

BT To Offer Assured IT Application Services

LONDON (Dow Jones)

--BT Group PLC (BTY) Wednesday said it will offer customers guaranteed IT application management services as part of its push to gain greater market share in the information technology market.

The service - to be called BT Applications Assured Infrastructure - will be launched between April and October. The full service will guarantee the performance of core applications over a company's global IT infrastructure, from the desktop to the data center, meaning it will be BT's responsibility if the customer's systems don't perform as required.

BT, the U.K.'s former telecommunications monopoly, is trying to capture significant market share in the IT services industry, dominated by U.S. companies like International Business Machines Corp. (IBM) and Electronic Data Systems Corp. (EDS).

The company's decision to offer guaranteed applications services - which means it will run an organization's data centers, servers as well as desktop applications like e-mail - takes it further away from its roots in telecoms.

Andy Green, chief executive of BT Global Services, told Dow Jones Newsires the company was already offering the service to some of its clients on a bespoke basis. He said offering applications management as a repeatable, standardized set of managed services will appeal to existing and new customers.

"It's no longer good enough to assure a customer the Internet Protocol - or IP - network won't fail. Now, a customer has to be assured that the applications will perform well," Green said.

He said that by assuring applications will perform, "we are raising the bar for the whole industry. It's where the industry needs to go. We've been doing this for bespoke customers and saw a market opportunity."

Green said the assured application infrastructure services will be central to BT Global Services proposition when bidding for huge government and corporate IT projects.

"I expect to win bids worth billions of euros over the next 18 months on the back of these services ... I'm absolutely confident this will be the differentiator."

BT will offer five separate services around applications infrastructure management, either standalone or as part of a progressive implementation. If a customer takes all five services, BT will offer contractual assurances against the performance of core business applications.

The most basic service BT will offer is to audit a customer's existing information communications technology that will also assess the impact that the introduction of new applications would have on the infrastructure.

Using the data, BT will offer services advising the customer how to optimize the performance of its applications infrastructure. Separately, customers can use BT to monitor and measure the performance of its infrastructure.

If a company wants to outsource its applications infrastructure, BT can use data gained from monitoring the systems to manage IT systems better and deal with problems proactively. The company will also establish a system which automatically generates alert messages when performance drops below agreed thresholds.

The final leg of the service is a contractual scheme providing end-to-end assurance of a customer's business applications where BT is responsible for the infrastructure.

BT's Green said the cost of taking on the services will depend on how many data centers and end-user sites a customer has. Nonetheless, he said a medium-sized company could expect to pay GBP20,000 for the monitoring services and around GBP100,000 to outsource the management of its applications with contractual assurances.

The first four services will be offered to companies in the U.K. and Europe from April, with the assurance element available later in the year. It will also roll out the services to Asia Pacific and the U.S. later in the year.

Until it is rolled out globally, the service will be available on a bespoke basis to global customers.

In BT-commissioned research, Coleman Parkes Research said the top 2,000 European businesses are wasting in excess of three million working hours every year trying to get to the root of poor application performance, costing approximately EUR250 million.

In order to offer the services, BT has extended its contract with Compuware Corp. (CPWR) to incorporate elements of Compuware's Performance Management suite into its offer.