
Operations Outsourcing	NOKIA Connecting People accenture IBM ERICSSON relacom	Process Management Footprint Responsibility

“Poster Children” of Telecom Outsourcing

Access
Transport
Switching
Call Centre

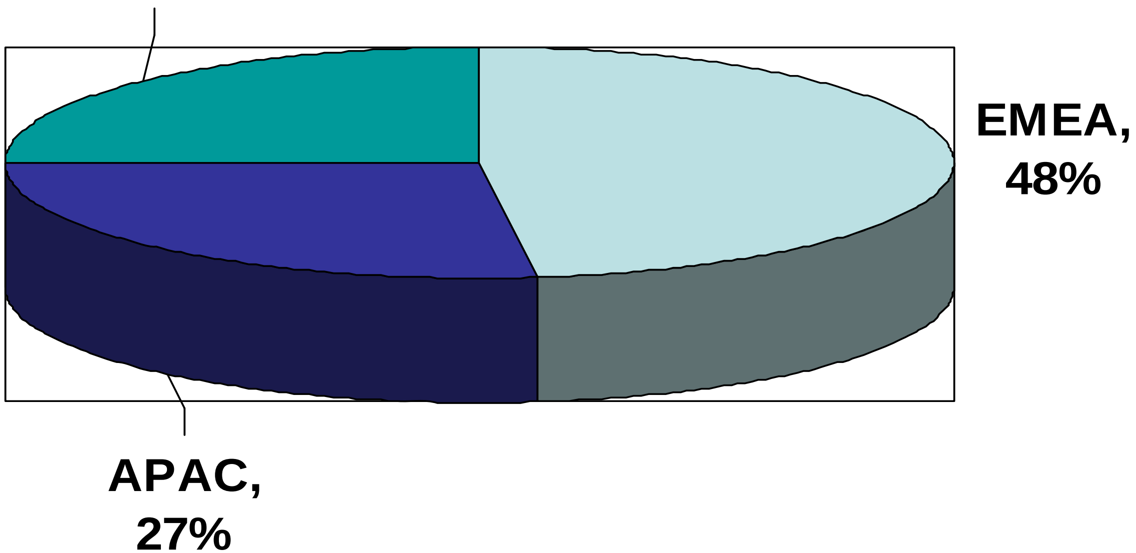
Network Operations
IT Operations



Access
Central Office Switching
NGN
Transport
Power/AC
Field Operations
Call Centre

Radio Access
Mobile Core
Site Maintenance
Call Centre

Market Demographics



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- Excludes standard product support services
- Figures indicate number of contracts, not the value

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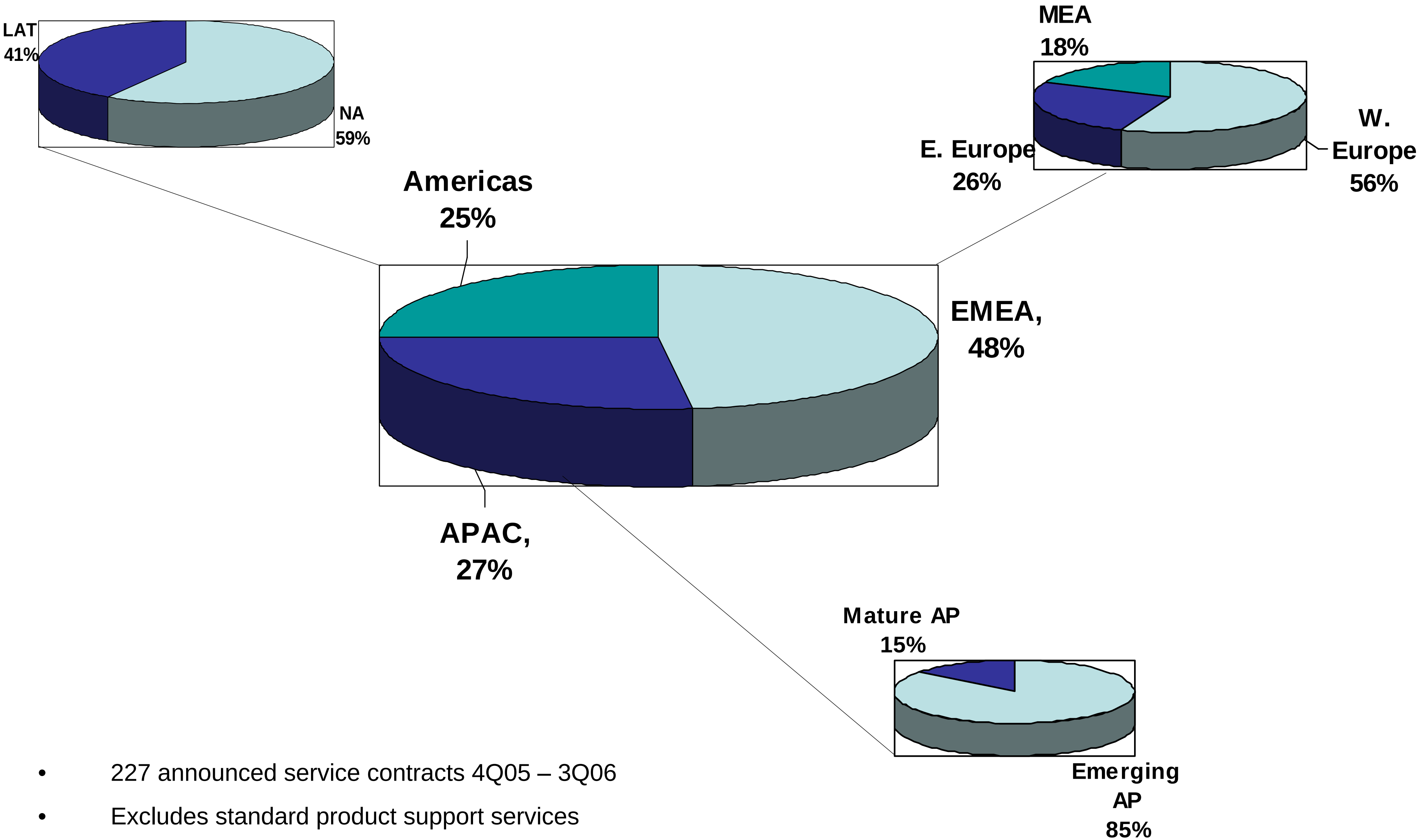

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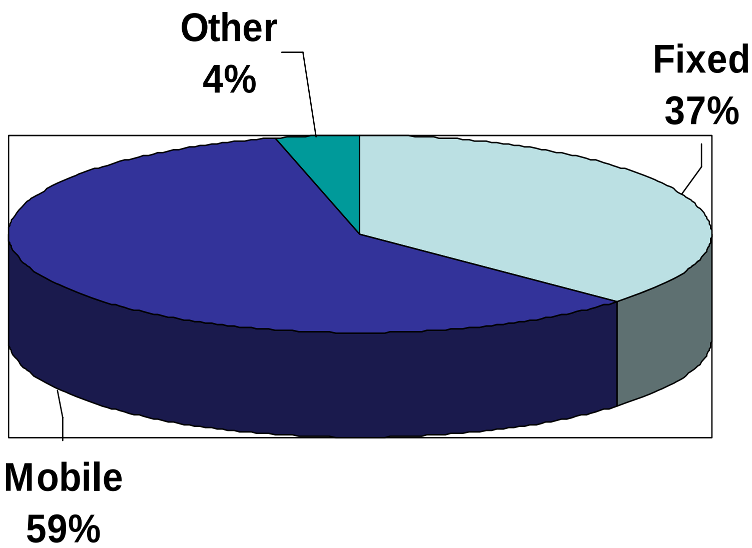
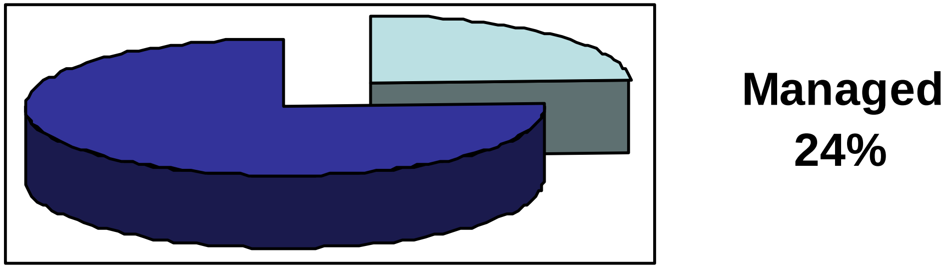


Networks and Service Types



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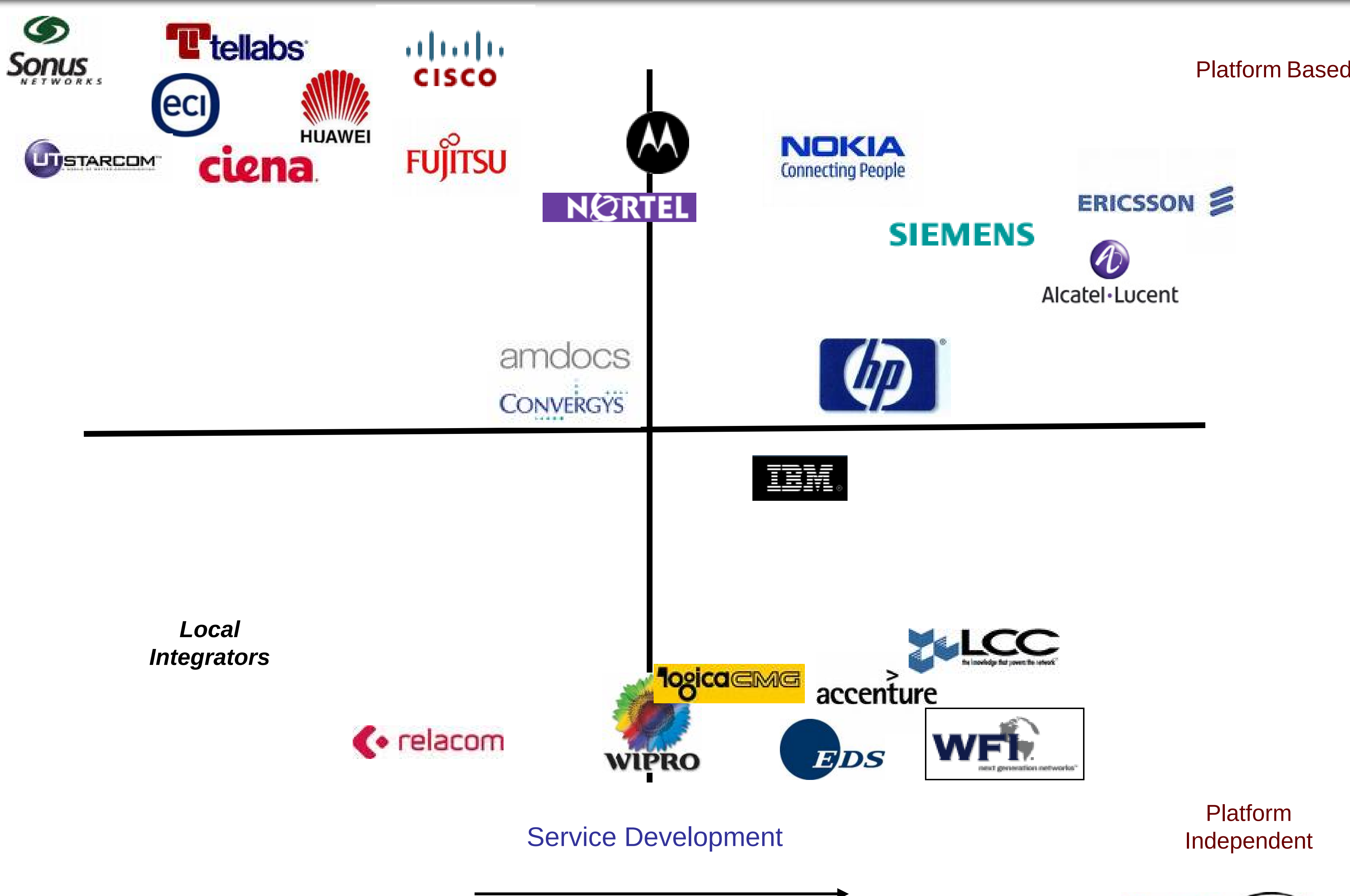
Competitive Landscape



Solution Selection Criteria for Services

Services Heritage

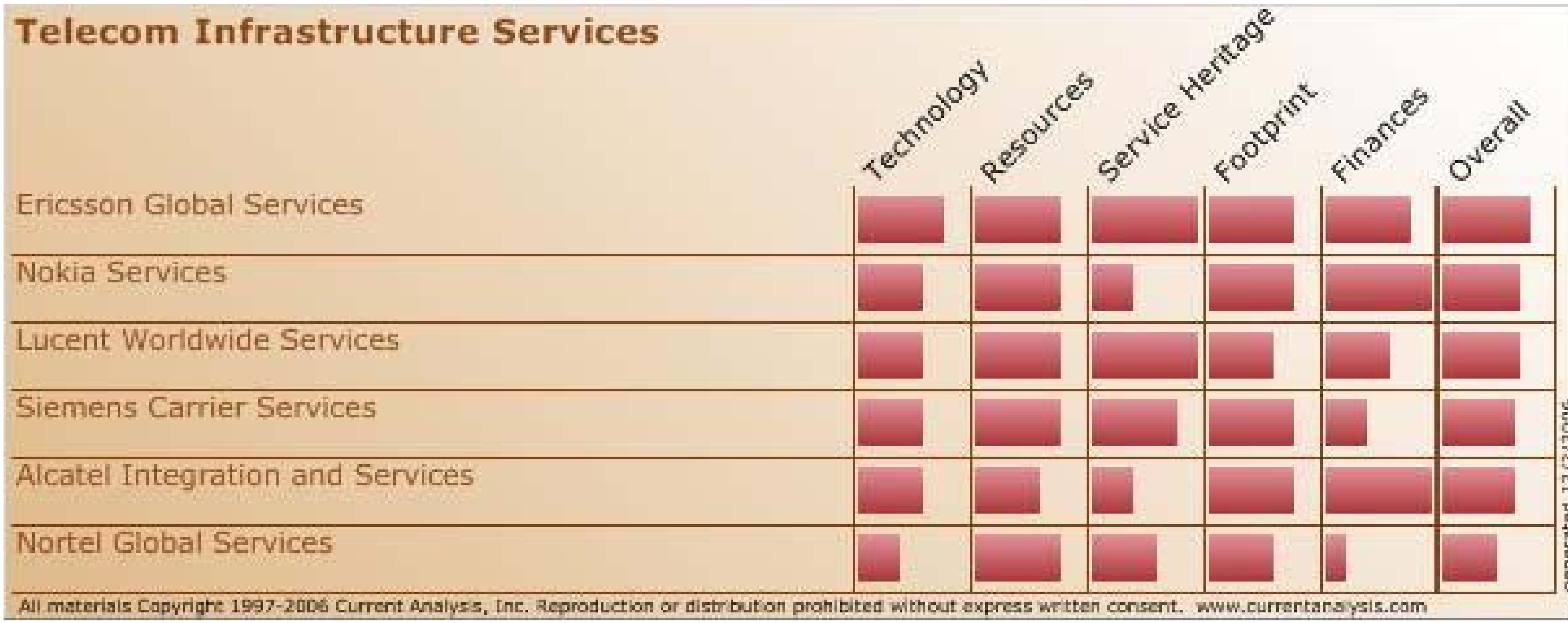
Financial Position

Geographic Footprint

Services Resources

Technology Heritage

TEM Competitor Analysis Overview

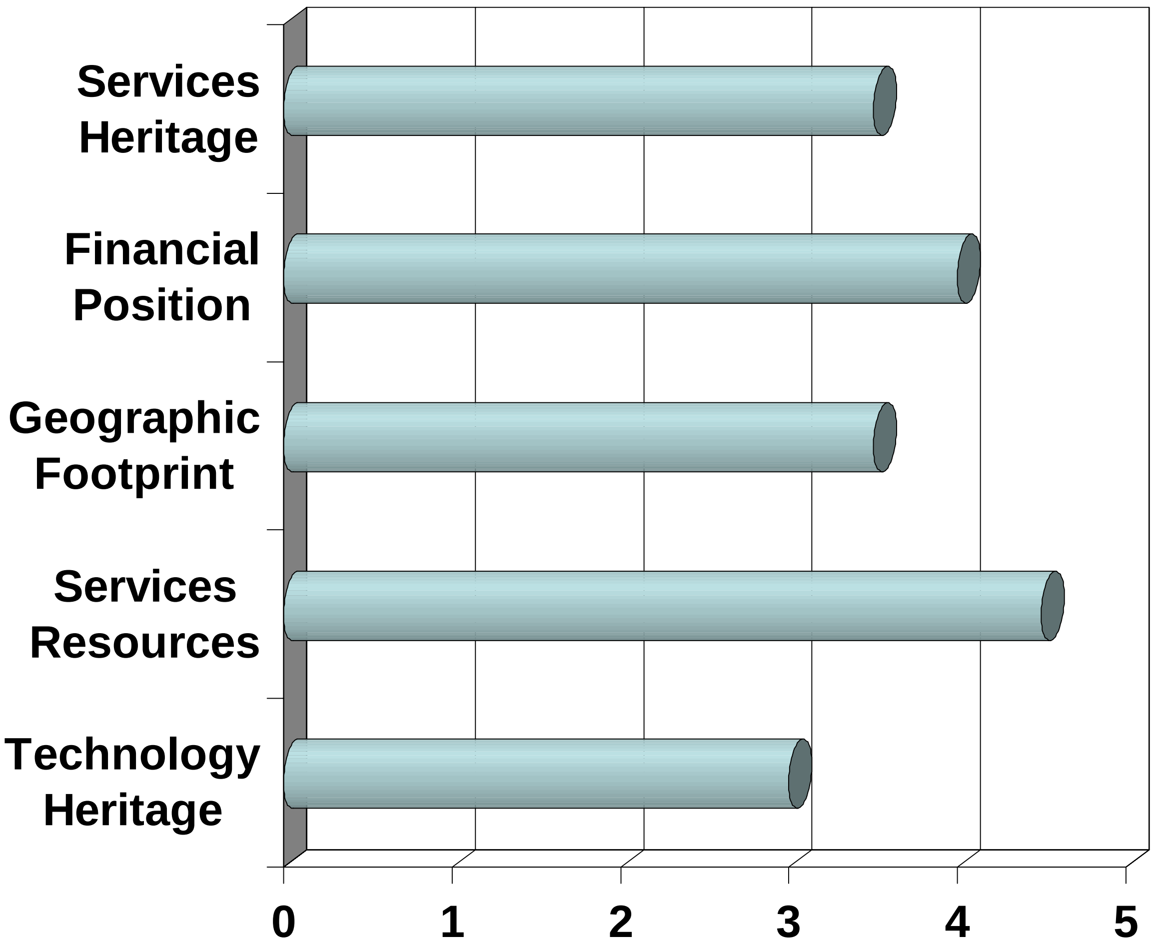


TEM Competitor Analysis

Alcatel·Lucent

- Solution Positioning
- Strengths & Weaknesses
- Market Traction

Threatening

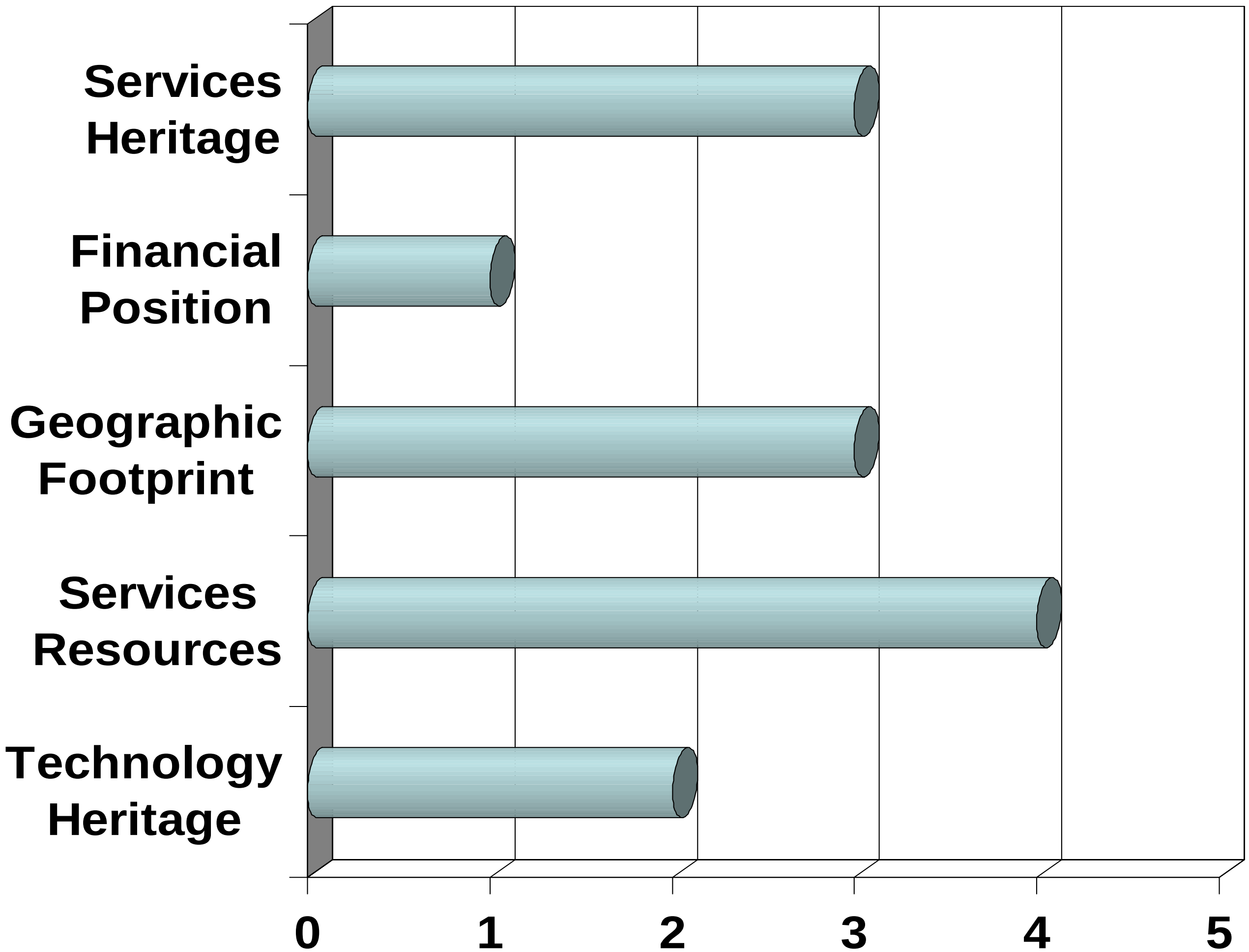


TEM Competitor Analysis

NORTEL

Vulnerable

- Solution Positioning
- Strengths & Weaknesses
- Market Traction



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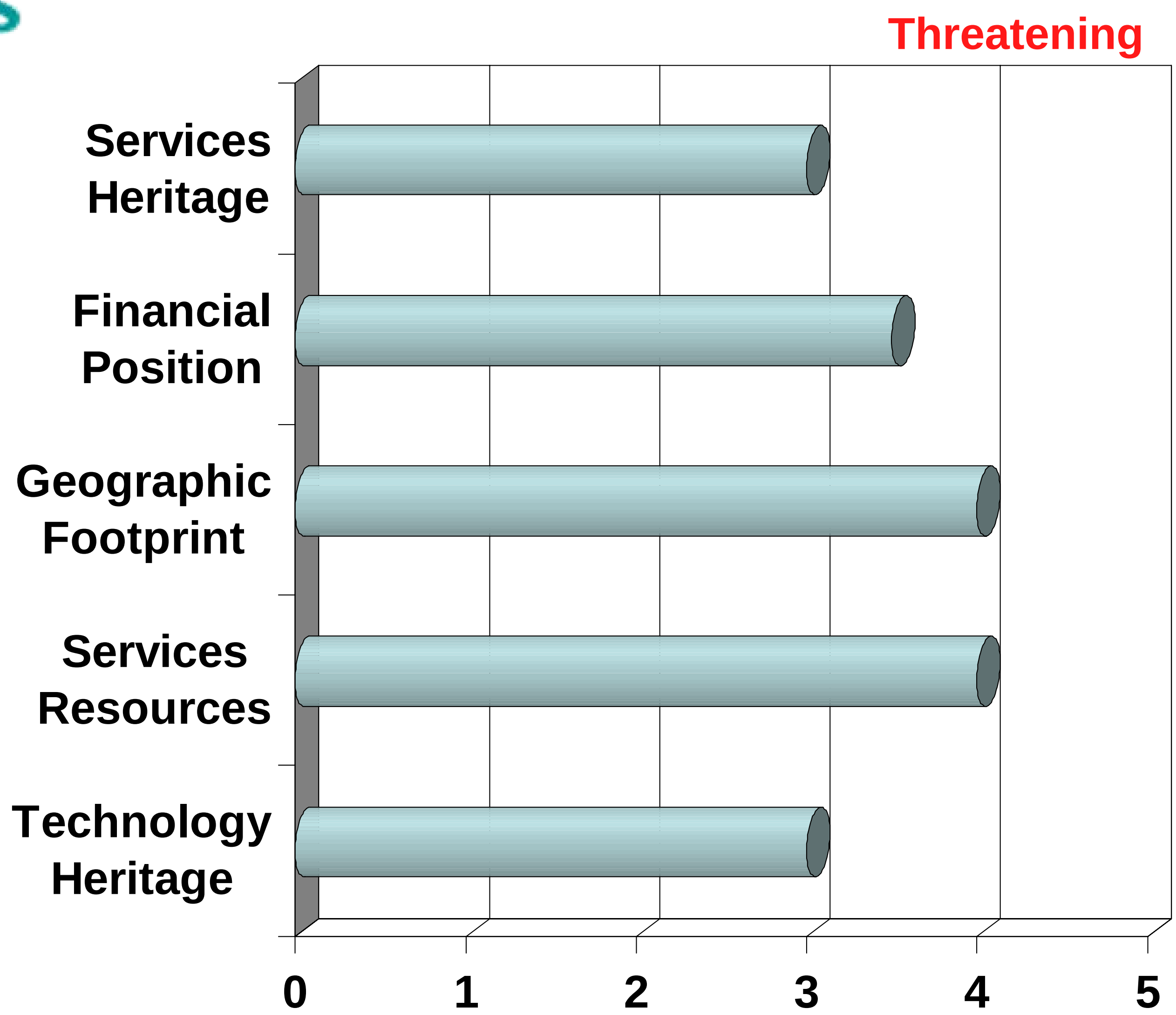
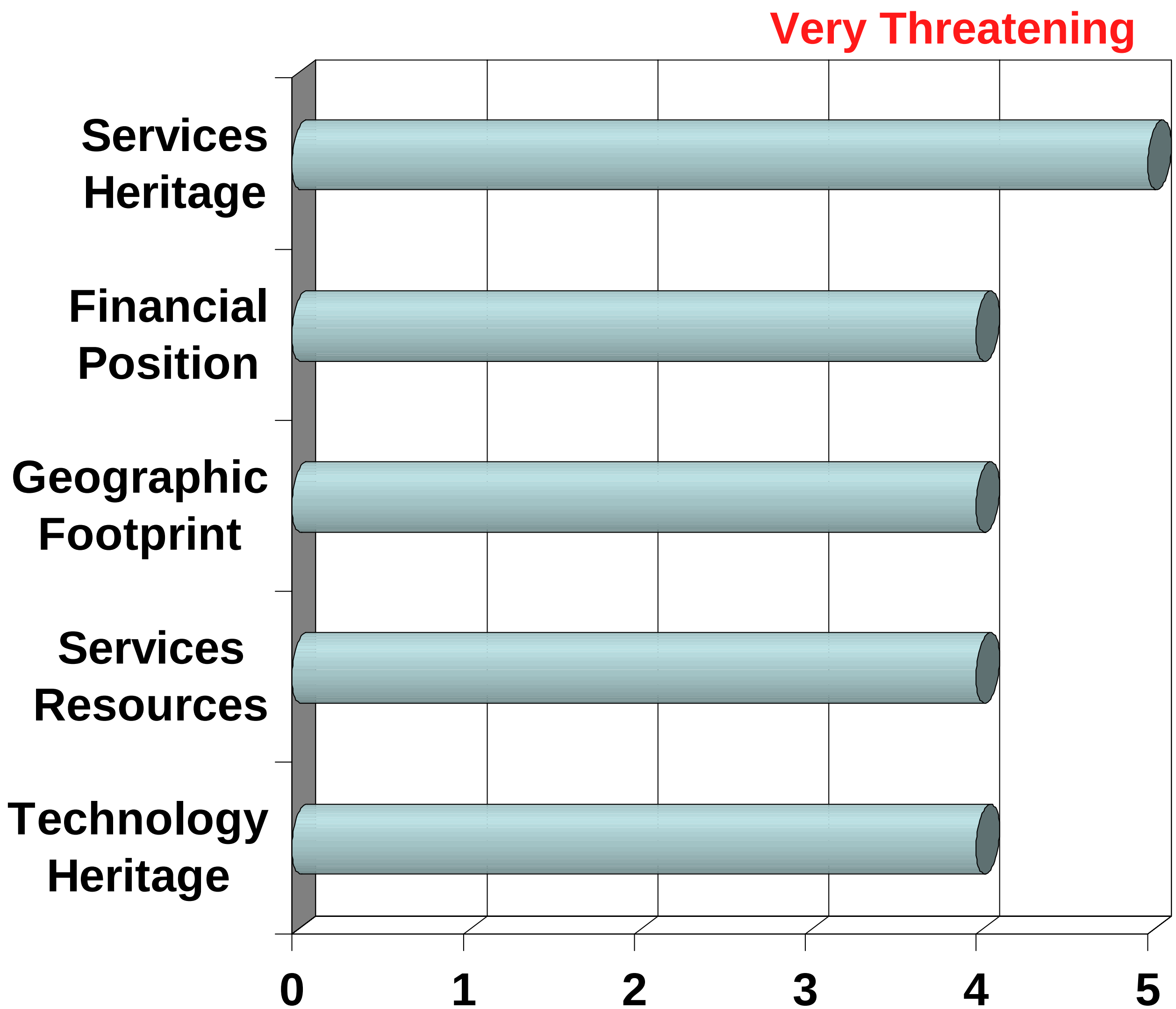


TEM Competitor Analysis

ERICSSON

- Solution Positioning
- Strengths & Weaknesses
- Market Traction



Summary & Conclusions

- Market Size & Growth
- Vendor Services Orientation
- Portfolio Development
- Increasing Competition & the Need for Differentiation

Competitive Intelligence levels the playing field…

[Competitive Response **]** **enables you to** Win.

Current Analysis **is the *only* competitive research firm that provides solutions to improve your company's** *Competitive Response*

Current Analysis

Current Analysis

INDUSTRY SOLUTION

Solution Assessments

MARKET AREA

Telecom Infrastructure Services

Telecommunication Infrastructure Services

A solutions-based analysis of the vendor services landscape

Service Features:

- Solution Assessments of Service Portfolios
- Industry Intelligence Reports
- Market Assessments
- Advisory Reports

Professional and managed services are now a critical business opportunity for Telecom Infrastructure vendors. Mobile and fixed service provider networks across the globe are facing inevitable technology convergence, generating demand for telecom infrastructure expertise stretching across multiple, complex technologies and processes. Telecom vendors are stepping in to enable these network transformation projects. At the same time, these vendors are struggling to differentiate their service offerings in the marketplace, while coping with challenges and opportunities from "co-opetition" with the IT services industry.

Current Analysis provides a structured approach to better understanding and responding to your competition. By providing real-time business intelligence on competitor strengths, weaknesses, services, and trends, we enable Competitive Response™ - the process of formulating both strategic and tactical plans for responding to the competitions every move.

SERVICE DESCRIPTION

Delivered via our web-based platform CurrentCOMPETE™, Current Analysis' Telecom Infrastructure Services solution tracks and analyzes events, technologies, and companies shaping the value-added vendor services market in the telecom sector. Comprehensive coverage includes vendor Solution Assessments and analysis of key events in the marketplace, covering announcements of new services and strategies, mergers and partnerships, as well as a monthly round-up of new vendor contracts.

Benefits

- Understand competitors' value-added service portfolios, including scale, strengths, weaknesses, market positioning, and market traction
- Leverage analysis of breaking news in the services market, including new service offerings, strategic partnerships, and mergers and acquisitions
- Track new services contracts awarded by operator customers, with assessments of the competitive impact of each new deal
- Learn about new strategies and business models that work, or don't work, in the context of an infrastructure vendor, through in-depth advisory reports that examine issues that affect all competitors

Current Analysis

KNOW YOUR COMPETITORS, THEIR STRATEGIES, AND TACTICS FOR RESPONDING EFFECTIVELY

"Current Analysis' info is more precise than the other research services. It is tuned to the faster pace of sales."

- National Account Manager

Tier one service provider

COMPANIES COVERED (PARTIAL LIST)

» Alcatel	» Ericsson	» Motorola
» Amdocs	» Fujitsu	» Nokia
» Atos Origin	» Hewlett-Packard	» Nortel
» CapGemini	» Huawei	» Relacom
» Cisco	» IBM	» Siemens
» Convergys	» LogicaCMG	» Telent
» EDS	» Lucent	» Telindus

MARKET SEGMENTS COVERED

Market Segment	Service Opportunities
Professional Services	Network consulting Systems integration Network optimization
Managed Services	Network outsourcing Managed network services Hosted application
Technical Services	Deployment Maintenance Support Training

To learn more about Current Analysis Solution Assessments, please contact:

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STAY INFORMED WITH ANALYSIS OF MAJOR INDUSTRY ISSUES

» The incessant drive among network service providers to reduce operating expenses

» Growing demand by operators for multi-vendor expertise from equipment suppliers

» Increased pressure on vendors to assume greater risk in new technology deployments

» The debate on outsourcing, including the changing definition of what constitutes core functions and competencies

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About Current Analysis

Current Analysis has been helping leading technology companies improve their competitive responsiveness since 1997. We enable you to improve your performance by creating a repeatable process advantage over your competitors.

Our business model and solutions are built on the foundation of solid, quality intelligence and data, making Current Analysis the leader for competitive intelligence demands. We serve more than 40,000 users at over 250 enterprise clients. Our client base represents the preeminent firms in the telecommunications, information technology and consumer electronics industries.