

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS 2000-2005

TABLE OF CONTENTS

ES. EXECUTIVE SUMMARY NETWORK OUTSOURCING

Importance of Network Outsourcing	ES-1
Definition of Network Outsourcing	ES-2
Driving and Retarding Forces	ES-2
Market Size and Growth	ES-3
Types of Network Outsourcing Vendors	ES-5
Key Conclusions	ES-6

1. NETWORK OUTSOURCING INTRODUCTION

1.1 Definitions	1-1
1.2 Network Systems Integration is a Companion Report	1-1
1.3 Methodology	1-2
1.4 Types of Vendors	1-3

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

1.5 Industry Structure	1-5
1.6 Guide to the Report	1-6
2. HISTORY AND DIRECTION OF NETWORK OUTSOURCING	2-1
2.1 Introduction	2-1
2.2 Definitions	2-2
2.3 How It All Started	2-3
2.4 The Network Outsourcing Market Today	2-5
2.5 The Network Outsourcing Market in Ten Years	2-6
2.6 Relation to Computer Systems Outsourcing	2-8
3. MARKET STRUCTURE OUTSOURING	3-1
3.1 Introduction	3-1
3.1.1 The Market Structure from the Viewpoint of Standalone Outsourcers	3-4
3.2 The Market Structure from the Viewpoint of Computer Equipment Manufacturers	
Providing Outsourcing	3-5

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

3.3 Market Structure from Viewpoint of Telecommunications Equipment Manufacturers	
Providing Outsourcing	3-6
3.4 Market Structure from the Viewpoint of telecommunications Services Vendors	
Providing Outsourcing	3-8
4. PRODUCTS AND SERVICES	4-1
4.1 Introduction	4-1
4.2 There Are Many Functions That Comprise Outsourcing	4-2
4.3 Some Outsourcing Services Examples	4-5
5. EXAMPLES OF SYSTEMS OUTSOURCING PROJECTS	5-1
5.1 Introduction	5-1
5.2 AT&T Solutions	5-3
5.3 EDS	5-4
5.4 Hughes Network Systems (HNS)	5-5
5.5 Andersen Consulting	5-5
5.6 Bell Atlantic	5-8

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

5.7 US West	5-9
5.8 Nortel Networks	5-10
5.9 Lucent Technologies	5-11

6. OUTSOURCING MARKET DRIVING AND RETARDING FORCES 6-1

6.1 Introduction	6-1
6.2 Driving Forces	6-1
6.2.1 It is a Policy of the Client Company	6-2
6.3 The Immediate Managers in IT Insist Upon IT	6-3
6.3.1 It is a Good Way To Increase the Efficiency of the Telecommunications Department	6-4
6.3.2 They Do Not Have the Staff To Do the Work Internally	6-5
6.4 They Do Not Have the Skills To Do The Work Internally	6-5
6.4.1 Why Users Do Not use Network Outsourcing	6-6
6.4.2 They Feel That They Cannot Trust Outsourcers To Operate The Network	6-7
6.5 They Think That It Will Be Too Expensive	6-8
6.5.1 They Believe That Their Work Is So Unique That No One Else Can Do It	6-8
6.5.2 Their Companies Will Not Permit It	6-10
6.5.3 The Telecommunications Manager Does Not Want To Lose Status	6-10

7. VENDORS A TO K SYSTEMS INTEGRATION AND OUTSOURCING 7-1

7.1 Introduction	7-1
7.2 Able Telecom Holding Corp	7-5

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

7.2.1 Products	7-6
7.2.2 Strategy	7-7
7.3 Andersen Consulting	7-7
7.3.1 Products	7-9
7.3.2 Strategy	7-11
7.4 AT&T Solutions	7-11
7.4.1 Products	7-14
7.5 Bell Atlantic	7-17
7.5.1 Products	7-18
7.5.2 Strategy	7-21
7.6 BellSouth	7-22
7.6.1 Products	7-24
7.6.2 Strategy	7-27
7.7 Cap Gemini America	7-27
7.7.1 Products	7-29
7.7.2 Strategy	7-30
7.8 Compaq	7-30
7.8.1 Products	7-31
7.8.2 Strategy	7-33
7.9 Computer Sciences Corporation	7-34
7.9.1 Products	7-34
7.9.2 Strategy	7-38
7.10 EDS	7-38
7.10.1 Products	7-41
7.10.2 Strategy	7-43

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

7.11 Ericsson	7-44
7.11.1 Products	7-45
7.11.2 Strategy	7-46
7.12 Fujitsu Network Communications	7-47
7.12.1 Products	7-48
7.12.2 Strategy	7-49
7.13 Hewlett-Packard	7-50
7.13.1 Products	7-52
7.13.2 Strategy	7-53
7.14 Hughes Network Systems	7-54
7.14.1 Products	7-55
7.14.2 Strategy	7-57
7.15 IBM	7-58
7.15.1 Products	7-60
7.15.2 Strategy	7-61

8. VENDORS L TO Z SYSTEMS INTEGRATION AND OUTSOURCING 8-1

8.1 Loral Cyberstar	8-1
8.1.1 Products	8-2
8.1.2 Strategy	8-2
8.2 Lucent Technologies	8-3
8.2.1 Products	8-4
8.2.2 Strategy	8-7

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

8.3 MCI WorldCom	8-7
8.3.1 Products	8-9
8.3.2 Strategy	8-12
8.4 NEC America	8-12
8.4.1 Products	8-13
8.4.2 Strategy	8-15
8.5 Nortel Networks Corporation	8-15
8.5.1 Products	8-17
8.5.2 Strategy	8-19
8.6 Oracle	8-19
8.6.1 Products	8-20
8.6.2 Strategy	8-21
8.7 SAIC	8-21
8.7.1 Products	8-23
8.7.2 Strategy	8-24
8.8 SBC Telecom	8-24
8.8.1 Products	8-26
8.8.2 Strategy	8-28
8.9 Unisys	8-28
8.9.1 Products	8-30
8.9.2 Strategy	8-32
8.10 UUNET	8-33
8.10.1 Products	8-34
8.10.2 Strategy	8-35

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

9. FORECASTS OF THE OUTSOURCING MARKET	9-1
9.1 Introduction	9-1
9.2 Methodology	9-2
9.3 Network Outsourcing by Type of Outsourcer	9-4
9.4 Network Outsourcing by Client Size	9-16
9.5 Network Outsourcing by Client's Industry Sector	9-19
10. NETWORK OUTSOURCING STRATEGIES	10-1
10.1 Introduction	10-1
10.2 Giant and Large Outsourcers	10-2
10.3 Standalone Outsourcers	10-6
10.4 Computer Equipment Manufacturers	10-8
10.5 Telecommunications Equipment Manufacturers	10-10
10.6 Telecommunications Service Providers	10-13

LIST OF TABLES AND FIGURES

Table ES -1	ES-2
Driving Forces	
Table ES -2	ES-3
Retarding Forces	
Table ES -3	ES-7
Table 1-1	1-3
Types of Vendors	
Table 1-2	1-5
Industry Structure	
Table 2-1	2-1
Market Driving Forces	
Table 2-2	2-6
Network Changes	
Table 3-1	3-1
Types of Outsourcers	

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

Table 4-1	4-1
Steps in the Process of Obtaining an Operating Network	
Table 4-2	4-3
Ways that a Network Can Be Developed	
Table 4-3	4-4
Network Outsourcing Services	
Table 4-4	4-5
EDS Outsourcing Services	
Table 4-5	4-6
Services Provided by CSC	
Table 5-1	5-1
Types of Outsourcers	
Table 5-2	5-2
Vendors for Which Examples Are Presented	
Table 5-3	5-7
Results of the Dow / Andersen Relationship	
Table 6-1	6-2
Driving Forces	
Table 6-2	6-6
Why People Do Not Use Network Outsourcing	

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

Table 7-1	7-3
Vendors Discussed	
Table 7-2	7-5
Able Telecom Organizational Groups	
Table 7-3	7-8
Anderson Consulting Lines of Business	
Table 7-4	7-9
Tools and Methodologies	
Table 7-5	7-13
AT&T Features	
Table 7-6	7-19
Aspects of DSG Network Integration	
Table 7-7	7-24
BellSouth Products and Services	
Table 7-8	7-28
Cap Gemini America Specialties	
Table 7-9	7-29
Cap Gemini Service Offerings	
Table 7-10	7-32
Compaq Service Offerings	
Table 7-11	7-35
CSC Services	

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

Table 7-12	7-36
CSC Integration Services	
Table 7-13	7-39
EDS Industry Sectors	
Table 7-14	7-41
EDS Service Offerings	
Table 7-15	7-48
Fujitsu Products	
Table 7-16	7-49
Fujitsu Division Services	
Table 7-17	7-51
HP Range of Services	
Table 7-18	7-52
HP Network Solutions	
Table 7-19	7-56
Hughes Products and Services	
Table 7-20	7-58
IBM Services Portfolio	
Table 7-21	7-59
IBM Strategic Outsourcing Services	
Table 8-1	8-10
Features and Benefits of MCI Global Solutions	

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

Table 8-2	8-14
NEC Specialties	
Table 8-3	8-16
Enterprise Solutions Groups Products	
Table 8-4	8-17
Service Provider and Carrier Group Products	
Table 8-5	8-22
SAIC Areas of Expertise	
Table 8-6	8-25
SBC Telecom Brand Sites	
Table 8-7	8-27
Ameritect Products and Services	
Table 8-8	8-29
UNISYS Range of Services	
Table 8-9	8-31
UNISYS Focus Consulting Services	
Table 8-10	8-32
UNISYS IT Outsourcing Services	
Table 9-1	9-2
The Forecast Segment	
Figure 9-1	9-6
Standalone Outsourcers Forecasts 1999-2004	

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

Figure 9-2	9-7
Revenue from Network Outsourcing Computer Equipment Manufacturers 1999-2004	
Figure 9-3	9-8
Revenue from Network Outsourcing Telecom Equipment Manufacturers 1999-2004	
Figure 9-4	9-9
Revenue from Network Outsourcing Telecom Service Providers 1999-2004	
Figure 9-5	9-10
Outsourcing Sectors Combined	
Figure 9-6	9-11
Revenue from Network Outsourcing All Outsourcers Forecasts 1999-2004	
Figure 9-7	9-12
Revenue from Network Outsourcing Standalone and Computer Equipment Manufacturers, 1999-2004	
Figure 9-8	9-13
Revenue from Network Outsourcing Telecom Equipment Manufacturers and Service Providers, 1999-2004	
Figure 9-9	9-15
Ratio of Telecom Equipment Manufacturers and Telecom Service Providers as Outsourcers to Standalone and Computer Equipment Manufacturers as Outsourcers by Revenue, 1999-2004	
Figure 9-10	9-17
Segment Network Outsourcing by Establishment Size Weightings by Size	
Figure 9-11	9-18
Segment Network Outsourcing by Establishment Size Forecasts 1999	

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

Figure 9-12	9-19
Segment Network Outsourcing Revenue by Establishment Size Forecasts 2004	
Figure 9-13	9-20
Segment Network Outsourcing Revenue by Establishment Industry Sector	
Figure 9-14	9-21
Segment Network Outsourcing Revenue by Establishment Industry Sector 1999 Revenue	
Figure 9-15	9-22
Segment Network Outsourcing Revenue by Establishment Industry Sector 2004 Revenue	
Figure 9-16	9-23
Industry Sector Weightings	
Table 10-1	10-1
Types of Providers	
Table 10-2	10-2
Advantages of Giant Outsourcers	
Table 10-3	10-4
Disadvantages of Giant Outsourcers	
Table 10-4	10-5
Advantages of Smaller Outsourcers	
Table 10-5	10-13
Changes in the Telecommunications Market Place	
Table 10-6	10-14
Carrier Networking Outsourcing Issues	

NETWORK OUTSOURCING MARKET STRATEGIES AND FORECASTS, 2000-2005
Table of Contents and List of Tables and Figures

Table 10-7

10-14

Areas of Expertise