Outsourcing Desktop Services In Europe

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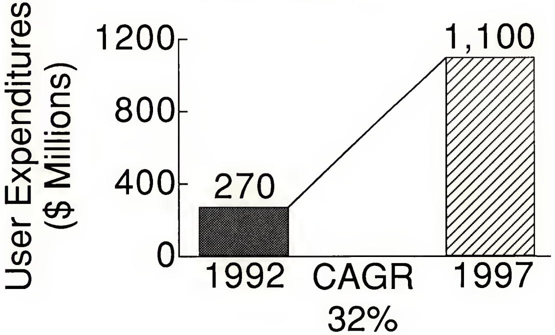
Desktop Services Market
Europe



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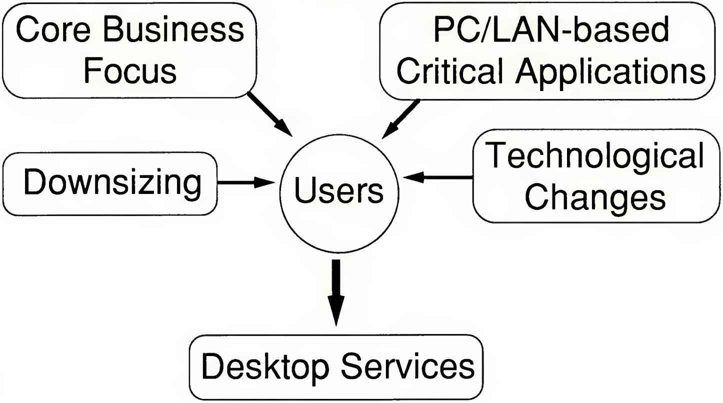
Desktop Services, Europe

Driving Forces



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Desktop Services, Europe

The Decision Process

Site of Organization	In-House Capability Level	Source of decision to outsource
Large organizations	High	Senior executives
Medium-sized organizations	Low	IS management

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Desktop Services, Europe

Major Country Markets, 1992

Country	1992 Revenues ($ Millions)
United Kingdom	120
Germany	40
France	30
Netherlands	25

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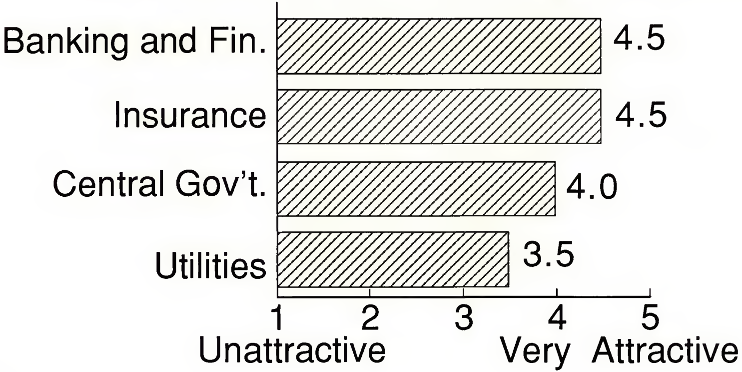
Desktop Services, Europe

Attractiveness of Industry Sectors



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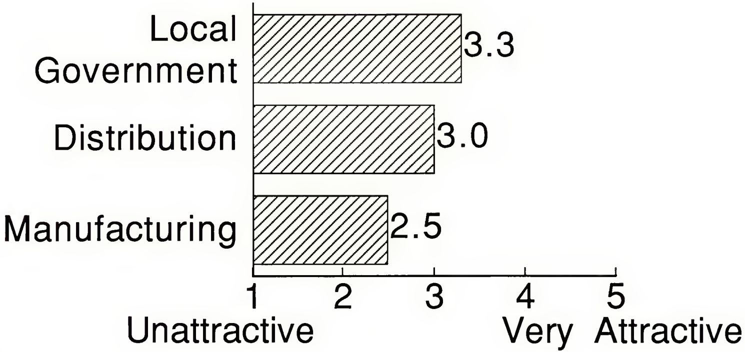
Desktop Services, Europe

Attractiveness of Industry Sectors



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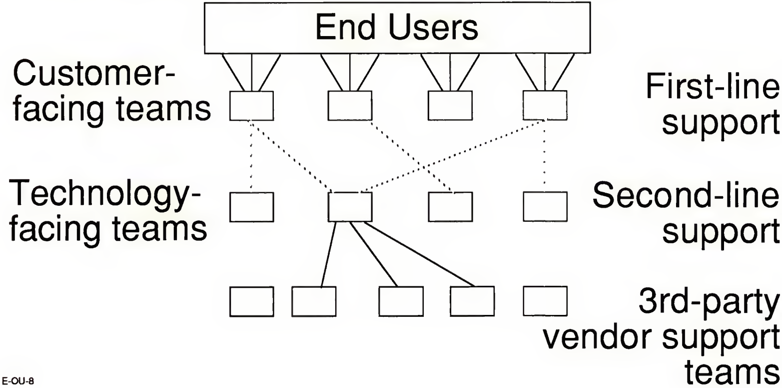
Desktop Services, Europe

Delivery of Help Desk Services



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Desktop Services, Europe

Pricing Mechanisms

- Cost of on-site support plus mark-up
- Monthly usage of remote help desk
- Volume discounts

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P&P: Service Offerings

- Contract managed support
- Dealer to Times Top 100
- Frequently take on user IS personnel
- Open relationship
- Tailored service

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Delivery Capability
P&P Corporate

Service Element	Level of Capability
Purchasing consulting	High
Equipment purchase	High
Equipment maintenance	High
LAN/equipment installation	High
LAN management	High

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Delivery Capability
P&P Corporate

Service Element	Level of Capability
Help desk services	
- Systems software	High
- Applications SW products	High
Second-line technical support	High

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P&P: Strengths and Weaknesses

Strengths	Weaknesses
• Targeting major corporations	Lack of mainframe and proprietary systems operations capability

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P&P: Strengths and Weaknesses

Strengths	Weaknesses
• Knowledge of 9,000 PC products	Lack of industry expertise
• Vendor independence	European coverage still embryonic

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Desktop Services, Europe

Service Offering: iTNet

- Led by LAN implementation
- Targeting IS management
- Mainly second-line support
- Local service only

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Desktop Services, Europe

Delivery Capability: iTNet

Service Element	Level of Capability
Purchasing consulting	Low
Equipment purchase	Low
Equipment maintenance	Medium*
LAN/equipment installation	High
LAN management	High

* = via partner

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Desktop Services, Europe

Delivery Capability: iTNet

Service Element	Level of Capability
Help desk services	
- Systems software	Medium-High
- Applications SW products	Low
Second-line technical support	Medium

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Desktop Services, Europe

Strengths and Weaknesses: iTNet

Strengths	Weaknesses
• LAN implementation expertise	Lack of support of standard applications software packages
• Systems operations customer base	Feel constrained by geographic coverage

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Strategies: Professional Services Vendors

- Only targeting desktop services as part of wider offering

- Concentrating on network implementation and management

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Desktop Services, Europe

Professional Services Vendors

Strengths	Weaknesses
• Networking capability	Lack of supply cap.
• Synergy with systems operations	Lack of depth and breadth of software product knowledge
• Access to large accts.	Lack of ambition

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Desktop Services, Europe

Dealer/Distributor Strategies

- Develop pan-European capability
- One-stop shopping
- Partnerships for proprietary capability
- Major opportunity to enter high-margin services business
- Targeting system development

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Desktop Services, Europe

Personal Computer Dealers

Strengths	Weaknesses
• Full desktop services capability	Lack of mainframe and midrange capability
• Breadth and depth of product knowledge	Pan-European capabilities still embryonic
• Vendor independence	

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Desktop Services, Europe

Key Trends

- Outsourcing ITTs increasingly request desktop services
- Desktop services also emerging as standalone service

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Desktop Services, Europe

Key Trends

- Downsizing producing substantial market growth
- Could become dominant form of infrastructure management

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Desktop Services, Europe

Vendor Challenges

- Independence of supply
- Full-service capability
- Breadth of software product support capability
- Up-to-date technical skills
- Pan-European coverage

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