Are Microsoft $ Google "Frenemies" for Service Providers?

BACKGROUND
The cloud & service providers

> “As customers become more accustomed to consuming ICT through cloud models, the cloud market will increasingly cannibalize legacy delivery models for ICT.”

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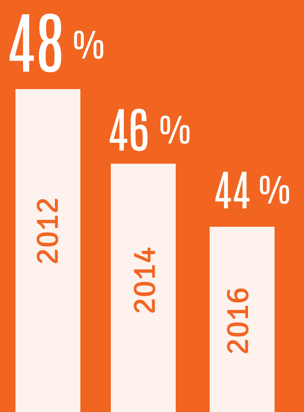
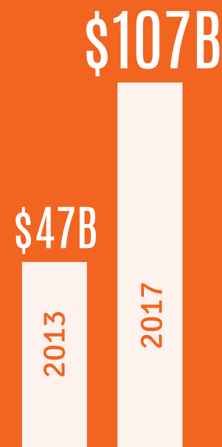


DECLICING TELCO SHARE OF GLOBAL ICT SPENDING

A THREAT

IDC 2013



SIZE OF PUBLIC CLOUD MARKET

(Telcos are in a good position to service the cloud) because of the ability to offer end to end SLA’s by virtue of network ownership, existing sales relationships with enterprises, and in house usage based billing capabilities.

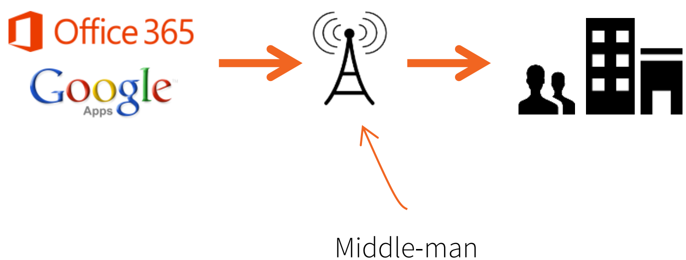
KPMG

AN OPPORTUNITY

THE CURRENT STRATEGY

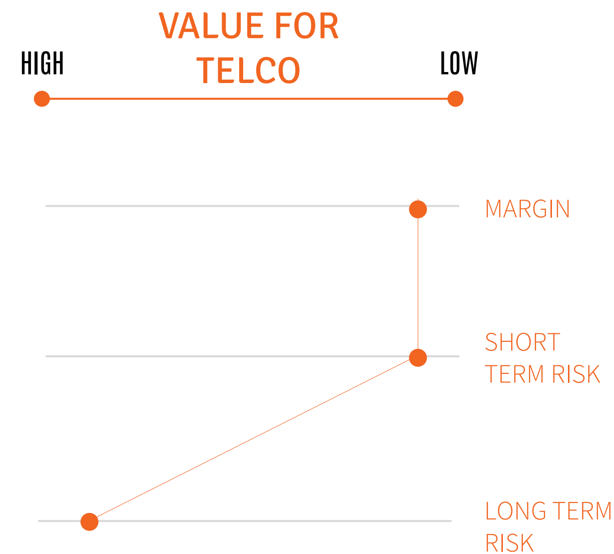
Partnering with Microsoft & Google

> **"The current cloud propositions from telcos are predominantly a standalone reselling of solutions from other technology vendors."**
>
> pwc 2013



One option is for the Telco to merely resell well-known applications, which can usually be purchased from a software or Cloud service provider directly, with thin margins.

Arthur D Little



“As sectors converge, strategy matters”

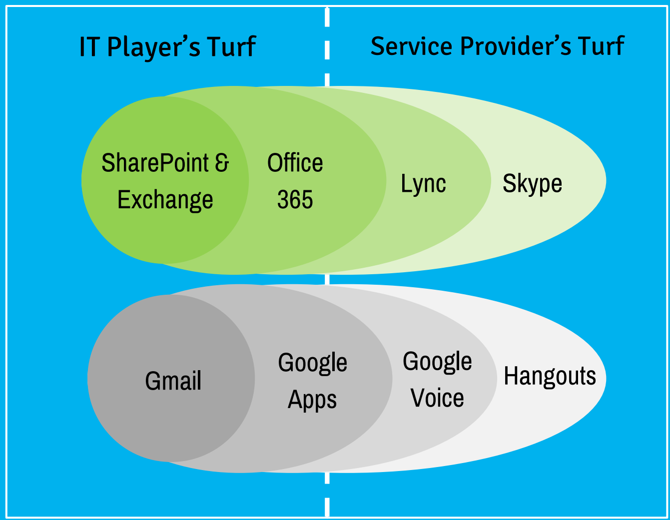
Financial Times

THE DANGER

A strategic blunder?

As “data” dominates ICT, the entire ecosystem is shifting. While service providers contend themselves with being data access providers & low value resellers, Microsoft & Google are intruding into their’ core revenue streams.

Boundaries between software companies & service providers are blurring



Google & Microsoft are making incursions into service providers revenue

THE DANGER

The danger of being cut out

"The challenge for telcos is to go beyond just reselling..Otherwise, they risk providing nothing more than a commodity service, & customers will quickly discern towards innovators and procure networks separately."

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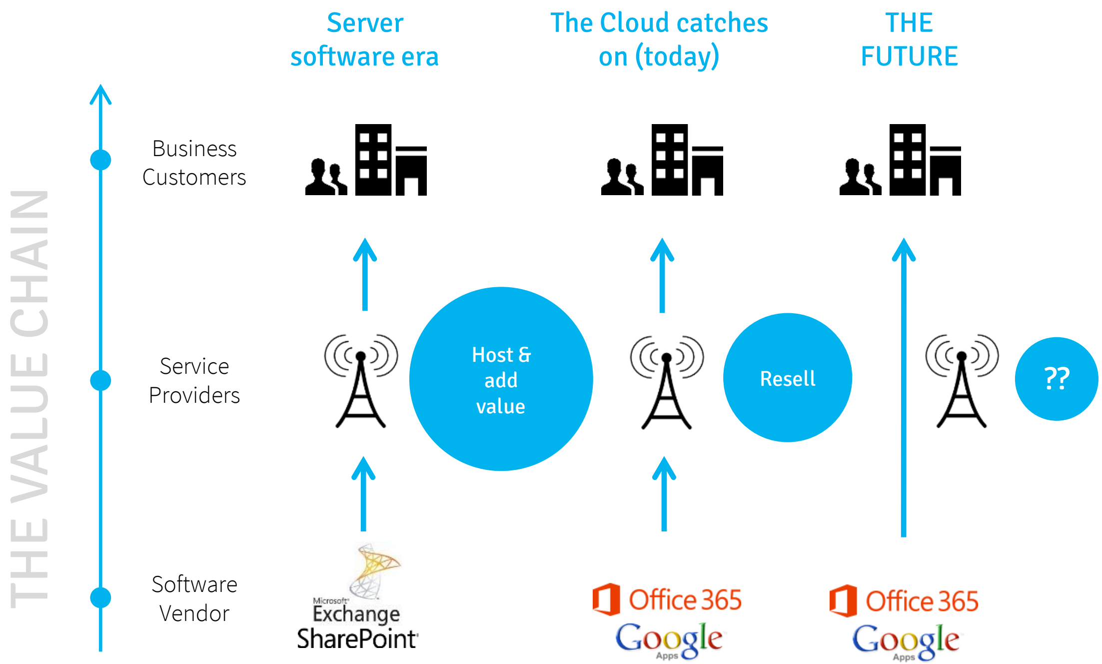

Service Providers face the prospect of increasingly diminishing returns

RECOMMENDATIONS

DIFFERENTIATE

Add cloud service that position you as value added, not commodity resellers

Informa D&M

LOCALIZE

Monetize trusted local data center (national) facilities

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LEVERAGE YOUR NETWORK & SALES/ MKTING. ASSETS

Combine Cloud computing & networks, & make the networks count (offer best in class SLAs)

Monetize strong customer relationships & ability to provide a face to an otherwise faceless trust to the Cloud

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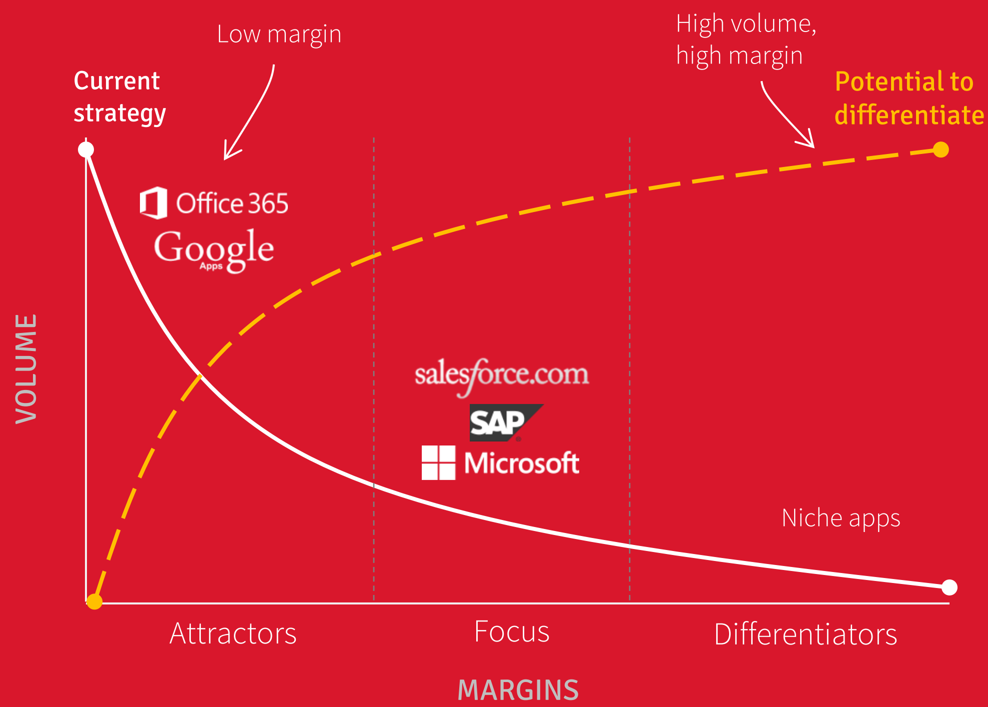
With MS Office 365 & Google Apps hosted in their own data centers, & packaging & bundling decided by their respective corporate strategies, service providers' control & ability to differentiate is limited



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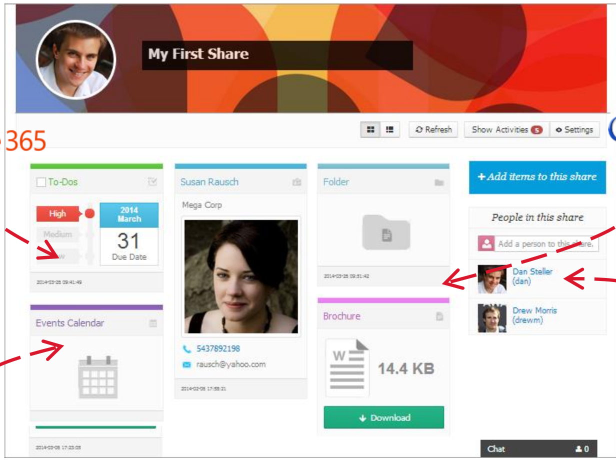
PROPOSED SOLUTIONS

SHARE.TO FEDERATED COLLABORATION

An innovative collaboration solution that co-exists & adds value to Microsoft, Google & any other solution in the market

Office 365

Google Apps

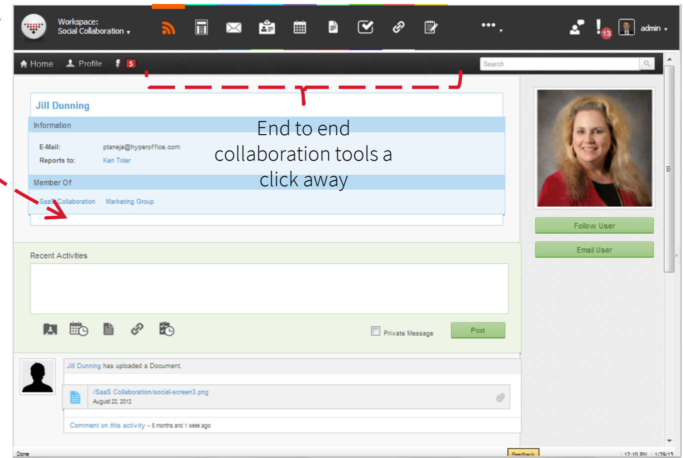


Share with others

HYPEROFFICE SOCIAL COLLABORATION

A best in class cloud collaboration alternative to Office 365 & Google Apps.

Social brings everything together



✔ BEST IN CLASS TECHNOLOGY

✔ WHITE LABEL: BUILD YOUR OWN BRAND

✔ FLEXIBLE HOSTING & PACKAGING

✔ MARKET LEADING MARGINS

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