

Building the Enterprise Solution

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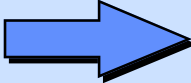
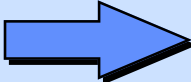
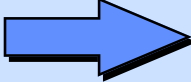
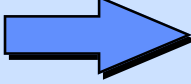
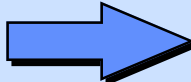
Magellan Passport



Agenda

- **Trends and indicators**
- **The essence of enterprise networks**
- **How can Nortel help?**

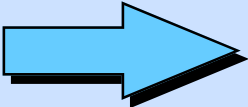
Trends and Indicators

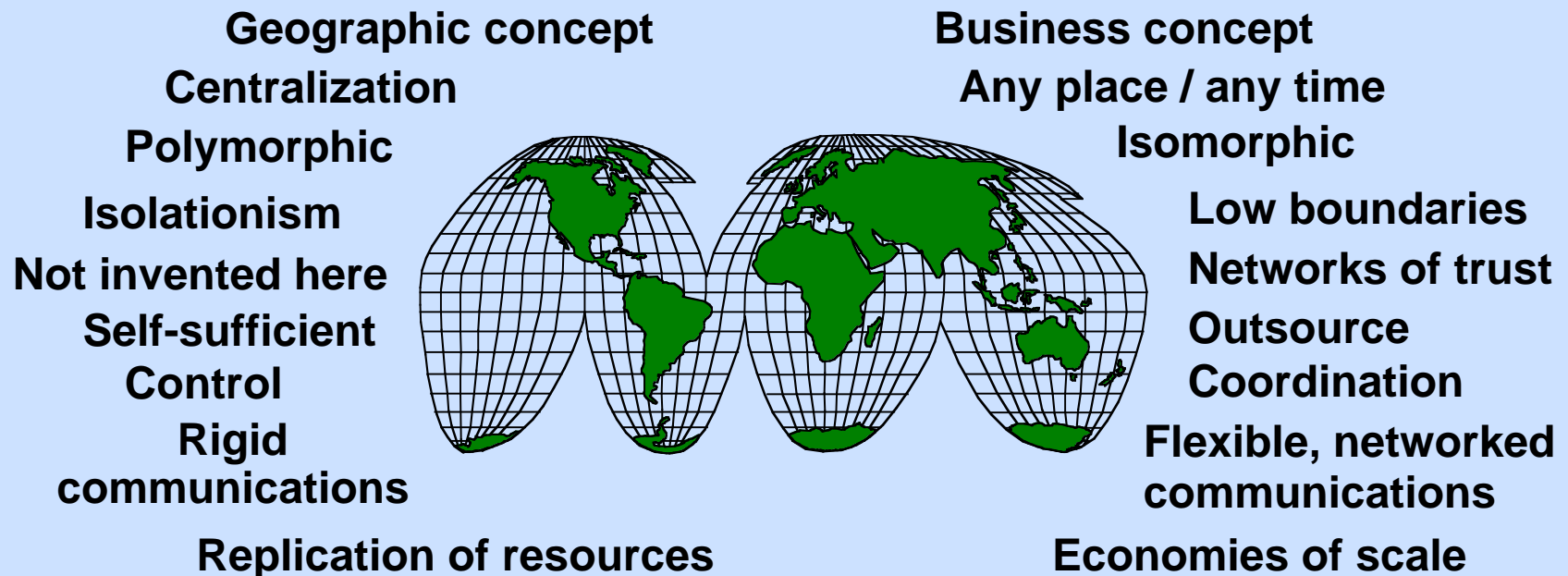
1980 business model		2000 business model
Traditional applications		Multimedia applications
LAN or WAN		LAN and WAN
Private or public		Private and public
Closed		Open

**Our role is changing from:
Manager of the network  Agent of change**

Trend #1

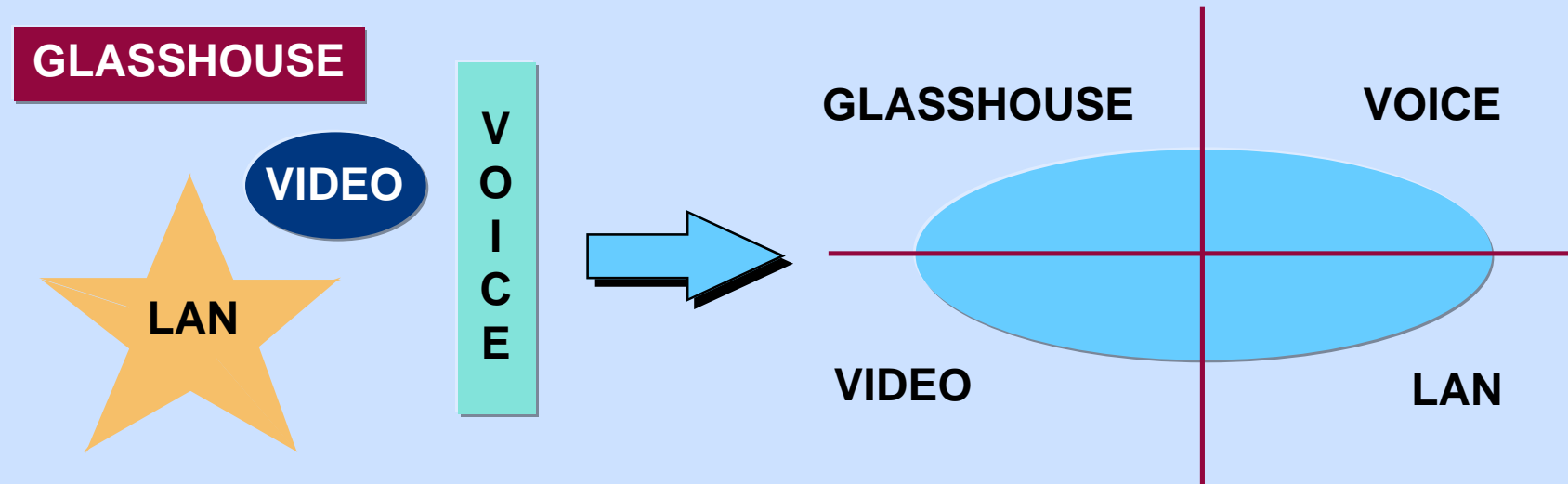
Characteristics of Corporate Business

1980 business model  2000 business model



Trend #2

Traditional Multimedia Applications



- Separate networks
- Separate budgets
- Separate organization
- Reactive integration

- Consolidated multimedia desktops
- Multiple traffic flows versus time
- Multiple priorities
- High-velocity applications

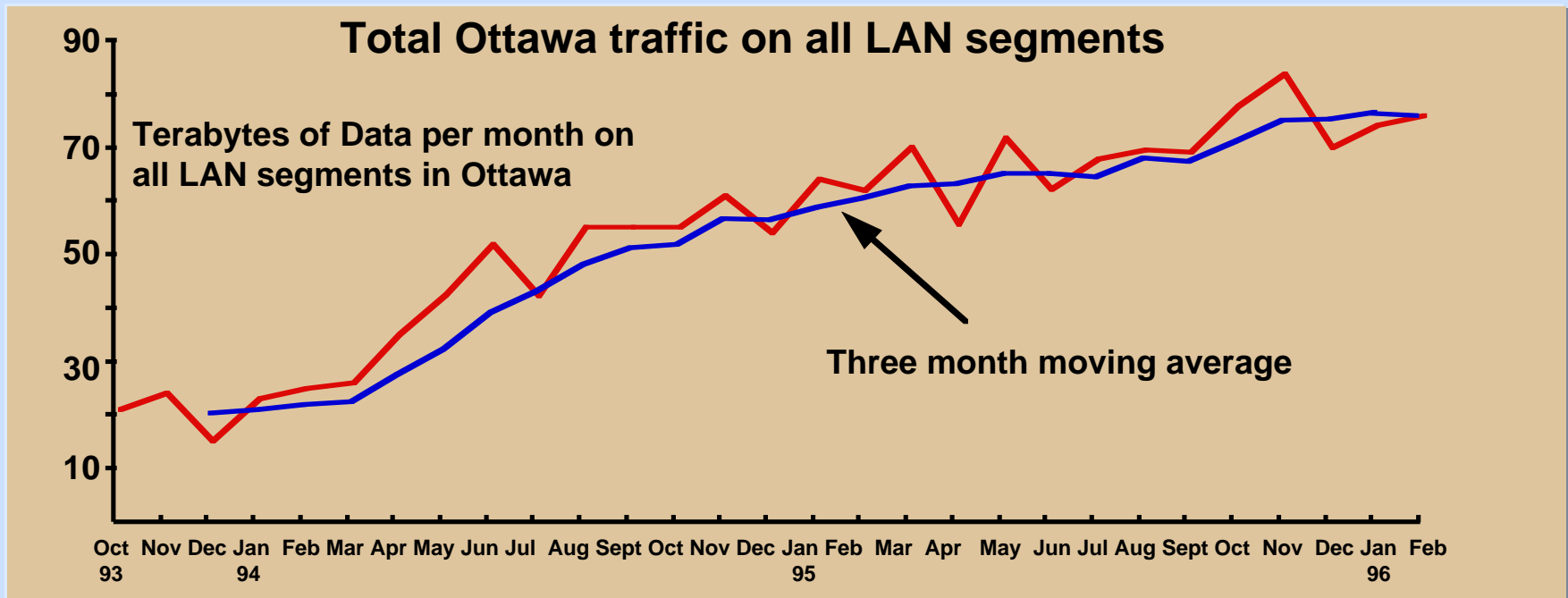
**User application demands + flat budget constraint
= need for cost-effective dynamic bandwidth**

Traffic Growth

- Desktop power increasing
- Multimedia (including voice integration)
- Application functionality richness growth
- Globalization and larger communities of interest
- Graphics/image orientation
- World Wide Web

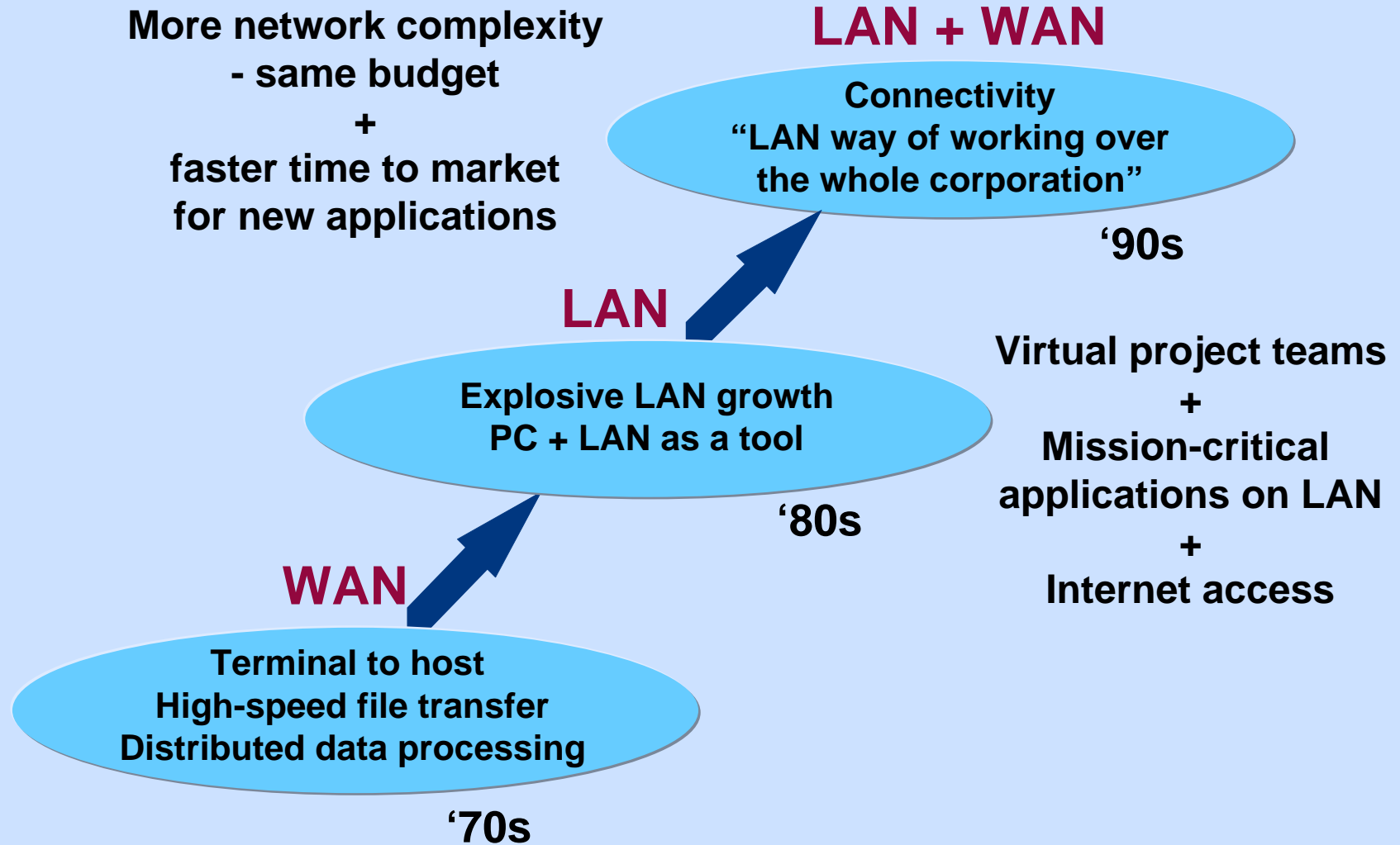
The traffic on BNR's network in Ottawa exceeds 2,000,000,000,000 bytes (2 terabytes) per day

Data network traffic growth: 300% per year



Trend #3

LAN or WAN → LAN and WAN



Trend #4

Private Line → Virtual Private Line

powerful protocols
bandwidth efficiency
geographic reach
flexible services
network control
evolution
security

Private

simple
services

Public

powerful protocols
bandwidth efficiency
geographic reach
flexible services
network control
evolution
security
virtual networking
new technology

Private/Public

- Complexity of decision making increasing
- Interoperability standards important
- Evolution is key

Trend #5

Closed → Open

CLOSED

- **Proprietary architecture**
- **Focused on one application**
- **In-house network**
- **Dominant vendors**

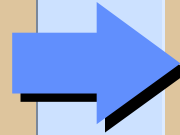
OPEN

- **Best-in-class**
- **Open standards**
- **Multi-vendor**
- **Multi-region internetworking with partners**
- **Responsive vendors**

The Challenge of Enterprise Networking

Organizational dynamics

- Flattening org structures
- Telecommuting
- Internet growth
- PC and client/server proliferation
- Cost containment
- Competitive pressure

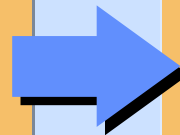


Many networks have developed...

- Separate data, voice, and video networks
- Overlapping technologies, staff
- Expensive
- Impedes innovations

Network dynamics

- Explosive data growth
- Changing economics with ATM and frame relay
- High-performance requirements

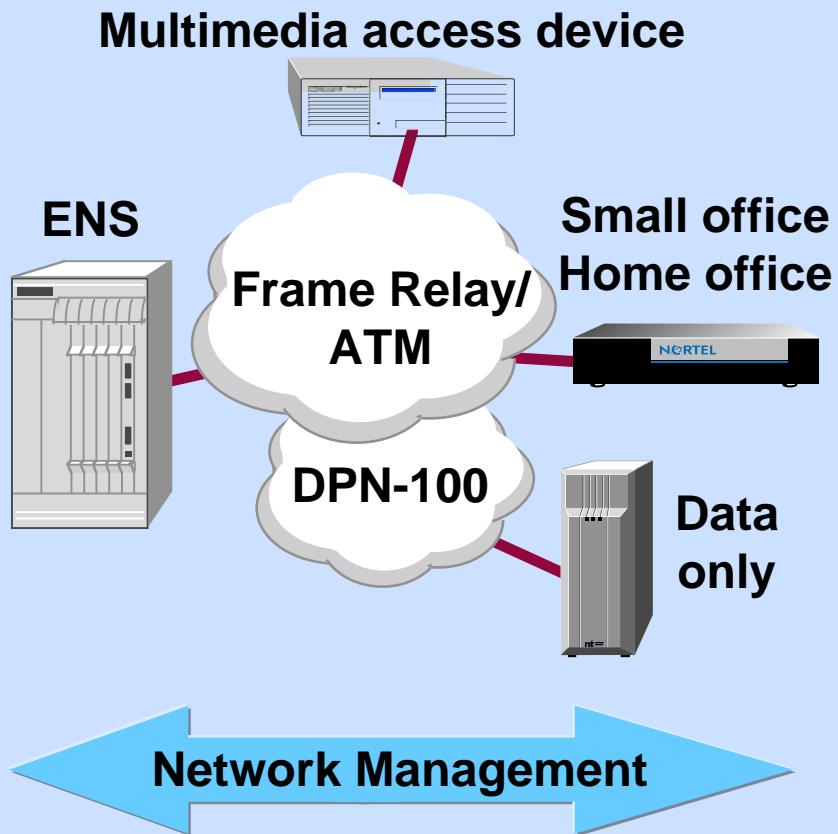


Essence of this business

- Cost-effective use of bandwidth
- Flexible wide area connectivity
- Open multi-vendor networking
- Evolution to ATM

Corporations must use technology to create competitive advantage

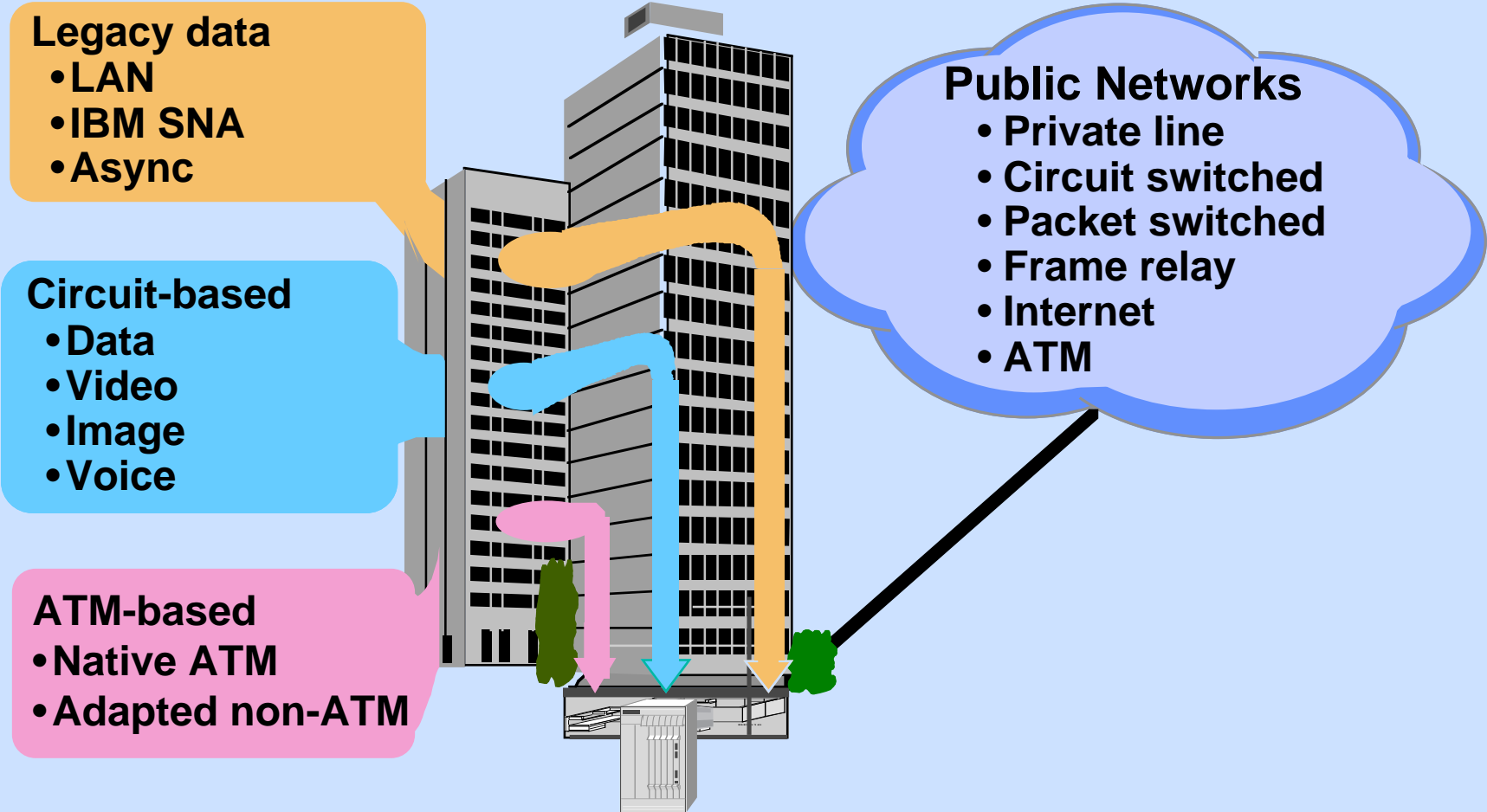
Building Solutions for the Enterprise of the Future



- Multimedia consolidation
- Campus/in-building Magellan values
- At the branch with Magellan
- At home, on the road with Rapport
- Flexible connectivity

The Magellan vision applies across your entire network

Multimedia Consolidation

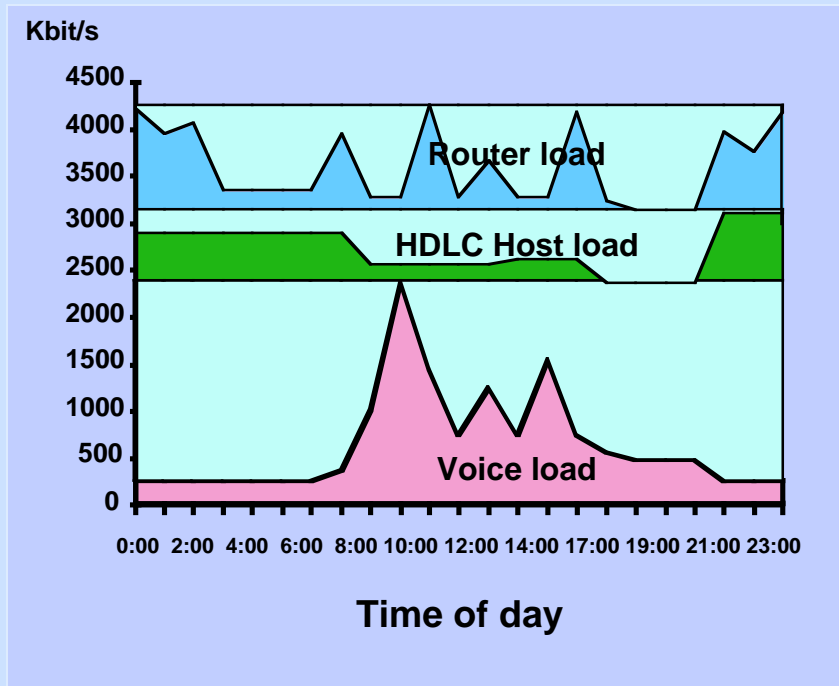


Passport bandwidth management brings compelling economics

Cell-based Bandwidth Management

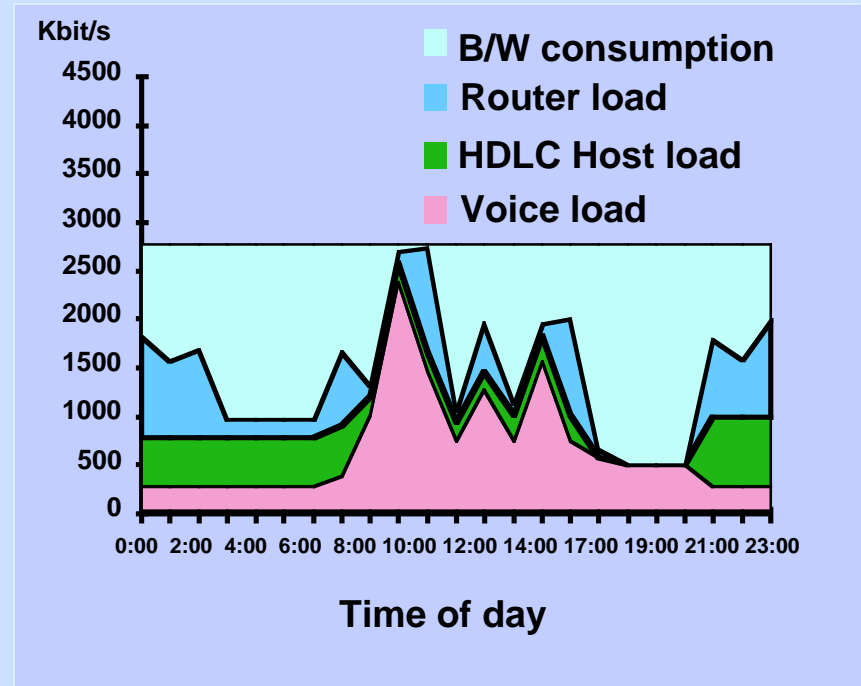
1980

Fixed bandwidth management



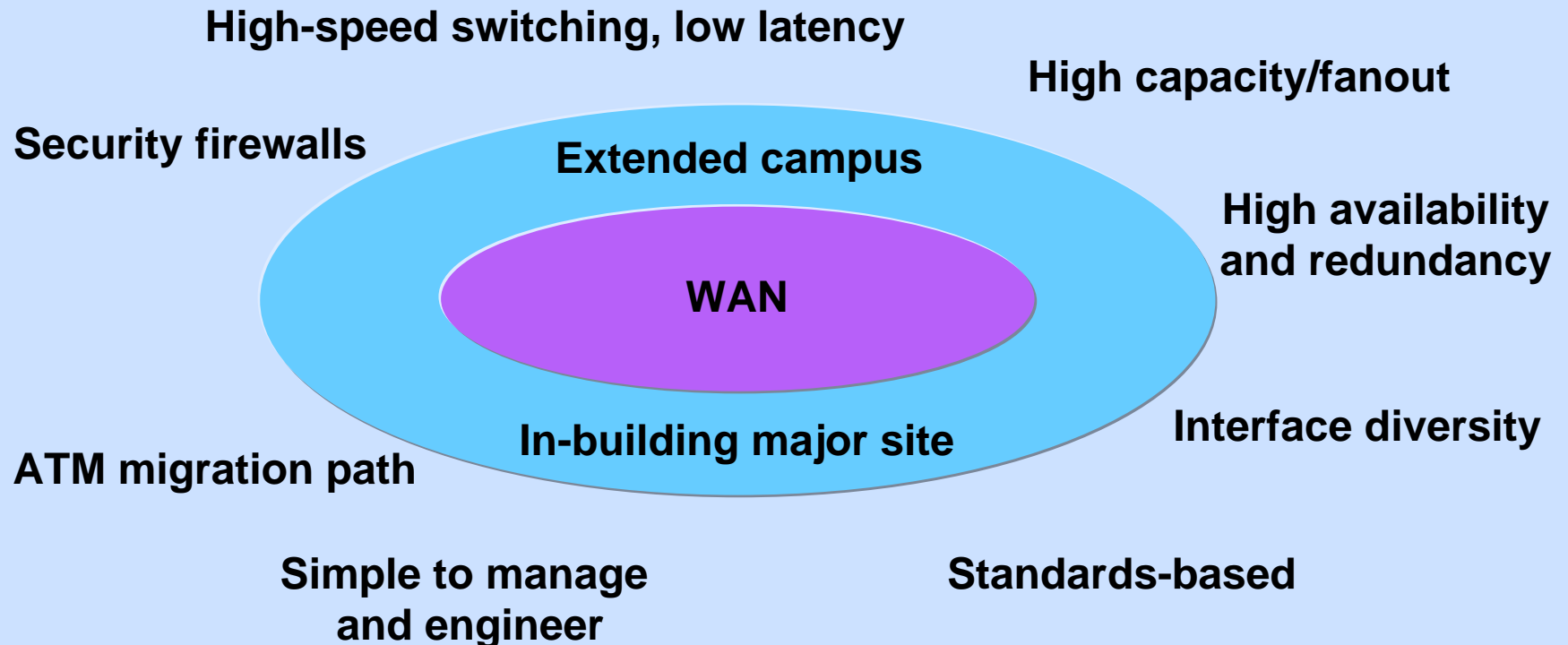
2000

Cell-based bandwidth management



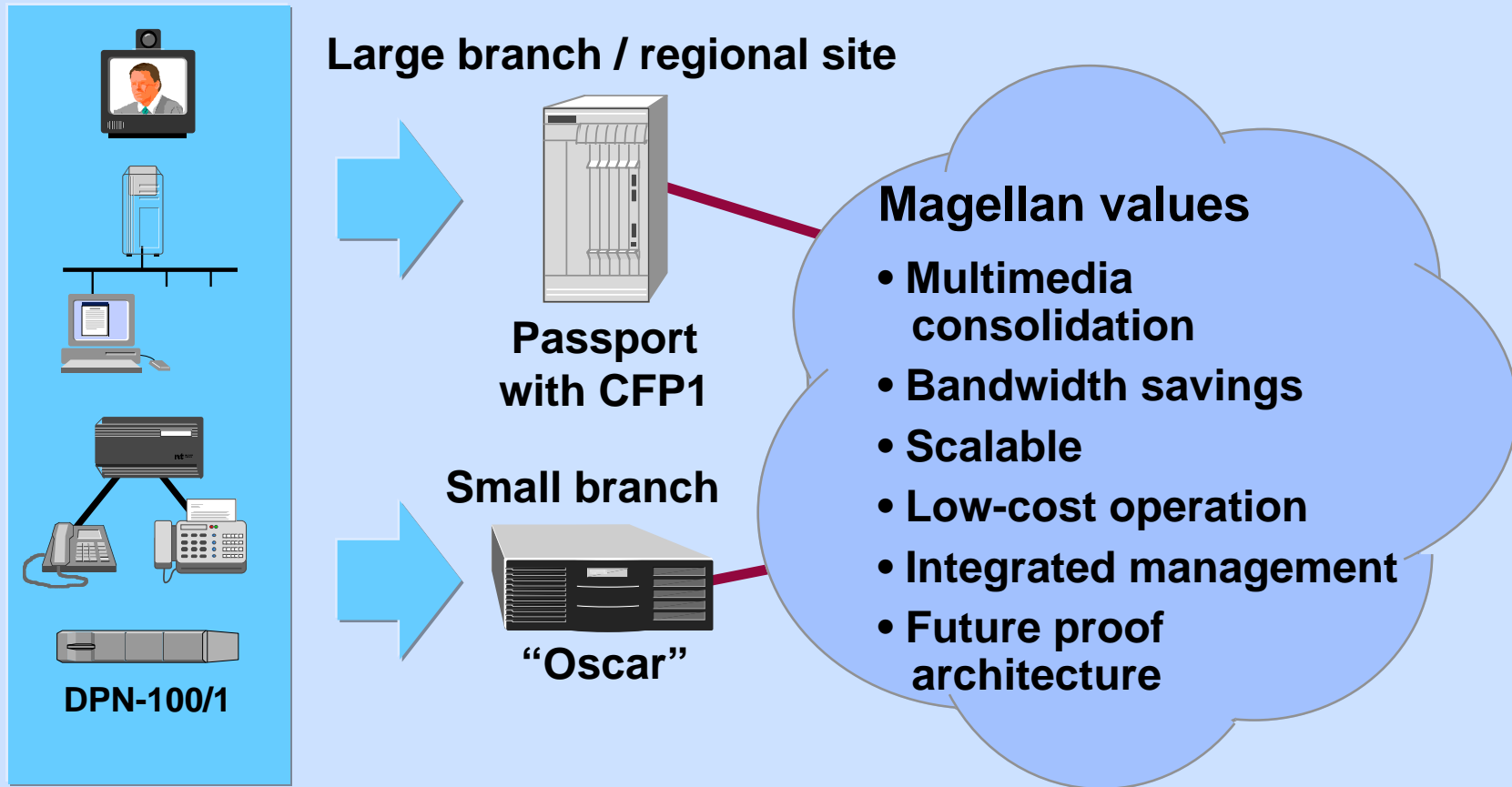
1996 Datacomm Hot Product Award

Campus/In-Building Magellan Values



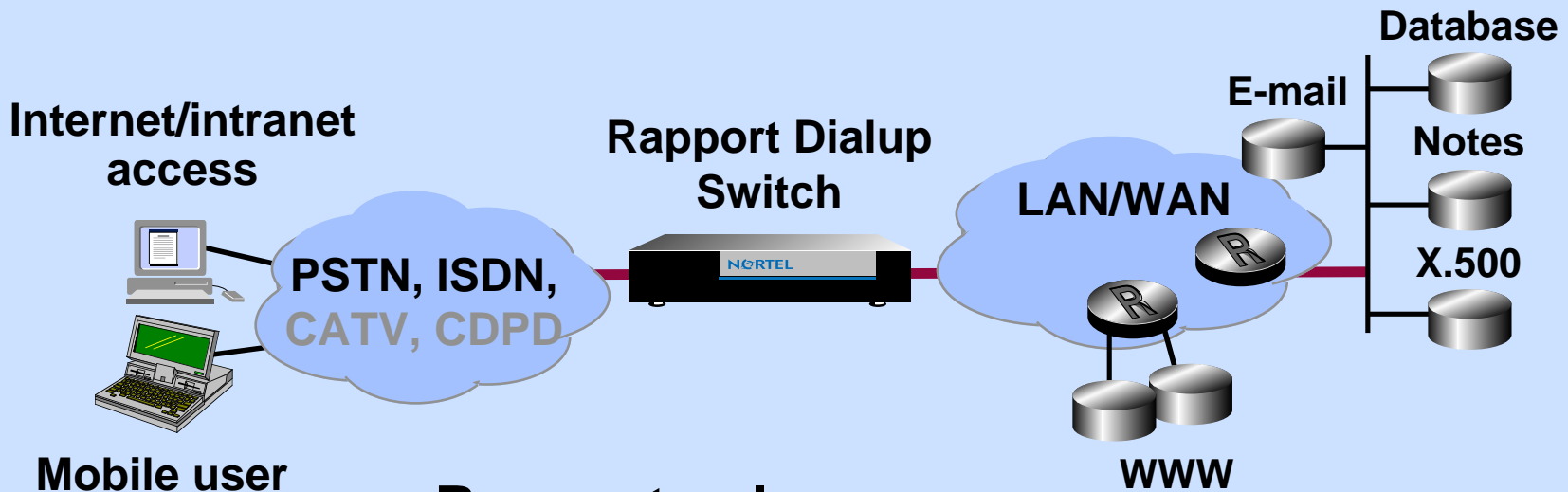
“A LAN way of working over the whole corporation”

At the Branch with Magellan



Extending Magellan's value set to the branch

At Home, on the Road with Rapport

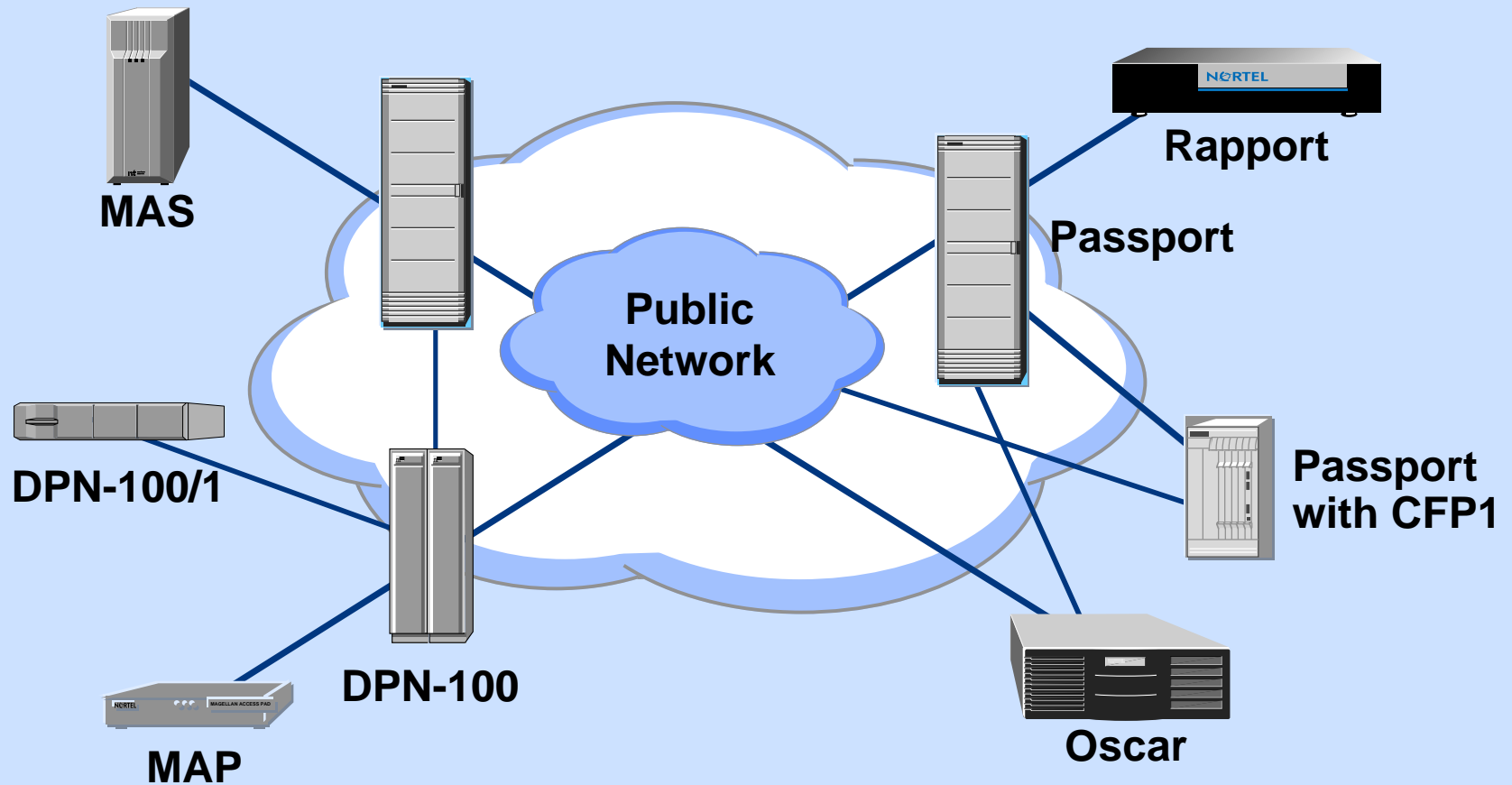


Rapport values

- Highly scalable portfolio
- High performance
- Integrated service management
- Dependable, carrier-grade

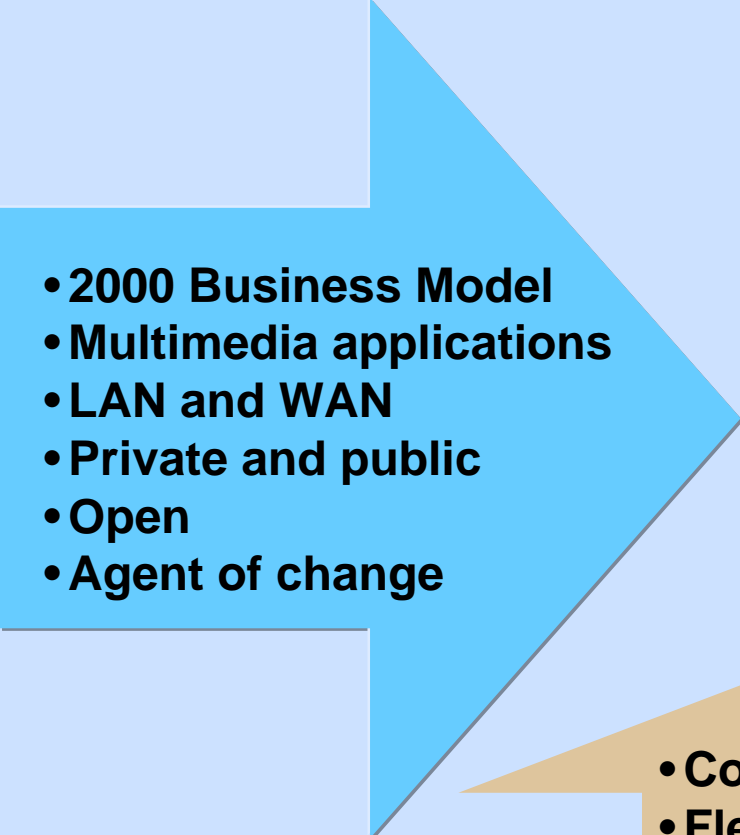
Flexible, robust Internet access

Flexible Connectivity

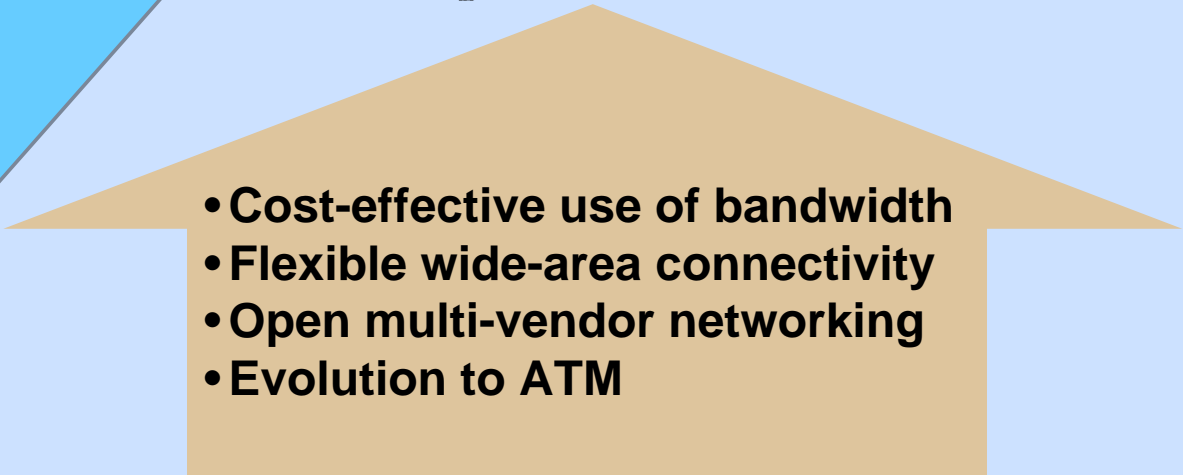


Optimized use of dedicated and public network services

Nortel Can Help You Become an Agent of Change

- 
- **2000 Business Model**
 - **Multimedia applications**
 - **LAN and WAN**
 - **Private and public**
 - **Open**
 - **Agent of change**



- 
- **Cost-effective use of bandwidth**
 - **Flexible wide-area connectivity**
 - **Open multi-vendor networking**
 - **Evolution to ATM**