

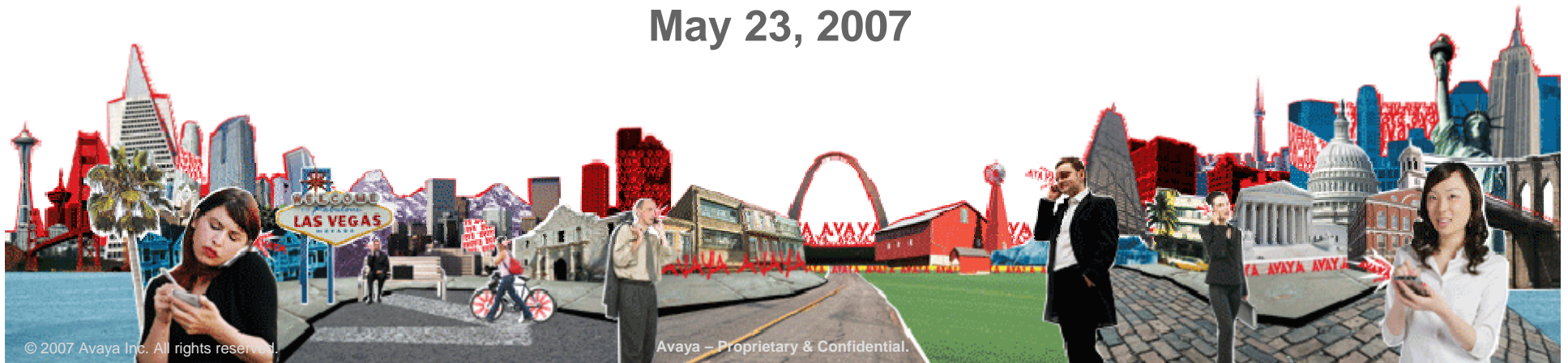


Sourcing Strategies: *Freedom to Focus*

Mike Massey

VP and General Manager, Avaya Global Managed Services

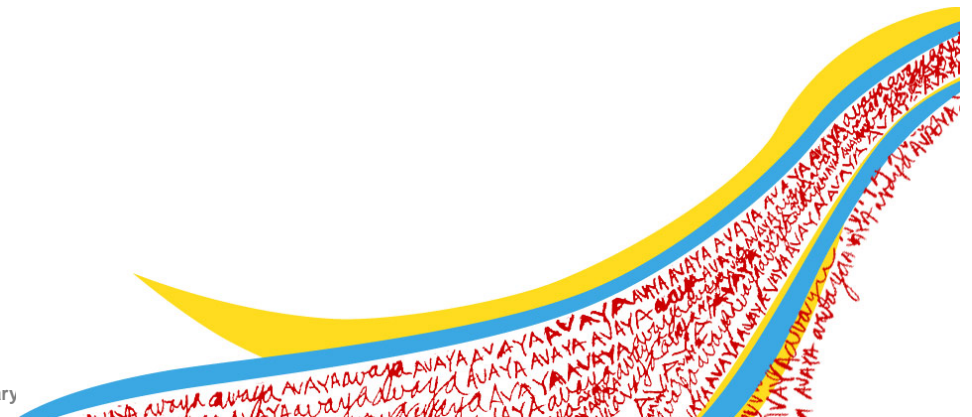
May 23, 2007



Avaya's Philosophy

Freedom to Focus. Taking care of communication technology, so you can take care of your business.

- Options in deployment, financing, delivery models and level of support
- Single point of contact for equipment and network
- Drive the customer's business forward
- Delivery excellence and process excellence
- Bring the right resource to the right customer at the right time



Managed Services *Avaya's portfolio*

Application Management

- Complete managed services for on-premise Contact Centers
 - Fault Management
 - Technical Consulting
 - Administration
 - Proactive monitoring
 - SLO's
 - Multi-vendor and case management
 - ACD monitoring
- Focus on delivering Avaya reliability to the communications applications domain

Outsourced Solutions

- Typically large enterprises
- Customized with specific SLAs and complex implementation
- Migration to IP and ongoing management of entire communications environment
- Includes
 - Consulting services
 - Network evaluation
 - Migration planning
 - Business process integration
 - Multi-region, multi-vendor
 - Single Point of Accountability

Hosted Solutions

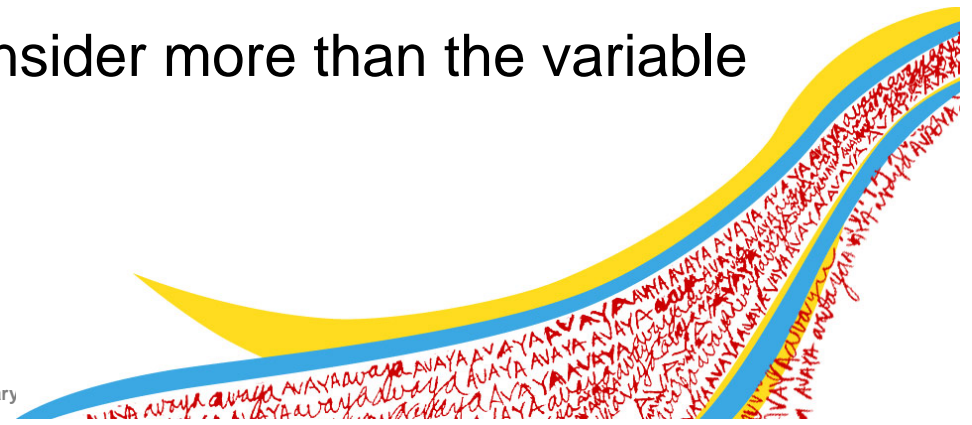
- Avaya On Demand
 - Contact Centers
 - Messaging
- Modular application choices
 - Basic routing plus all advanced applications for CC
 - Basic and Enhanced messaging options that are interoperable and mimic most TUIs
- Fully leverages platforms, tools and skills of Avaya Global Services
 - Monitored and managed 24x7

Which Model is Right For You?

Delivery Model	Characteristics
Remote Managed Services	Skilled IT resources available to manage solutions, focus on QoS, desire to use advanced tools
On-site Managed Services	Limited IT resources to manage communications infrastructure. Desire to have equipment on premise and maintain some control, but need to focus IT resources on other projects
Hosted Solutions	Prefer operational expense, comfortable with outsourcing, need flexibility and scalability, limited technical resources
Complete Outsourcing	Very comfortable with 3 rd party management, close relationship and trust with vendor of choice, strong emphasis on predictable costs

Does Outsourcing or Out-tasking Really Save Money?

- The short answer: it does if tracked, planned and executed well by the business and the vendor
- Ensuring you achieve a positive return
 - Conduct activity-based accounting to determine exactly how much you're spending today
 - Evaluate QoS
 - Consider opportunity cost of deploying internal resources
 - Redeploy your resources and track that activity
 - Bottom line: you have to consider more than the variable costs



Market Evolution

- Look for vendors with a strong position in the following:
 - Software as a service
 - Flexible delivery models
 - Open standards
 - Business process integration
 - Intelligent networks driven by applications
 - Financial viability
 - Comprehensive, flexible portfolio



Choosing a Vendor

Consider The Full Breadth of their Ability to Meet Your Total Telecom Architectural Needs

Added Value Focus

- Managed Security
- Software Release Management
- Managed Applications (Contact Center, Messaging, Unified Communications)

Core Offers

- Managed IPT + Fused Maintenance
- Managed LAN/Foundation
- Network Assessment

Telecom Extensions

- Managed WAN/IP VPN
- Managed MPLS
- Managed Desktop
- Managed Data Center
- Managed Storage
- Managed Enterprise Mobility
- Managed Wireless LAN
- Managed Video Comm.
- Managed IT
- Managed Intranet

Supporting Services

- Project Management
- Onsite Installation
- Staging
- Design, Engineering & Testing
- User/Admin Training
- TDM Maintenance
- Technology Refresh
- Technology Transformation

Source: Intellicom Analytics, 2007

Thank You



AVAYA

Backup



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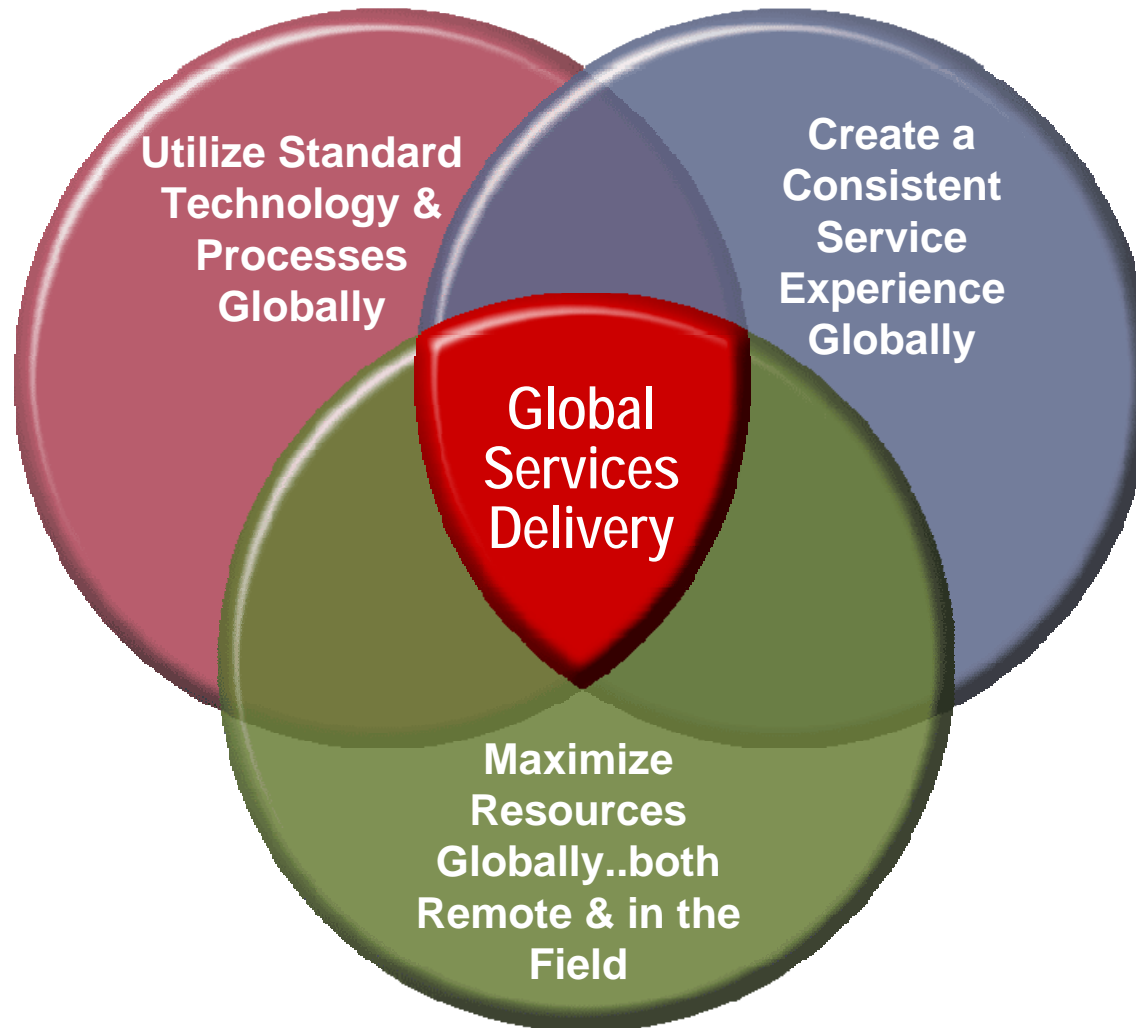
Managed Services **Delivering Comprehensive Service Level Satisfaction**

- Experienced management of voice/data and converged applications and the environment in which they exist
- Service Level Automation based on Avaya architecture provides significant difference in ensuring Service Level Satisfaction
 - Real time monitoring & root cause analysis through intelligent agents
- Application of architecture across all Managed Service Competencies
 - Management of Applications
 - Outsourced Solutions
 - Hosted Solutions

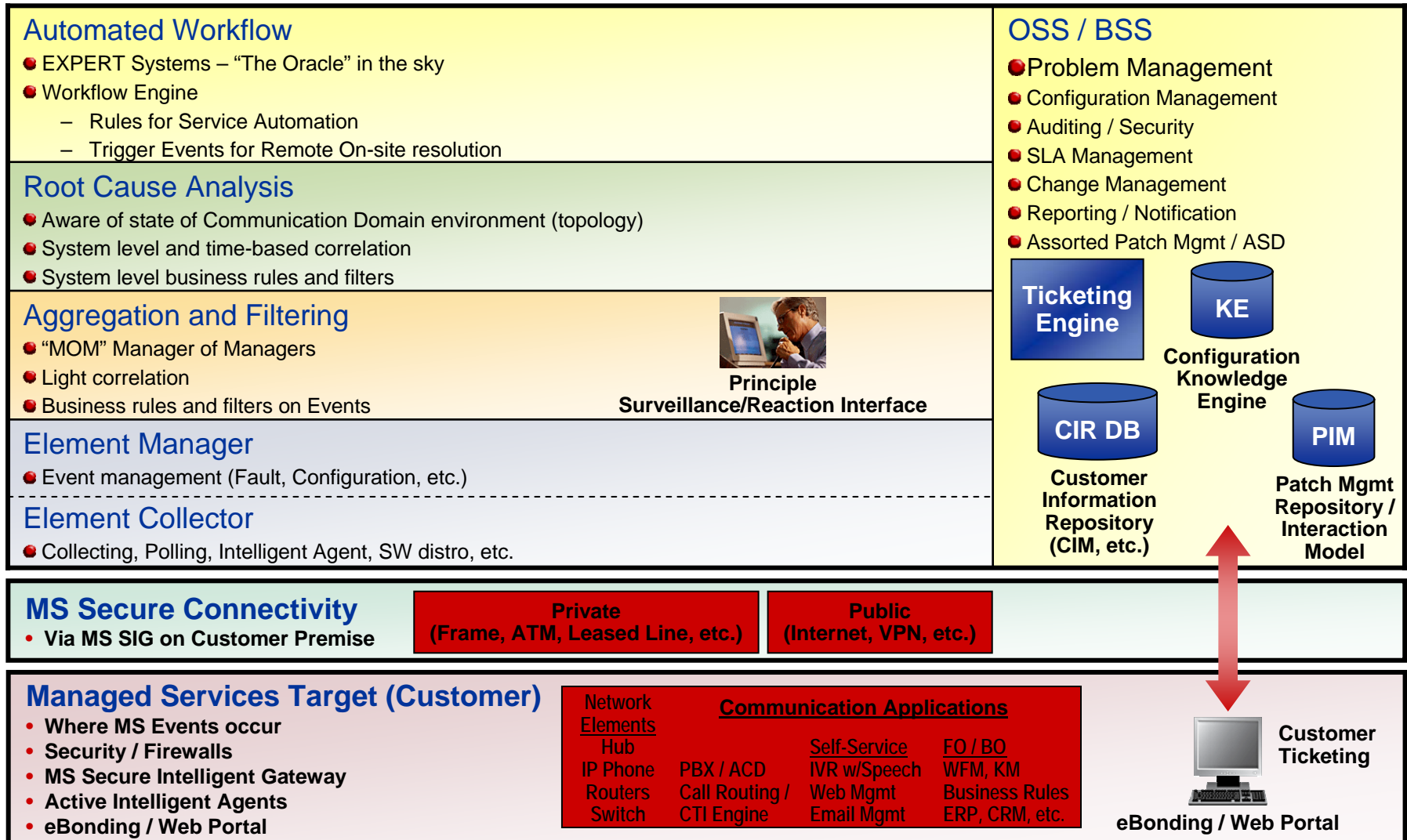
“In a technology-intensive business like ours, choosing the right infra-structure and applications provider is absolutely vital...and you need the right partner to get peak performance out of that technology. Avaya fits the bill on both counts.”

Mindpearl

Excellence in Delivery



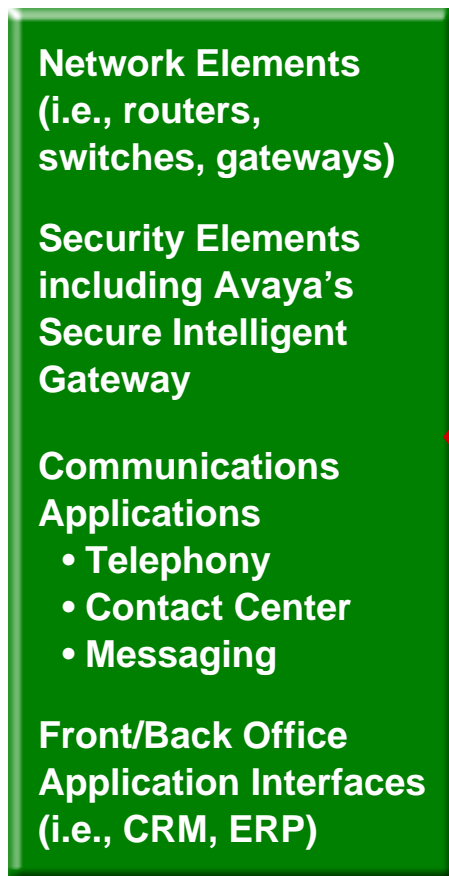
Managed Services Platform Architecture



Managed Services Platform

Secure, Real-Time, Proactive Monitoring/Management of Converged Communication Domains

Customer Converged Communications Domain



Avaya Operations Platform



Key Industry Trends Around the Movement to Managed Services

- In order to respond to the growing challenges, IT organizations are redefining their sourcing strategy to determine the mix that makes sense for their business:
 - Minimal out-tasking support
 - Evolving and Selective outsourcing blend of internal/external expertise
 - Full outsourcing accountability model
- 84% of companies are currently using a managed service provider for some aspect of operations¹
- The #1 reason why companies use a managed service is to improve service quality and reliability¹
- Through the end of 2005, the greatest value provided by a managed service provider is the reduction of risk²
- 45% of mid and large sized companies are already using managed hosting services⁴.

1: Outsourcing Trends, BCR; 2: Management Update Network Managed Services Gain in Popularity, Gartner

4: Metrics: Take My Hosting, Please; CIO Magazine