



Build vs. Managed Service

Stu Gavurin

**Managing Partner – Global Infrastructure
Services**

stuart.gavurin@unisys.com

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NETWORLD+INTEROP
The End-to-End Networking and Communications Event

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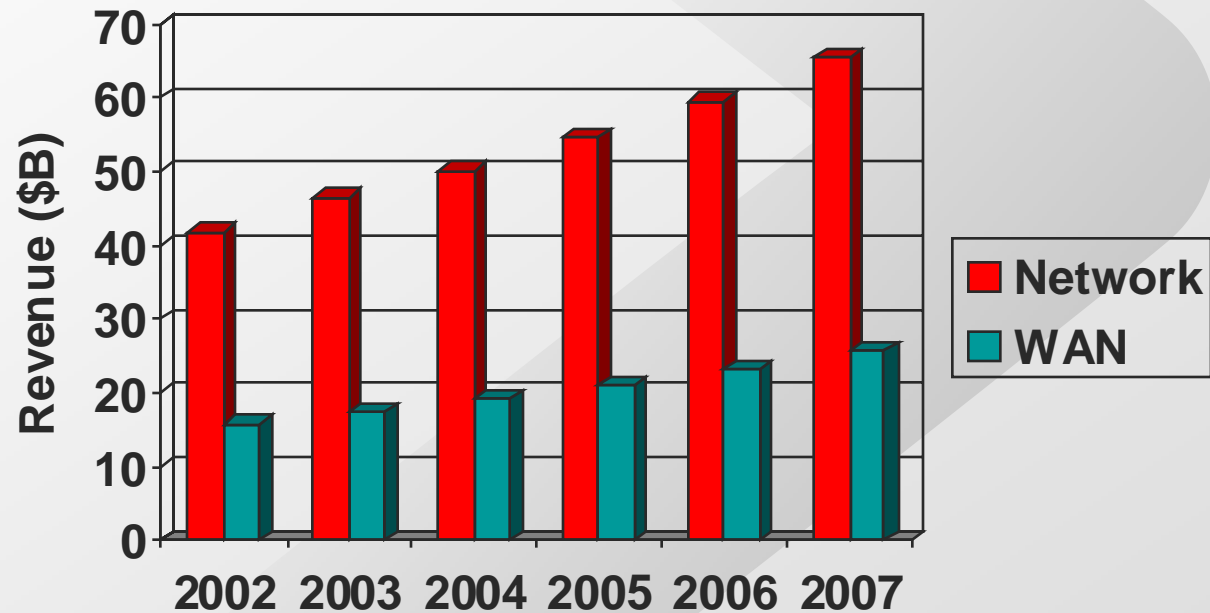
- > Systems Integration.
- > Outsourcing.
- > Infrastructure.
- > Server Technology.
- > Consulting.

Agenda

- > **A Glance at Managed Services Market**
- > **Linking Managed Services to IT's Business**
- > **Matching Managed Service Providers to IT's Needs**
- > **Some Advice**

Managed Services Marketplace

Global Outsourcing Revenue



Source: Gartner Group

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Enterprises learning how Managed Services fit

> Too Much

- Compromises functionality
- Managed Services provider outside their “value zone” and are developing new offering with you

> Wrong Mix

- Missed value opportunities to support enterprise growth and flexibility
- Not aligned to flexibility or strengths of the enterprise

> Not Aligned

- Contracts focus on measures and not on business value
- Cost has generally overwhelmed the decision

The role of Managed Services must be business aligned.

Business Goals

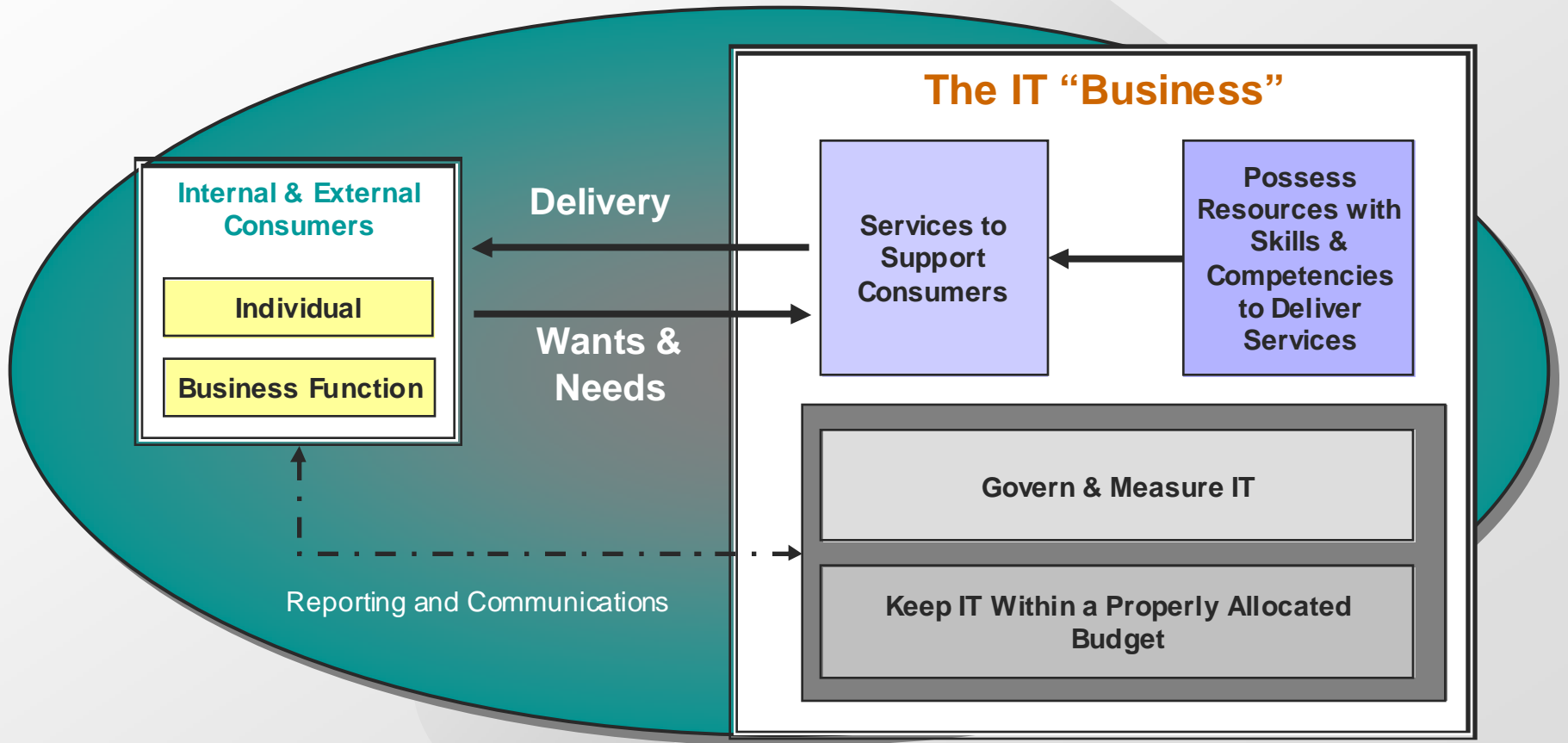
Manage External Risk	Improve Financial Performance	Improve Operational Efficiency	Improve Customer Relationships
Capture New Market Opportunities	Increase Market share	Improve Organizational Effectiveness	Improve Competitive Position

IT View

Justify IT Investments	Enable Business Innovation	Improve Sourcing Effectiveness	Improve IT Adaptability	Demonstrate Business Value	Improve Enterprise Deployment Effectiveness
	Deliver End-to-End Services	Improve Business Continuity & Reliability	Manage Security Risks	Reduce Costs	

The “IT Business” Model

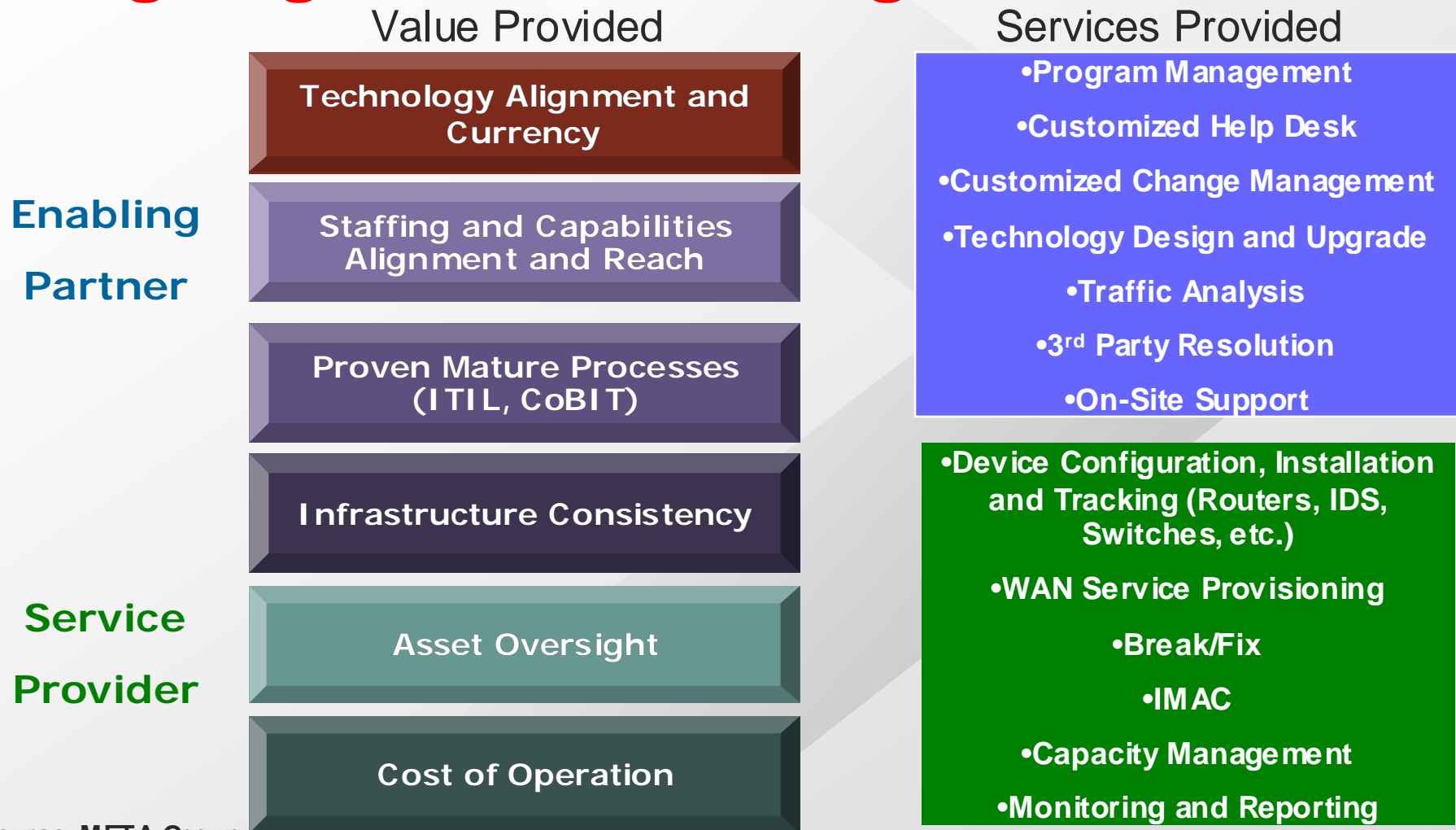
To deliver the required services to the business, IT organization must have proper skills, management, and financial processes and constraints.



Realistic Value delivered through Managed Services

- > **Reduce Unit Costs**
- > **Bring Experience**
- > **Provide necessary skills**
 - Commodity
 - Scarce
- > **Deliver geographic reach**
 - Remote for IT
 - Temporary or dynamic environments
- > **Deliver mature, auditable, and standards based processes**
 - Controls
 - Measures
 - Structure
- > **Influence and access to key vendors and technologies**

Aligning Needs to Managed Services



Source: META Group

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Move Forward but Remember

> You own the business risk

- MSPs support this risk by bringing strong solutions, process and capabilities

> Maintain responsibility for the “one offs”

- MSPs are best managing what will be widely deployed within your environment even if it is unique to your enterprise

> Don't force MSPs into a commodity play

- MSPs specialize based on geography, vertical industry, business size, and customization
- Think about carriers if its for simple WAN and WAN device cost reduction and monitoring