

## Weigh Your Options Before Buying Managed Network Services

David Neil

Every organization thinking of hiring a company to manage its networks must do careful research and be cautious in its response to service providers' advances. Gartner shows you what to consider before making a decision.

## ANALYSIS

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Managed network services are becoming more common. While their adoption rate in the United States falls short of that in Europe, revenue from managed data network services is forecast to grow at a compound annual growth rate of almost 5 percent between 2004 and 2009.

But companies must be cautious. Managed services are attractive to vendors because they offer margins considerably greater than those of commodity voice and data services. They also give vendors much more account control. So vendors may try, unnecessarily, to sell firms managed services solutions, especially for new technologies, such as Multiprotocol Label Switching and hosted Internet Protocol private branch exchange solutions.

Businesses should not allow vendors to pressure them into taking one of these services. Firms should do a thorough technical, financial and management review of the proposed solution before signing up to it. Any firm considering managed network services should consider:

- Whether they are a better option than managing the network itself
- Who the leading vendors are
- Whether they would be better at implementing emerging technologies

Managed network services have worked well for many businesses, but have failed to deliver satisfactory results for others. Failures are usually the result of inadequate research and preparation.

### Features

"Enterprises Must Determine Whether Managed Network Services Are a Good Choice" — The key questions businesses should ask when deciding whether to adopt managed network services. **By David Neil, Ted Chamberlin, Jay E. Pultz and David A. Willis**

"NSP Managed Network Services: Getting Better" — An examination of the managed service offerings available from the leading network service providers. **By Kathleen M. Adams**

"The Future of Network Services Is Managed MPLS" — How Multiprotocol Label Switching (MPLS) will evolve in the managed services market and whether it will dominate over unmanaged MPLS in the United States. **By Charles R. Carr**

"Ask Five Critical Questions Before Moving to a Hosted IP PBX Contract" — How and when hosted Internet Protocol (IP) private branch exchange can provide a competitive advantage in the migration to IP voice. **By Ted Chamberlin**

"Hosted IP PBX Emerging as Important IP Voice Option in North America" — An analysis of how the hosted IP PBX will unfold and potentially become a significant managed IP voice service during the next three years. **By Steve Koppman**

## REGIONAL HEADQUARTERS

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Corporate Headquarters  
56 Top Gallant Road  
Stamford, CT 06902-7700  
U.S.A.  
+1 203 964 0096

European Headquarters  
Tamesis  
The Glanty  
Egham  
Surrey, TW20 9AW  
UNITED KINGDOM  
+44 1784 431611

Asia/Pacific Headquarters  
Level 7, 40 Miller Street  
North Sydney  
New South Wales 2060  
AUSTRALIA  
+61 2 9459 4600

Latin America Headquarters  
Av. das Nações Unidas 12.551  
9 andar—WTC  
04578-903 São Paulo SP  
BRAZIL  
+55 11 3443 1509