

As Enterprise Network Complexity Rises, Outsourcing to a Managed Service Provider Increases Savings, Says Insight Research

BOONTON, NJ (SEND2PRESS NEWSWIRE) – The U.S. managed services market will grow at a compounded rate of 22 percent over the next five years due to growth in all segments of the managed services value chain, says a new market study from Insight Research. In today's sophisticated communications environment, it is the managed service providers that are in the best position to assist the enterprise customer as the promise of new IP capabilities greatly increases management complexity. Thus, revenues associated with the managed services market will grow from \$34 billion in 2006 to nearly \$94 billion in 2011.



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Insight's newly-released market analysis report, "Managed Services in an IP World: New Opportunities for Wireless and Wired Networks 2006-2011," contends that carriers, service providers, equipment vendors, systems integrators, and specialist companies will all participate in the growth opportunities provided by this market. These opportunities include broader market growth, higher margins, centralization of support functions, and lower customer churn.

The study differentiates the following four segments of managed services: managed applications, managed data center services, managed LAN services, and managed WAN services. In addition to the revenue forecasts for these market segments, forecasts are provided for various market subdivisions, including managed IP VPNs, managed security services, managed VoIP, WAN extensions, managed hosting and storage, managed software as a service, and a number of other significant areas within the managed services domain. The report also provides Insight's survey of outsourced disaster recovery and storage management services by vertical industry.

"Because they can offer around-the-clock monitoring of network performance, improved application performance, and predictable service levels, managed service providers are in a unique position to expand their business in an effort to address the growth of this market," says Robert Rosenberg, Insight's president. "The most significant driver may well be the growth in the number of business locations or endpoints that connect to each other across a WAN. When you compare the growth of establishments to the growth of managed network connections, the increasing need for managed services is unmistakable."

A free report excerpt, table of contents, and ordering information are available online at www.insight-corp.com/reports/manserv06.asp

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