



Our radios serve as a lifeline for first responders around the world, helping them stay connected during the most critical moments. Our radios - whether it's APX NEXT, TETRA, or MOTOTRBO - are designed to give our customers the confidence that their voice will be heard when they push the push-to-talk button. The foundation of this trusted technology is the purpose-built, resilient network infrastructure running behind the scenes.

In a [previous newsletter](#), we looked at the key components of a land mobile radio (LMR) network while on-site at a LMR tower. Supporting these networks is also a vital part of our LMR technology, and our Global Services organization, backed by a team of 3,600 strong, helps keep thousands of critical LMR networks running 24/7.

Understanding our Global Services Business

I joined Mark McNulty, senior vice president, Global Services, at our Network Operations Center in Schaumburg, Illinois, to discuss the growing and impactful nature of our Global Services business.



WATCH NOW

Our Global Services business generated \$2.3B in revenue in 2022 — double what it was in 2015 — and accounts for approximately one-third of our LMR technology revenue today. In addition to its significant top and bottom-line contribution, three aspects of our Global Services business make it a key enabler of our financial performance:

1 - An Important Growth Driver for our LMR Technology

The sophistication of LMR networks has increased significantly over the years as the industry incorporates more software and IP-based technology. Given the need for highly-specialized engineering expertise to maintain these networks, customers are increasingly looking to outsource maintenance and management, from break-fix and software upgrades to disaster recovery planning and complete network management. Our offerings can meet our customers' needs at all levels and are backed by our [Network Operations Centers around the world](#). We're also seeing a heightened awareness on cybersecurity among our customers, for which we've made a number of organic and inorganic investments to offer a wide range of cybersecurity services.

We estimate the 2023 target addressable market for LMR Services to be \$13B, which gives us ample opportunity for future growth.

2 - High Visibility

Our Global Services business is a major driver of our durable Software and Services (S&S) backlog, which represented \$9.5B of our \$14.3B total backlog (as of Q2 2023). This backlog is multi-year in duration which gives us the long-term visibility to effectively invest in this business. Many of our largest services contracts can have terms of up to 10 to 15 years, which also exemplifies the strong commitment customers have to LMR technology and Motorola Solutions as a long-term partner.

3 - Recurring and Predictable Revenue & Cash Flow

Another important aspect of our Global Services business is its highly recurring nature. We have consistently maintained very high customer retention rates in this business, driven by an exceptional track record of customer satisfaction and network performance.

Our typical services arrangements involve invoicing and payment terms spread consistently throughout the agreement term, giving both our customers and our business predictability. Given the criticality of LMR networks, and the long duration of these arrangements, the services business is also predictable within many budget cycles.

I hope you found the insights into this highly-impactful part of our business interesting.



Jason

[View](#) important information about forward looking statements. To learn more, visit our [Investor Relations website](#) and find [previous editions](#) of our newsletter.



In Case You Missed It - 2022 Corporate Responsibility Report

We recently released our [2022 Corporate Responsibility Report](#), which highlights the company's strong performance as a responsible corporate citizen. We are dedicated to driving meaningful change and making a positive impact in areas such as diversity, equity and inclusion, giving back to our communities and greenhouse gas emission reduction targets.

DID YOU KNOW?

Our Global Services Business serves more than **6,500 customers in 192 countries world-wide.**

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