

To Stay Profitable Telecom Providers Will Outsource More Than \$1 Trillion over Five Years

BOONTON, N.J. – June 6 (SEND2PRESS NEWSWIRE) – With increased competition and lower-margin products cutting into their profitability, wireline and wireless carriers will be spending nearly \$1.4 trillion over the next five years on outsourced services in order to reduce costs, says a new market research report from Insight Research Corp. By the close of 2007 alone, wireline and wireless carriers will be spending more than \$198 billion on outsourced services worldwide.



According to Insight's newly-released market analysis report, "Service Bureaus, Outsourcing and Telecommunications Networks 2007-2012," until now, carriers have considered outsourcing to be little more than a tactical form of reducing the cost of acquiring ancillary services, but the lower margins associated with voice over IP are forcing carriers to focus less on achieving incremental cost improvements and instead use outsourcing as part of a transformational strategy.

"Before the advent of VoIP, outsourcing was used by carriers to gain incremental cost improvements in the 10- to 20-percent range," says Robert Rosenberg, President of Insight. "However, the lower margins associated with IP communications as well as increasing competition are forcing carriers to rethink their entire strategy. Carriers are unbundling their value-chain and using outsourcing as a transformational strategy to achieve cost savings between 30 and 60 percent," Rosenberg concluded.

The study, which evaluates outsourcing expenditures for wireline and wireless carriers for eight geographic regions, suggests the most frequently outsourced functions are billing, training, directory services, operator services, network management, customer care, SS#7 interconnection, and OSS interconnection.

A free report excerpt, table of contents, and ordering information are available online at:

www.insight-corp.com/reports/servbur06.asp.

This 176-page report is available immediately for \$3,995 (hard copy). Adobe Acrobat (PDF) report licenses are also available. Visit the Insight web page or call 973-541-9600 for details.

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