



ASP: Impact on the Telecom Supply Chain

Mike Ellsworth
Stratvantage Consulting

Agenda

- ASP Market Overview
- ASP – As Buyer and As Supplier
- ASP Challenges for Telecoms
- Telecoms' Sweet Spot: VPN Service Provider
- VPN Marketing Considerations

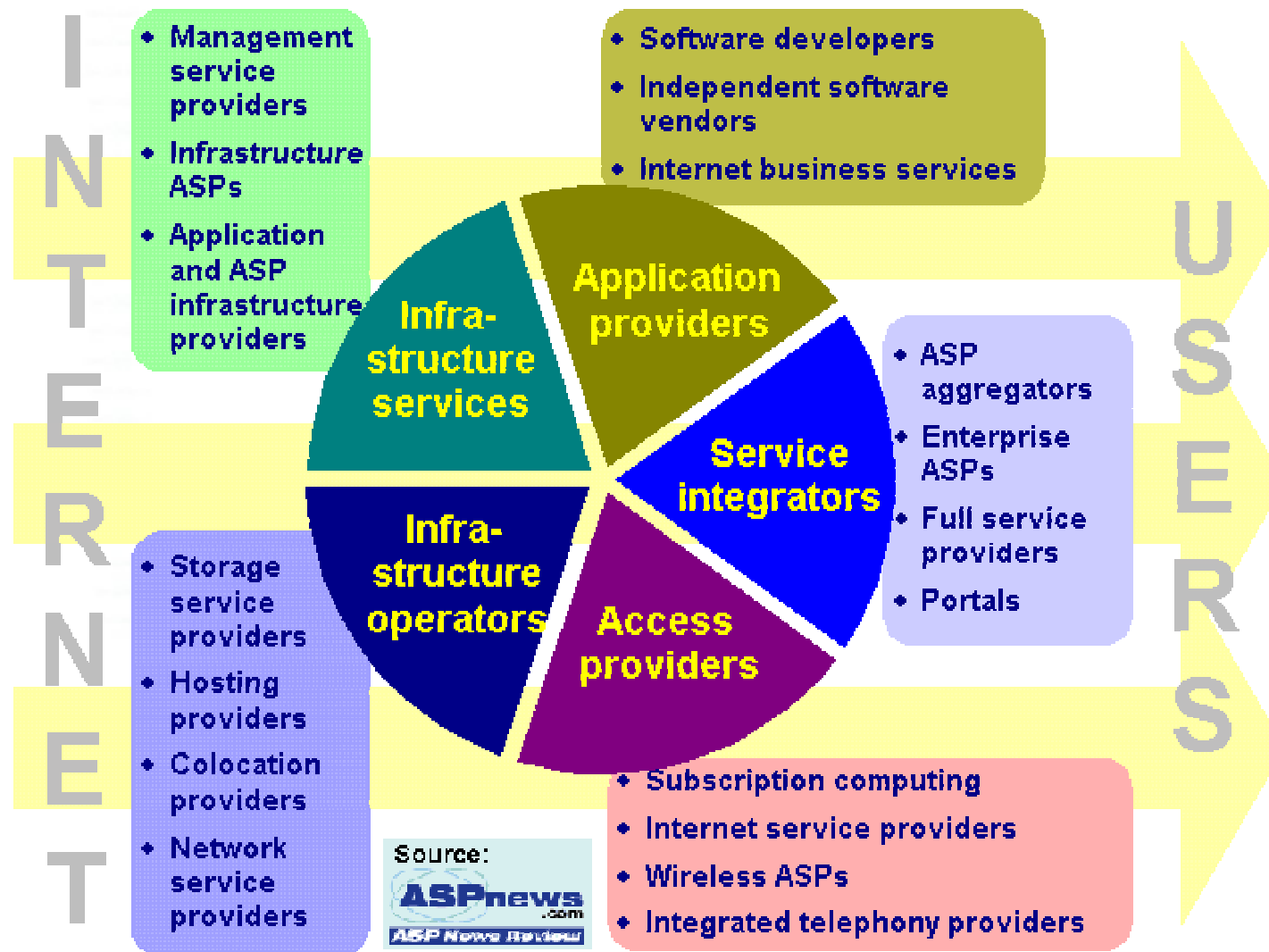
SP Soup

- In the beginning, there was the ISP, who begat . . .
 - ASP – Application Service Provider
 - BSP – Business Service Provider
 - FSP – Full Service Provider
 - MSP – Management Service Provider
 - SSP – Security or Solutions or Storage Service Provider
 - VSP – Virtual Private Networking or Vertical Service Provider
 - NSP – Network Service Provider
 - WASP – Wireless Application Service Provider
- What's a TSP to do?

State of ASP Market

- Dataquest:
 - ASP industry at 80 percent growth rates through 2004
- International Data Corp.:
 - ASP market \$6 billion by 2004
- Gartner Dataquest:
 - \$25.3 billion by 2004
- Phillips Group:
 - 65 percent of large enterprises will use ASP services for internal applications by 2004

ASP Value Chain



ASP Role for Telecoms – As Customer

- Forrester:
 - Online sales of US business telecommunications services to \$47 billion in 2004
 - Customers are clamoring for easier provisioning, billing, and self-service features
 - 65 percent of interviewees expect to buy some portion of their telecom services online in two years, up from 15 percent today
- Business Week:
 - Internet and data services to rise an average of 24% per year, to \$150 billion in 2005
 - Wireless sales 20% per year, to \$125 billion in 2005

ASP Role in Supply Chain

- How to manage this growth? Self service online
- Best Demonstrated Practice: Cisco
 - Entire provisioning process on-line for years
- Need different interfaces for different clients
 - Small Business/Consumer
 - Channel Partner
 - Sales Agents

ASP for Supply Chain

- Prequalification
- Order Entry
- Order Status
- Provisioning
- Fault Management
- Configuration
- Billing
- Accounting
- Trouble Tickets
- Performance
- Partner Relationships

ASP Example

- Ellacoya's Apprise Application Partner Program:
 - Ellacoya Service Creation Manager enables service providers to rapidly provision, deploy, and activate new IP broadband services for residential and business customers on a massive scale
 - ASP partners:
 - aTelo – Hosted IP-based voice and data solutions
 - Evoke Communications – Web conferencing/collaboration
 - Mail.com – Managed e-mail provider
 - Screaming Media – Content provider
- Also in the market: Telecom-ASP's LightSpeed-OSS, outsourced OSS

ASP Role for Telecoms – As Supplier

- IDC: Data hosting center will play the role the central office played for voice
- Gartner: Successful ASP
 - Mixes infrastructure, applications, and service management
 - Understands business issues like branding, sales channels, and alliances.

ASP Roles

- Some TSPs are pursuing the enabler role:
 - ATT Ecosystem for ASPs, ASP Enablement Suite
 - Ericsson/EC-Gate (Netherlands)
 - BellSouth's e-Platform
 - Genuity's BlackRocket
- Others are pursuing full ASP role:
 - PSINet Consulting Solutions
 - Peregrine ASP/Service Bureau group
 - Telia (Scandinavia)
 - Cable & Wireless (HKT, Optus, a-Services)
 - Qwest Cyber.Solutions

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Thank you

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- Stratvantage Consulting helps executives make better decisions about emerging technologies like
 - Wireless
 - eBusiness
 - Security and Privacy
- If you are struggling with fast moving technologies, don't make a costly, uninformed decision. Stratvantage Consulting can help you gain a sustainable competitive advantage using new technologies.

Thank You!

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