

BT in new corporate service push to boost revenues

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LONDON, Feb 4 (Reuters) - Britain's BT Group Plc (BT.L: Quote, Profile, Research) announced plans on Wednesday for a new service to manage companies' technology and telecoms infrastructure, as it looks to bolster falling revenues at its core telecoms business.

The dominant UK fixed-line operator has for some time sought alternative revenue streams to make up for the drop in its core telephony revenues, under pressure from falling prices and greater competition.

The company said its BT Global Services corporate service arm, which runs voice and data networks for companies with global reach such as Unilever, will now offer to manage their entire IT and communications infrastructure.

Companies have shown increasing preference to outsource IT functions in a bid to cut costs. BT's offer could potentially take this process to another level.

"This is non-trivial. We think top-2,000 European businesses are wasting three million hours or over 250 million euros (\$310 million) trying to get to the root of poor application performance," Andy Green, Chief Executive of BT Global Services' told Reuters.

The company attributed the figures to a survey carried out for it by Coleman Parkes Research, which polled IT directors and managers from a sample of the top 200 companies across Europe.

BT said it would give customers contractual assurances about the performance of their core business applications as part of the new service, called BT Applications Assured Infrastructure.

The company plans to roll out the new service to companies in Britain and continental Europe in April.

BT Global Services is the only part of the former monopoly's business that is growing revenues, and Green said the new service would underpin growth at the division.

For the first half to end-September, the division posted revenues of 2.73 billion pounds, up five percent on a year earlier. Group revenues fell one percent to 9.15 billion pounds during the period.

BT shares were down 0.14 percent at 177-1/4 pence in morning deals.