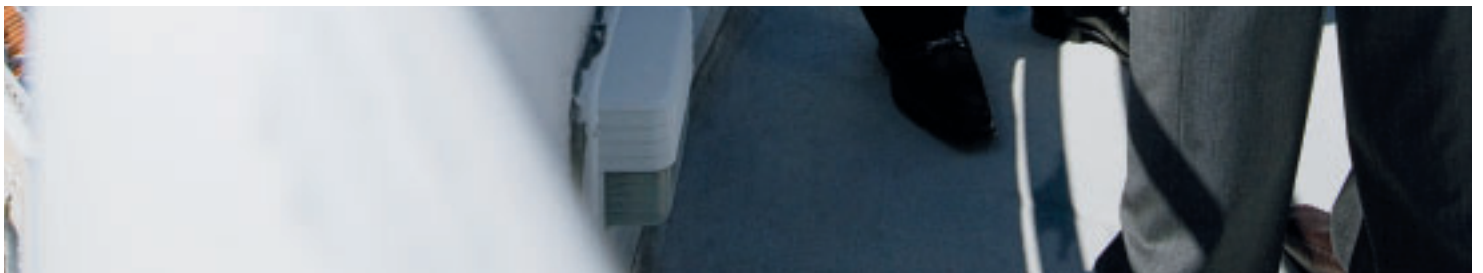




The BT HP Alliance



Unified Infrastructure Services for simplicity, innovation and lower risk

In May 2004, a global alliance was created between HP, one of the world's largest IT companies, and BT, one of the world's leading providers of communications solutions and services.

The purpose of the BT HP Alliance is to address the requirements of multinational companies for a single-service approach to IT and communications. To date, more than US\$ 10 million [€ 6.8 million] have been invested in developing the joint service offering.

The alliance is underpinned by a seven-year agreement for HP and BT to deliver reciprocal outsourcing services worth a total of US\$ 1.5 billion [€ 1.0 billion] to each other. It recently received industry recognition by winning the 2007 Alliance Excellence Award from the Association of Strategic Alliance Professionals (ASAP).

The challenge

Management of rapidly growing volumes of information – accessed, shared and used in an increasing number of ways – is at the core of business today. The ability to deliver this information to any device anywhere at any time creates immense opportunities. When exploiting these opportunities, IT and communications technology play equal and inseparable roles. In fact, their convergence represents an opportunity in itself for organisations to rationalise and consolidate their operations and to increase operational efficiency globally.

“We no longer talk about applications and networks on a standalone basis,” says Ben Verwaayen, CEO of BT. “It is the integration that makes collaboration on a global basis possible.”

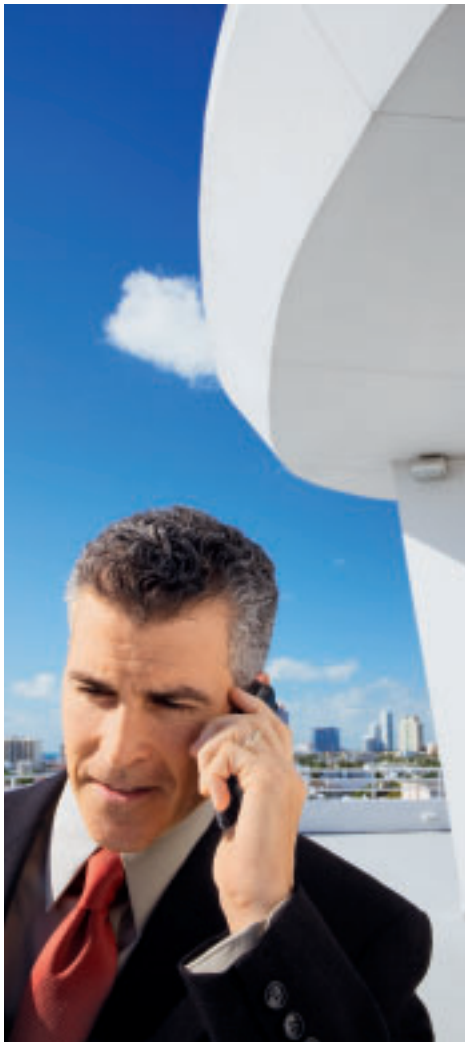
However, companies experience great difficulties in achieving an end-to-end view of their IT and communications services, and thus are not in a position to realise this vision. IT and communications in most companies are still “distinct islands [...], each operating with their own delivery mechanisms and service goals”, claims Forrester Research¹. As such, they are becoming increasingly difficult to manage and integrate, and the impact of their performance on the business cannot be measured accurately.

Issues arise at several different levels. For example, the practice of commissioning IT and communications services locally makes it extremely difficult to achieve a flexible global infrastructure through consolidation. Where day-to-day operations are concerned, many companies will be familiar with the costs and difficulty of resolving service faults when highly complex infrastructures are supported by multiple providers.

¹“Converged Service Delivery: The Missing Link In Achieving Business Flexibility.” Forrester Big Idea, June 20, 2006







The solution

It is clear that lack of integration between IT and communications has become a significant barrier to business change and growth. The solution, in principle, is relatively straightforward. In the words of Forrester: “Customers want global delivery of IT and telecom services via coherent and transparent mechanisms that help manage the underlying resources end to end, regardless of their physical location.” (Feb 2007)

Until recently, such end-to-end SLAs were unavailable, if only because no single company possessed the required breadth of competencies. As Forrester observes: “Most technology service providers struggle to provide end-to-end service delivery that encompasses all the different elements of IT and telecom functionality.”

The solution, again, is not difficult to identify. It requires industry leaders in the two areas to come together and collaborate on a global scale to build a seamless delivery and support model that extends across the whole of the formerly fragmented landscape. This is the value proposition of the BT HP Alliance.

The BT HP Alliance is an industry first. It unites the complementary skills of two global leaders to create a broader and more complete offer, and is supported and sponsored at the highest levels of management in both companies. A great deal of time and effort has been devoted to developing joint systems and processes to support the delivery of truly integrated services.

“HP and BT have invested a lot in this relationship, not only in delivering what we both deliver but in integrating our capabilities from the software and network perspectives,” says Mark Hurd, CEO of HP. “We are as committed as we can be to bringing the competencies of both companies together to deliver a seamless experience to our customers.”

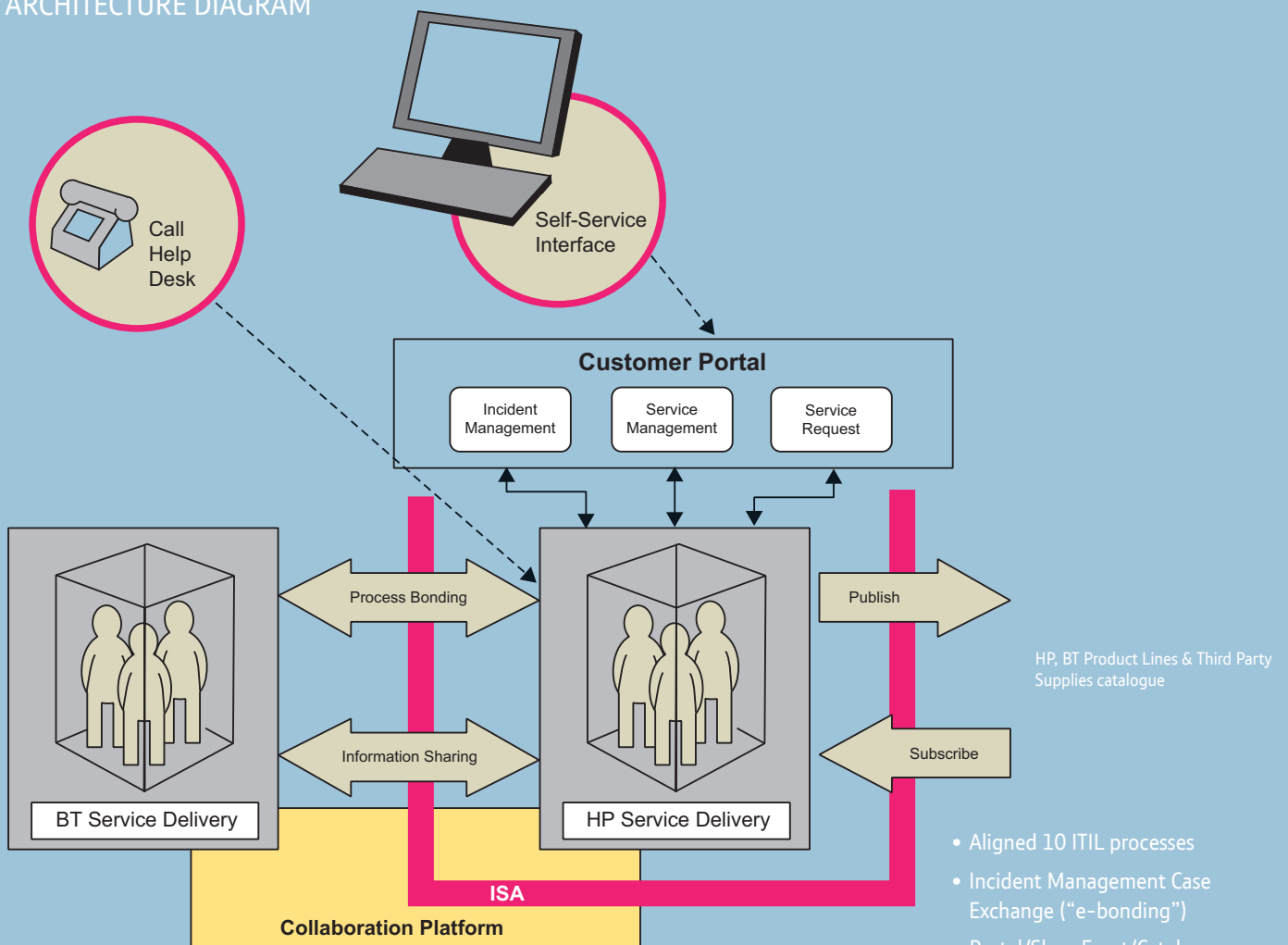
The benefits

The BT HP Alliance delivers integrated outsourcing services that transform and simplify the customer’s networked IT. These services, known as Unified Infrastructure Services, exploit the potential of convergence to increase business agility and drive consolidation and integration on a global scale. By optimising the IT and network infrastructure, they provide the customer with a unique combination of simplicity, innovation and lower risk.

Unified Infrastructure Services from BT and HP are based on a pre-integrated operational platform and an assured IT Infrastructure Library (ITIL) and ISO-20000-compliant approach. The key to their delivery is the alignment and bonding of HP and BT processes into a common Integrated Services Delivery (ISD) architecture. Through automation and elimination of duplication, this simplified architecture delivers a range of operational efficiencies that are associated with customer benefits such as fewer incidents, less downtime per incident and faster change management. Together, these provide significant savings in the customer’s service management costs. Additional savings in cost and time come about during contract start-up. While some of these are delivered through the use of predefined processes and pre-integrated service management systems, the major advantage the BT HP Alliance brings is that of a single, joined-up transformation project – with one person responsible, a single project plan and no “ifs or buts” when it comes to deciding on actions needed. Thanks to this unique combination of strengths, the BT HP Alliance offers faster deployment, which leads to reduced time to market for new operations and products. There is better support for flexibility and innovation in response to anticipated future requirements.

The Integrated Services Delivery architecture also supports the end-to-end management view that is needed to provide the customer with one business-oriented SLA that extends from desktop to data centre, covering both IT and network services. With a single SLA and a continuous chain of responsibility, there is no finger-pointing: any problems are jointly owned by HP and BT. As a joint, proven approach from two industry leaders, this reduces operational risk.

Integrated Services Delivery ARCHITECTURE DIAGRAM



The alliance's joint investment does not end with the integration of existing systems and processes. As this is a long-term partnership, new solutions that will support future innovation are being developed in an ongoing programme of research and development funded by both companies.

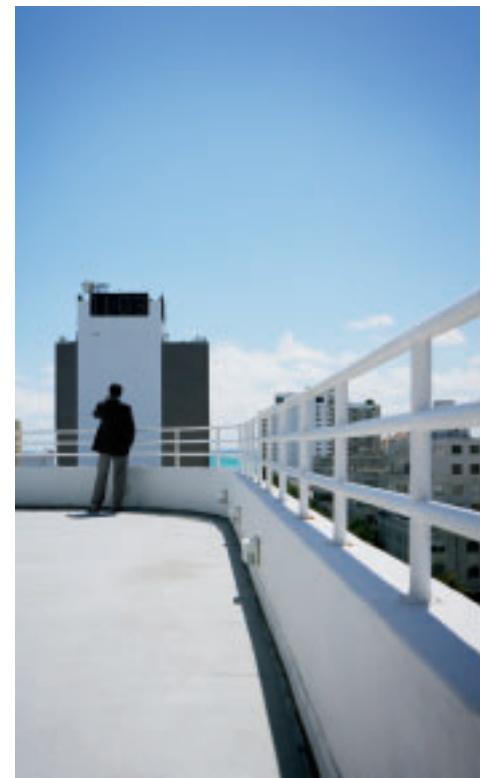
The proof

Reciprocal outsourcing agreements between BT and HP are providing both companies with substantial benefits. For example, HP has made a 15.5 percent saving on network and call centre management costs by outsourcing to BT. In return, HP has provided BT with an 18 percent cost saving by taking over desktop, server and help desk management.

Growing numbers of customers, including Aker Kvaerner, Anglo American, Unilever and National Australia Group, are now seeing the benefits of Unified Infrastructure Services. In all, 41 customers have signed contracts with the alliance to a total value of more than US\$ 1.5 billion [€ 1.0 billion]. Some of these customers are leveraging the services provided to transform their operations on a global scale. All are interested in the potential of the alliance to provide them with better service levels and the benefits associated with simplicity, innovation and lower risk.

“The most prominent example of such a complementary partnership – combining telecom and IT capabilities – is the alliance between BT GS and HP. Together, the two providers present one of the strongest CSD value propositions currently in the market.” – Forrester





“The BT HP Alliance is the only international strategic alliance that brings together the resources, intellectual capital and skills base of a global IT and a global network company through a single point of contact. Creating agile organisations through transformational outsourcing.”

Ben Verwaayen, CEO, BT

“Under a single service contract, our joint customers are able to benefit from an integrated approach that combines world-class IT, and Network capabilities from two market leaders. No one else offers this level of service integration.”

Mark Hurd, CEO, HP

“This move will realise significant savings for Aker Kvaerner globally and deliver a globally consistent service for this critical part of our IT delivery [...]. Selecting a single global partner affords much lower rates, globally consistent service levels, and a flexible contract structure which includes use of benchmarking to guarantee year-on-year savings.”

Frode Strand, SVP Global IT, Aker Kvaerner

“We are rationalising on single enterprise-wide platforms across the group [...]. The new infrastructure will save about £ 15m [€ 20 million] in support costs.”

Darin Brumby, IT Director, FirstGroup

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