

## CAN METRO ETHERNET PROVIDE A COMPETITIVE EDGE? THE CISCO INTERNET BUSINESS SOLUTIONS GROUP HELPS TELECOMMUNICATIONS LEADER SBC COMMUNICATIONS DETERMINE THE ANSWER IS A RESOUNDING 'YES'!

### CUSTOMER VIEW

**"IBSG helped us create a high-level strategy for Metro Ethernet service, identifying market applications and helping with the business case."**

—Joe Crawford, SBC Director of Managed Services

**"The results from IBSG's analysis were practical and insightful."**

—David Natho, Area Vice President

Internet Business Solutions Group (IBSG) worked with SBC companies to analyze competitive pricing and market demand for strategic Metro-area network services, helping the San Antonio-based telecommunications provider validate its decision to launch OPT-E-MAN<sup>SM</sup>, a fast, flexible, and economic Ethernet-based VPN offering.

### BACKGROUND

In early 2003, the SBC family of companies, one of the nation's leading providers of telecommunication services, including time-division multiplexing (TDM) voice services and packet data services such as [frame relay](#) and [ATM](#), was weighing the potential of expanding its business into more high-growth, high-margin services such as Ethernet metropolitan-area networks (MAN). The company turned to the [Cisco Systems](#)<sup>®</sup> IBSG for guidance and industry expertise.

"Lower price, ease of use, and scalability gravitate enterprise customers toward [Metro Ethernet](#) services," notes Vish Patel, principal of [Cisco](#)<sup>®</sup> IBSG Service Provider Practice. "A MAN delivers packets one layer below the functionality of Internet protocol in a platform similar to frame relay," explains Jay Gill, senior manager of Cisco IBSG Service Provider Solutions.

Compared to traditional TDM services, it's more compatible with local-area networks (LANs), delivers more bandwidth per dollar, and offers increased functionality.

### CHALLENGE

SBC companies had a need for a switched-network service that would provide large customers with a different alternative to dedicated networks. "The challenge," says David Natho, Area Vice President, SBC, "was to develop a standardized offering that we could have available for our customers."

Besides questions about price levels, SBC also needed an accurate assessment of the competitive landscape. Who was out there offering similar products, and which markets would be the most practical and profitable to target?

## **SOLUTION**

SBC companies and Cisco collaborated to formulate a plan for analyzing demand and competition in several vertical markets, to develop revenue projections, and to create a high-level go-to-market strategy. In addition, IBSG collaborated with SBC companies in the design of a survey to identify end-user customer interest in a variety of MAN features and pricing options. The poll was distributed to both companies' customers.

The SBC/Cisco Alliance team created an on-demand video titled *Why SBC's OPT-E-MAN*, and hosted company awareness events for sales and field representatives across the company.

## **RESULTS**

Through several engagements, IBSG assisted SBC companies to define the market opportunity and strategy for the service that was eventually launched in late 2003 as OPT-E-MAN, a new Ethernet offering. OPT-E-MAN ties together multiple customer locations into a single network that provides greater speed, bandwidth, and flexibility than traditional TDM services. "OPT-E-MAN is positioned as a leading metro-area-based networking product," according to Natho. "It offers up to a gigabit of bandwidth and will function as an on-ramp to nationwide services, including long-distance data service." OPT-E-MAN also acts as an economical and incremental bridge between traditional TDM voice services and full-blown voice over IP (VoIP).

Based on initial returns, it's a winner, as SBC companies have seen strong sales since the launch.

## **NEXT STEPS**

The SBC family of companies is now looking at different services levels and packages to meet different customer needs. The company also is looking at 10-gigabit bandwidth availability as it continues to roll out OPT-E-MAN in more areas across the country.

## **FOR FURTHER INFORMATION**

For further information on Internet business solutions, visit:

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