



*Equant, BearingPoint
Pioneer New IT Strategy
to Deliver Greater
Business Value*

Moving Beyond OPTIMIZATION



Executive Summary: As never before, IT organizations are called on to wring more business results from ever-more-limited resources. Optimizing network efficiencies to drive down costs has been the primary process for achieving this, but these traditional optimization strategies have limits. To reach higher, fresh ideas are needed. Equant and BearingPoint are pioneering a new path: the next evolution of optimization. Called “multidimensional optimization,” it is a collaborative process — a step beyond technical and engineering efficiencies that leverages the collective intelligence and expertise of all stakeholders, especially vendors. Read this article to see how these partners have opened new frontiers in cooperation and ‘coopetition,’ with the potential to dramatically reshape business results and expectations. >

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There's no question that IT optimization has been widely embraced and recognized across the industry.

"IT managers are becoming more aware of today's WAN optimization technologies and what these technologies can do to improve the bottom line," said Vincent Lui, senior analyst with IDC's Network Management service, in a recent statement about communications infrastructure. "Rather than treating [optimization] as a simple spending-decision exercise, IT organizations view WAN optimization technology as a means to improve their network and application performance, and ultimately the user experience and productivity of the global workforce," he said.

To be sure, comprehensive planning and innovative engineering can help any organization optimize network and IT infrastructures to achieve such goals as reliable performance and cost reduction. With the assistance of experienced personnel, the application of leading tools and ongoing measurement of results, optimization efforts can yield:

- Cost control and efficiency
- Accurate and rapid assessments of needs to support better informed decisions about technology investments
- Process and application redesign and tuning before, during and after deployment
- Long-term reliability and scalability

Yet even WAN optimization has its limits. Based only on this focused engineering/WAN viewpoint, optimization can sometimes fail to respond to opportunities. One of its central weaknesses is that it often treats vendors and partners as "arm's length" resources. The management of an IT organization, for instance, might develop a plan of action to propose to its own management. Then lead contractors and subcontractors may be assigned to tackle their portion of the problem. The cumulative wisdom, knowledge and creativity of all the organizations that are engaged are never fully tapped. Instead, the military-

style, top-down approach gives everyone a job to do without giving anyone a sense of the overall mission. Talent and solutions that should bubble up are ignored or suppressed. Efficiencies that could be identified or duplication that could be avoided are not.

In short, the bad habits that too often cloud the client-vendor relationship are institutionalized.

A STEP BEYOND

Equant and BearingPoint are two recognized leaders in technology, with a shared vision for moving optimization beyond the narrow, traditional band of belt-tightening and IT head-counting to a methodical reinvention of visioning and project management.

As a leading provider of global business communications solutions for multinational organizations, Equant creates business advantage for its customers, enabling them to expand and support their business operations, implement new business processes and improve efficiency by providing global, integrated, secure and customized communications services.

BearingPoint is one of the world's largest business consulting, systems integration and managed services firms, serving government agencies, Global 2000 companies, medium-sized businesses and other organizations.

Together, Equant and BearingPoint are taking optimization beyond the traditional hierarchical management model to "multidimensional optimization" — leveraging the latent power of individuals, organizations and relationships.

Where as traditional WAN optimization steers a client to ask the vendor, "How can you fulfill our vision?" multidimensional optimization asks, "How can we, together, forge a new and better vision and deliver 'beyond expectation'?"

Similarly, traditional WAN optimization is essentially linear — a sequence

Case Study:

MULTIDIMENSIONAL OPTIMIZATION is based on long experience and on a seminal project at BearingPoint itself in which Equant played a key role. BearingPoint, which spun off from the accounting firm KPMG in 2002, has more than 150 offices in 27 countries. The company could have adopted the same style of loosely federated IT resources used at its parent. However, BearingPoint's leadership was determined to take advantage of a "green-field" opportunity to redesign IT infrastructure along the most efficient lines possible. Daring to live up to the adage "Physician, heal thyself," BearingPoint chose not to take any infrastructure elements or personnel from KPMG, but instead started fresh with a centralized structure that would eliminate historical "islands."

Early on, a Multiprotocol Label Switching (MPLS) virtual private network (VPN) from Equant was adopted along with a hosted WAN infrastructure. With that as a starting point, BearingPoint saw an opportunity to adopt IPT (Internet Protocol Telephony, also known as Voice Over IP or VOIP), too. But rather than simply accepting the benefits of this

Equant and BearingPoint Pioneer Multidimensional Optimization

hardware-focused integration, in which the same “plumbing” would support both telephone and data, BearingPoint looked to achieve convergence at a higher level, with applications in which convergence could fully support business such goals as integrating voice, data and video, as well as better supporting the need of most of the professional staff to function in a fully mobile environment.

As IDC noted in a discussion of the project published in IDC Insight, “Given the nature of the company’s business profile, this vision is not a technological luxury but a business necessity.”

The solution BearingPoint co-developed with Equant and a group of other participants delivers just that everything BearingPoint needs to be more competitive. Mobile workers retain their personal phone numbers, voice mail, contact list, Email, network connections and security wherever they happen to be.

Furthermore, the embrace of IPT has spawned the adoption of a

number of other important initiatives. For instance, each day a “Morning Report” is pushed to the IP-based phone screen of every user across the organization, providing important business information extracted from backend systems and XML-coded. PDAs are included, too, using an AvantGo server.

Now, practically all telephone calls are routed via the IP network, and, where PSTN cannot be avoided, Equant has been able to provide favorable rates. Bringing a full range of services to the relationship, Equant ensures that Bearing Point’s IPT infrastructure stays up and running and provides its service technicians to correct problems when necessary.

Aside from the very real productivity benefits that which will accrue long term, BearingPoint’s IPT convergence—which supports LAN, WAN, voice and data—has directly saved \$26 million in IT costs over its first two and a half years of operation, including a dramatic drop in telephone costs.

“Hoteling” of the com-

pany’s mobile staff (rather than supporting permanently dedicated office space for each worker) has slashed office space requirements by 40 percent. This has been accomplished with the help of AgileQuest software and servers, which are collocated with Cisco CallManagers that are managed by Equant. Thus, while supporting some 17,000 employees worldwide, BearingPoint’s IT technical staff totals only about one hundred.

Navigating through this greenfield experience was no walk in the park, though. “We had gone about as far as we could with our first tier optimization, MPLS, so we went to our business leaders and looked at the issues that were on the table,” says Chas White, executive vice president and corporate CTO at BearingPoint. It was a long list. Then he says, they worked together to explore how they might be able to optimize the whole platform.

“Partnering with Equant, we decided to try to take a step beyond and try something new, so

together we set up an IPT consortium,” explains White. The “experiment” ended up generating enthusiasm and strong participation from eight main organizations, including BearingPoint. Most important, it began to yield results, sometimes unexpectedly, in the goal of platform-wide, application-focused optimization. “Different participants have taken on different levels of activity since we began,” he says. And a wide range of individuals have stepped up to the plate, bringing diverse ideas and fresh enthusiasm.

White credits this process with taking the project into the “bells and whistles” stage, adding a new and unanticipated level of value. Indeed, he adds, “It has offered new opportunities for everyone involved.”

And it has become the basis for a new style of consultative partnering that focuses on the opportunities that multi-dimensional optimization offers to all parties involved.

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of steps and a straight line reporting on an organizational chart—while the multidimensional optimization that Equant and BearingPoint practice is “n-tier,” bringing together best practices, relevant experiences, intellectual capital and ideal technologies from all stakeholders. In the process, multidimensional optimization “optimizes the optimizers,” leveraging normal business processes and incentives to get everyone not only on the same team, but effectively motivated to be part of the same vision as well.

Together, these partners aim to deliver a higher level of performance, determining how to interweave what each provider brings to the table. “It is about more than driving out cost. It is about enablement,” says Sean Connolly, Equant senior vice president.

Equant and BearingPoint aren’t just talking about the idea of multidimensional optimization—they are doing it (see Case Study, page 2). That means this strategy is not just a promising innovation – it’s already tried and tested.

“When most companies focus on optimization, the driver is often cost or an impulse to drive efficiencies on one specific axis — and the time frame is tactical,” says Chas White, executive vice president and corporate CTO at BearingPoint. For better or worse, he says, the process often ends up hardening the existing infrastructure, rather than making it more potent.

By contrast, multidimensional optimization yields a fresh perspective, where a consultative thought process replaces a product-oriented approach. “The insight we gained was to think beyond a mere effort to streamline around hardware opportunities and to envision an opportunity for application convergence,” says White.

“At a high level, multidimensional optimization is a matter of structuring how the parties organize and manage their efforts,” he continues. “It has to do with looking at your stable, your first-tier optimized technologies and your business challenges, and then mapping

opportunities for optimization for a given business need.”

Even as multidimensional optimization opens the door to added functionality, it can actually yield a lower cost solution that bridges the gap between the “plumbing” and the underlying business requirement.

“One of the interesting dynamics is the real cooperation that emerges,” says White. “We have seen people generate new and fresh ideas within their own organizations and at the conference table between the two groups.”

To make multidimensional optimization work, the central management must be ready and able to think entrepreneurially, encourage collegiality and recognize when value is being created—even if it’s not something that might have been defined in an RFP or requirements document.

Multidimensional optimization “maximizes the scope of the TCO discussion,” says Connolly. Instead of decisions made on a partner-to-partner basis, suppliers and clients are at the center. There, the stakeholders can provide intelligence to orchestrate the whole, leveraging improved efficiencies across each of the participating organizations and driving the creation of better solutions.

“The client-partner ecosystem ends up looking different,” Connolly says. “People will take different places in this because there are strong elements of cooperation. It requires clear rules of engagement that must promote openness and flexibility.”

“When you talk to a CIO about collaboration, it is typically a project-based discussion, which sometimes ends up encompassing areas outside the CIO’s responsibility,” says Lisa LaBonville, general manager and vice president of Equant’s Focus 100 accounts. “This methodology will let CIOs break through those silos and bring innovation and efficiency into the business.” •

FOR MORE INFORMATION

For more information on Equant, BearingPoint and multidimensional optimization, visit www.equant.com

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