

行政院及所屬各機關出國報告  
(出國類別：實習)

實習「市場情報蒐集分析研判及策略研擬方法」  
(Studying the Research Methodology for  
Analyzing Telecom Markets)

服務機關：中華電信研究所  
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出國地點：新加坡  
出國期間：90年10月21日至90年10月27日  
報告日期：91年1月15日

H6/  
C09100420

系統識別號:C09100420

公務出國報告提要

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報告名稱:

實習市場情報蒐集分析研判及策略研擬方法

主辦機關:

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出國類別: 實習

出國地區: 新加坡

出國期間: 民國 90 年 10 月 21 日 - 民國 90 年 10 月 27 日

報告日期: 民國 90 年 01 月 15 日

分類號/目: H6/電信 /

關鍵詞: 市場,行銷,網路,市場分析

內容摘要: 依據公司經營方針:『市場、行銷作前導,網路、技術作後盾』,為有效進行新業務與新服務的市場開發,有必要研習國外市場顧問公司之市場分析方法,一則可有效收集市場分析所需資訊項目,二則可更精準地擬定市場行銷及相關經營策略。依據市場研究顧問公司Frost & Sullivan邀請函,參與「市場情報蒐集分析研判及策略研擬方法」為期七天(含行程二天)之海外研習 (Studying the Research Methodology for Analyzing Telecom Markets),包括市場分析方法、及重要業務之市場概況,有助於提昇本公司人員,在企業客戶市場之研究及行銷策略擬定之能量。

本文電子檔已上傳至出國報告資訊網

## 摘要

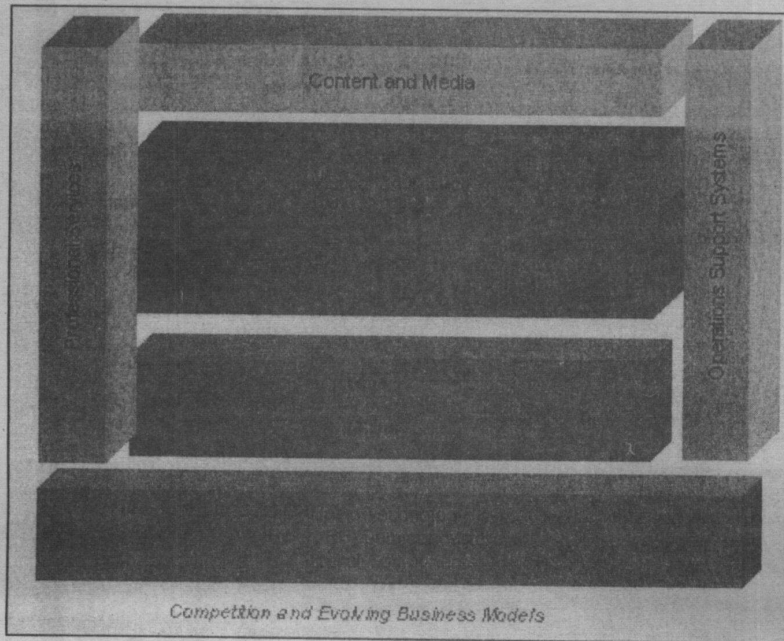
依據公司經營方針：『市場、行銷作前導，網路、技術作後盾』，為有效進行新業務與新服務的市場開發，有必要研習國外市場顧問公司之市場分析方法，一則可有效收集市場分析所需資訊項目，二則可更精準地擬定市場行銷及相關經營策略。依據市場研究顧問公司 Frost & Sullivan 邀請函，參與「市場情報蒐集分析研判及策略研擬方法」為期七天(含行程二天)之海外研習 (Studying the Research Methodology for Analyzing Telecom Markets)，包括市場分析方法、及重要業務之市場概況，有助於提昇本公司人員，在企業客戶市場之研究及行銷策略擬定之能量。

### 1. 出國研習行程及項目

- 90.10.21 桃園國際機場 09:00 CI 660 ~ 新加坡樟宜機場 14:00
- 90.10.22 ~ 10.26 研習(09:00 ~ 17:30)
- 90.10.22 Introduction & Background
- 90.10.23 ~ 24
- Market Analysis Methodology
  - StrateCast Market Analysis Methodology
  - Frost & Sullivan Market Analysis Methodology
- 90.10.25 Frost & Sullivan's View of Key Services Markets
- IDC & ASP
  - IP-VPN
  - WLAN
- 90.10.26 Conclusion & Recommendations for Reference
- Frost & Sullivan Point of View
- 90.10.27 新加坡樟宜機場 09:00 CI 661 ~ 桃園國際機場 15:00

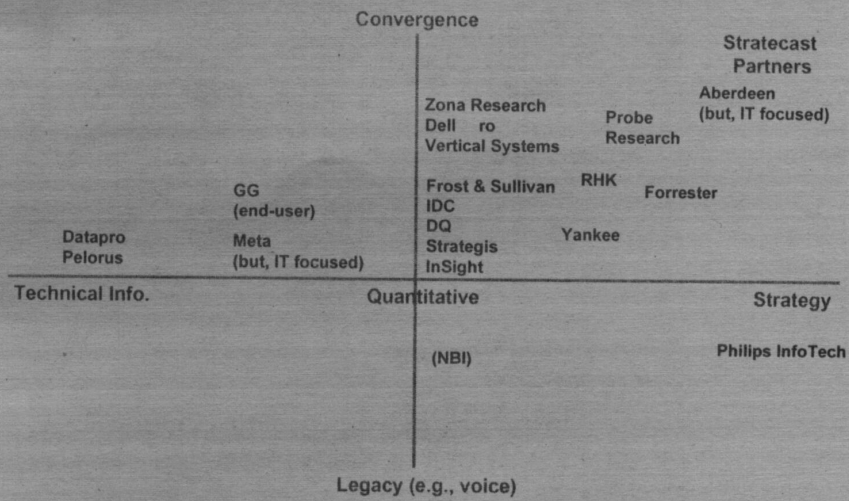
## 2. Stratecast Market Analysis Methodology

Business Domains of the New Public Network :

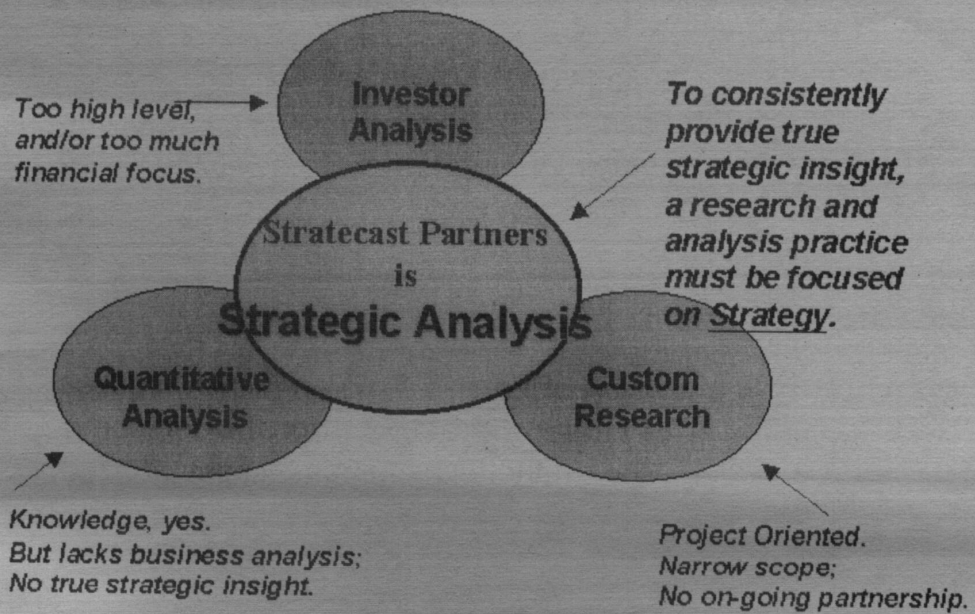


### Stratecast

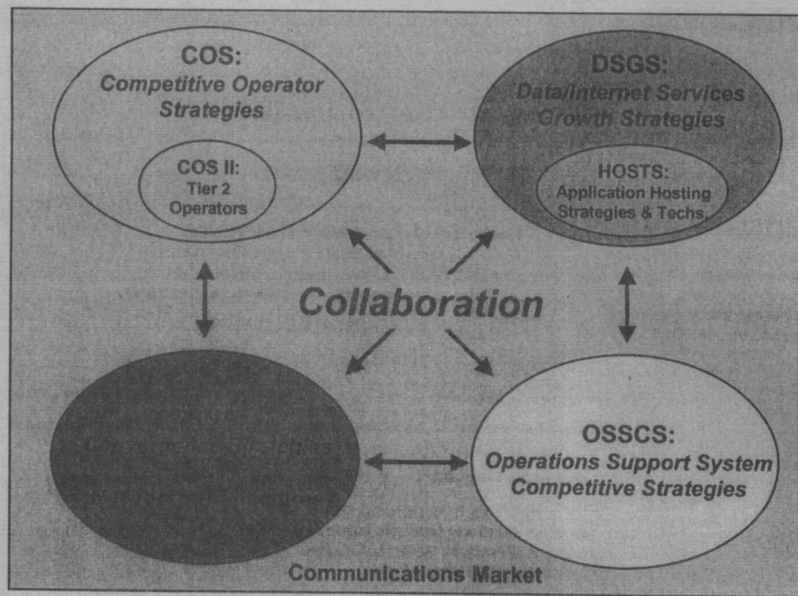
This is a division of Frost & Sullivan, which focuses on a very high level of strategic consulting for the telecommunications industry. The positioning of Stratecast Partners is best illustrated through the following graph:



Stratecast Focus on Strategic Analysis :



Stratecast Partners focuses on five major research areas and this is best illustrated through the following diagram:



The specific subscriptions available from Stratecast are as follows:

1. COS: Competitive Operator Strategies
2. COS II: Focus on Tier II Competitive Operator Strategies
3. CSNA: Convergence Strategies & Network Architectures
4. OSSCS: Operations Support Systems Competitive Strategies
5. DSGS: Data/Internet Growth Strategies
6. HOSTS: Application Hosting Strategies and Technologies
7. SPIE: Strategic Partners Insights for Executives, a weekly deliverable with strategic insights into the major developments in the telecommunications industry.

#### Stratecast Research Methodology

Stratecast has a team of analysts which have over a century of applied strategic and domain specific expertise. Stratecast uses a collaborative research and collaborative analysis approach to develop its products. A team of two to four domain specific strategists will conduct interviews with senior management of the market participants. Subsequently this team will discuss and form opinions which will be provided in the subscription service.

## Methodology

### COLLABORATIVE RESEARCH & COLLABORATIVE ANALYSIS

#### EXPERTISE IN

*Emerging Service Providers  
Incumbent/Top Tier SPs  
Service Evolution (Data/IP/ASP)  
Convergence Technology  
Operations and OSS*

Two-to-four domain-specific strategists per interview, then high-level strategic discourse on research findings, conclusions, opinions, and predictions feeds each deliverable in every service.

#### MAXIMIZE S:

*Strategic insight OUT  
on all deliverables*

Who is interviewed? Multiple, function-specific officers and senior executives.

#### Research Sources:

- Officers/Senior Executives (Interviews, briefings)
- Analyst Relations (specific inquiry)
- Company/Product/Service Web Info
- Industry & Wall Street Press

*Informed Inquiry  
versus  
re-constituted  
market type.*

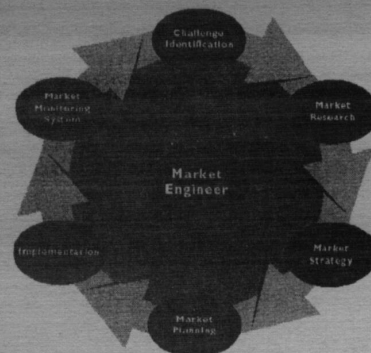
*The activities and resources required for strategic analysis are fundamentally different than quantitative or custom R&A practices.*

### 3. Frost & Sullivan Market Analysis Methodology

#### Frost & Sullivan Research Methodology

Market Engineering Research methodology can be summarized as follows:

1. Define Market Challenges and Opportunities. At this stage, the project team identifies the business issues, which require investigation.
2. Determine Project Objectives and the Consulting Approach. The team determines the Consulting methodology, which must be implemented to address the client's research objectives.

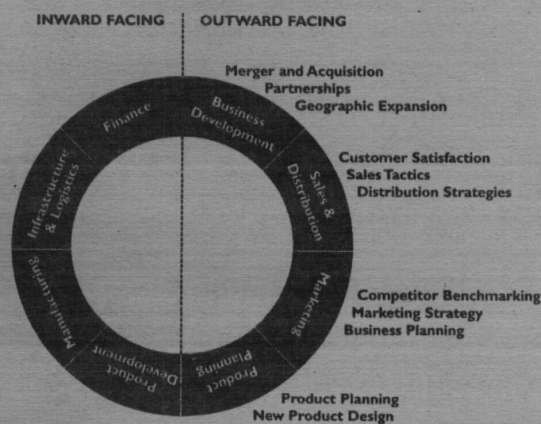


3. Create Optimal Project Team. Each project's success is based on a well-developed, diverse team.
4. Launch Data Collection Phase. During this phase, the project team designs and implements the data collection process.
5. Design Interview Strategy. Skilled interview design analysts construct effective survey instruments to optimize information flow and quality.
6. Test Survey Design. The research team tests interview surveys extensively for clarity and accuracy before they are implemented on a large scale.
7. Conduct Primary Research. The core of every study is the primary data coming directly from industry participants.
8. Analyze Research and Determine Market Position. The research team now begins to identify the most important part of any consulting project: Where is the market today?
9. Perform Market Analysis and Forecasting. At this stage, the project team analyses the market in relation to technical trends, market dynamics and future directions.
10. Develop Strategic Recommendations. Experience and analytical insight combine to drive action-oriented recommendations.
11. Confirm Results with Quality Control. All text and figures are verified for accuracy.
12. Implement Market Monitoring and Customer Feedback. Analysts review results with clients and continue to track the market.

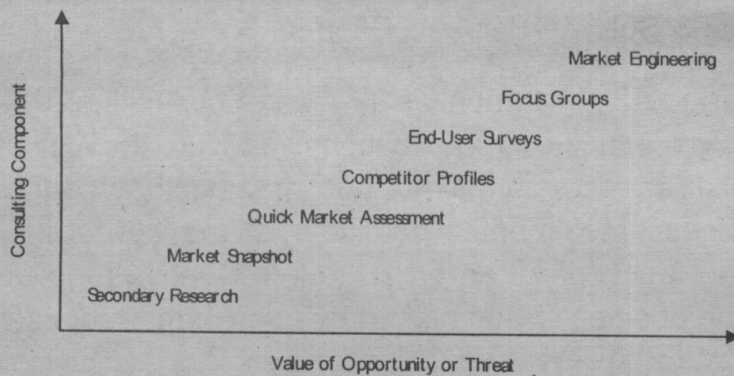


## How Frost & Sullivan Helps Its Clients

Frost and Sullivan applies its market consulting expertise to a range of business applications. Given the central role of market measurements in our methodology, our consulting services are aimed in particular at the outward, or market, facing functions of an organization. These functions as well as the business issues faced by each of them are summarized below.



Frost and Sullivan has a range of consulting products with which it can address the information needs of its clients. These range from a simple review of secondary information sources to an international primary research and strategic analysis program. Generally speaking, the more significant the business challenge or opportunity faced by our clients, the greater the strategic consulting element of our services. This is illustrated below.



### Frost & Sullivan Consulting Capabilities

Frost & Sullivan provided a good overview of its capabilities in Consulting. It basically works on three major types of consulting projects:

- ◆ Market Engineering Projects
- ◆ Customer Engineering Projects
- ◆ Competitor Engineering Projects

Frost & Sullivan provided a case study for each of these three types of consulting projects which the company has recently done in Asia Pacific. The third case study on competitive intelligence is interesting as it also involves scenario planning and analysis. The slides of this presentation are available in file consulting.ppt.

### 4. Key Services Markets

#### ASP and Data Centers

Frost & Sullivan made a presentation on the ASP and Data Centers market in Asia Pacific. We discussed the key challenges facing the Data Center service providers, namely the over supply situation in the market. This has happened as the demand for this was heavily dependent on the basis of a rapid growth of e-commerce and the dot com companies.

With the burst of the internet bubble, so also the demand for the hosting solutions have gone down. This has resulted in intense price competition in the market.

Frost & Sullivan's recommendation to Chungwa Telecom was that, there will be a consolidation trend in the Data Center market. Only long term players will be able to sustain themselves in the market. As a result, Chunghwa Telecom should keep an eye on the major competitors and focus on winning away key customers who are likely to emerge as big competitors in the e-market place. Frost & Sullivan also anticipates that brick and mortar companies are likely to emerge as dominant players in the new internet economy and Chunghwa should focus on getting these customers.

Presentation slides are attached in file asp-datacenter.ppt.

#### IP VPN

Frost & Sullivan had a discussion on the preliminary findings of the ongoing IP VPN market study in Asia Pacific. Frost & Sullivan emphasized that it relies heavily on primary research to meet the research objectives. It is estimated that close to 60 percent of the analysts time on any project is usually allocated for extensive primary research on the subject.

Other issues on IP VPN which were discussed:

- ◆ Almost all major carriers in Asia Pacific are offering IP VPN services to their customers. In addition there are the global players like MCI Worldcom, Equant and Infonet which are also offering these services to the customers.
- ◆ Benefits of IP VPN: We discussed why companies are adopting IP VPN as against traditional services such as frame relay, etc. The benefits of IP VPN and the security issues relating to the same.

- ◆ How service providers are introducing IP VPN while at the same time trying to minimize the impact on their traditional service offerings such as frame relay.
- ◆ The market segmentation and the adoption trends of IP VPN. The initial findings have suggested that it has been the SMEs which have the best value proposition to opt for an IP VPN service offering.

### Wireless LAN in Public Hotspots

The Frost & Sullivan team made a presentation on some of the key findings from its recent research on Wireless LAN in Asia Pacific. It also drew on some of its findings from another research focusing on Wireless LAN in Public Hotspots- a recent study done on the emerging business models in Europe.

The discussion focused on the following:

- ◆ There is tremendous opportunities for Wireless LAN service especially among business executives in hot spot locations such as airports, coffee houses, 5 star hotels, etc.
- ◆ This service could be bundled along with an existing cellular subscription at an additional fixed cost per month. Alternatively it could be bundled along with the high speed broadband service offering such as DSL.
- ◆ Frost & Sullivan discussed the possibility of introducing this service for gaming applications targeted at the teenagers. Additional research will need to be undertaken to see if there is an opportunity. The only issue of concern is the ownership of Notebook PCs among the teenagers.
- ◆ No matter the exact business opportunity, Frost & Sullivan is of the opinion that Chunghwa should experiment WLAN service offering as it stands to learn tremendously by gaining an understanding of the wireless internet market.

## 5. Conclusion & Recommendations for Reference - Frost & Sullivan Point of View

### Strategies for Chunghwa

Frost & Sullivan and Chunghwa Telecom had a discussion on Chunghwa's long term strategy.

### Overseas Investment Strategy:

Chunghwa Telecom was looking at expanding its presence in North America and China especially for new services such as IP VPN. We discussed the challenges facing companies entering the United States market. An ideal entry strategy would be to acquire a competitive strategy or have an alliance with another local company in United States. That would give Chunghwa the initial customer base.

Frost & Sullivan indicated that not many Asian companies are looking at aggressively developing their business in United States as it's a very competitive market. Frost & Sullivan is of the opinion is that Chunghwa Telecom should also look at its neighboring markets for opportunities. Countries like India and Philippines are very fast growing telecom markets and have lot of potential for long term growth.

Frost & Sullivan indicated that it was particularly impressed with Singapore Telecom's strategy. The company has adopted a two pronged strategy:

- ◆ Investment in overseas ventures especially in high growth developing countries. Its investments include: AIS (cellular operator in Thailand), Globe Telecom (fixed and cellular operator in Philippines), Bharti (fixed and cellular operator in India), Optus (fixed and cellular operator in Australia), Telekomsel (close to finalizing its investment in Indonesia's largest cellular operator), New Century Infocomm Tech (Taiwan). Majority of the company's investments are in high growth markets and this will help offset any losses in the domestic market.

- ◆ Aim to become a regional carrier's carrier with investments in sub-sea cable network C2C, Network i2i; co-owns ST-1 satellite with Chunghwa Telecom;
- ◆ Growing its Data Business domestically to offset declines in international voice. Data is expected to overtake voice as the single largest revenue contributor in the current financial year 2001-2002.

### Domestic Growth Strategy

Frost & Sullivan also recommends that Chunghwa Telecom could leverage its strong customer base within Taiwan by entering areas other than just telecommunications. Frost & Sullivan used the example of Virgin Mobile and how they have grown their business by leveraging the customer base and building a very strong brand across its different businesses such as Mobile, Travel and Music.

### 6. 出國觀感與建議

- (1) 依據 Frost & Sullivan 顧問公司之觀點，著名國外電信顧問公司之市場研究範疇與焦點，均有所區隔，水平軸向表示：有些注重技術情報、有些注重市場規模、有些注重市場策略；而垂直軸向表示：注重傳統網路或整合網路。電信市場評估參考之顧問報告，按此原則，似較精確。
- (2) Stratecast 顧問公司之市場分析及研究方法強調：競爭業者分析、服務提供之演進分析、網路技術之整合分析、維運帳務支援系統能力分析。
- (3) Frost & Sullivan 顧問公司之市場分析及研究方法重視：市場挑戰與機會之識別與監控、市場分析與策略研擬、市場規劃與施行。
- (4) 參酌國外市場分析及研究顧問公司之研究方法，其所需搭配之相關資料巨細靡遺，如競爭者資訊包括：創投對該公司之投資評等、統計公司對如前 100 大公司評價，公司營運說明會資訊，證券單位資訊、重大建設或投資訊息、策略聯盟訊息、公司組織與人事，經營者人脈與決策風格等。

- (4) 關於 ASP & Data Center 市場：深受企業 e 化需求度、網路公司興衰榮枯之影響，而這又受制於景氣面所左右。存活下來的才會是贏家，因此應著眼於未來相關加服務之開拓與獲利，重視有潛力之企業，培養具潛力之明星企業客戶，並與之一齊成長。
- (5) 關於 IP-VPN 市場：目標市場應鎖定中小企業，但應思考如何在大規模甚至小規模業者均提供 IP-VPN 之市場中獲得自己之利基及一席之地；如何與既有 Frame Relay、ATM Based 之 VPN 有所區隔，即便是單純 IP-VPN 與 MPLS Based IP-VPN 之市場區隔與產品定位等，亦應理清。
- (6) 關於 WLAN 市場：隨著上網人口增加與知識經濟的來臨，機場、車站、咖啡 Shop、展覽會場等，將會是具潛力之場所；WLAN 應視為搭配網路服務之一環(無線接取)，重點仍在於行銷寬頻 DSL 接取與服務、因此產品定義應考量 Bundle 寬頻服務。甚至當 VoIP 成熟時，考慮以 GSM 手機 Bundle 提供語音方案，亦無不可。
- (7) 本公司國外市場策略：美國市場已高度成熟與飽和，品牌眾多，光依賴高科技代工之通訊市場、台灣移民、觀光客或留學生等，能否獲得維繫公司生存之足夠市場，仍有待思考與籌劃；但願及投資風險，以美國作為投資他國之第三地，亦為可行之思考模式。中國大陸雖然市場商機誘人，但即使短期可獲利亦無法匯出益注母公司，以目前及最近之將來，市場仍為幾家國營電信公司所把持下，一般而言，國營公司之經營效率、價格彈性與客戶服務較弱，或許這方面是機會，因此如何經由策略聯盟進軍中國市場，獲得一席之地，需有相當的智慧。往郊區開闢電信市場或許是不錯的想法之一，另外，包裝既有維運管理與帳務系統，以技術與經驗作價，開拓並切入相關市場，亦不失為好的思考模式；積極參與國際海纜，作為區域型跨國電信頻寬主要提供者，如在台灣與美國、台灣與中國間建構超高頻寬，供自給己、其他業者、或區域國家使用，形成 Regional Hub，進而參與開發中國家之電信投資，亦可作為學習成為跨國電信公司經營之參考方式之一。
- (8) 本公司國內市場策略：發展電信及網路服務之 Content，除此之外，可思考以電信網路及服務作為核心，進入週邊領域，鞏固既有市場及品牌，開拓新業務，如：與提供電子商務金流發卡交易代收帳款服務等相關之銀行、與提供行動電話及無線數據服務相

關之手機代理與通路、與提供寬頻接取及新式 IP 服務相關之設備代理與施工承攬、與提供各式電信與網路服務相關之 Content 公司等。

## 7. 附錄

簡報資料一：

Stratecast Partners - Business & Technology Strategy Analysis in Communications

簡報資料二：

Frost & Sullivan – Consulting Services Capabilities in the Technology Practice Group

簡報資料三：

Frost & Sullivan – ASP & IDC Space : A Big (???) Opportunity



附錄一

FROST & SULLIVAN

Consulting Services  
Capabilities in the Technology  
Practice Group

[www.frost.com](http://www.frost.com)

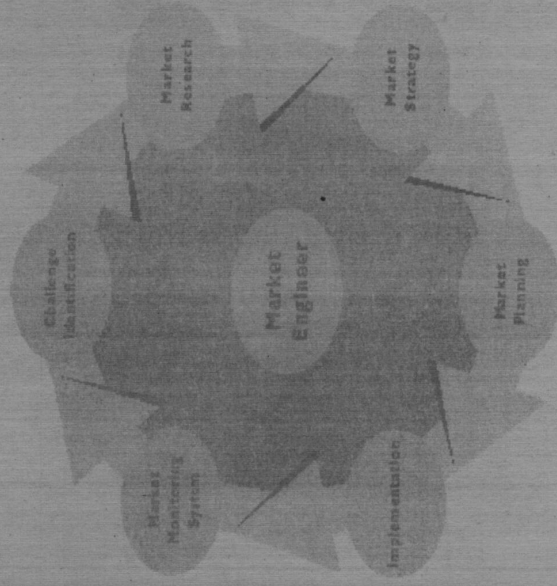
## Our Mission

- Provide Solution Focused Research and Consulting
- Help Clients Become Market and Customer Focused

[www.frost.com](http://www.frost.com)

# Overview of the Market Engineering System

- Based on 15 Years of Actual Consulting Experience
- Measurement Based Consulting
- Integrates Market Research into Strategy, Planning and Action
- Challenge & Problem and Opportunity Focused
- Integrates Monitoring System
- Drives ROI Investment Analysis



# Types of Consulting Projects

- **Market Engineering Projects**
- **Customer Engineering Projects**
- **Competitor Engineering Projects**

# Market Engineering Projects

## F&S Core Competency

- + Leveragability of Reports
- + Tried & tested Research/Analytical Approach
- + Application/Technology Expertise

## Project Types

- + Market Feasibility Studies
- + Market Opportunity Analysis
- + New Product Introduction/Launch
- + Distribution Channel/Strategy Analysis

# Case Study

A leading Telecom Service Provider

[www.frost.com](http://www.frost.com)

# Challenge

- Should the company invest in launching IP-CenterX service?
- How should the company be positioning this service offering and at which customers?
- What is the ROI the company can expect?

www.frost.com

# Objectives

- **Develop Business Plan and ROI analysis for new service**
- **Develop Pricing Strategies for New Service**
- **Market Sizing, Market Segmentation and Competitive Analysis**



# Research Approach

- Three Pronged Strategy
  - Evaluate existing market for Centrex Services (market sizing, pricing, customer profile)
  - Evaluate existing market for competing solutions (PBX, KTS)
  - Evaluate IP Centrex Rollout Strategies by other service providers globally (pricing, target segmentation, customer adoption)

# Customer Engineering Projects

## F&S Core Competencies

- + Project Design, Survey Design, Data Analysis, Strategic Implications and Recommendations

## Project Types

- + Customer Needs/Issues Analysis
- + Customer Satisfaction Analysis
- + Customer Brand Awareness/Recognition Studies
- + Competitive Benchmarking Studies

# Case Study

A leading Telecom Service Provider

[www.frost.com](http://www.frost.com)

# Challenge

Wants to launch Customer Retention Program for Top 200 Customers as company expects tough competition to obtain these customers post deregulation

[www.frost.com](http://www.frost.com)

# Objectives

- **What are the customer perceptions of the service provider, the strengths, the weaknesses?**
- **What is their expectation of new services and the price they are willing to pay for these services?**
- **Develop Customer Satisfaction Metrics and install systems to monitor on a continuous basis?**

# Research Approach

- Extensive Primary Research with each of these 200 customers
- Develop long term opportunity analysis from this customer base
- Analyze best in class customer retention strategies adopted by global service providers
- Implement Customer Satisfaction Measurement System for Continuous Monitoring

# Competitor Engineering Projects

## F&S Core Competencies

- + Recognized CI Experts (reference book, seminars, conferences), experience talking to competitors, relevant contacts, credibility from reports

## Project Types

- + Competitive Intelligence
- + Competitive Benchmarking
- + Mergers & Acquisitions Analysis
- + Due Diligence Analysis

# Case Study

## A leading Telecom Handset Vendor

[www.frost.com](http://www.frost.com)



# Challenge

- Anticipates difficulty in sustaining market share as product portfolio is weakened
- Considerable conflicts within organization over future strategy

www.frost.com

# Objectives

- Implement Competitive Intelligence System
- Develop Long Term Strategy
- Develop Short Term Strategy
  - Tactical

# Research Methodology

- Set up Task Force
- Define Requirements
  - Industry Structure (Current & Future)
  - Competitor Insights (Current & Future)
  - Customer Insights (Current & Future)
  - Economic Situation (Current & Future)
  - .....
  - .....

# Research Methodology

- What do they already have internally
  - Primary & Secondary Research
- Identify GAPS
- Conduct Primary Research
- Prepare Intelligence Brief
- Organize Workshop with Role Play

## Key Elements of F&S Consulting

- Client Confidentiality Closely Guarded
- Interactive Process with Client Feedback Integrated as Needed
- Flexibility to Pursue New Opportunities, Course Corrections
- F&S' Credibility Facilitates Primary Research Process
- Rigorous Quality Control, with Regular Review Checkpoints

## Focus on Confidentiality

- All Client Information Bound by Non Disclosure Agreement
- Two Year Confidentiality Period for All Consulting Projects
- Client Confidentiality Maintained Throughout Research Process
- Consulting Team is Bound by Non-Competition Agreement
- Consulting Projects Archived in Secure Directories with Controlled Access

附錄二

## E-Infrastructure Asia 2001

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### ASP & IDC Space : A Big (???) Opportunity

*Nitin Bhat*

*Technology Practice*

*Frost & Sullivan Asia Pacific*

[www.frost.com](http://www.frost.com)

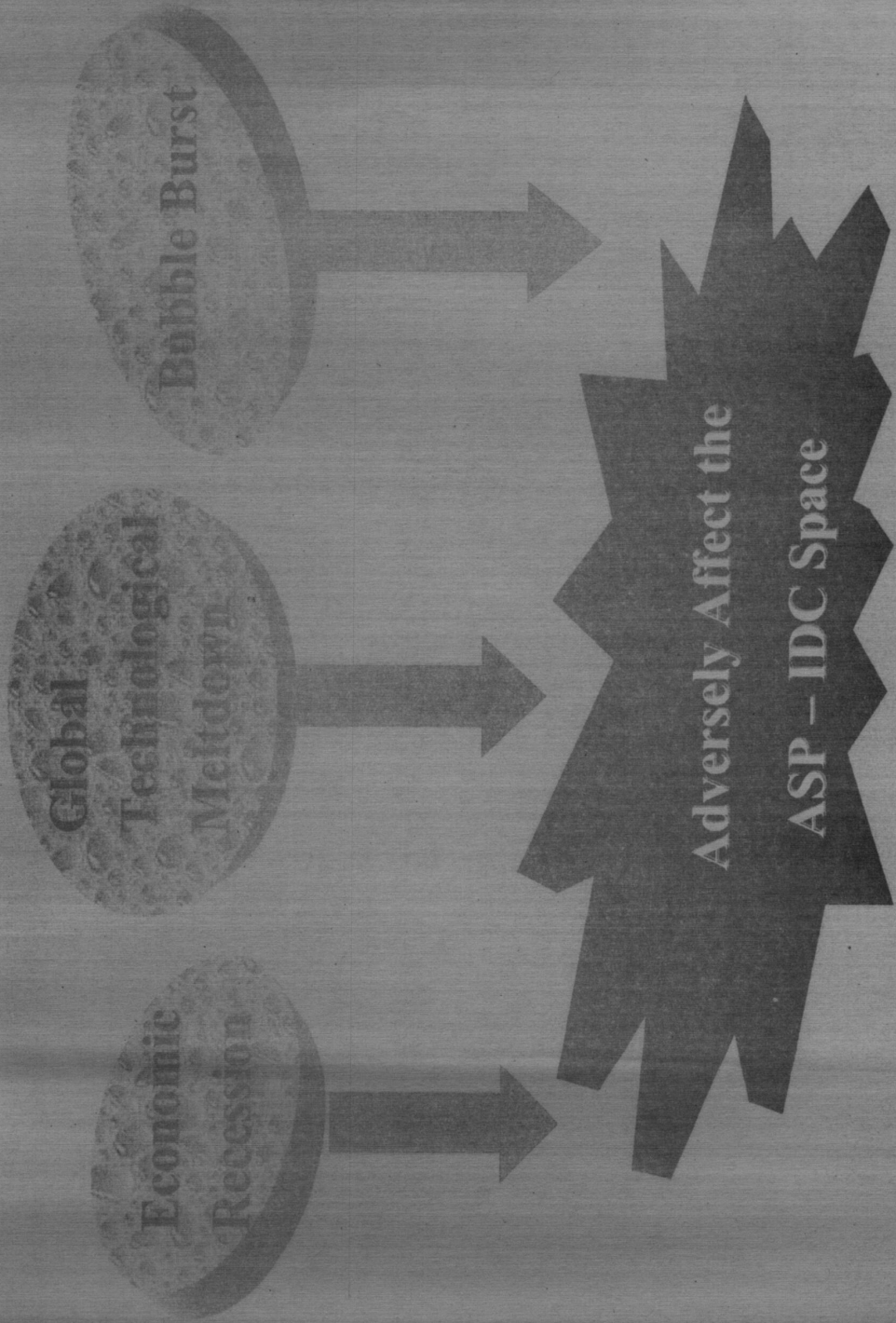
# The Agenda

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- ASP Space
- IDC Space



# ASP - IDC Space: Dead???



## ASP Space

- **Definition – by ASP Consortium**

“An ASP manages and delivers application capabilities to multiple entities from a data center across a wide area network.”

# Components of an ASP Model

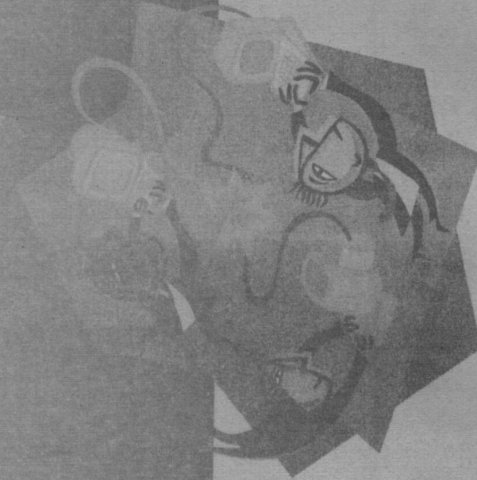
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- Application Software
- System Implementation & Integration
- Data Centers and Network
- Operations
- Connectivity

# ASP Space - Classification

- **Market Segmentation**
- **by Genealogy and Strategic Entry**

- Pure Play ASP
- Independent Software Vendor (ISV)
- ISP / Data Center
- System Integrators
- Value Added Resellers



# ASP Space - Classification

## Market Segmentation - by Common Traits

- Enterprise ASPs
- Vertical ASPs
- Pure-bred ASPs
- ASP Aggregators



## ASP Model : The Touted Benefits

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- **Wide spectrum of applications**
- **Cost-benefits**
- **Implementation time reduction**
- **Complexity and importance of applications**
- **Skilled IT professional shortage**
- **Focus on core competencies**
- **Business agility and scalability**
- **Software upgrades**

## ASP Model : The Key Challenges

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- Customer acceptance
- Comprehensive SLAs
- Integration with existing systems
- Acceptance of outsourcing concept
- Security concerns
- Relationship management
- Bandwidth management
- ASP technology infrastructure
- Managing pricing and technological issues

# ASP : Drivers & Restraints

## DRIVERS

- Predictable cash outlays
- Application obsolescence
- Total cost of ownership
- SME Internet adoption
- International operation coordination

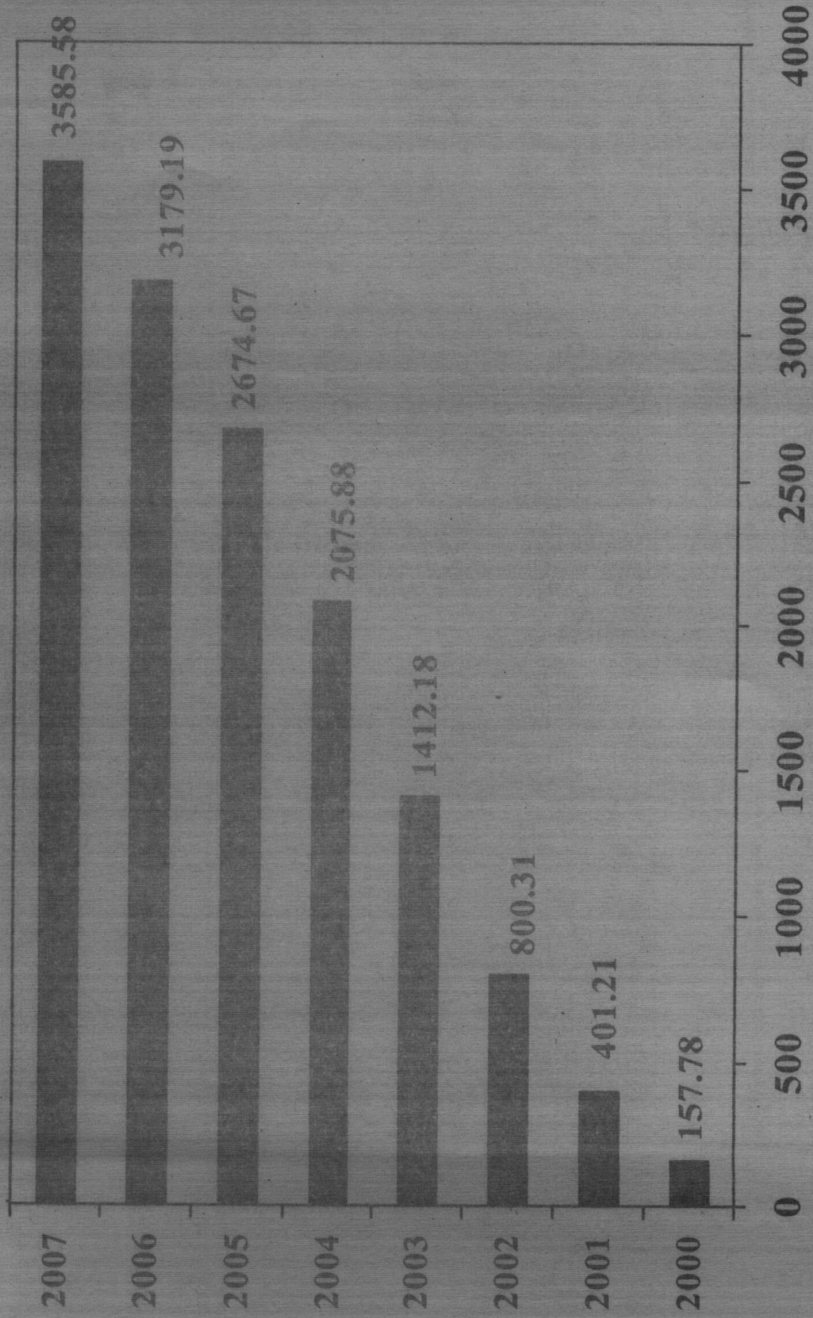
## RESTRAINTS

- Loss of control
- Security concerns
- Network performance
- QoS guarantee
- ISV indecisiveness



# Market Sizing – the ASP Space

- Forecasts (USD\$ Millions)



www.frost.com

Source : Frost & Sullivan

# Key Trends – Asia Pacific

**Introducer**  
stage; possible  
high growth

**Early adopter**  
stage;  
**Infrastructure**  
as inhibitor

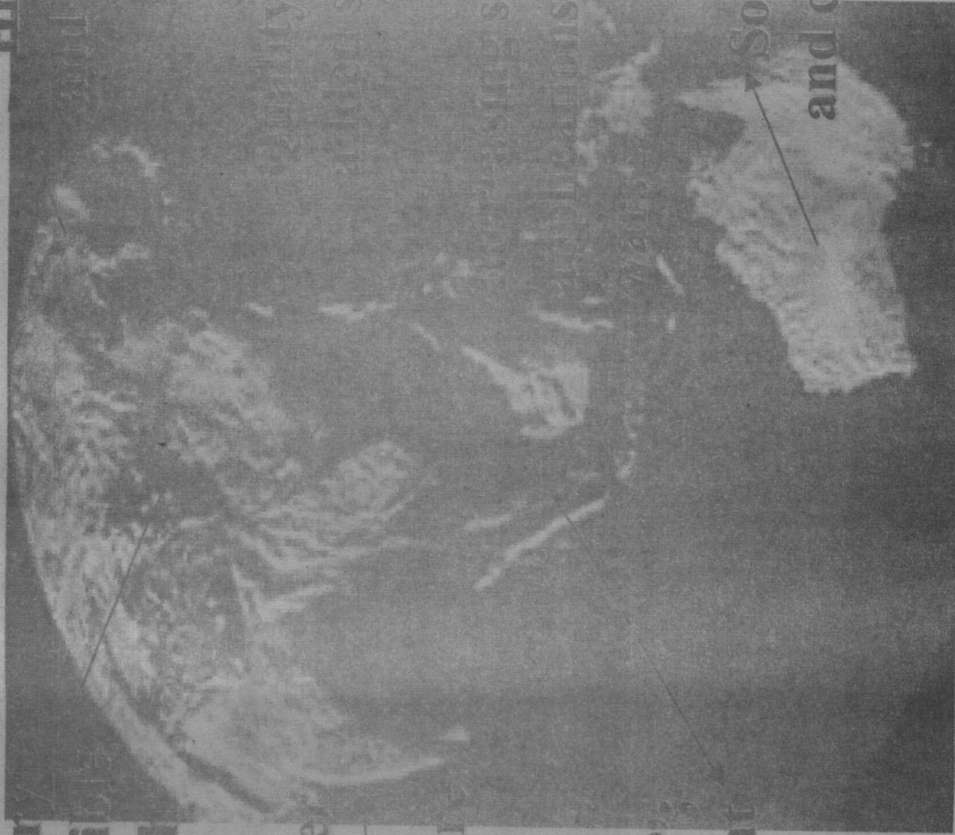
**“Recession”**;  
**Government**  
**Initiatives**

**High Internet**  
**and Broadband**  
penetration

**Quality and value**  
added services

**Investing software**  
**applications; price**

**Sophisticated**  
**and competitive**  
**markets**



# Key Trends – Some Strategies

Players	Strategies
Zee Solutions	Vertical and focused ASP
Solution 6	Specialized ERP
Peakhour	Specialized ERP
Eastern Software Systems	ERP on the ASP Model
iASPEC	Horizontal and Vertical positioning

# ASP Asia pacific: A CAT Scan

## 5 Major Lessons from the ASP Space

1. Long drawn profitability cycle
2. Portable ASP solutions important
3. Domain expertise critical
4. Phase : Customer education
5. Hype over, Reality check

# Datacenter Space

## ■ Key Offerings

- Simple hosting
- Co-location hosting
- Managed hosting
- Full service hosting

## ■ Key Trends

- Server farms
- Capacity glut
- Falling prices
- Trend towards value added services

## IDC Space : The Key Challenges

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- Scalable solutions
- Comprehensive SLAs
- Keeping pace with technology
- Infrastructure bottlenecks
- Competencies and time to market
- Supply and demand imbalances
- Customer bargaining power
- Competitive pricing
- Over capacity

# IDC Space : Drivers & Restraints

## DRIVERS

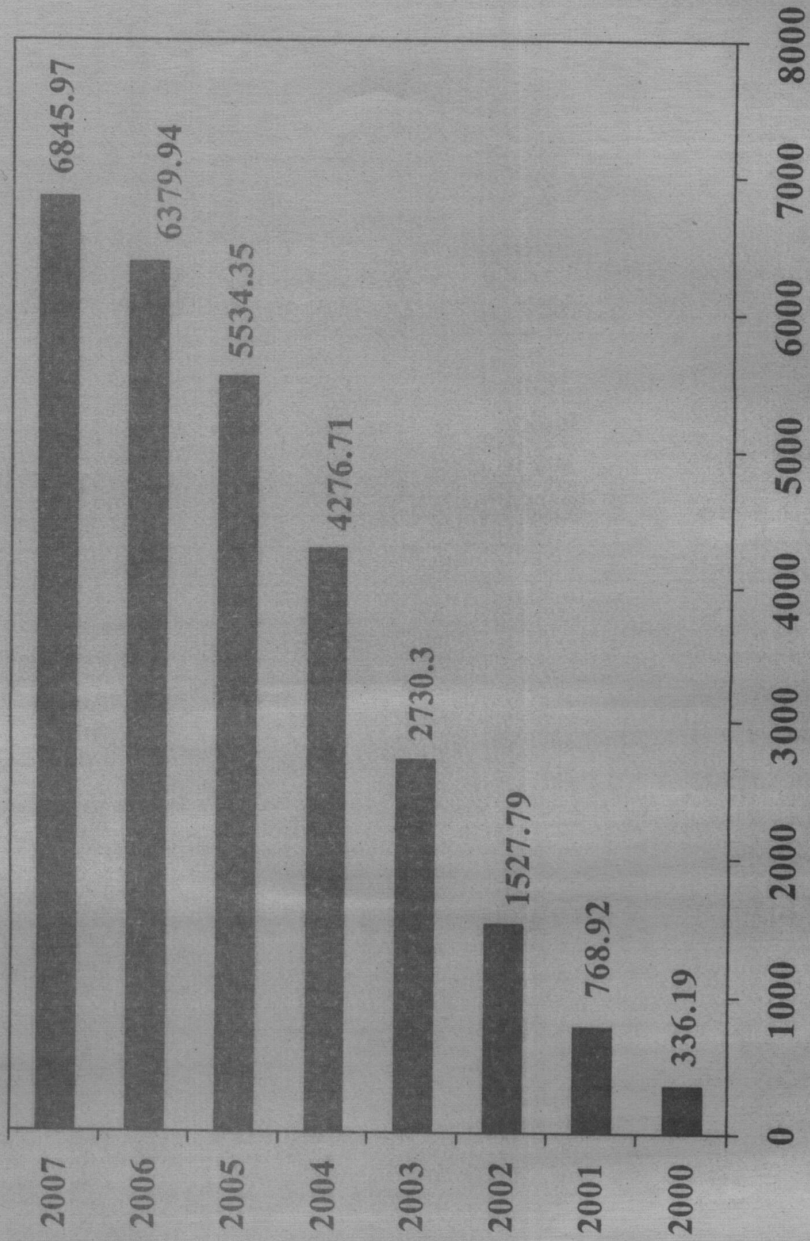
- Cost savings
- Focus on core competencies
- Inevitable movement towards e-commerce
- Faster time to market

## RESTRAINTS

- Current economic downturn
- Security issues
- Server glut
- Players glut

# Market Sizing – the IDC Space

- Forecasts (USD\$ Millions)



Source : Frost & Sullivan



## Key Trends – Asia Pacific

Country	Trend
Australia New Zealand	Trend from shared hosting towards co-location
China	Too many “non-professional” service providers
India	Bandwidth arbitrage expected to be obviated
South Korea	Co-location as the most popular service
Hong Kong	Excess capacity: iAsiaworks an example
Japan	Co-location the most popular service
Singapore	Excess capacity: Falling prices

Source: Frost & Sullivan

# IDC Asia Pacific: An X-Ray

## 5 Major Lessons from the IDC Space

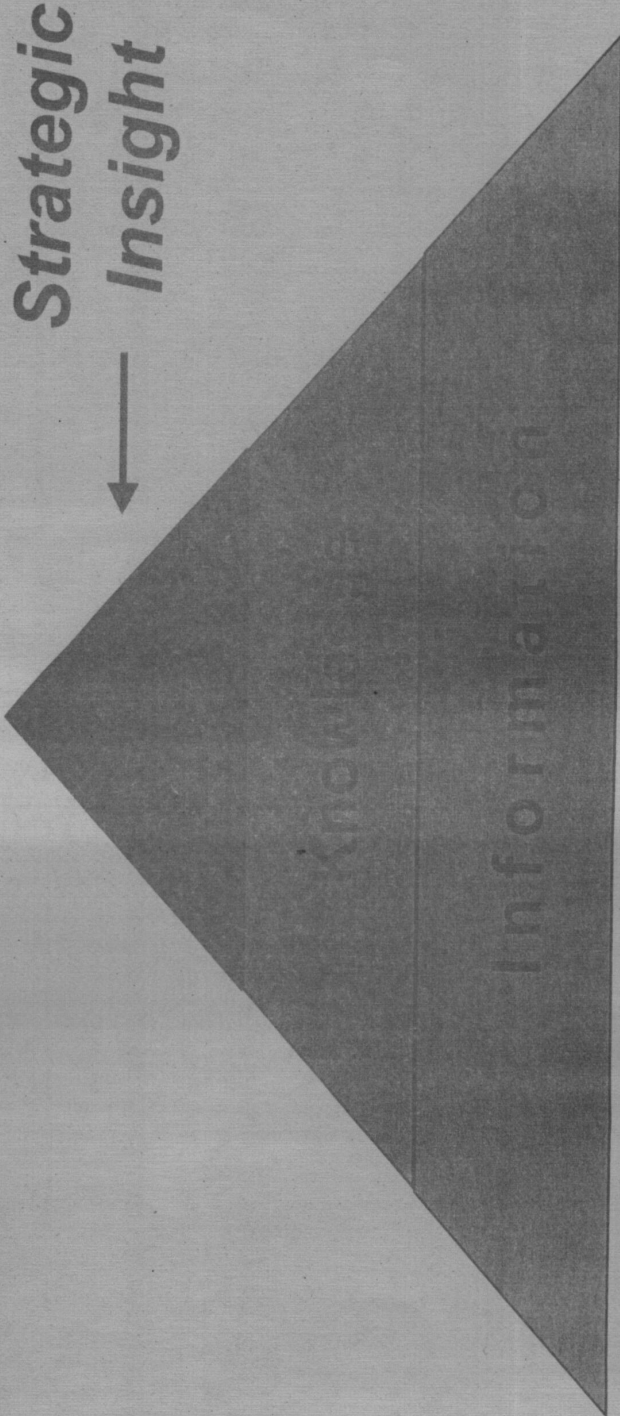
1. Long term opportunity : Winner is end user
2. Economic upturn critical
3. Managed solutions and VAS movement
4. Price based competition
5. Server farm glut

# **Stratecast Partners**

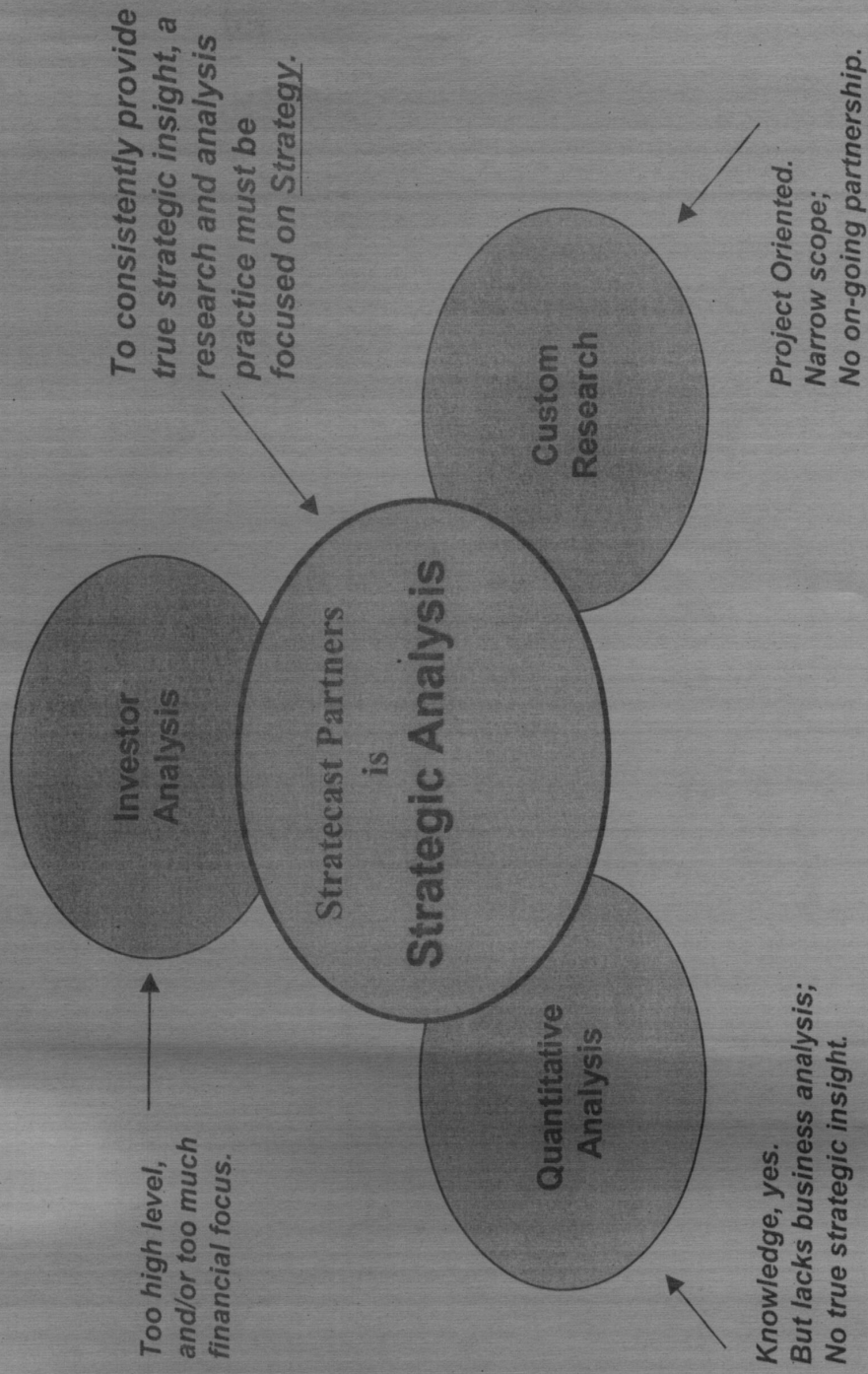
*Business & Technology Strategy Analysis in Communications*

## **Overview**

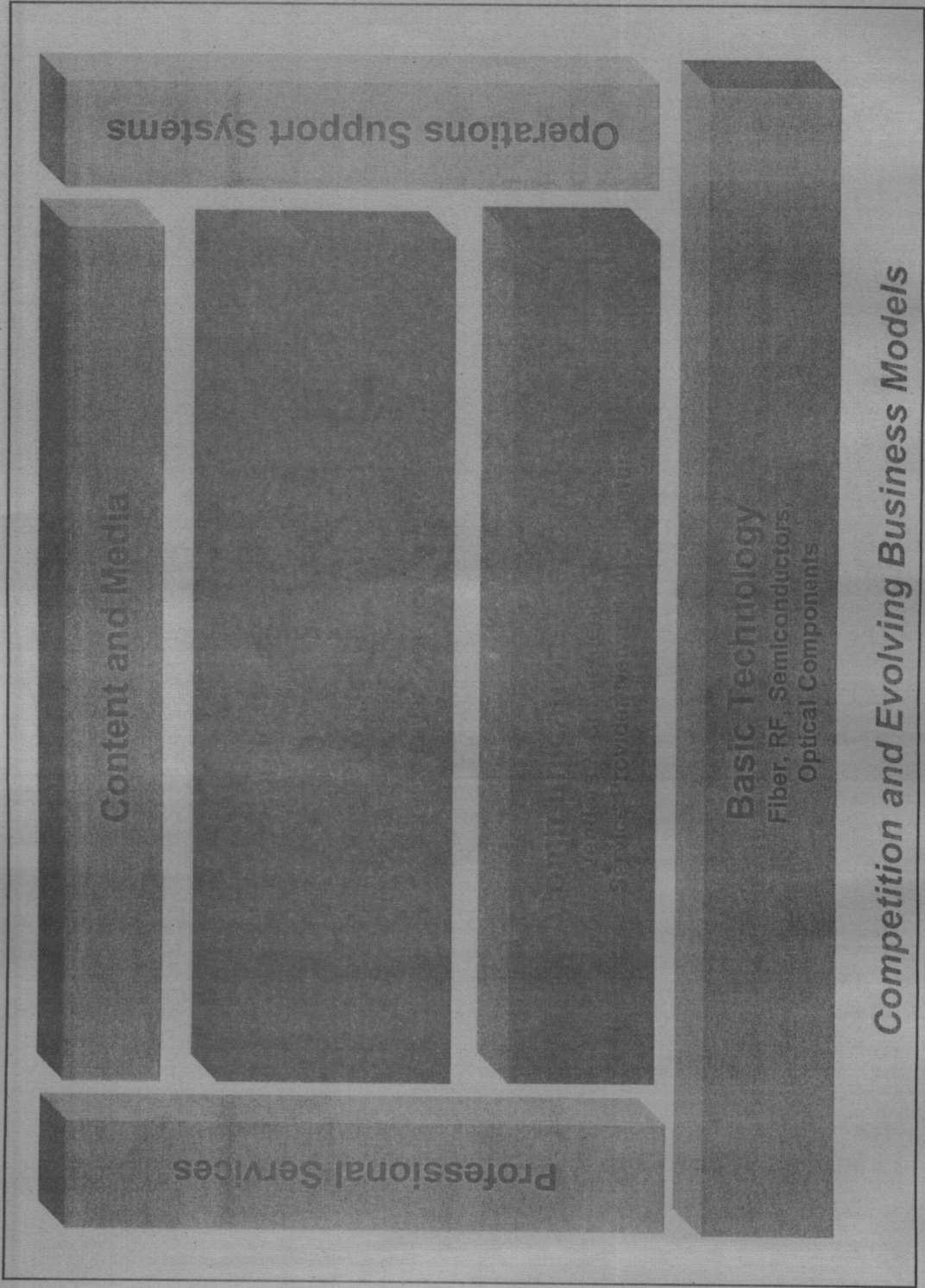
# What Stratecast Partners is Selling:



# Strategic Analysis Requires Focus

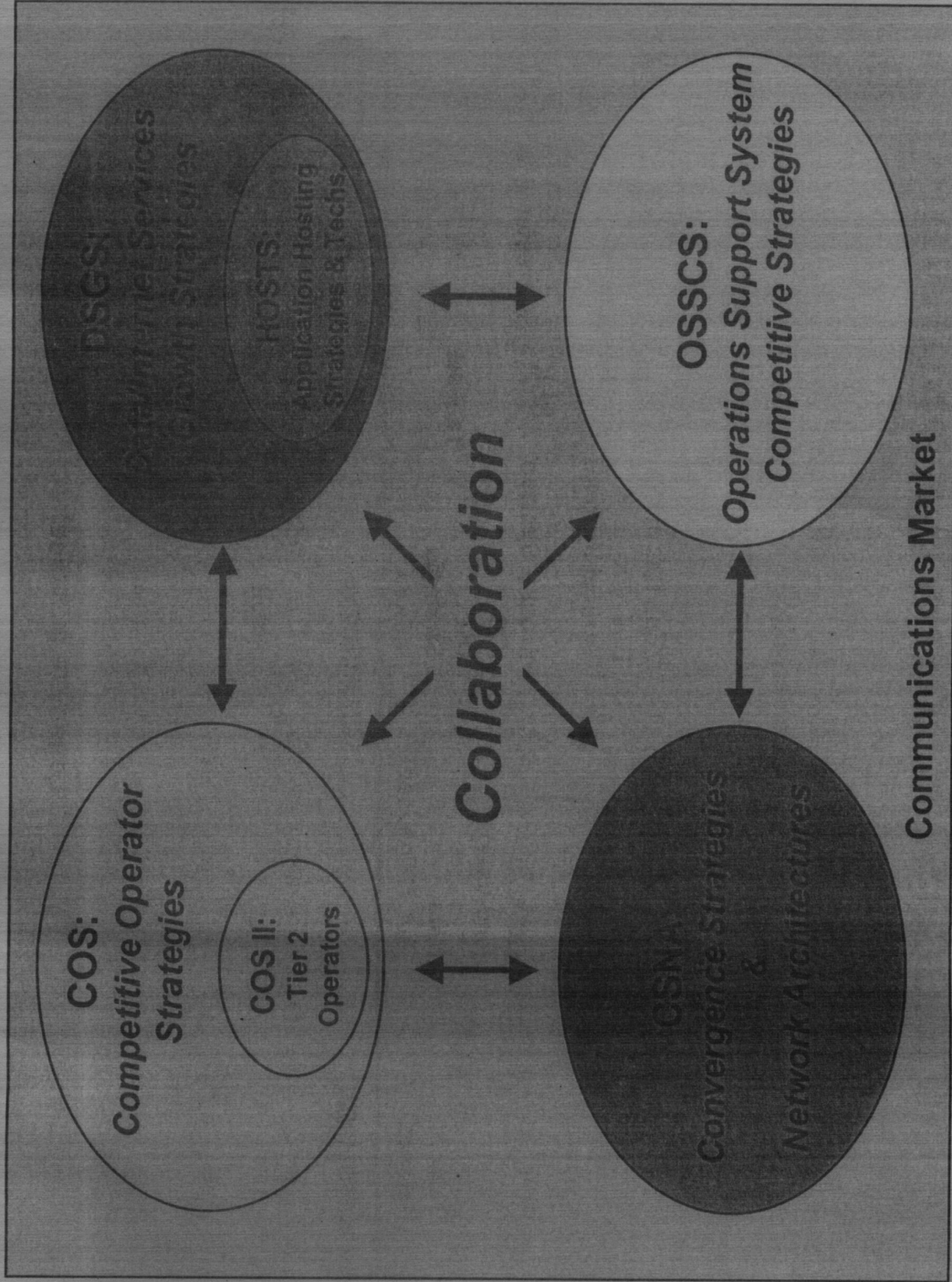


# Business Domains of the New Public Network

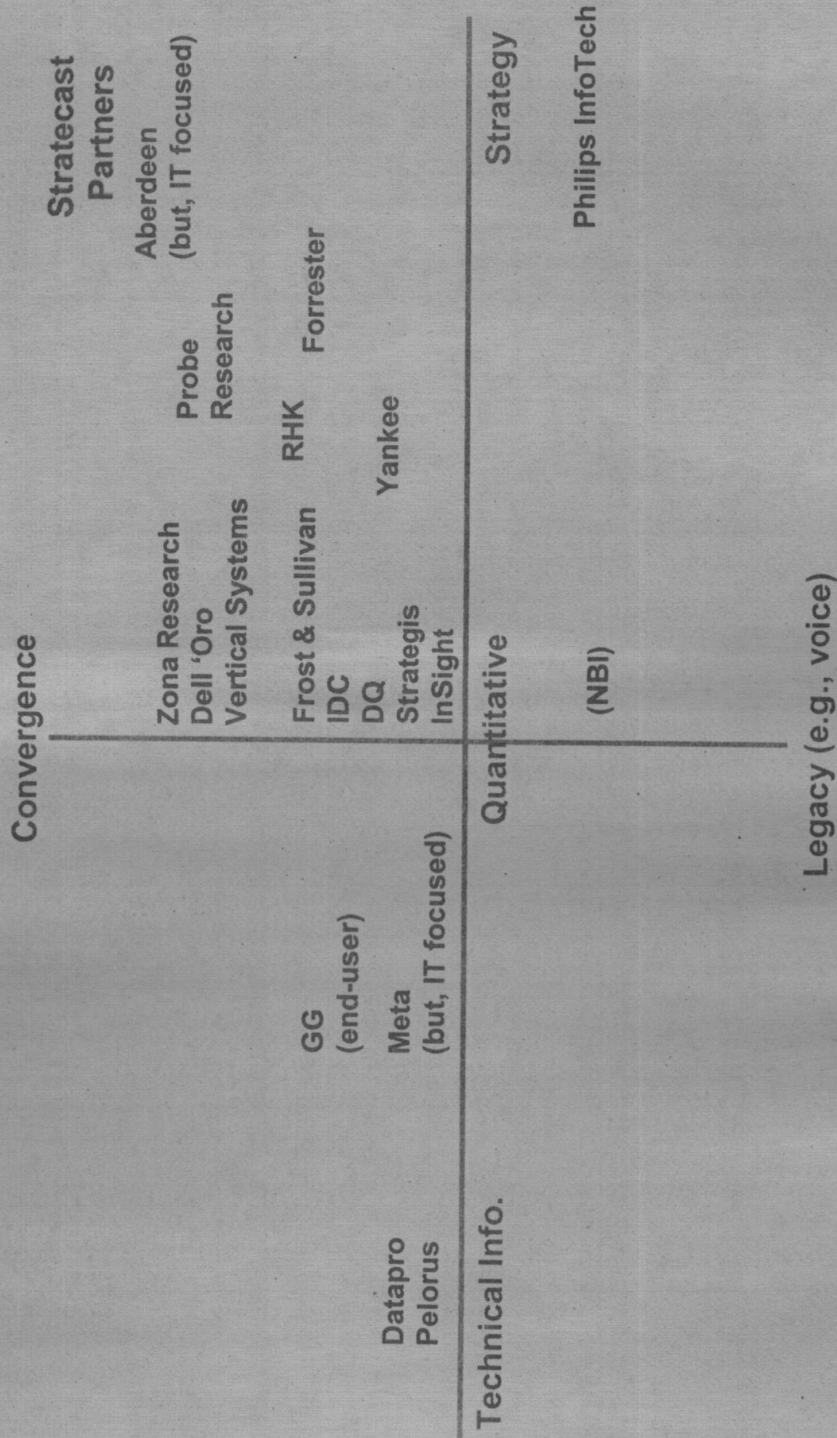


*Competition and Evolving Business Models*

# Stratecast Partners Research Domains



# Stratecast Partners Positioning



3-6



# Methodology

## COLLABORATIVE RESEARCH & COLLABORATIVE ANALYSIS



### EXPERTISE IN:

Emerging Service Providers  
Incumbent/Top Tier SPs  
Service Evolution (Data/IP/ASP)  
Convergence Technology  
Operations and OSS

### MAXIMIZES:

Strategic Insight OUT  
on all deliverables

Two-to-four domain-specific strategists per interview, then high-level strategic discourse on research findings, conclusions, opinions, and predictions feeds each deliverable in every service.

Who is interviewed? Multiple, function-specific officers and senior executives.

### Research Sources:

- Officers/Senior Executives (interviews, briefings)
- Analyst Relations (specific inquiry)
- Company/Product/ Service Web Info
- Industry & Wall Street Press

Informed Inquiry  
versus  
re-constituted  
market hype.

The activities and resources required for strategic analysis are fundamentally different than quantitative or custom R&A practices.

# Operating Principles

1. Customer designed syndicated strategic intelligence
2. Collaborative research and analysis
3. QoS commitment applied to delivery
4. Partner in relationships, not supplier
5. Conclusive, predictive, critical, actionable Insight
6. Focus on Depth:
  - Competitive Operators
  - Service Evolution (Data/IP/Hosting/AIP/ASP)
  - Convergence Technology
  - Operations and OSS

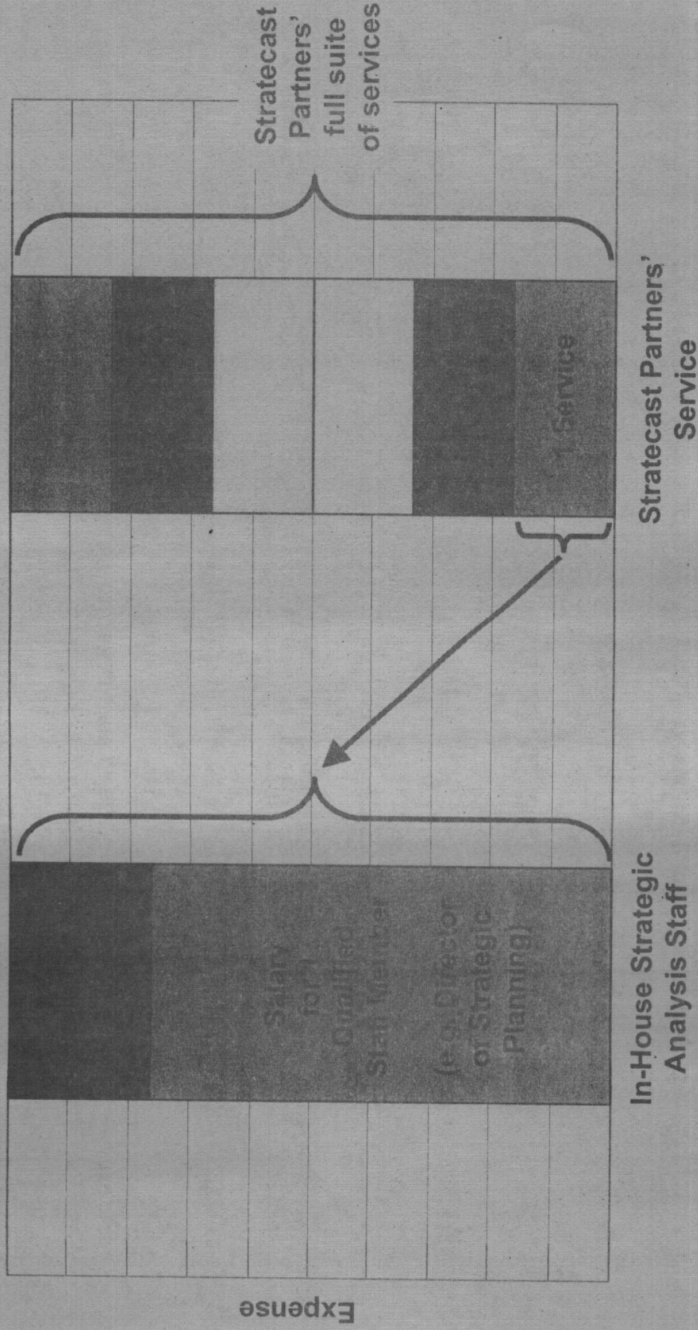
## Our Strategy:

### *QoS in Communications Strategy*

- Sorting insight from hype and information inundation
- R&A practice focused on strategic analysis
- Inclusive business, operations and technology perspective
- Purpose-built R&A methodology
- Collaboration by a team of seasoned industry analysts
- Objective, properly substantiated analysis and conclusions
- Timely, highly readable deliverables

*Stratecast Partners R&A practice is dedicated to syndicated services. In 1999 and 2000, Stratecast Partners' business was 97% syndicated and 3% custom. The master equation: QoS = 80% Syndicated + 20% Custom (at a maximum). And, custom work is limited to syndicated clients on topics that complement our syndicated R&A activities.*

# Quantifying Our Value Proposition



**Stratecast's services provide focused, in-depth analysis by industry veterans at a fraction of the cost to retain experienced full-time staff. Service does not end with the deliverables; all services include full, day-to-day inquiry support.**

**Stratecast is your Strategic Partner**

3-10

# Stratecast Partners Product Line

## Analysis Services (monthly deliverables plus Inquiry access, except for SPIE)

- **US COS: US Competitive Operator Strategies**
- **COS II: US Competitive Operator Strategies II**
- **US DSGS: US Data/Internet Services Growth Strategies**
- **HOSTS: Application Hosting Strategies & Technologies**
- **OSSCS: OSS Competitive Strategies**
- **CSNA: Convergence Strategies & Network Architectures**
- **SPIE: Stratecast Partners Insight for Executives: A weekly collaborative analysis service**

## Standalone Reports

- ***Critical Assessment of the Telecom Operations Map (TOM)***; due September 2001)
- ***Equipment Manufacturer Professional Services Strategies*** (published 4Q00)
- ***Stratecast 2000: A Strategic Forecast for the Communications Industry, 2000 and Beyond*** (Published March 2000)
- ***Competitive Operator Purchasing Plans*** (Published May 1999)

## Business Strategy Consulting (BSC) Services

- *Individual strategic consulting services - project oriented/custom*

# The Stratecast Team

## Founders

- Mike Smith, Co-Founder & Managing Director, Program Director, Competitive Operator Strategies & SPIE, Philadelphia, 10 YE
- Mike Galvin, Co-Founder & Managing Director, Business Development, Silicon Valley, 12 YE

- Curtis Price, Program Director, Data/Internet Services Growth Strategies, Boston, 15 YE

- Jim Lawrence, Program Director, Convergence Strategies & Network Archs., Pittsburgh, 20 YE

- Karl Whitelock, Program Director, OSS Competitive Strategies, Denver, 20 YE

- Scott Donahue, Program Manager, OSS Competitive Strategies, Silicon Valley, 9 YE

## Sales

- Mike Kleinhenz, Director, Major Accounts-- Eastern US, Monroe, CT, sales/customer care for 15+ years

- Matt Kellogg, Manager, Customer & Sales Support, Silicon Valley

- Tim McElgunn, Program Manager, Competitive Operators, Philadelphia, 14 YE

- Lizet Tirres, Senior Research Analyst, Competitive Operators, Los Angeles, 8 YE

- Diane Myers, Program Manager, Application Hosting Strategies & Technologies, Ohio, 9 YE

- Ferial Shomloo, Senior Research Analyst, OSS, Portland, OR, 12 YE

- Mike Suby, Senior Research Analyst, Data/Internet Growth Strategies, Denver, 15 YE

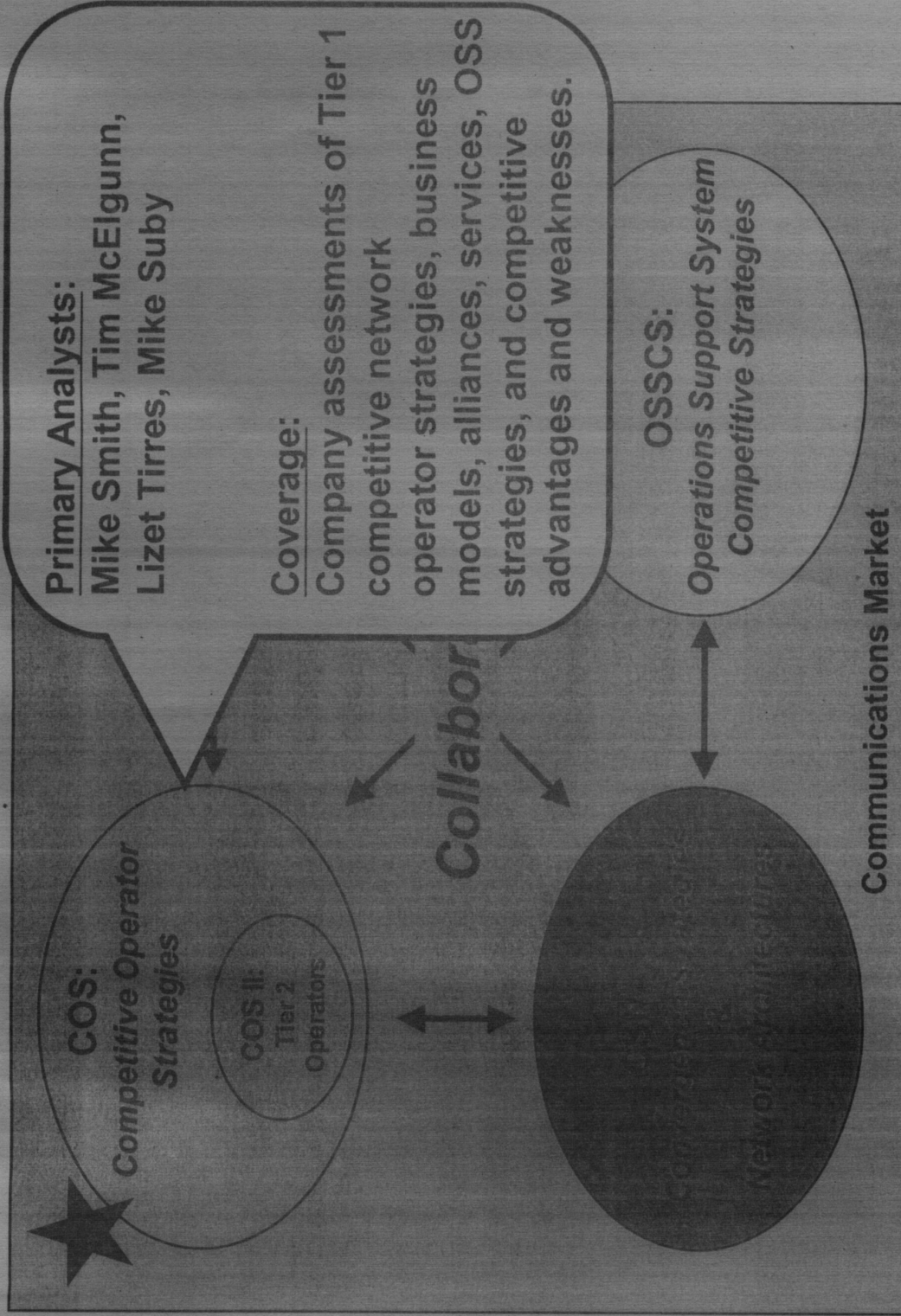
- Michael Ladam, Senior Research Analyst, Convergence Strats. & Network Archs., NH, 16 YE

- Owen Barry, Director, Major Accounts--Western US, Silicon Valley, sales/customer care for 20+ years

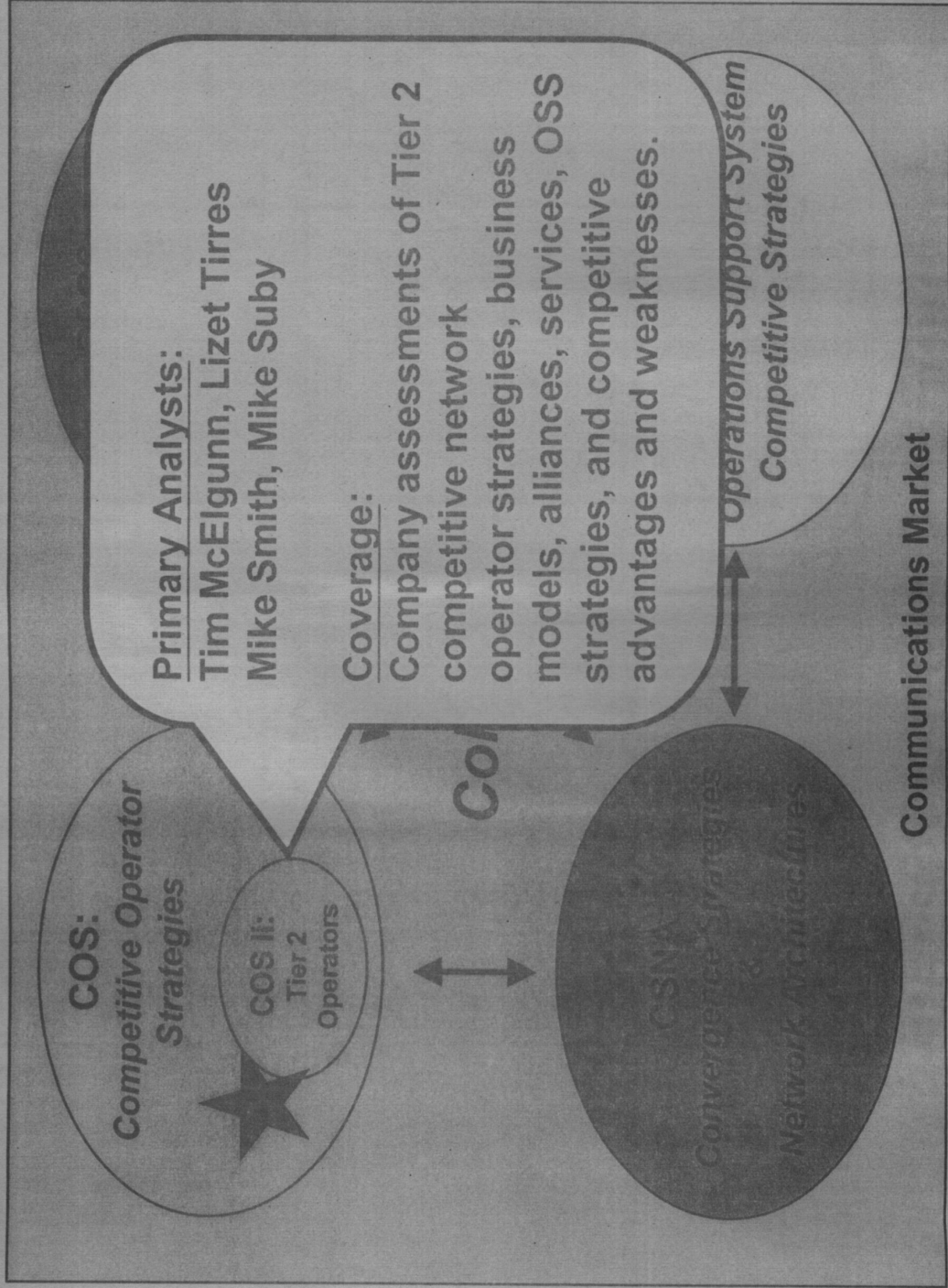
- Wally Fabian, Senior Manager, Major Accounts, Philadelphia, sales/customer care for 16 years

**Over a century of applied strategic, domain-specific expertise.**

# Stratecast Partners: Summary



# Stratecast Partners: Summary





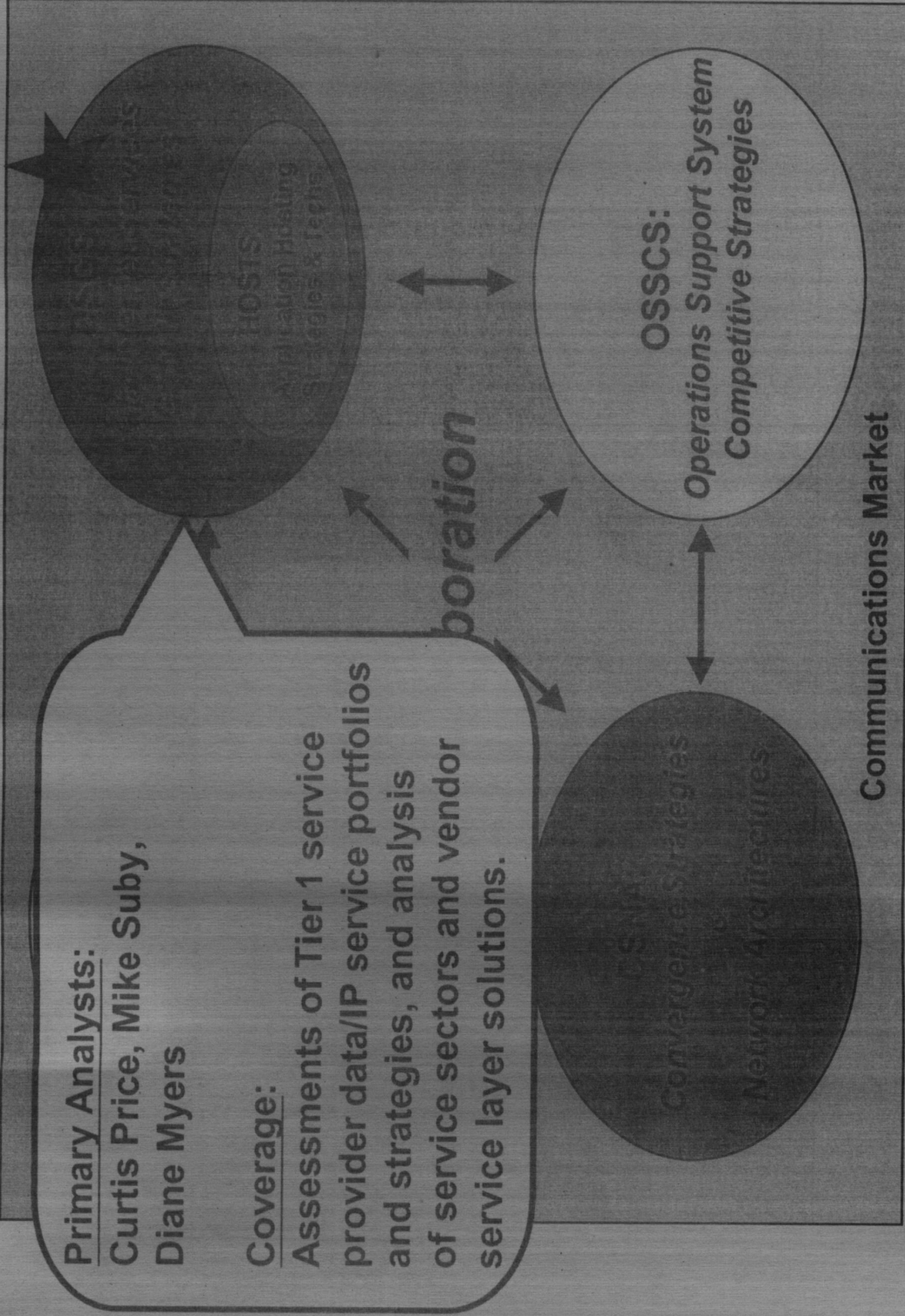
# Stratecast Partners: Summary

**Primary Analysts:**

Curtis Price, Mike Suby,  
Diane Myers

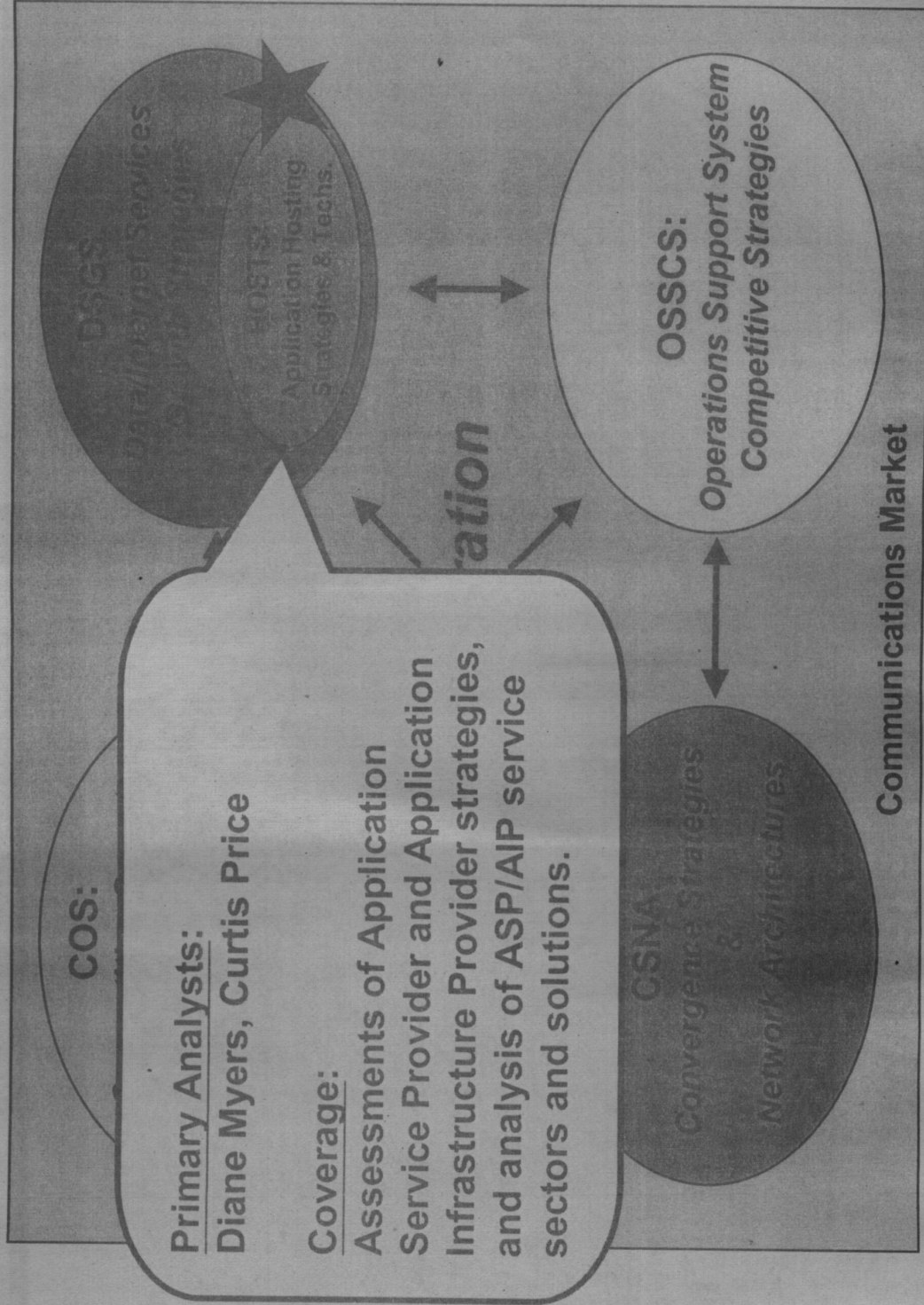
**Coverage:**

Assessments of Tier 1 service provider data/IP service portfolios and strategies, and analysis of service sectors and vendor service layer solutions.

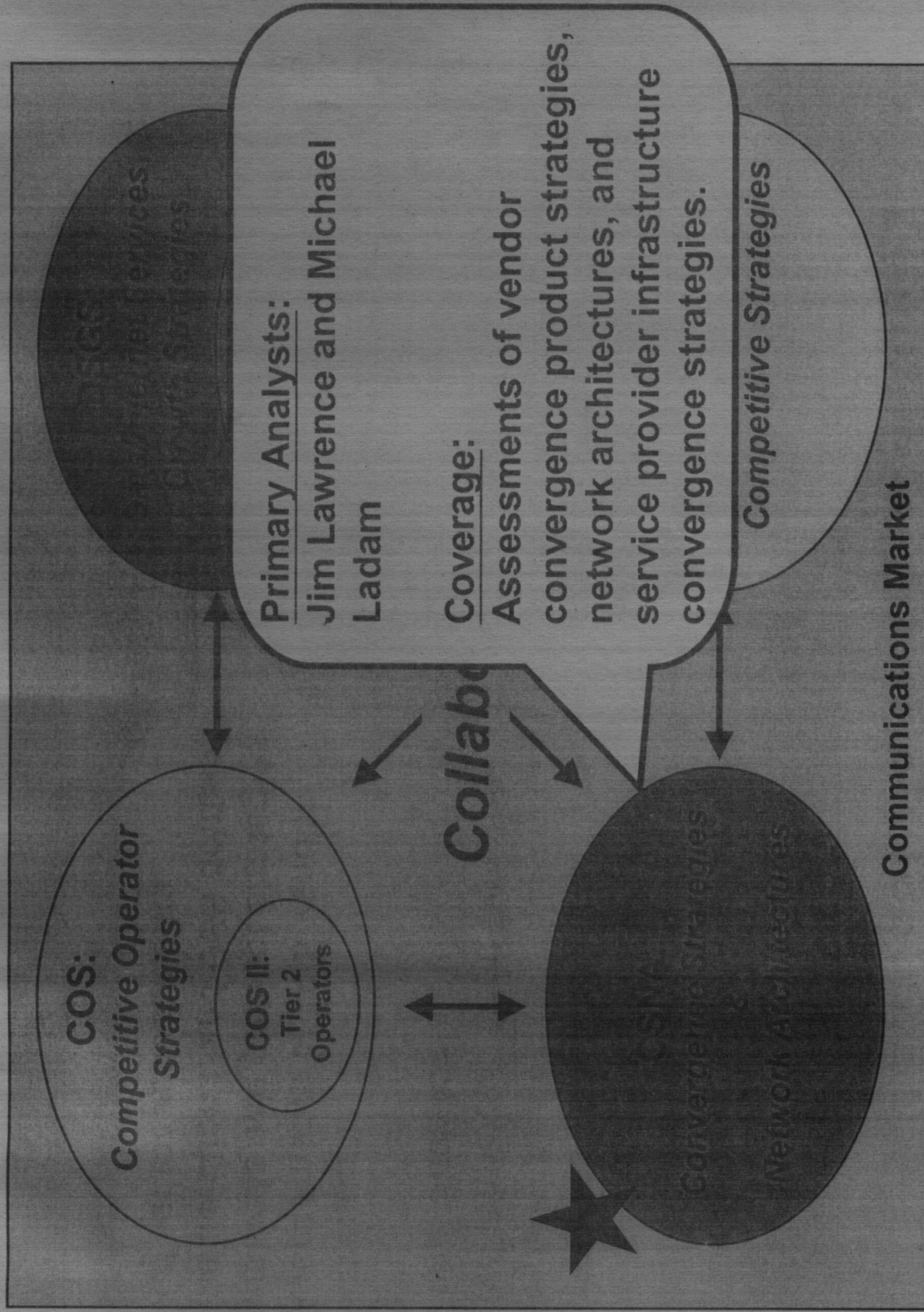


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# Stratecast Partners: Summary

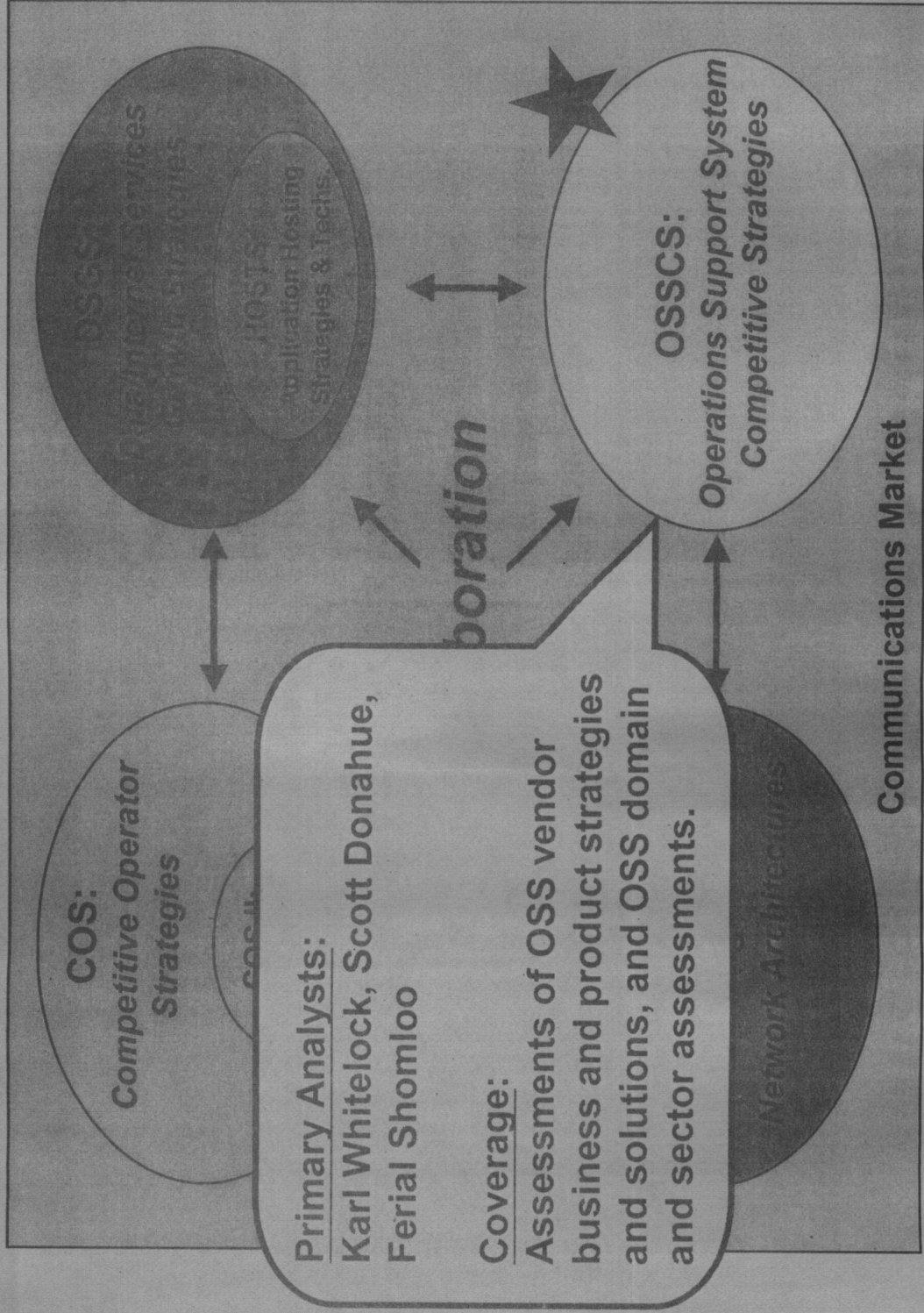


# Stratecast Partners: Summary



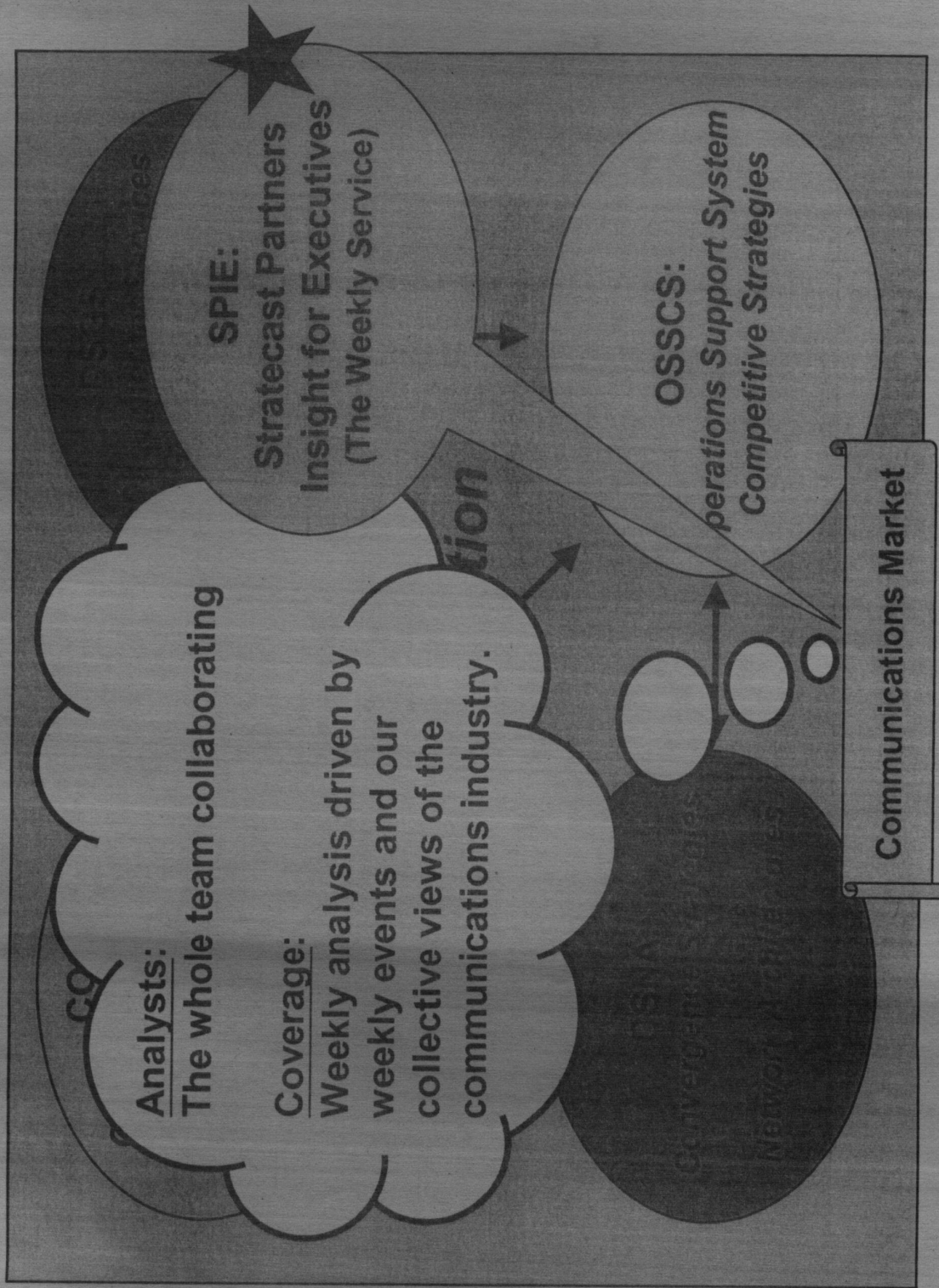
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# Stratecast Partners: Summary



3-18

# Stratecast Partners: Summary



# Stratecast Partners: Strategic Analysis

