

White Paper



Unmanaged and Smart Switches





Allied Telesyn – A company to trust

Allied Telesyn is one of the world's leading enterprise networking organisations. Formed in 1987, Allied Telesyn is part of the overall Allied Telesis Group, with headquarters in Tokyo, Japan.

The group's purpose is to provide high quality end-to-end networking solutions that offer organisations of all sizes a trusted source for all their current and future communication requirements. This trust has been achieved by continually serving and meeting the needs of all Allied Telesyn customers and by providing protection against the investments they have made in Allied Telesyn solutions.

Allied Telesyn statistics

- Consistently profitable since its formation in 1987.
- Revenues of over \$600 million worldwide.
- All revenue growth has been organic, except for the acquisition of Teltrend.
- Offices located in over 60 countries.
- Over 3,000 staff worldwide.
- Invests 17% of its global revenues into research and development.
- Over one million customers worldwide.
- Privately owned, responds to the requirements of its customers rather than the short term needs of Wall Street.

White Paper | Unmanaged and Smart Switches, an evolving path for the Enterprise and Small Business markets

Contents

A Evolution of Allied Telesyn unmanaged 10/100 portfolio	2
What are the analyst's saying?	2
Target markets	2
B Unmanaged Gigabit Switches	3
What are the analyst's saying?	3
Target markets	3
C Smart Switches	4
What are the analyst's saying?	4
Target markets	4
Strategy Smart Switches	4
D Overview of Allied Telesyn benefits	5
What does MTBF mean to customers?	5
Designed to guarantee safety, assuring high performance in every condition	5

A | Evolution of Allied Telesyn unmanaged 10/100 portfolio

Allied Telesyn's range of unmanaged Fast Ethernet switches has enabled Enterprise and Small Businesses (SMB) to build simple and reliable fibre and copper networks. The ease of use of Allied Telesyn 'plug and play' switches and the affordability of the solution have been a key success factor and allowed small and large customers to start redesigning their process with the use of Networking technologies.

As the Networking technology adoption increases, Allied Telesyn is seeing an evolution of the market requirements that lead to two different paths: the Gigabit to the desktop and the Smart solutions.

What do the analyst's say?

More opportunities in the SMB and SOHO markets

SMB (11 to 500 users) are only 32% networking penetrated. SOHO (11 users or less) are only 8% networking penetrated.

Source: IDC report

SMB and SOHO are expected to grow at a 19% compound annual growth rate, from \$3.7M in 2002 to \$7.5M in 2006.

Source: Cisco Systems, Dell 'Oro

Target markets

- Education
- SMB, SOHO
- Retail
- Hospitality

Even if volume is relatively stable, the unmanaged 10/100Mbps revenue is starting to evolve and to shift towards Gigabit and Smart solutions. To accelerate this technological wave some vendors force insane price reductions claiming that the cut in price itself is sufficient to justify an investment in new technology with greater performances. At Allied Telesyn the real need of the customer base is key and therefore the development of the new offering is focused on delivering tailor made solutions with the highest reliability. The reason for this is that the cost of ownership is affected by the cost of intervention rather than from the cost of the initial purchase (this is valid both for the Enterprise applications where the network is spread and for the small business where the network is simple but there is very limited networking skill within the company).

Allied Telesyn's strategy is to deliver meaningful competitive solutions with the best quality, strengthening the next generation of ease of use networking solutions:

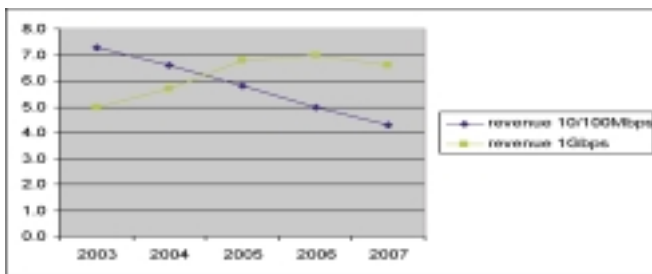
- Unmanaged Gigabit Switches
- Smart Switches

B | Unmanaged Gigabit Switches

The first opportunity to swap the current 10/100 unmanaged switch based network is for customers that base their operations on high bandwidth consumption applications (graphic agencies, CAD/CAM design centers, Healthcare institutions ...). The best choice for them is the Gigabit to the desktop solution and the price pressure on the copper solution is driving the expansion of the market. Allied Telesyn sees the Gigabit as a key market potential and is therefore able to deliver a complete suite of solutions ranging from the 5 ports to the 24 ports both with and without modular GBICS.

What do the analyst's say?

Worldwide Layer 2+3 Ethernet Switches revenue per year



(Billion):

By the end of 2004 or early 2005 the revenue generated by Gigabit switches will be more than the revenue generated by Fast Ethernet switches.

Target markets

- SOHO
- Small and Medium business, Healthcare, Government
- Education K to 12, campus networks
- Enterprise, manufacturing sites

The Allied Telesyn portfolio is designed to meet a wide customer base ranging from customers that are security aware and prefer fibre applications over copper; to the ones that are just looking forward to upgrading their network to a higher speed. The additional two GBIC slots can be used for fibre/copper backbone connections, with the flexibility of

- Different media
- Short, medium or long distance connections
- Ensured full security

C | Smart Switches

The second alternative to the 10/100 unmanaged switches is for customers to move to the Smart Switches: where Gigabit adds brutal performance the Smart switch adds intelligence. Network performances are ensured not because the network is able to forward packets faster but because it handles packets better:

The Smart switches product line is the answer for simple and basic networking scenarios where on top of the Data transmission, customers are looking forward to integrating Voice applications and are looking for resilience and redundancy.

The Smart switch can be seen as a fundamentally managed switch designed for simple network configurations.

What do the analyst's say?

Market trend

"Switch vendors are starting to include more features in their products without raising the prices, so users get more for their money and can use those features to improve their networks and add VoIP."

Source: Dell 'Oro report, Jan 15, 2004

Target markets

- Education
- SMB, SOHO
- Enterprise
- Retail
- Hospitality
- Financial institution

Strategy Smart Switches

The Allied Telesyn effort is aimed at creating a complete range of solutions that can support existing customers in the migration path from the traditional unmanaged switch to the new smart applications.

D | Overview of Allied Telesyn benefits

World Class MTBF:

The unmanaged FS700 series

Model Group	Observed MTBF
	Years
AT-FS7016	8
AT-FS7024	6
AT-FS705	1,575
AT-FS705EFC	352
AT-FS705L	822
AT-FS705LE	602
AT-FS708	399
AT-FS708LE	285
AT-FS709EFC	115
AT-FS709FC	530
AT-FS713	473
AT-FS716	462
AT-FS716E	324
AT-FS717	332
AT-FS724I	225
AT-FS909	187
AT-GS908	72
AT-GS908GB	75
AT-GS916GB	50
AT-GS924GB	42

What does MTBF mean to customers?

- High availability with minimum maintenance (consider the cost of a Network failure compared to the cost of an unmanaged/smart switch!)
- Reduce intervention (compare the cost of the switch with the cost of the intervention of a Networking engineer)


Designed to guarantee safety, assuring high performances in every condition

All Allied Telesyn 10/100 and Gigabit switches minimise radiations to ensure the working environment is safe. Being Class B (instead of Class A as many other competitors) means that the unit will work better whatever the traffic load and the environmental conditions (temperature, humidity, interferences) and that the chipset is able to ensure stable performances that will help reach the goals.

Allied Telesyn is a valuable help in a company's every day activity!

Notes





Allied Telesyn are continuing to grow their business by offering best in class solutions to customers and delivering these through high-quality sales and service professionals. Allied Telesyn welcomes the chance to discuss with you what they can offer and how they can help your organisations become more efficient and yet deliver more services to your users and customers.

Allied Telesyn business leadership has over hundreds of years of combined experience which has allowed them to invest in the right technology areas and in supporting the ongoing development of the company.

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Only nature can do better

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