

Customer Services, Europe Changing Marketplace

I. Restructuring the Market Segments for Growth

Paris

8 October 1992

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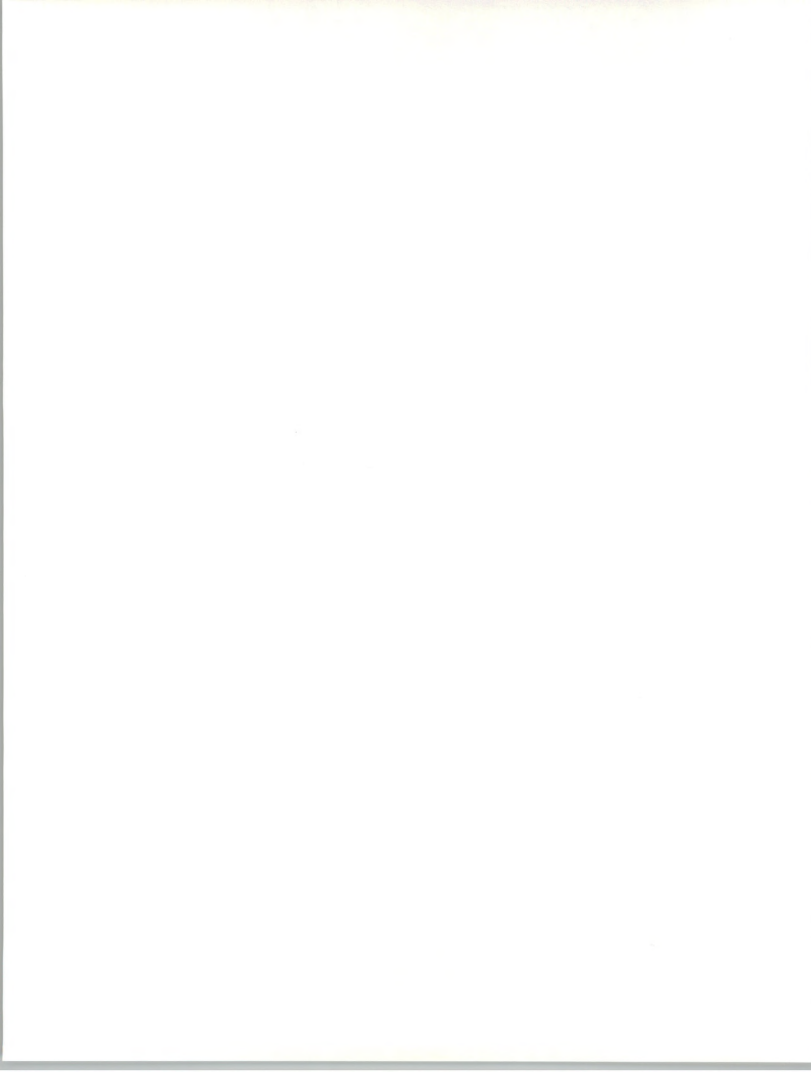
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Customer Services, Europe
Changing Marketplace

I. Restructuring the Market Segments
for Growth

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Restructuring for Growth

- Overall IT market Europe
- Customer services
 - The new perspective
- INPUT's 1992 findings
 - France
 - Europe

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Notes



Overall IT Market

Europe

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Restructuring for Growth

Key User Demands

- Effectiveness
- Cost reduction
- Value for money

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Restructuring for Growth

Improved Effectiveness from IT

- Business process re-engineering
- Simplification
- Speed of implementation
- Flexibility

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Restructuring for Growth

Seeking Cost Reduction for IT

- Downsizing
- Outsourcing
- 80% solutions

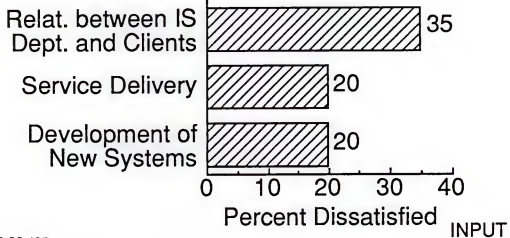
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Major Challenges for IS Departments



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European IT Market

Category	User Expenditure \$B		
	1992	CAGR (%)	1997
Systems	62	4	75
System Software	14	7	20
Equipment Services	24	3	28
All Other Services	72	11	123
Total	172	7	246

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Notes



Outsourcing Impact

Category	User Expenditure \$B		
	1992	CAGR (%)	1997
Outsourcing	7	20	17
All Other External Expenditure	165	7	228
Total	172	7	245

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the 1990s, the number of people who have been employed in the public sector has increased in all countries. The increase has been particularly large in the United States, where the public sector has grown from 10.5% of the total workforce in 1970 to 17.5% in 1995 (see Figure 1).

There are a number of reasons for the increase in public sector employment. One reason is that the public sector has become a more attractive place to work. This is due to a number of factors, including the fact that public sector jobs are often more secure than private sector jobs, and that public sector workers often receive better benefits than private sector workers. Another reason for the increase in public sector employment is that the public sector has become a more important part of the economy. This is due to the fact that the public sector has become a major provider of social services, such as education, health care, and social security.

The increase in public sector employment has had a number of effects on the economy. One effect is that it has led to a decrease in the unemployment rate. This is because the public sector has created a large number of new jobs. Another effect is that it has led to an increase in government spending. This is because the public sector has become a major part of the government's budget. Finally, the increase in public sector employment has led to a decrease in the private sector's share of the economy.

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IT User Expenditure Europe Overview

Category	\$B 1992
Systems	62
Software and Services	110
In-House Staff	66
Facilities	42
Total	280

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Notes



IT User Expenditure Europe—Historical Growth

Category	1981 (\$B)	CAGR (%)	1991 (\$B)
Systems	25	9	60
System SW	1	29	13
Equip. Servs.	6	14	23
All Other Servs.	8	23	65
Total	40	15	161

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Notes



Customer Services

The New Perspective

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Restructuring for Growth

Hardware Products Market

- Product sales
- Customer services
- Spares, media and supplies

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Notes

the user's information needs, and the user's information-seeking behaviour.

It is important to note that the user's information-seeking behaviour is not necessarily a direct result of the user's information needs. The user's information-seeking behaviour is also influenced by the user's information-seeking skills, the user's information-seeking resources, and the user's information-seeking environment.

The user's information-seeking skills are the user's ability to identify, locate, evaluate, and use information. The user's information-seeking resources are the user's access to information sources. The user's information-seeking environment is the user's access to information sources.

The user's information-seeking behaviour is also influenced by the user's information-seeking motivation. The user's information-seeking motivation is the user's desire to seek information. The user's information-seeking motivation is also influenced by the user's information-seeking needs, the user's information-seeking resources, and the user's information-seeking environment.

The user's information-seeking behaviour is also influenced by the user's information-seeking habits. The user's information-seeking habits are the user's regular patterns of information-seeking behaviour. The user's information-seeking habits are also influenced by the user's information-seeking needs, the user's information-seeking resources, and the user's information-seeking environment.

The user's information-seeking behaviour is also influenced by the user's information-seeking attitudes. The user's information-seeking attitudes are the user's beliefs and feelings about information-seeking. The user's information-seeking attitudes are also influenced by the user's information-seeking needs, the user's information-seeking resources, and the user's information-seeking environment.

The user's information-seeking behaviour is also influenced by the user's information-seeking personality. The user's information-seeking personality is the user's individual characteristics that influence information-seeking behaviour. The user's information-seeking personality is also influenced by the user's information-seeking needs, the user's information-seeking resources, and the user's information-seeking environment.

The user's information-seeking behaviour is also influenced by the user's information-seeking social norms. The user's information-seeking social norms are the user's beliefs and feelings about information-seeking that are shared by a group of people. The user's information-seeking social norms are also influenced by the user's information-seeking needs, the user's information-seeking resources, and the user's information-seeking environment.

The user's information-seeking behaviour is also influenced by the user's information-seeking culture. The user's information-seeking culture is the user's beliefs and feelings about information-seeking that are shared by a community.

The user's information-seeking behaviour is also influenced by the user's information-seeking technology. The user's information-seeking technology is the user's use of information-seeking tools and techniques. The user's information-seeking technology is also influenced by the user's information-seeking needs, the user's information-seeking resources, and the user's information-seeking environment.

The user's information-seeking behaviour is also influenced by the user's information-seeking education. The user's information-seeking education is the user's formal education in information-seeking. The user's information-seeking education is also influenced by the user's information-seeking needs, the user's information-seeking resources, and the user's information-seeking environment.

The user's information-seeking behaviour is also influenced by the user's information-seeking experience. The user's information-seeking experience is the user's past information-seeking activities. The user's information-seeking experience is also influenced by the user's information-seeking needs, the user's information-seeking resources, and the user's information-seeking environment.

The user's information-seeking behaviour is also influenced by the user's information-seeking knowledge. The user's information-seeking knowledge is the user's understanding of information-seeking. The user's information-seeking knowledge is also influenced by the user's information-seeking needs, the user's information-seeking resources, and the user's information-seeking environment.

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Restructuring for Growth

Customer Services—I

- Hardware maintenance
- System software support
- Professional services
- Education and training

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Notes



Restructuring for Growth

Customer Services—IIA

- Equipment services
 - Hardware maintenance
 - Environmental services
- Unique sectors

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Notes



Restructuring for Growth

Customer Services—IIB

- System software support
- Education and training
- (Other) professional services
- Business continuity services
- Not unique

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Notes



Restructuring for Growth

Presentation of Market Analyses

- Unique
- Non-unique
- All other services
- No software products

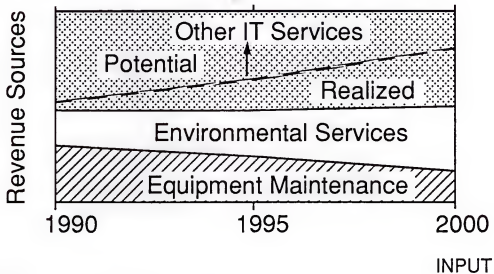
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IT Customer Services



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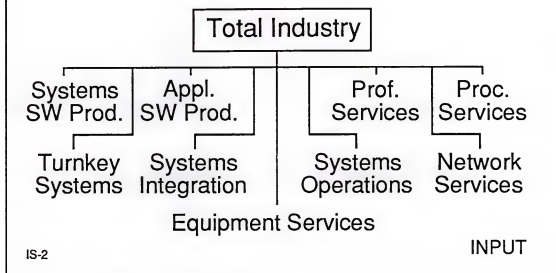
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The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. The second part of the document provides a detailed breakdown of the company's revenue and expenses for the period. It includes a table showing the following data:

Category	Amount
Revenue	\$1,200,000
Cost of Goods Sold	\$750,000
Gross Profit	\$450,000
Operating Expenses	\$300,000
Operating Income	\$150,000
Interest Expense	\$20,000
Income Before Taxes	\$130,000
Tax Expense	\$30,000
Net Income	\$100,000

The final part of the document concludes with a summary of the company's financial performance and a recommendation for future actions. It suggests that the company should continue to focus on cost reduction and revenue growth to improve its profitability.

Information Services Industry Structure



Notes

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Hardware Maintenance

- Includes
 - Contract
 - Ad hoc
 - Warranty
- On-site or workshop repair
- Excludes 4th party

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Notes



Hardware Maintenance Model

- 4 layers
 - Mainframe
 - Mid-range
 - Workstation and server
 - PC
- Volume and value attrition
- Fee rates

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Notes

Environmental Services

- Affect “environment”
- Computer room
- Cabling
- Power, air conditioning, etc.
- Network
- Buildings

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Notes



System Software Support

- Retained definition
 - Limits of system software
- Contract and ad-hoc
- Associated activities
 - Problem analysis
 - Software diagnostics

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Notes



Education and Training

- Platform or network
- Operations
- User service
- Equipment suppliers

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Notes



Professional Services

- Consultancy
- Network administration
- System software evaluation
- Problems management
- Project management
- Configuration/capacity planning

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Notes



Business Continuity Services

- Contingency planning
- Disaster recovery
- Back-up for media
- Restart services

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Notes

Revenue Streams

- Customer services
 - Equipment vendors
 - Independent maintenance
 - Resellers/VARs
- Independent software and services vendors
- Non-industry vendors

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Notes



Non-Available Market

- Bundled
- User self-service
- Own trends

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Notes



1992 Findings

Europe

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Notes



Growth Over 1991

- 3% overall
- Ranging from -4% to +17% by sector
- Business continuity best
- Education and training worst

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Notes

Growth 1992 to 1997—I

Category	\$ Billion		
	1992	1997	CAGR (%)
Hardware Maintenance	15.9	17.4	2
Environmental Services	7.9	10.2	5

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Notes



Growth 1992 to 1997—II

Category	\$ Billion		
	1992	1997	CAGR (%)
System SW Support	1.9	2.8	8
Educ. and Training	1.3	1.6	4
Professional Servs.	0.8	1.4	11
Business Continuity	0.4	0.9	20

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Notes



Growth 1992 to 1997—III

Category	\$ Billion		
	1992	1997	CAGR (%)
Unique Services	23.8	27.6	3
Non-Unique Services	4.4	6.6	8
Total	28.1	34.3	4
Other Services	4.4	7.1	10

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Notes



1992 Findings

France

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Notes

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial data. This includes not only sales and purchases but also expenses and income. The document provides a detailed explanation of how to categorize these transactions and how to use a double-entry system to ensure that the books balance.

The second part of the document focuses on the process of reconciling the accounts. It explains how to compare the company's records with the bank statements and how to identify and resolve any discrepancies. This process is crucial for ensuring that the financial statements are accurate and reliable. The document also discusses the importance of regular reconciliations and how to handle any errors that may occur.

The third part of the document covers the preparation of financial statements. It explains how to calculate the net income, the cost of goods sold, and the gross profit. It also discusses how to prepare the balance sheet and the statement of equity. The document provides a step-by-step guide to the calculation of each of these figures and explains how they are used to assess the company's financial performance.

The fourth part of the document discusses the importance of budgeting and forecasting. It explains how to create a budget for the company and how to use it to track performance over time. It also discusses how to forecast future sales and expenses and how to use this information to make strategic decisions. The document provides a detailed explanation of how to create a budget and how to use it to manage the company's finances.

The fifth part of the document covers the topic of taxes. It explains how to calculate the company's tax liability and how to file the tax returns. It also discusses the importance of keeping accurate records of all tax-related transactions and how to use this information to minimize the company's tax liability. The document provides a detailed explanation of the tax laws that apply to the company and how to use them to its advantage.

The sixth part of the document discusses the importance of financial analysis. It explains how to use the financial statements to assess the company's financial performance and to identify areas for improvement. It also discusses how to use financial ratios to compare the company's performance to that of its competitors and to industry averages. The document provides a detailed explanation of the various financial ratios and how to use them to make informed decisions.

The seventh part of the document covers the topic of financial reporting. It explains how to prepare the financial statements and how to present them in a clear and concise manner. It also discusses the importance of providing accurate and timely financial information to the company's stakeholders and how to use this information to make strategic decisions. The document provides a detailed explanation of the various financial reporting requirements and how to use them to ensure compliance.

The eighth part of the document discusses the importance of financial planning. It explains how to use the financial statements to create a financial plan for the company and how to use this plan to manage the company's finances. It also discusses how to use financial forecasting to identify potential risks and opportunities and how to use this information to make strategic decisions. The document provides a detailed explanation of the various financial planning techniques and how to use them to ensure the company's long-term success.

The ninth part of the document covers the topic of financial control. It explains how to use the financial statements to monitor the company's financial performance and to identify areas for improvement. It also discusses how to use financial ratios to compare the company's performance to that of its competitors and to industry averages. The document provides a detailed explanation of the various financial control techniques and how to use them to ensure the company's financial stability.

The tenth part of the document discusses the importance of financial management. It explains how to use the financial statements to make strategic decisions and how to use financial forecasting to identify potential risks and opportunities. It also discusses how to use financial ratios to compare the company's performance to that of its competitors and to industry averages. The document provides a detailed explanation of the various financial management techniques and how to use them to ensure the company's long-term success.

Growth Over 1991

- 2% overall
- Ranging from -6% to +16% by sector
- Business continuity best
- Education and training worst

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Notes



Growth 1992 to 1997—I

Category	FF Billion		
	1992	1997	CAGR (%)
Hardware Maintenance	14.5	15.3	1
Environmental Services	6.6	8.4	5

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Notes

The first part of the paper discusses the importance of the research and the objectives of the study. It then proceeds to a literature review, followed by a description of the methodology used. The results of the study are presented in the next section, followed by a discussion and conclusions.

The research was conducted in a laboratory setting, using a sample of 100 participants. The data was analyzed using statistical methods, and the results are presented in the following table.

Variable	Mean	Standard Deviation
Variable 1	1.2	0.3
Variable 2	1.5	0.4
Variable 3	1.8	0.5
Variable 4	2.1	0.6
Variable 5	2.4	0.7

The results show a clear trend of increasing values across the variables. This suggests that the factors being studied have a significant impact on the outcome.

In conclusion, the study has shown that the variables investigated are highly correlated with the outcome. Further research is needed to explore the underlying mechanisms.

Growth 1992 to 1997—II

Category	FF Billion		
	1992	1997	CAGR (%)
System SW Support	1.1	1.3	4
Educ. and Training	1.2	1.5	4
Professional Servs.	0.8	1.3	11
Business Continuity	0.3	0.8	18

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Notes



Growth 1992 to 1997—III

Category	FF Billion		
	1992	1997	CAGR (%)
Unique Services	21.1	23.7	2
Non-Unique Servs.	3.4	4.9	8
Total	24.5	28.6	3
Other Services	3.5	5.4	9

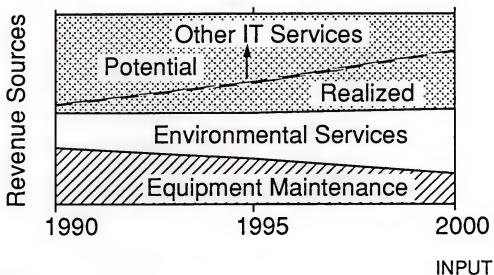
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Notes



IT Customer Services



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Notes



Multivendor Maintenance

France and Europe

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Notes



Multivendor Maintenance—France and Europe

Open Systems

- From threat to reality
- Three-year transition
- Services strategy

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Notes



Multivendor Maintenance—France and Europe

Redefinition of Multivendor

- TPM → Independent maintenance
- IM absorbed entirely
- Participants
 - IMOs
 - Equipment/system vendors
 - Dealers/distributors/VARs

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Multivendor Maintenance—France and Europe

Strategy Development

- Reorient perspective
- Transition opportunities
- Strategic options, e.g.
 - Prime contractor
 - Services vendor
 - Subcontract/FPM

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Definition

- Restated as
 - Hardware suppliers' multivendor
 - All independent maintainers'
- Multiservice contract with majority hardware maintenance

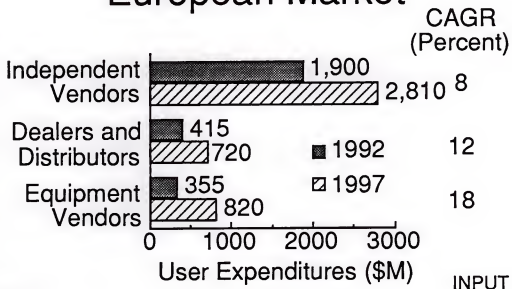
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Notes



European Market



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Notes



Multivendor Maintenance—France and Europe
Country Markets—I

Country	\$ Millions		
	1992	1997	CAGR (%)
France	500	680	6
Germany	270	460	11
U.K.	830	1,200	8
Italy	240	390	10

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Notes

The first part of the paper discusses the importance of the research and the objectives of the study. It then proceeds to a literature review, followed by a description of the methodology used. The results of the study are presented in the next section, and the final section discusses the conclusions and implications of the findings.

The research was conducted in a laboratory setting, and the data collected was analyzed using statistical methods. The results show that there is a significant difference between the two groups, and this difference is attributed to the intervention.

The findings of this study have important implications for practice and policy. They suggest that the intervention is effective in improving the outcomes of interest, and this information can be used to inform decision-making.

In conclusion, the study has provided valuable insights into the effectiveness of the intervention. Further research is needed to explore the long-term effects and to identify the mechanisms of action.

Multivendor Maintenance—France and Europe

Country Markets—II

Country	\$ Millions		
	1992	1997	CAGR (%)
Sweden	80	105	6
Netherlands	180	320	12
Belgium	90	145	12
Rest	490	1,050	16

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Multivendor Maintenance—France and Europe

1991 Top Suppliers—I

	Share
Granada	10
Olivetti	9
Thomainfor	8
Digital	4
Sorbus	4

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Multivendor Maintenance—France and Europe

1991 Top Suppliers—I

	Share
Getronics	4
Nexor/Telub	2
ACT Support	2
NCR	1
Computeraid	1

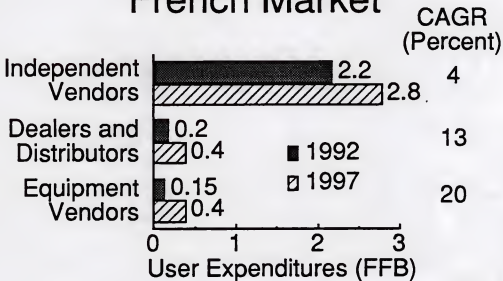
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Notes



French Market



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Notes



Independent Suppliers 1991—France

Vendor	Share (%)
Thomainfor	40
TASQ	7
Granada	6
Sorbus	4
ITI	3

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Notes



Leading Equipment Suppliers 1991—France

Vendor	Share (%)
Olivetti	6
Digital	2
NCR	1
Bull	1
H-P	<1

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Notes



Trends 1992—France

- IMOs diversify to networking
- Downsizing
- Dealers weaken
- Partnering

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Notes



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