This Magic Quadrant examines 17 vendors of IT services for business communications systems worldwide. Use it to find the right providers for your needs related to communications-centric managed service and outsourcing relationships or project-based professional services engagements.

WHAT YOU NEED TO KNOW

Gartner’s “Magic Quadrant for Communications Outsourcing and Professional Services (COPS), Worldwide” is a guide for midsize and large multinational companies (MNCs) to identify and evaluate vendors that deliver IT services in support of enterprise communications and connectivity. The IT services covered in this Magic Quadrant include maintenance and support, consulting, application development, integration and ongoing management of IT and related business processes. This Magic Quadrant was previously called “Magic Quadrant for Managed and Professional Network Service Providers, Worldwide” (and there was a similarly focused North America version). However, this caused some confusion with Gartner’s Magic Quadrants for Network Service Providers. While these Magic Quadrants are focused on network services (connectivity), the COPS Magic Quadrant is focused exclusively on IT services related to network service solutions and communications systems.

The vendors in this Magic Quadrant provide relevant IT services to support fixed and mobile connectivity and communications systems. These vendors do not necessarily own the infrastructure, applications or connectivity contracts (or control the relevant operational leases). Though all the vendors in this Magic Quadrant provide communications-centric IT services, their competencies, approaches to customer engagement and contracting practices vary; generally their different approaches are dictated by their primary business model (in terms of revenue).

Users are advised to base their COPS vendor selection on:

- A detailed evaluation of their requirements in terms of operations and support service levels and the user’s ability to deliver with in-house resources.

- A review of their sourcing goals in terms of contract structure, cost benefits and program management.

- A comparison of prospective vendors’ capability to execute against expectations globally, and in the specific countries or regions in which a vendor’s services are required.
This Magic Quadrant provides insight into vendor capabilities across different geographies, communications-centric IT services and related communications technologies.

**MAGIC QUADRANT**

**Market Overview**

**Key User Demands for Communications Outsourcing and Managed Services Success**

In Gartner surveys, ad hoc conversations and inquiries, end users most often cite five key value propositions for entering, and maintaining, COPS relationships with third-party vendors. These are as follows.

**Attaining realistic cost benefits**

Most companies engage in COPS agreements to reduce their expense burden by transitioning the support of corporate communications to a third party. It is typical for companies to reduce their ongoing costs while maintaining, or improving, service levels. While most midsize and large companies intend to create COPS agreements that reduce their expenses by 30% to 40%, Gartner typically sees cost benefits more in the range of 15% to 20%.

**Improved operations performance**

The corporate communications environment has been hit significantly over the past five years by reductions in full-time equivalents (FTEs) dedicated to ongoing operation and support. Many end-user organizations have recognized that improving service levels related to their communications systems will require significant investment in FTEs and related tools. Organizations that find themselves under-invested in resources often do not recognize cost benefits when engaging in managed services or outsourcing relationships. However, the improvements in technology performance and change management can be significant. The inclusion of process outsourcing, in the form of telecom expense management (TEM), in almost every major competitive proposal in the market ensures that many businesses will have great visibility into their telecommunications costs.

**Provider scale and scope**

The number of COPS proposals in the market is expected to lead to some level of “delivery stress.” Most of the largest COPS providers depend on a shared pool of lesser-tiered providers that are used in cooperative engagements or simply as subcontracted resources for on-site maintenance and support dispatch and integration activities. The increasing demand to transition communications support and management to third parties will likely force many leading COPS vendors to increasingly use lesser-known, and less-mature and experienced, subcontractors. Gartner suggests that all customers engaged in a review of COPS vendor capabilities work to review their supplier contracts and relationships.

**Program management**

Very few COPS providers are able to meet all customer requirements, across all countries and geographies, leveraging organic resources for IT service delivery. Typically, COPS deals are an amalgam of internal and subcontracted resources. Managing

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Figure 1. Magic Quadrant for Communications Outsourcing and Professional Services, Worldwide

Source: Gartner (February 2010)

As of February 2010
the workflow between the vendor’s internal delivery personnel, the customer and subcontracting partners is a challenge that few have mastered. Each interaction and delivery milestone represents risk in the IT service supply chain. Strategically, service-level agreements (SLAs) are the metrics by which users measure their providers; however, pragmatically, each supply chain is as strong as its weakest link, and users must work to understand the skill sets of the vendor’s program management office to manage complex COPS deals.

Ease of doing business

In Gartner’s survey of vendor references, over 20% of respondents cited “ease of doing business” as the single biggest weakness of their COPS provider. For MNCs, ease of doing business takes the form of many different issues in the vendor-client relationship. Chief among these were: pricing and contract flexibility; single contracts for ordering and provisioning work orders across targeted geographies; billing in local currency; and single global support and maintenance contracts. The market for businesses sourcing the ongoing operation and support of connectivity and communications systems to third-party vendors continues to gain significant traction among businesses of all sizes. Current Gartner forecasts project that the communications outsourcing market will post a compound annual growth rate (CAGR) of 7.1% from 2009 through 2013. The overall IT outsourcing market is forecast to record a CAGR of 5.4%.

Several large communications outsourcing deals have been recently awarded, and many more proposals are in the evaluation process. In all, Gartner has seen nearly $20 billion of communications outsourcing opportunities, closed and pending, between 4Q08 and November 2009. Most deals coming to market represent three to five year opportunities that aggregate, and integrate, the ongoing support and management of fixed and mobile services and communications systems (premises-based and hosted).

While cost benefits related to outsourcing act as a significant driver in the market, forthcoming COPS deals indicate new, emerging market force trends. Among the most significant trends seen are business requirements to bring robust, integrated unified communications portfolios to the table for consideration once consolidation and optimization phases are completed. Adding to the trend of “unifying” communications, vendors are increasingly being required to provide business process management services across their wired and wireless systems in the form of TEM, fixed-mobile convergence (FMC) solutions and data center networking.

Competitive Landscape

The main competitors, in terms of business models, for COPS globally are:

- Communications service providers (CSPs) such as BT Global Services, KPN and Verizon Business.
- System integrator and IT outsourcers (ITOs) such as Atos Origin, Dimension Data and IBM Global Technology Services.
- Manufacturers (OEMs) and independent software vendors (ISVs) such as Avaya, Microsoft, Cisco and NEC.

The current market for COPS opportunities based on recently closed deals, and those still at the proposal stage, shows that end-user organizations desire a single provider approach in terms of establishing a prime relationship. In a survey of vendor references for this Magic Quadrant, just under 13% of respondents indicated that their company would multisource their current agreement when their present contract lapses. The response overwhelmingly favored a monolithic prime role to manage their entire connectivity and communications systems. In fact, over 46% of the surveyed references will likely sole source the contract to their current vendor once the agreement lapses. Of the 207 references surveyed by Gartner, only two respondents indicated that their company would bring all responsibilities in their current communications outsourcing agreement back in-house.

Although this Magic Quadrant provides a view of IT service providers and their abilities to deliver to global requirements, Gartner believes that a single provider for all services is not necessarily the right solution for businesses. Often, Gartner sees dissatisfaction arise in COPS agreements based on the type of vendor selected as the outsourcing prime, compared to the primary value the user focuses on in their agreement. At a very high level:

- CSPs are strongest at managing connectivity – WAN and remote access solutions.
- System integrators and ITOs often build on their legacies of program and change management.
- Manufacturers and ISVs provide what is often viewed as premium IT service, but only on their own technologies.

Of course, this is an oversimplification. More OEMs are providing multivendor support services, many system integrators and ITOs can provide support and management of connectivity on a par with, or better than, many CSPs, and some CSPs have invested in outsourcing executive talent as well as improving their IT service supply chain in terms of maintenance and other on-site services. The market for COPS is maturing and vendors participating in the market continue to invest in capabilities and partnerships to provide better IT services in support of their customer business communications.

There are companies creating successful, regionally focused COPS agreements. Of course, this approach requires flawless program management on the part of the end-user company in order for them to ensure all vendors deliver services related to the end users’ communications environments. A best-of-breed approach also requires users to accept that costs will be higher. As was suggested in last year’s Magic Quadrant, the most important audit a company can perform in its outsourcing strategy development is to determine whether it has the internal capabilities, in terms of personnel, process, methodologies and tools, to perform program management across multiple geographies, managing multiple providers with different service deliverables across a diverse communications asset base. If a company does not have these capabilities, then it must consider, at a minimum, hiring a partner to primarily program manage or else use a single global provider.
Market Definition/Description

COPS engagements may be project-based; however, the true focus of this Magic Quadrant is on multiyear, annuity-based agreements for the ongoing operation and support of communications systems and corporate connectivity (inclusive of wired and wireless services and systems).

The communications-centric IT services considered in this Magic Quadrant include:

- IT management (on-site and remote).
- Hardware and software maintenance (logistics and product support).
- Application development and integration (commercial-off-the-shelf and customized middleware).
- Process management.
- IT consulting (plan and develop).
- Hosted communications and communication cloud services (e.g., unified communications-as-a-service).

COPS contracts may include one or more of the above IT services for enterprise networks; however, the contracts always include IT management services as the core of the relationship. IT management services include operational services, application management and help-desk management services. Although these vendors provide network IT services, they do not necessarily own the infrastructure itself.

Asset and resource transfers (of technology or employees) may be included in the agreements but are not a requirement. In fact, the retention of employees and assets by companies while using a third-party manager is a driving force in the market, as companies feel this gives them more control than traditional outsourcing contracts.

Some vendors, namely CSPs, bundle connectivity services with IT services and infrastructure in their offerings. Bundling was not a requirement for vendors to be included in this Magic Quadrant. For this study, each participating vendor delivered a formal presentation to Gartner and was asked to provide a list of five customer references. Gartner then assessed each participant.

The compilation of the results from the presentations and reference checks contributed to the final placement of the vendors in the Magic Quadrant. Gartner also used its research and conversations with users in the market to ascertain capabilities and satisfaction beyond what was provided by the vendors’ selected references. The positioning in this Magic Quadrant reflects each vendor’s completeness of vision and ability to execute.

Communications IT Service Definitions

IT Management Services

Management services transfer all or part of the day-to-day management responsibility for a customer’s network environment (including LAN hardware and software, WAN – voice and data – and voice network hardware and software) and, in some cases, the ownership of the technology or personnel assets to an outside vendor. These services may include system operation or support, capacity planning, asset management, availability management, performance management, administration, security, remote monitoring, technical diagnostics/troubleshooting, configuration management, system repair management and generation of management reports. Network remote monitoring and management, and backup and recovery services also fall into this category when some degree of management is included in the service.

Hardware and Software Maintenance Services

Maintenance services include both hardware maintenance and support services, and network software maintenance and support services.

Hardware maintenance and support services are preventive and remedial services that physically repair or optimize hardware, including contract maintenance and per-incident repair. Hardware support also includes online and telephone technical troubleshooting and assistance for setup, and all fee-based hardware warranty upgrades.

Sales of all parts are also included, exclusive of parts bundled with maintenance contracts. This segment includes only external customer spending on these services.

Software maintenance and support services include long-term and pay-as-you-go (incident-based) support contracts. Software support contracts include remote troubleshooting and support provided via the telephone and online, installation assistance and basic usability assistance. In some cases, software support services may include new product installation services, installation of product updates, migrations for major releases of software and other types of proactive or reactive on-site services. Software products and technologies covered under this category include operating systems and infrastructure software. Software support services do not include the purchase of subscriptions that provide entitlement and rights to use future minor versions (point releases) or future major releases of software.

Development and Integration Services

Development and integration services support the implementation and rollout of new network infrastructure, including consolidation of established network infrastructure. Activities may include hardware or software procurement, configuration, tuning, staging, installation and interoperability testing.
**Process Management**

Specific to the communications environment, the practice of TEM encompasses the business processes conducted by IT and finance departments to acquire the provision (and support) of corporate telecommunications assets. Put another way, TEM is the build out of services, or the acquisition of third-party services, to manage the supply chain for telecommunications. Gartner has identified the component services of TEM as: sourcing, ordering and provisioning, inventory management, invoice and contract management, use management, dispute management, and business intelligence.

**IT Consulting Services**

Consulting services are advisory services that help clients assess different technology and methodology strategies and, in doing so, align their network strategies with their business or process strategies. These services support customers’ IT initiatives by providing strategic, architectural, and operational and implementation planning related to their networks. Strategic planning includes advisory services that help clients assess their network requirements and formulate system-implementation plans. Architecture planning includes advisory services that combine strategic plans and knowledge of emerging technologies to create the logical design of the network environment and the supporting infrastructure to meet customer requirements. Operational assessment and benchmarking includes services that assess the operating efficiency and capacity of a client’s network environment. Implementation planning includes services aimed at advising customers on the rollout and testing of new network deployments.

**Communication as a Service (CaaS)**

This is communications functionality that may include telephony, messaging, conferencing, presence and notification, based on assets owned, managed and colocated by third parties.

**Inclusion and Exclusion Criteria**

This Magic Quadrant relies heavily on the analysts’ knowledge and familiarity with the enterprise communications market and on checking vendor customer references. To be considered for this Magic Quadrant, vendors had to fulfill the following delivery criteria, based on how they serve the global market:

- In 2008, at least $300 million of their revenue had to be recognized as COPS revenue. The revenue considered for the COPS Magic Quadrant is for process and IT services only. The sale of communications hardware, communications software and network services is not considered COPS revenue.

- They must compete for stand-alone COPS deals that are not encompassed within broader IT outsourcing deals. The intent is to address a market need for selective sourcing of communications systems and services.

- They may not recognize more than 70% of COPS revenue from a single vertical market.

- As the Magic Quadrant seeks to exhibit broad value, maintenance services may not represent more than 85% of a service provider’s COPS revenue.

- They must be able to demonstrate the ability to deliver against COPS agreements as a sole-source, direct provider (communications outsourcing delivered entirely by partners or subcontractors are excluded).

- They must maintain a prime relationship with customers in at least four of the seven geographies tracked by Gartner. The geographies are: Asia/Pacific, Eastern Europe, Japan, Latin America, Middle East and Africa, North America and Western Europe.

Gartner views the ability to create and maintain a centralized remote management platform as a key indicator of an organization’s ability to provide superior and quality network management services at reduced costs to end users. As the COPS market matures, participants may not be required to maintain their own platform, but given the strategic nature of these assets, Gartner made this a requirement for inclusion.

This Magic Quadrant does not consider the resale of network hardware, network connectivity or software; nor does it consider revenue or products related to managed security services. In addition, while all the vendors in this Magic Quadrant provide network IT services, they do not necessarily own the infrastructure itself. For more information on these sectors, see Gartner’s relevant Magic Quadrants.

Not all qualifying vendors provide the same breadth and depth of network IT services, and some offer specialized services. However, the vendors represent the range of managed network services available today and are evaluated in this larger context.

**Added**

Accenture
Atos Origin
Cable & Wireless
Cisco
NEC
Siemens Enterprise Networks

**Dropped**

EDS (acquired by HP)
Nortel (acquired by Avaya)
Unisys
Evaluation Criteria

Ability to Execute

Gartner evaluates vendors on the quality and efficacy of the processes, methods or procedures that enable them to be competitive, efficient and effective, and to have a positive impact on revenue, retention and reputation.

Each criterion is ranked high, standard or low in importance.

Completeness of Vision

Gartner evaluates COPS providers on their ability to articulate convincingly logical statements about current and future market direction, innovation, customer needs and competitive forces, and on how well they map to the Gartner position. Ultimately, we rate COPS providers on their understanding of how market forces can be exploited to create an opportunity for companies.

Each criterion is ranked high, standard or low in importance.

Leaders

Leaders affect competitors by: enabling technology and IT service offerings; their focus on the enterprise and targeted industry segments; and their capability to differentiate on value, price and service levels to be first to market with relevant products. Vendors in the Leaders quadrant are performing well today, have a clear vision of market direction and are building competencies to sustain their leadership positions in the market. From our analysis, the following vendors are Leaders:

- AT&T.
- BT Global Services.
- CSC.
- HP.
- IBM Global Technology Services.
- Orange Business Services.
- Verizon Business.

Vendor and customer experience weigh heavily in the Leaders quadrant. All these vendors have demonstrated that they have significant network management and outsourcing experience and understand the dynamics needed to deliver network-centric IT services successfully.

Challengers

The Challengers are strong on execution, but lack the vision to take market leadership in terms of enabling technology or other important service offerings. These players often follow quickly, but they are less innovative than Leaders. An example would be that they increase capital expenditure to match that of competitors or bring service offerings to market after a competitor has already established a willing marketplace.

Vendors in the Challengers quadrant execute well today, but have a narrower view of market direction. The vendors that emerged as Challengers are:

- Dimension Data.
- Getronics.
- T-Systems.

These vendors demonstrated that they have a base of satisfied network management and outsourcing clients. Overall, these companies need to address their strategic vision and broaden their service offerings – in terms of both capabilities and delivery – to meet clients’ needs.
Visionaries

Visionaries exhibit excellent planning but suboptimal execution. These players are often held back by financial restructuring or weak management and strategy. Visionaries may plan to expand IT services coverage or to roll out a specialized IT service for the enterprise but encounter delays because of a lack of executive sponsorship. Vendors in the Visionaries quadrant are:

- Accenture.
- Avaya.
- Cisco.
- Siemens Enterprise Networks.

Vendors in this quadrant have a clear vision of market direction and are focused on preparing for future customer requirements, though there is room for improvement in service delivery and execution.

Niche Players

Companies in the Niche Players quadrant focus on a particular segment of market requirements, as defined by characteristics such as size, industry focus or selective network technology management offerings. We positioned the following vendors in this quadrant:

- Atos Origin.
- Cable & Wireless.
- NEC.

Vendors in the Niche Players quadrant are viable options for organizations seeking COPS vendors. In this Magic Quadrant, vendors identified as Niche Players may have limited experience in the general or commercial worldwide markets, or they may provide only specific service offerings focused on certain network platforms (for example, PBXs, mobile and wireless services, narrow industry markets or business segments).

Vendor Strengths and Cautions

Accenture

Accenture is a global management consulting, technology services and IT and business process outsourcing company. Accenture’s approach to the COPS market is different to other industry players in that it focuses on the delivery of services versus the transfer of assets from the customer, providing the clients with more transparency and flexibility. Accenture currently competes as a selective competitor for COPS opportunities, pursuing stand-alone network deals in the consulting space, including outsourcing only when there is clear value for the customer to improve operations and create a flexible environment for change. However, its recently formed Accenture & Cisco Business Group (ACBG) promises to make Accenture a much more aggressive player in the COPS market. Gartner views Accenture as having the resources to program manage global COPS opportunities for large MNCs that include the life cycle of IT services.

Strengths

- Accenture is considered an industry leading provider of consulting services related to communications systems and is highly rated in terms of customer satisfaction feedback. Accenture is viewed as a key provider of transformative consultative services that apply and integrate connectivity, including mobile and wireless, modalities to new and existing business processes.

- Integration of the Coriant acquisition has been extremely positive and seamless, and has added scale and scope to Accenture’s capabilities for consulting and development. In addition, Accenture has developed a unique relationship with Cisco, creating an entirely new practice comprising both Cisco and Accenture personnel that operates as a single, unified team.

- Accenture is considered one of the leading providers of expense management services for MNCs. It is also considered one of the top two integrators of TEM applications for MNCs.

- Based on its current customer base, partnerships and internal resources, Gartner considers that Accenture offers a strong proposition to customers as the lead, or prime, program manager in COPS deals for MNCs. In this role, Accenture functions as the aggregator of IT service delivery (including vendors assuming asset and personnel control), and maintains responsibility for management, and reporting, of performance and mediation.

Cautions

- Accenture is selective in the opportunities it pursues, focusing on where it can deliver maximum value to customers. Accenture rarely pursues traditional COPS deals involving asset transfer or COPS opportunities that are solely related to cost reduction.

- Accenture offers different types of contracts in order to address specific customer needs, including fixed-price contracts, time-and-material contracts and gain sharing/incentive-based contracts. However, some customer feedback reveals that Accenture engages in contracts that are sometimes inflexible. Some users state that Accenture is a challenging partner to manage in business transactions.

- Accenture’s consulting, managed services and program management of COPS deals are expensive compared to typical competitors.

- Accenture leverages third parties for ongoing maintenance and support of communications solutions. With Accenture’s focus on transparency, its clients often contract with third parties directly. Companies looking for global COPS deals should scrutinize Accenture’s IT support services supply chain and partnerships. While Gartner finds the present partnerships satisfactory, IT service delivery partnerships are fluid and changing.
Atos Origin

Atos Origin provides IT services to an international client base across various information and communication technology domains, including communications systems and network services. The company’s annual revenue is €5.5 billion and it employs 50,000 people in 40 countries with the great majority of those personnel located in Western and Central Europe.

Strengths

- Atos Origin’s approach to service delivery relies heavily on process and technology standardization for its communications solutions. The results are competitive prices and highly competitive time-to-solution.
- The company is viewed as a market driver in working directly, and through CSP partners, to bring hosted and cloud-based unified communications to market.
- Atos Origin’s strong carrier-centric business gives the company experience and credibility for integrated help desk and the development of the operations support system for its network operations center-based services for remote management.
- Atos Origin’s clients praise its ability in terms of relationship management aimed at creating a partnership, its focus on quality assurance and on process improvement underpinned by a positive Information Technology Infrastructure Library orientation.
- Based on its current customer base, partnerships and internal resources, Atos Origin has the capabilities and scale to fulfill, as the outsourcing prime, COPS opportunities for Europe-based MNCs with communications assets distributed globally; primarily in Asia/Pacific and parts of Latin America. Gartner believes Atos Origin is best able to fulfill COPS opportunities for companies with 50,000 or fewer employees.

Cautions

- Customer feedback consistently points to poor account and project management. Feedback generally cites weak response times and a burdensome beaurocracy for work requests and change management.
- Atos Origin has limited presence in North America and its investment in the region, in terms of delivery capabilities, lags behind that of its competitors. Customers with more than 40% of their communications assets and service contracts residing in North America would not be well served.
- Customer feedback points to some dissatisfaction related to service development and recognition, for operational improvements and innovation related to communications-centric outsourcing SLAs.
- Companies looking for global COPS deals with significant assets in North America are urged to scrutinize the IT services supply chain of Atos Origin, its partnerships and capabilities for delivery. While Gartner finds the present partnerships satisfactory, IT service delivery partnerships are fluid and changing.

AT&T

The scope of AT&T’s management responsibilities spans over 400,000 communications elements including over 7 million voice ports. AT&T is consistently one of the top four companies placed under consideration in the proposal process for global COPS opportunities. Based on customer feedback in surveys and inquiries, Gartner believes that AT&T is a good choice for the support and ongoing management of WAN and remote access solutions. The same customer feedback rates AT&T less favorably for the support and ongoing management of multivendor communications systems.

Strengths

- AT&T’s consulting and professional services strengths lie within its security practices.
- Overall, customer satisfaction ratings cite that AT&T meets, but does not often exceed, basic expectations for outsourcing deals.
- The company has promising investments and offerings in vertically focused mobile telemetry and mobile application management solutions.
- Based on its current customer base, partnerships and internal resources, AT&T maintains the capabilities and scale to fulfill, as the outsourcing prime, COPS opportunities for North America-based companies with communications assets also in Western Europe. Given AT&T’s financial strength, and considering its direct and partner-enabled IT services delivery capabilities, Gartner believes that AT&T should be considered for COPS opportunities independent of size in these regions.

Cautions

- AT&T will only in engage in outsourcing opportunities when there is a significant AT&T network service component. It will not engage in stand-alone COPS opportunities for multinational companies looking to source only the management and operation of communications systems and infrastructure.
- Customers cite inflexible, inconsistent and uncoordinated sales and marketing efforts. AT&T does not make it easy to do business.
- Companies looking for global COPS deals with significant assets in the Middle East and Africa, Latin America and Asia are urged to scrutinize AT&T’s IT services supply chain and partnerships for delivery. While Gartner finds most partnerships satisfactory, IT service delivery partnerships are fluid and changing.
- Like many CSPs, Gartner sees weakness in the organizational structure of the company, with IT services responsibilities scattered throughout different business units. Organizational realignment, and perhaps a reporting structure to the chief
Companies looking for global COPS deals with significant assets outside North America are urged to scrutinize Avaya’s IT services supply chain and partnerships for delivery.

Avaya
Avaya’s Global Services has made significant investments and improvements in its service organization and service delivery platform during the past 12 months. Some of the more noteworthy investments include, a refreshed and improved professional services organization focusing on development and integration of unified communications (UC) and communications-enabled business process (CEBP) solutions. Avaya also addressed a significant issue related to the ability of third parties to automate the management of legacy equipment and systems based on proprietary protocols. This investment will prove to be a boon for the market as it vastly improves the manageability of legacy products based on proprietary protocols. Avaya presently manages nearly 2 million voice ports, over 3 million voice mail boxes and over 85,000 contact center seats worldwide. Gartner views Avaya as having the resources to support, and manage, global COPS opportunities for Avaya-specific systems of large MNCs that include the life cycle of IT services.

Strengths
- Based on end-user feedback, Avaya’s consulting and professional services have performed well. Continued investments in executives and consultants have helped move satisfaction forward.
- Avaya is a market leader among manufacturers in terms of the number of telephony users, voice mail boxes and contact center seats under management.
- Recent R&D investments in its managed services remote management platform contribute positively to the manageability of legacy Avaya hardware and software.
- Based on end-user feedback, Avaya has good customer satisfaction scores regarding its maintenance and support services.
- Based on its current customer base, partnerships and internal resources, Avaya maintains the capabilities and scale to fulfill managed services contracts for North America-based companies with communications assets in Western Europe. Gartner believes that Avaya should be considered for COPS opportunities to manage and support deals where Avaya products represent at least 90% of the installed base.

Cautions
- Companies looking for global COPS deals with significant assets outside North America are urged to scrutinize Avaya’s IT services supply chain and partnerships for delivery.

Historically, the IT services operations of companies owned wholly, or in part, by private equity firms, are not competitive in terms of R&D for new IT services creation, expansion of capabilities and IT services delivery quality. While R&D and executive onboarding by Avaya has been cited favorably in this Magic Quadrant, the ownership structure remains a concern for Gartner with regard to the future investment, and capabilities, of Avaya’s IT services business.

While providing some level of multivendor support and maintenance, Avaya is not considered a viable managed service provider, or outsourcer, when a user’s non-Avaya installed base exceeds 30%.

BT Global Services
The past year has been challenging for BT Global Services in terms of its business and resource restructuring. Gartner experienced growing customer dissatisfaction with BT’s IT service delivery, program management and contract structure in 2009. Gartner expects improvements in deal quality, and thus IT service delivery quality, moving forward given its recent re-organization into a more focused go-to-market business unit (namely the newly aligned Multinational Corporation group – MNC). Based on end-user surveys and conversations, BT is viewed as a good choice for the support and ongoing management of global multicarrier, WAN-centric and remote access solutions. BT is an adequate choice for the support and ongoing management of multivendor communications systems.

Strengths
- BT maintains a talented, communications-centric consulting and professional services organization with a broad skills base that spans data networking to security to contact centers.
- The BT re-organization focused on COPS deal pursuits – the MNC business unit – is a positive signal to the market that BT will solicit and capture opportunities based on the mutual success of BT and its customers to ensure IT service delivery quality.
- BT remains a significant “change agent” in terms of innovation brought to market through acquisitions and partner-based co-investments (e.g., conferencing, telepresence, UC). BT is a good fit for customers looking for a vendor to play the change agent to effect innovative solutions.
- Based on its current customer base, partnerships and internal resources, BT maintains the capabilities and scale to fulfill, as the outsourcing prime, COPS opportunities for Europe-based companies with communications assets in Asia and North America. Given BT’s financial strength, and considering its direct and partner-enabled IT services delivery capabilities, Gartner believes that it should be considered for COPS opportunities independent of size in these regions.

Cautions
- Increased customer satisfaction threatens new global outsourcing and managed services deals. It should be noted that BT did not lose any renewals in 2009.
• BT is not seen as a competitive provider for communications outsourcing for North America-based companies, with more than 60% of its communications assets located in North America.

• Companies looking for global COPS deals with significant assets in the Middle East and Africa and Latin America are urged to scrutinize BT’s IT services supply chain and partnerships for delivery.

• BT is not seen as a strong global provider of process and expense management related to telecom expenses.

Cable & Wireless
Cable & Wireless (C&W) is an emerging player in the COPS market. Investments in managed services have been primarily network-centric, although there has been solid development in hosted communications solutions including contact center infrastructure. C&W is viewed as a good choice for the support and ongoing management of multivendor communications systems.

Strengths
• Cable & Wireless has good coverage of Western Europe and reach into Eastern Europe in support of network-centric opportunities.

• It has ongoing investments and commitments to investments in management platforms for premises-based communications.

• For support of network-centric deals, C&W offers innovative contracts, including business-impact SLAs, engaging as program manager and managing third-party networks.

• To support the company’s multivendor management “bonafides,” C&W launched a process management service related to telecom expenses in 2009.

• Based on its current customer base, partnerships and internal resources, Cable & Wireless maintains the capabilities and scale to fulfill managed services contracts for Western Europe-based companies with communications assets also in Asia. Gartner believes that C&W is best able to fulfill COPS opportunities to manage and support network services and communications systems in companies with 25,000 or fewer employees.

Cautions
• C&W’s managed service portfolio is competitive but not as broad or as deep as leaders in this market, especially for on-site services.

• Although C&W maintains customer accounts outside of Western Europe and Asia/Pacific, the company’s experience and capabilities for large outsourcing and managed services deals are thin compared to major competitors in Latin America, the Middle East and Africa.

• C&W is not viewed as a credible market provider of COPS in North America.

• Like many CSPs, Gartner sees weakness in the organizational structure of the company, with IT services responsibilities scattered throughout different business units. Organizational realignment, and perhaps a reporting structure to the chief executive, would give the company’s outsourcing strategy and approach more visibility in the company.

Cisco
Cisco provides an increasing amount of maintenance and professional services directly to end customers; however, most of Cisco’s IT services revenue is generated by working in partnership with its channel partners. Cisco’s enumerated strategy is to enable its partners by investing in its own service delivery. The enablement of partners, through Cisco’s services delivery, is achieved via a private label relationship, pass through or even as a subcontractor. Cisco is considered, by the market, as the premium IT service provider to support Cisco hardware and software. Based on Cisco’s portfolio of services, the company should not be considered as a broad, multivendor, multivendor communications outsourcing. It is a strong provider of support and ongoing management of Cisco communications systems.

Strengths
• Customer satisfaction for Cisco’s professional and consulting services, branded as Advanced Services, is considered industry leading among manufacturers.

• Customer satisfaction for Cisco’s technical support is considered industry leading among manufacturers.

• Cisco is increasingly seen providing direct service delivery to its largest, most strategic customers. Gartner views this as appropriate and promising and not in conflict with its otherwise strong channel commitment.

• Based on its current customer base, partnerships and internal resources, Cisco maintains the capabilities and scale to fulfill global managed services for multinational companies with globally distributed Cisco-only communications assets. Cisco is considered able to provide these services independent of the customer size.

Cautions
• Remote infrastructure management services provided by Cisco (via its CROS business) are focused on Cisco’s emerging and advanced technologies. Customer satisfaction levels for CROS have improved as a result of the increased focus and emphasis on customer relationships and metrics; however, satisfaction does lag the general market.

• Cisco’s Advanced Services are priced at a premium compared to other manufacturer’s services. Additionally, its Advanced Services do not provide sufficient risk mitigation related to the off-the-shelf statements of work (SoW). Cisco does offer comprehensive SLAs to its enterprise and service provider customers, yet with limited transparency to the broader market.
Customers are encouraged to push Cisco, and its partners, to commit to structured SoWs and SLAs to secure their business.

- Cisco’s direct technical support is priced at a premium compared to similar, but distinct, non-Cisco-branded services. Cisco, like its competitors, does offer escalation, resolution and hardware replacement SLAs.

- Companies looking for global COPS deals with Cisco should relegate agreements to direct maintenance and support, consulting and minimal management services. Very large enterprise managed services contracts, which include program management of multiple vendors, should not be awarded to Cisco directly at this time.

CSC

Based on feedback from Gartner customers, and vendor supplied references, the past year has seen CSC slip in terms of IT service delivery quality. CSC counts more than 2 million PBX/IP PBX lines/mailboxes (and related systems) and 400,000 elements (routers/switches) as under its management. Gartner views CSC as having the resources to support, and manage, global COPS opportunities for large MNCs that include the life cycle of IT services. CSC is viewed as a good choice for the support and ongoing management of WAN-centric and remote access solutions. It is also viewed as strongest for the support and ongoing program management of multivendor communications systems.

Strengths

- CSC has a strong track record of success in outsourcing deals in the federal, state and local government sectors.

- CSC has seen growth in the base of telepresence and videoconferencing rooms under its management.

- Much of CSC’s Asia/Pacific business is in Australia. In the rest of the region (except in Singapore and China, in which CSC recently acquired its remaining shares in CSA), the company goes to market branded as its subsidiaries CSA and ASL. CSC maintains offshore capabilities out of India, Vietnam and China.

- Based on its current customer base, partnerships and internal resources, CSC maintains the capabilities and scale to fulfill, as the outsourcing prime, COPS opportunities for North America- and Western Europe-based companies with communications assets in Asia. Gartner believes that CSC should be considered for COPS opportunities independent of size.

Cautions

- Companies looking for global COPS deals with significant assets in Latin America and the Middle East and Africa are urged to scrutinize CSC’s IT services supply chain and partnerships for delivery. While Gartner finds the present partnerships satisfactory, IT service delivery partnerships are fluid and changing.

- Customers routinely complain about the “siloed” nature of CSC and the company’s inability to deliver change management and innovation.

- Formal customer references, and discussion with CSC customers through Gartner inquiry, point to inconsistent IT service delivery.

Dimension Data

Dimension Data continues to set the industry benchmark in terms of the geographic diversity of its customer base. The more geographically diverse a user’s communications IT services requirements are, Dimension Data appears to be a stronger fit. In fact, many of the competing vendors on this Magic Quadrant use Dimension Data as a subcontracting partner to augment lapses in IT service delivery capabilities. Dimension Data is considered especially strong by Gartner with regard to its capabilities to reach emerging markets. However, Gartner cites some service-level degradation for Dimension Data’s North American customer base. Based on ongoing user dialogue, Gartner does not view Dimension Data as a good choice for the support and ongoing management of WAN-centric solutions. Its core strength lies in the company’s support and ongoing management of multivendor communications systems.

Strengths

- From the second half of 2008 through 2009, Dimension Data updated its service management platforms. The features for service delivery and management are not considered market leading; however, Dimension Data’s capabilities are now competitive with the rest of the market.

- Dimension Data places a strong emphasis on, and investments in, program management personnel and skills development.

- Dimension Data maintains a global logistics capability that is unmatched for communications-centric support. The company is very strong in Western Europe, Asia/Pacific, the Middle East, Africa and Latin America. In Australia, Dimension Data provides IT services under its own name. In the rest of Asia/ Pacific outside Australia, Dimension Data operates through its subsidiary Datacraft Asia.

- Based on its current customer base, partnerships and internal resources, Dimension Data maintains the capabilities and scale to fulfill COPS opportunities, in the form of asset-less managed services contracts, for MNCs with globally distributed communications assets. Gartner considers Dimension Data to be strongest with MNCs with 30,000 or fewer users.

Cautions

- Gartner has identified some dissatisfaction with IT service delivery quality in North America. Companies looking for global COPS deals with more than 50% of their communications assets located in North America are urged to scrutinize Dimension Data references to determine if remedies have been pursued to improve customer satisfaction in the region.
• Dimension Data’s market presence is based almost wholly on maintenance and support services. Leadership is not transferrable to high-level consulting and communications application development capabilities. Dimension Data must invest in more personnel and marketing efforts to become a deeper, more appealing managed services vendor.

• Dimension Data is heavily reliant on its relationship with Cisco and maintains a heavily Cisco-centric installed base. This results in a workforce challenged to design and service multivendor environments. MNCs with highly diverse communications assets might not value Dimension Data as a good fit as a managed services provider. Gartner bases this comment on an analysis of the assets under management by Dimension Data as well as through customer reference checks.

Getronics

Two full years after KPN’s acquisition of Getronics, Gartner finds the IT outsourcer more focused in terms of its service product offerings and mapping of its internal, and partner-based, service delivery chain. Customer satisfaction appears to have increased slightly; however, there is a need for improvement. Getronics has extended its core competency in desktop-centric workplace outsourcing to mobile devices and is bringing innovative solutions to market in Europe and Asia. For fulfillment in North America, Getronics relies wholly on third-party service capabilities. Getronics is viewed as an adequate choice for the support and ongoing management of multivendor WAN-centric and remote access solutions. It is best considered for the support and ongoing management of multivendor communications systems.

Strengths

• Getronics has made promising investments in mobility solutions, including: expense management, telemetry (machine-to-machine [M2M]), device (over the air [OTA]) and application management.

• In Gartner’s customer reference survey, Getronics was one of the top three highest rated vendors for project and program management – key components of successful COPS deals. Ad hoc customer conversations were not as positive; however, Getronics still receives good marks.

• Based on its current customer base, partnerships and internal resources, Getronics maintains the capabilities and scale to fulfill, as the outsourcing prime, COPS opportunities for Europe-based companies with communications assets in Asia. Gartner believes that Getronics will be most effective in COPS opportunities with 50,000 users or less.

Cautions

• Getronics relies entirely on third-party partners for on-site IT services fulfillment in North America.

• Getronics’ history of mergers and acquisitions has created a company that is viewed as fragmented, in terms of workflow, and difficult to work with. Specific negative feedback includes long lead times for products and change management requests.

• Companies looking for global COPS deals with significant assets in Latin America and the Middle East and Africa are urged to scrutinize Getronics’ IT services supply chain and partnerships for delivery. While Gartner finds the present partnerships satisfactory, IT service delivery partnerships are fluid and changing.

HP

The creation of the HP Enterprise business unit includes the integration of EDS’s communications IT services capabilities. In past Magic Quadrants, EDS was consistently placed in the Leaders quadrant; HP was not. Although it took HP a year to publicly announce its strategy related to business communications, causing concern for existing and prospective COPS customers, it seems much of the current strategy is driven by legacy EDS executives and personnel. HP has re-emerged as a competitive force in large COPS deals in 2009. HP is not viewed as an adequate choice for the support and ongoing management of WAN-centric and remote access solutions. It is best able to provide very good support and ongoing management of multivendor communications systems.

Strengths

• HP is considered to be a leading provider of communications-centric hardware maintenance and software support globally based on its logistics footprint.

• The company has dramatically improved its ability to provide expense management solutions, and customer satisfaction, over the past year.

• A strong Microsoft relationship (including 5.4 million desktops and 16 million Exchange seats under management) offers the market a promising migration path to UC.

• HP, based on legacy HP and EDS investments, is an industry pioneer for IT services related to mobile devices and is aggressively bidding in and reconditioning the market regarding the value of mobile life cycle management.

• Based on its current customer base, partnerships and internal resources, HP maintains the capabilities and scale to fulfill, as the outsourcing prime, COPS opportunities for MNCs with communications assets distributed globally. Gartner believes that HP is one of the few vendors that can fulfill all COPS opportunities independent of size.

Cautions

• In terms of COPS deals, HP is higher priced than many competitors without any corresponding premium in SLAs or service quality. Because of HP’s strength as a global IT outsourcer, and its financial strength, choosing HP is often viewed as a form of risk mitigation.

• HP’s stand-alone consulting capabilities for communications solutions are rated poorly in formal and ad hoc user conversations.
Customer complaints, for the legacy EDS as well as HP, point to some cases in which the company is unable to meet SLAs related to remote services delivery or to provide operational improvements and innovation outlined in communications-centric outsourcing agreements.

Gartner is concerned about the future of support delivery and support pricing on Cisco products in HP outsourcing agreements, based on a recent announcement by Cisco that it is to dissolve a longstanding reseller partnership with HP. The most noteworthy concern pertains to ongoing services for software-centric products and applications where Level 3 and Level 4 product support are requirements for reducing operational risks. Gartner has been assured by Cisco and HP that support agreements will be honored through the original contract term. How well the two companies will work together on contract renewals and new outsourcing pursuits is not clear. Current and potential customers of HP, with a significant Cisco installed base, are urged to speak to each vendor to understand the future of support and how the dissolution of the partnership will affect their IT operations.

**IBM Global Technology Services**

IBM Global Technology Services leads the market in terms of dollars of R&D investments related to leading communications solutions, including: UC, FMC, CEBP, TEM and mobile device management (MDM). While IBM provides a full range of professional services related to communications systems, contact centers and network infrastructure the company relies heavily on third-party service providers (namely CSPs) for WAN and remote access management. While parts of the supply chain used to fulfill COPS deals may not meet Gartner’s best-of-breed criteria, IBM does provide strong program management in support of larger COPS opportunities. Based on customer feedback, IBM is not focusing on the support and ongoing management of stand-alone WAN-centric and remote access solutions. IBM is best able to provide leading advisory services, support and ongoing management of multivendor communications systems.

**Strengths**

- IBM is making market leading investments in R&D for communications solutions; both premises-based and unified communications-centric cloud services.

- IBM is considered one of the leading providers of expense management services for MNCs. It is also considered one of the top two integrators of TEM applications for MNCs.

- Stand-alone consulting and professional services related to organizational improvement, networking strategies, core networking and communications architectures are considered IBM’s strength.

- Based on its logistics footprint, IBM is considered to be a leading provider of communications-centric hardware maintenance and software support globally.

- Based on its current customer base, partnerships and internal resources, IBM maintains the capabilities and scale to fulfill, as the outsourcing prime, COPS opportunities for MNCs with communications assets distributed globally. Gartner believes IBM is one of the few vendors that can fulfill all COPS opportunities independent of size.

**Cautions**

- In terms of COPS deals, IBM is often higher priced than its competitors, and therefore clients should negotiate appropriately without any supporting premium for SLAs or service quality metrics. Because of IBM’s strength as a global IT outsourcer, and its financial strength, choosing IBM is often viewed as a form of risk mitigation.

- IBM does not bid generally on network-only outsourcing deals and defers to partners such as AT&T. These types of deal are not believed to be core to its market strategy. COPS deals that include network services management, in addition to the ongoing management and support of premises-based communications systems, or purpose-built hosted communications solutions, appeal to IBM’s strengths.

**NEC**

NEC supports its company’s own product portfolio and has a growing business, expanding its role as a provider of multivendor support and professional services internationally. In fact, NEC is increasingly being privately labelled as a support arm of other network and communications manufacturers. NEC is strongest in Japan, as the Japanese market still accounts for 81% of total company revenue. NEC will need to continue to build partnerships to expand outside of its Asia footprint. The company is viewed as an adequate choice for the support and ongoing management of multivendor communications systems.

**Strengths**

- Customer satisfaction with NEC’s hardware maintenance and software support is moderate to good.

- NEC maintains the capabilities and scale to fulfill managed services contracts for Asia/Pacific-based companies. Gartner believes that NEC should be considered for COPS opportunities to manage and support deals with MNCs with 20,000 or fewer users.

- NEC is considered a leader among manufacturers of communications systems in terms of its ability to provide multivendor support and maintenance.

**Cautions**

- Based on customer feedback, NEC’s account management and program management receives fair to moderate ratings in terms of satisfaction. Very large managed services contracts, which include program management of multiple vendors, should not be awarded to NEC at this time.
• NEC does maintain capabilities to deliver COPS solutions globally. However, companies looking for global COPS deals with more than 60% of their assets outside Asia/Pacific, or with significant communications assets in the Middle East and Africa, and Latin and North America, are urged to scrutinize NEC’s IT services supply chain and partnerships for delivery.

Orange Business Services
Orange Business Services continues to grow its COPS customer base while also increasing customer satisfaction at the same time. While Orange does provide a full range of managed services related to communications systems and connectivity, the company generates the smallest portion of its revenue outside its home geography (and country) than any other major COPS provider. Additionally, Orange maintains one of the smallest average deal sizes of all the providers in this Magic Quadrant in terms of assets, personnel and network services under management. Orange is viewed as a good choice for the support and ongoing management of multivendor WAN and remote access solutions. Orange has also proven effective at providing good support and ongoing management of multivendor communications systems.

Strengths
• Orange Business Services is considered one of the leading providers of network and communications-centric managed services deals in Western Europe.

• Comprehensive IT capabilities make the company a compelling provider for end-to-end solutions, including the provision of application-specific SLAs.

• The company has very good capabilities in Latin America and the Middle East.

• Ongoing investments in MDM and M2M solutions position Orange as a market leader in mobility-centric transformation.

• Based on its current customer base, partnerships and internal resources, Orange maintains the capabilities and scale to fulfill, as the outsourcing prime, COPS opportunities for Europe-based MNCs with communications assets distributed globally. Gartner believes Orange is best able to fulfill COPS opportunities for companies with 50,000 or fewer employees.

Cautions
• Orange Business Services has limited presence in North America and its investment in the region, in terms of delivery capabilities, lags its competitors.

• Orange does not engage in large traditional outsourcing contracts which merge contract, asset and personnel transfer to the outsourcer.

• Companies looking for global COPS deals with significant assets in North America are urged to scrutinize Orange’s IT services supply chain, partnerships and capabilities for delivery. While Gartner finds the present partnerships satisfactory, IT service delivery partnerships are fluid and changing.

Siemens Enterprise Networks
Siemens Enterprise Networks has built services capabilities, including integration, support and managed services, for a wide range of technologies, and platforms, including Alcatel-Lucent, Avaya, Cisco, Genesys, Nortel and Panasonic. The scope of management responsibilities include over 3 million voice and data ports under management globally. Siemens is not viewed as a cost-effective choice for management of WAN solutions; however, it has proven to provide very good support and management of remote access solutions. Siemens is a good provider of support and ongoing management of multivendor communications systems.

Strengths
• Thirty percent of Siemens’ managed services base is on third-party equipment, and the company is able to maintain multivendor equipment under a single SLA.

• Siemens has strong consulting capabilities that enable it to integrate multivendor platforms and communications into business applications.

• Siemens maintains the capabilities and scale to fulfill managed services contracts for Europe-based companies with communications assets also distributed across Asia. Siemens is able to provide a range of managed services (not traditional outsourcing) – for voice, data and security – independent of manufacturer origin.

Cautions
• Historically, the IT services operations of companies owned wholly, or in part, by private equity firms are not competitive in terms of R&D for new IT services creation and expansion of capabilities. This remains as a concern for Gartner with regard to the future growth, and capabilities, of Siemens’ IT services business.

• Companies looking for global COPS deals with significant assets in the Middle East and Africa are urged to scrutinize Siemens’ IT services supply chain and partnerships for delivery. While Gartner finds the present partnerships satisfactory, IT service delivery partnerships are fluid and changing.

T-Systems
T-Systems’ outsourcing capabilities are more focused on non-communications infrastructure. While the company does pursue stand-alone COPS opportunities, it prefers to provide communications outsourcing as part of larger IT outsourcing opportunities. Based on customer conversations, in formal surveys and ad hoc Gartner inquiries, T-Systems is viewed as a good choice for the support and ongoing management of multivendor WAN and remote access solutions. T-Systems is an adequate provider of support and ongoing management of multivendor communications systems.

Strengths
• T-Systems has made significant investment in resources, processes and methodologies dedicated to premises-based UC solutions as well as mobility life cycle management.
• The company has broad and diverse partnerships with key communications manufacturers.

• Based on its current customer base, partnerships and internal resources, T-Systems maintains the capabilities and scale to fulfill, as the outsourcing prime, COPS opportunities for Western Europe-based MNCs with significant communications assets also distributed in Central and Eastern Europe. Gartner believes T-Systems is best able to fulfill COPS opportunities for companies with 50,000 or fewer employees.

Cautions
• T-Systems lacks resources and partnerships to become a significant provider for MNCs based in North America.

• T-Systems does not generally pursue stand-alone global COPS opportunities that involve the ongoing management and support of communications systems.

• Companies looking for global COPS deals with significant assets in the Middle East and Africa, Latin America and Asia are urged to scrutinize T-Systems’ IT services supply chain and partnerships for delivery. While Gartner finds the present partnerships satisfactory, IT service delivery partnerships are fluid and changing.

• T-Systems’ pricing for IT services is considered expensive compared to traditional CSP competitors and in line with large, traditional IT outsourcers.

Verizon Business
Overall, Verizon Business has been a highly competitive force in the market for large global COPS deals in 2009. In terms of momentum, it appears to be a participant on just about every global deal Gartner encounters. Based on customer feedback, Verizon is viewed as a good choice for the support and ongoing management of WAN and remote access solutions. Verizon provides adequate, but improving, support and ongoing management of multivendor communications systems.

Strengths
• The company continues to invest in, and innovate, the functionality of its managed service portals and management platforms.

• In 2009, Verizon brought to market a leading mobile life cycle management service based on TEM and over-the-air device management technologies.

• Product management and marketing practices appear to be integrated across all Verizon business units and sales organizations.

• Based on its current customer base, partnerships and internal resources, Verizon maintains the capabilities and scale to fulfill, as the outsourcing prime, COPS opportunities for North America-based MNCs with significant assets in Asia/Pacific and Western Europe. Gartner believes Verizon is best able to fulfill COPS opportunities for companies with 50,000 or fewer employees.

Cautions
• Companies looking for global COPS deals with significant assets in the Middle East and Africa, Central and Eastern Europe, Latin America and Asia are urged to scrutinize Verizon’s IT services supply chain and partnerships for delivery. Gartner finds most partnerships satisfactory; however, IT service delivery partnerships are fluid and changing.

• Like many CSPs, Gartner sees weakness in the organizational structure of the company, with IT services responsibilities scattered throughout different business units. Organizational realignment, and perhaps a reporting structure to the chief executive, would give the company’s outsourcing strategy and approach more visibility in the company.

Vendors Added or Dropped
We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

Acronym Key and Glossary Terms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>MNC</td>
<td>multinational corporation</td>
</tr>
<tr>
<td>COPS</td>
<td>communications outsourcing and professional services</td>
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<tr>
<td>CSP</td>
<td>communications service provider</td>
</tr>
<tr>
<td>SLA</td>
<td>service-level agreement</td>
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<tr>
<td>TEM</td>
<td>telecom expense management</td>
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<tr>
<td>M2M</td>
<td>machine-to-machine</td>
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<tr>
<td>OTA</td>
<td>over the air (remote)</td>
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Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets and skills, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization’s financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization’s portfolio of products.

Sales Execution/Pricing: The vendor’s capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor’s history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization’s message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This “mind share” can be driven by a combination of publicity, promotional initiatives, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers’ wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers’ wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor’s approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor’s underlying business proposition.

Vertical/Industry Strategy: The vendor’s strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor’s strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the “home” or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.