

Critical Success Factors to Become a Growing and Competitive **ASP...**



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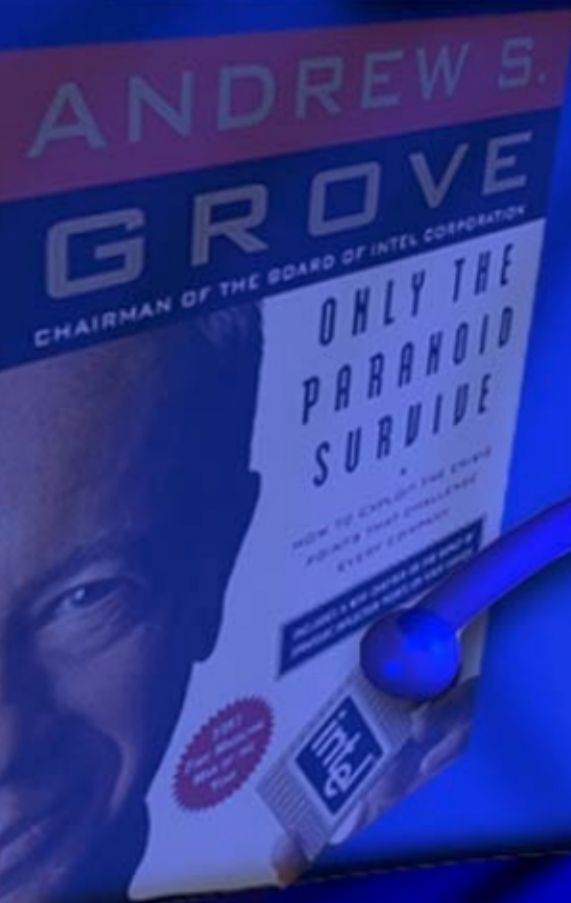
Agenda

- ASP Challenges
- Building Blocks of an ASP
- Solutions for the Customer

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Internet is changing the business world...



Strategic
Inflection



Software

Infrastructure

“A strategic inflection point is a time in the life of a business when its fundamentals are about to change. That change can mean an opportunity to rise to new heights.

But it may just as likely signal the beginning of the end...”

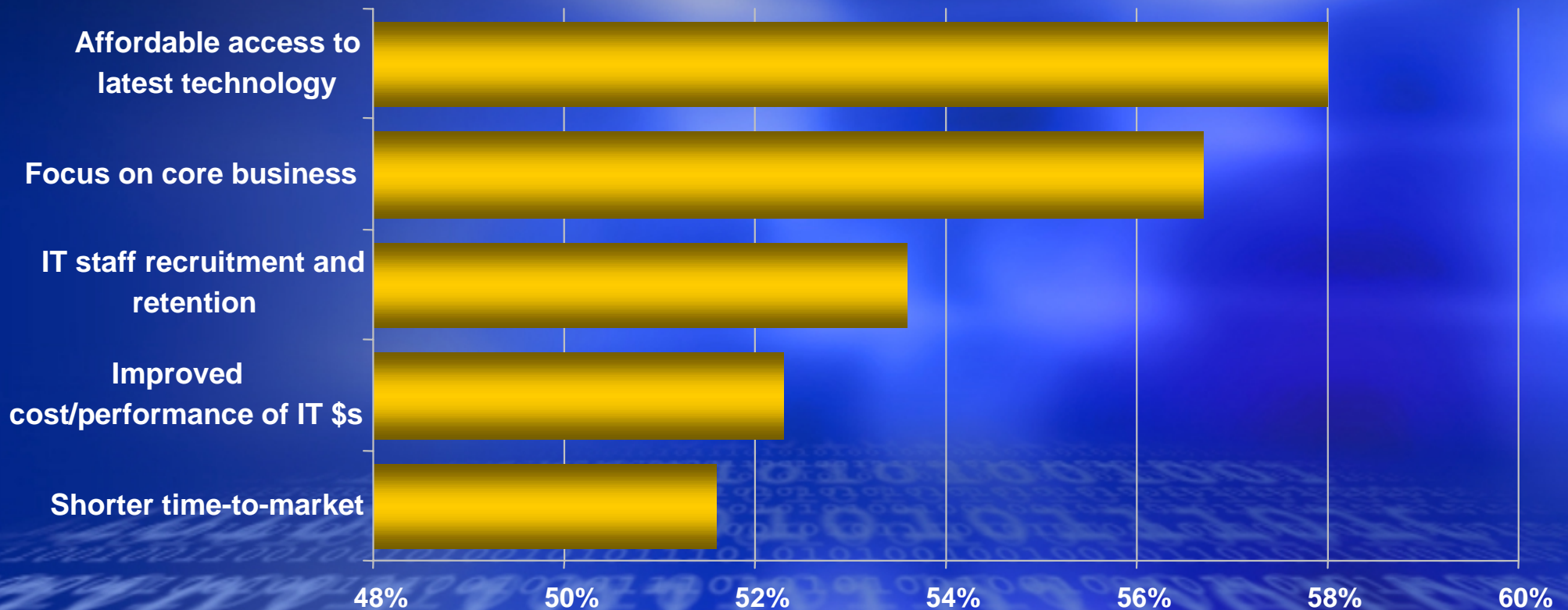
The e-Business Challenge

- Anytime, anywhere, access to information
- Ecosystem connectivity
- 24x7x365 operation
- Reliability, availability, scalability, security....
- Quick time-to-market
- e-Business IT skills

One possible solution... Outsourcing

What Outsourcing Can Do for You?

IDC : Top reasons for outsourcing decision



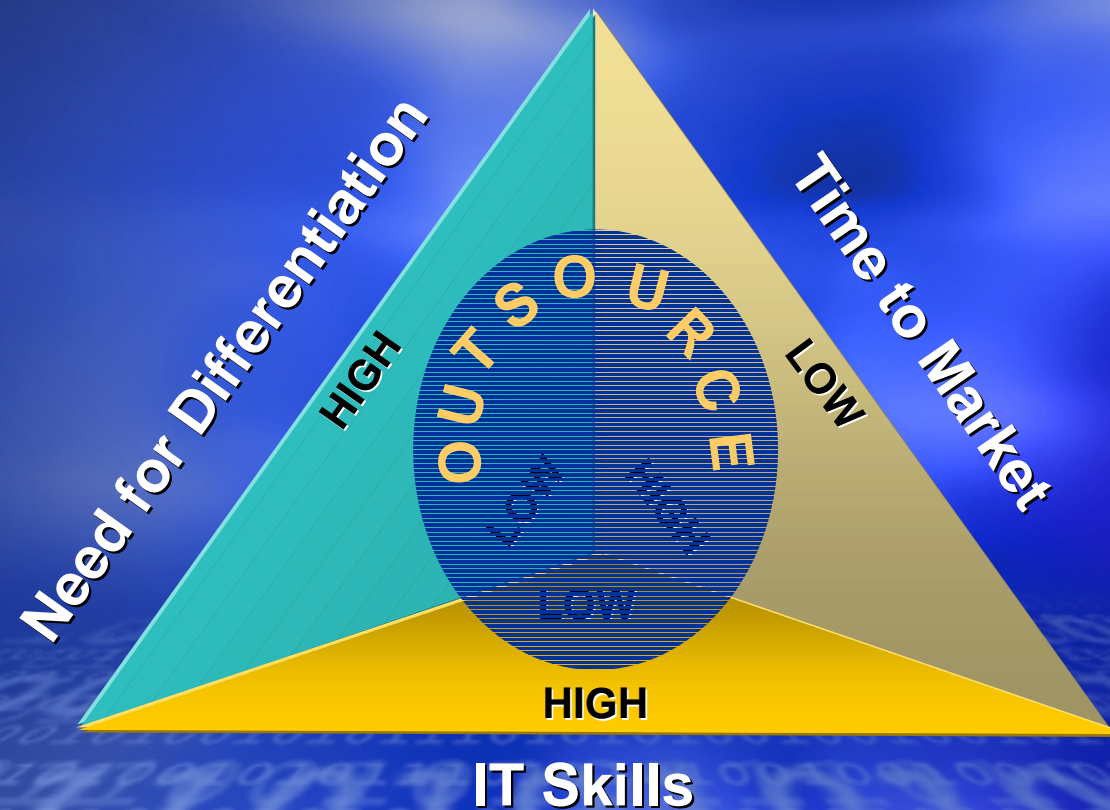
Source: IDC 2000

Making the Decision : Build vs. Buy

How robust are the internal IT skills of the organization?

How much time there is for implementation?

How strong is the need for differentiation?



**Lower cost of ownership may drive you
towards outsourcing too**

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The Ingredients of an ASP Model

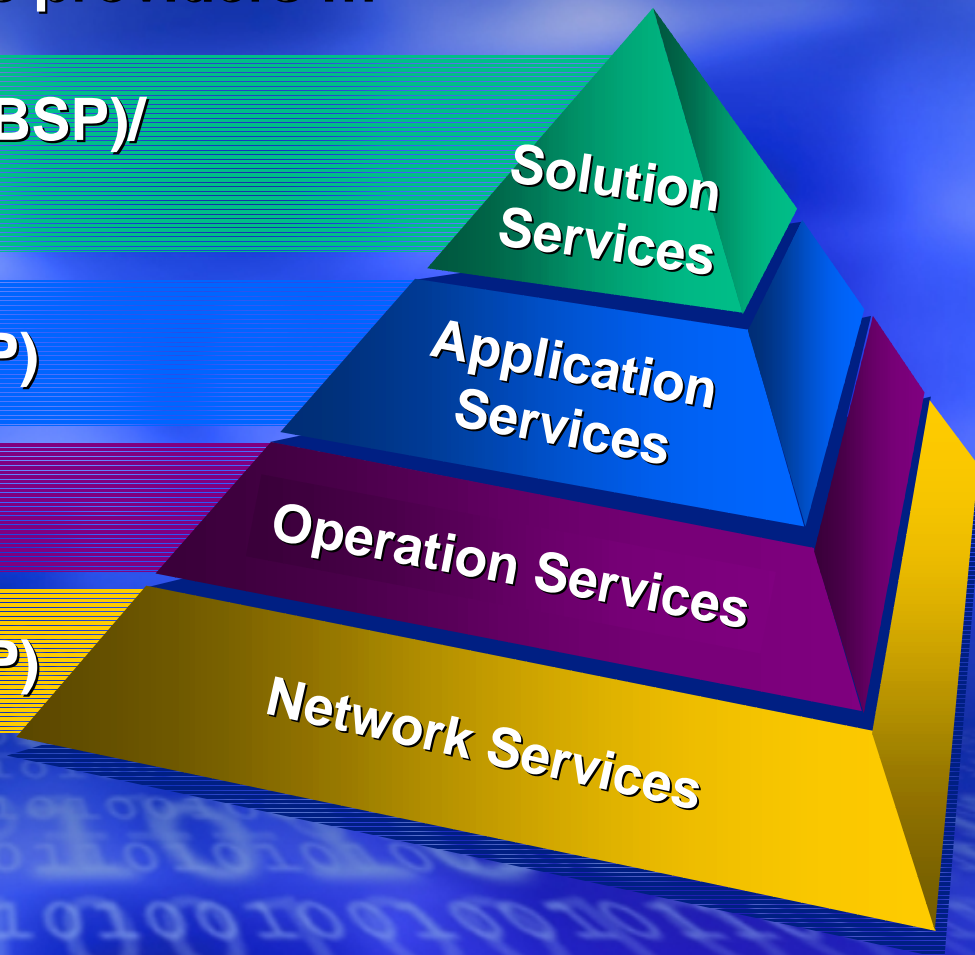
Multiple tiers / choices of outsource providers ...

e-Business Solutions Providers (eBSP)/
System Integrations (SI)

Application Service Providers (ASP)

Hosting Service Providers (HSP)

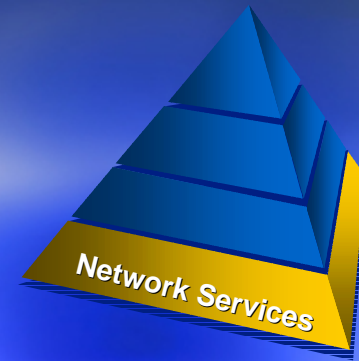
Internet Service Providers (NSP/ISP)



The key is to choose the appropriate level of service ...

Internet Service Providers

The most basic form of e-business outsourcing – *bandwidth and intelligent network routing for connectivity to the internet...*



Network Service Providers

Cable, Utilities. Telcos
High performance national backbone, wholesale connectivity
ie. BT/MCI/Cable & Wireless

Consumer Oriented ISPs

Large ISPs
Lease connectivity and capacity from NSPs
ie. AOL/Uunet/PSInet

Regional / Local ISPs

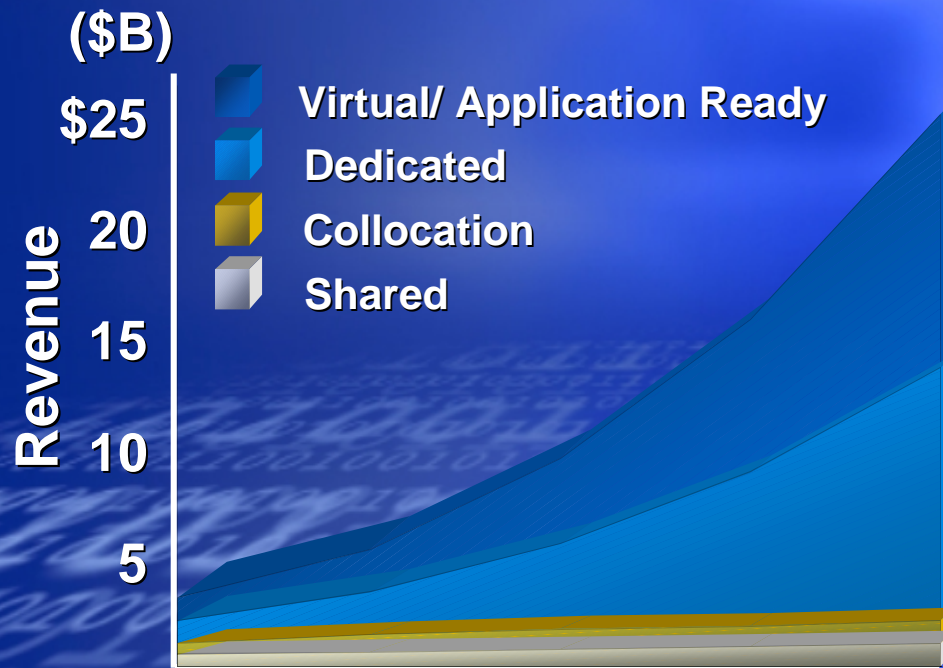
Community ISPs
Serve metro markets
Mix of consumer and business
ie. TIAC/Accunet/CobWeb

Selection Based on

- Type of provider
- Bandwidth
- Scalability
- Security
- Adoption of technologies

Hosting Service Providers

Hosting Service Providers own and operate *data centers* in addition to potentially providing network connectivity (if needed).

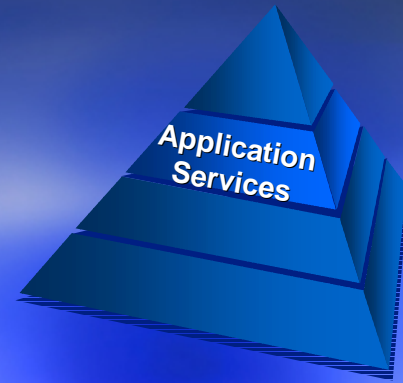


Selection based on

- Time to market
- Ability to evolve with changes in technology
- Scalability
- Integration capability
- Post-sales support (SLAs offered)
- Price /Performance

Application Service Providers

Maintains, manages, and makes available *applications* via the Internet or a private network, *using a one-to-many model.*



- Depth of business and technical expertise
- Open Standards architecture
- Integration capabilities with other ASP

- Adoption of technologies
- Partnerships

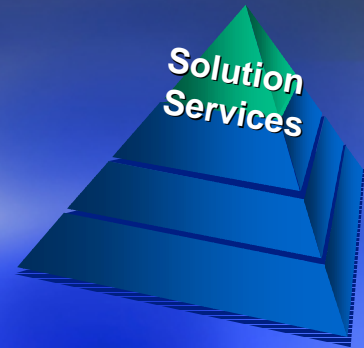


- Infrastructure
- Security
- Reliability and Availability
- Scalability

- End-to-end SLAs
- Responsiveness

e-Business Solutions Providers

Also called SI's - service offerings range from high-level e-business strategy to e-business solution implementations.



Services

Creative

(i.e. Razorfish)

Strategic

(i.e.. McKinsey, BCG)

**Web Tech.
Boutiques**

(i.e.. Proxicom, Scient)

Integrators

(i.e.. Accenture, PwC)

Selection based on

- **Customer base Capabilities**
- **Experience with latest tech.**
- **Industry Expertise**
- **Partnerships**

What Remains In-house

- Your core competencies
- Your intellectual property

Integration with your ASP is the Key ...

Modular Hardware

Easy Integration

Front-end

Mid-tier

Back-end

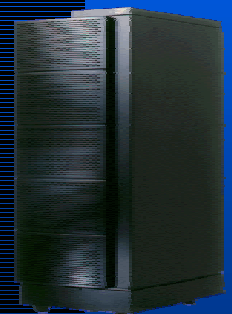
Internet
Intranet



Choice



Scale Up



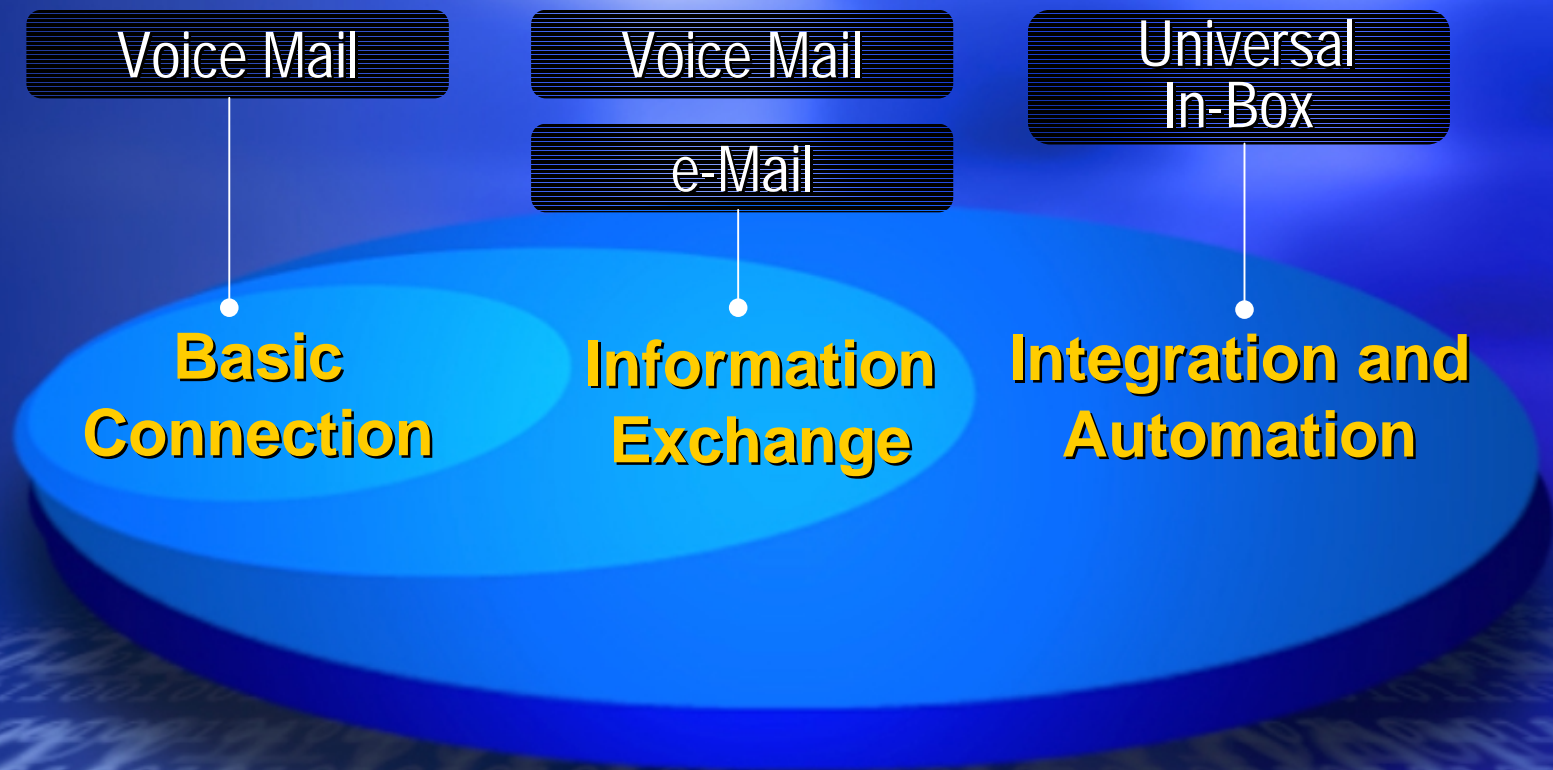
Scale Out



Modular Data Center

Integrated Networks

Personalized Solution



Scalable and High Performance Network

Intel Netstructure™
Solutions

Intelligent e-Biz
Data Center
Solutions

Networking & Infrastructure
Solutions From IA OEMs



Traffic Management

Cache Appliances

VPN Gateway

Voice/Data Integration

Bandwidth Management

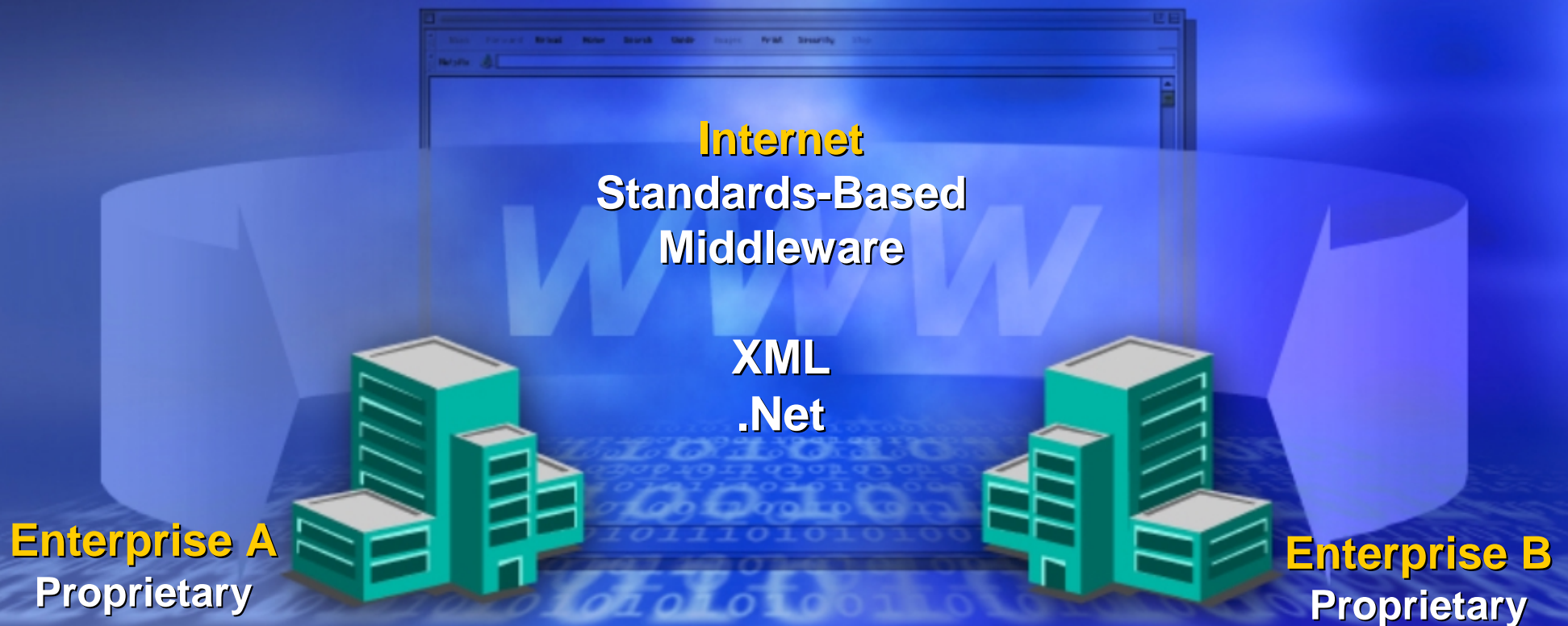
e-Comm. Accelerators (SSL, XML)

Data Center Switches

Integrated Customer Service

The infrastructure for ASP...

Interoperable Software Automation



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*What does it
take to deliver a
satisfying customer
experience?*



Fundamental Changes Required

Customer Needs

Anytime Anywhere
Ease of Use

Personalization

Automation

Easy Integration

Infrastructure Needs

Flexible Solutions

Integrated Networks

Interoperable Software

Modular Hardware



***How** do we
make this happen?*



What Customers Want

Intel's Key Learning

Personalized Information Delivery

Personalized sites, Bundled information

Anytime Anywhere

7X24x365, Multiple client

Ease of Use

Single log on

Easy Integration

Legacy integration

Self-Service Interfaces

Event notification

B2B Automation Between Systems

Integrated applications



Fast Ramp on Infrastructure @ Intel

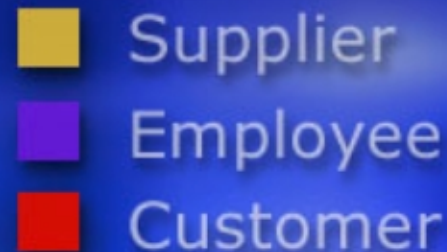
- **Early 1998**
 - Zero Customers Buying Online
- **July 1999**
 - 550 customers, over 10,000 users
 - Over \$1B per month, 46 countries
 - 100% run on Intel® Architecture
- **Today**
 - 93% of customer base online
 - Over \$2B per month
 - Over 700 servers, 24x7x365
 - Confidential Doc Delivery: Weeks → Min.
 - 40% More Orders Gen. In Given Time Period
- **Next Step**
 - RosettaNet

Servers

700

350

0



1996

1998

2000

Intel Building Blocks

**Client
Platform**

Intel® Architecture



**Server
Platform**



**Networking
and Comm.**

Internet
Exchange™
Architecture

XScale™
Microarchitecture

**Solutions
& Services**

Intel®
Online
Services

**Silicon and Solutions for
the ASP world...**

Intel Advantage

Intel architecture provides a platform that enables successful adoption and deployment of an ASP...

Functionality

- Reliability and Availability
- Scalability
- Open standards
- Loosely coupled architecture
- Integration capabilities
- Price/performance
- Access to latest technologies
- Authentication, authorization and encryption tools

Standards & Initiatives

- Scale up
- Scale out
- InfiniBand®
- PCI
- Open source
- Gigabit Ethernet
- NetStructure®

Summary

- **Perform total cost of ownership analysis and outsource non-strategic applications**
- **Select ASP carefully - for long-term strategic growth and partnership**
- **Successful integration between in-house and outsourced services**
- **Intel Architecture enables successful outsourcing and delivers critical functionality**



Hon-Loong KOK

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BACKUP

Cost, Benefits, Flexibility, Risk...

Cost

Training
IT Management
Installation/installment
Maintenance
H/W, S/W Acquisition
Scalability
Cost of system outage

Benefits

Productivity
• End user
• IT staff
Accessibility
“Time to Market”

Ability to change/update apps.
Dependency on Network
Integration with other systems
“Future Proof”

Flexibility

Obsolescence
(technology, mind share)
Vendor support
Functionality
Platform scalability
Organizational/cultural

Risk