

Information Services Industry
European Market Trends in
Software and Services

Tidal Wave of Change

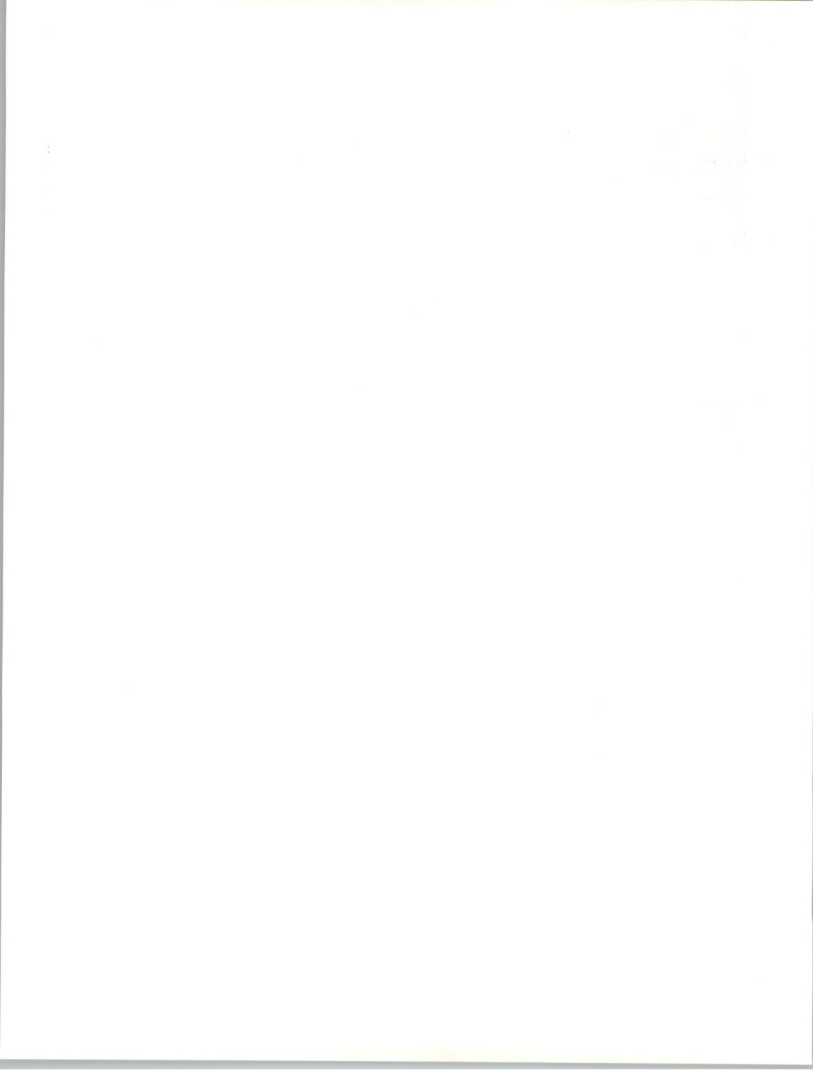
London

9 September 1992

Piccadilly House, 33/37 Regent Street, London SW1Y 4NF, England
24, avenue du Recteur Poincaré, 75016 Paris, France
Sudetenstrasse 9, W-6306 Langgöns-Niederkleen, Germany

INPUT*

Tel. (071) 493-9335
Tel. (1) 46 47 65 65
Tel. 0 6447-7229







Researched by
INPUT
Piccadilly House
33/37 Regent Street
London SW1Y 4NF
United Kingdom

Published by
INPUT
1280 Villa Street
Mountain View, CA 94041-1194

Information Services Programme—Europe
(IEMAP)

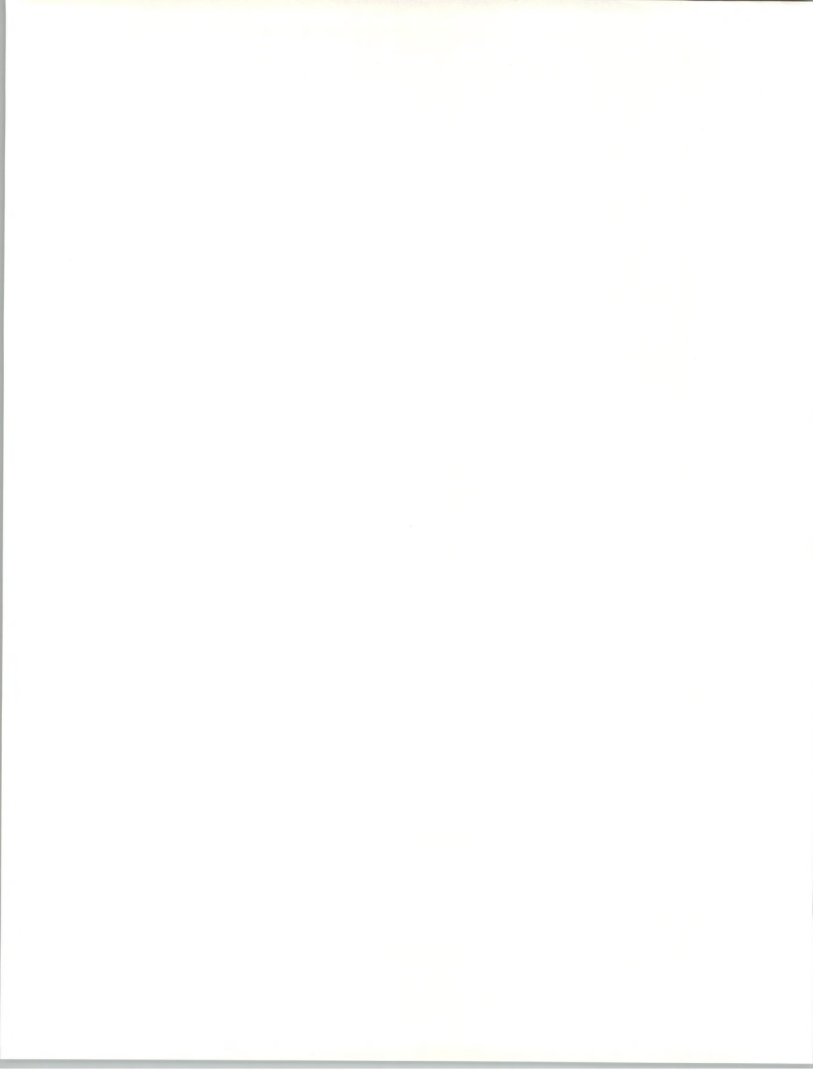
***Information Services Industry European
Market Trends In Software and Services—
Tidal Wave of Change***

Copyright © 1992 by INPUT. All rights reserved.
Printed in the United States of America.

No part of this publication may be reproduced or distributed in any form, or by any means, or stored in a database or retrieval system, without the prior written permission of the publisher.

The information provided in this report is proprietary to INPUT. The client agrees to hold as confidential all such information, and control access to the information to prevent unauthorised disclosure. The information shall be used only by the employees of and within the current corporate structure of the client, and will not be disclosed to any other organisation or person including parent, subsidiary, or affiliated organisation without prior written consent of INPUT.

INPUT exercises its best efforts in preparation of the information provided in this report and believes the information contained herein to be accurate. However, INPUT shall have no liability for any loss or expense that may result from incompleteness or inaccuracy of the information provided.



Peter Lines

Vice President
INPUT

E-MS-11

Notes

8/28/92

© 1992 by INPUT. Reproduction Prohibited.

INPUT



Roger Fulton

Consultant INPUT

E-MS-12

Notes

8/28/92

© 1992 by INPUT. Reproduction Prohibited.

INPUT



Europe

Software and Services

Workshop Agenda

- New end-user demands
- Fierce competitive pressure
- Lower market forecasts
- Challenge to professional services

E-MS-10

INPUT

Notes



Software and Services, Europe

Key Industry Trends

- Projects downsized
- Outsourcing satisfies
- Price pressure on services
- Pan-European support
- Desktop entrants

E-IS-17

INPUT

Notes

Library

1234 Main Street
City, State, Zip

Phone: (555) 123-4567

Hours: Mon-Fri 9am-5pm

Sat 10am-4pm

Sun 12pm-4pm

For more information, visit our website at www.library.org

Thank you for your support!

Director

1234 Main Street

City, State, Zip

Phone: (555) 123-4567

Hours: Mon-Fri 9am-5pm

Sat 10am-4pm

Sun 12pm-4pm

Europe

Software and Services

Key user demands

- Value for money
- Cost reduction
- Effectiveness

E-IS-43

INPUT

Notes



Europe

Software and Services

Getting value for money from IT

- User ownership
- Benefits to business
- Productivity improvement
- Essential to infrastructure

E-IS-44

INPUT

Notes



Europe

Software and Services

Seeking cost reduction for IT

- Downsizing
- Outsourcing
- 80% solutions

E-IS-45

INPUT

Notes



Europe

Software and Services

Improving effectiveness from IT

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

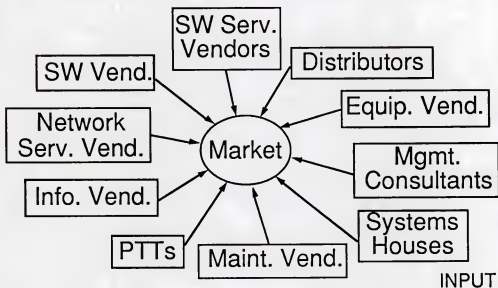
E-IS-46

INPUT

Notes



Increasing Competition



E-IS-30

Notes

5/11/92

© 1992 by INPUT. Reproduction Prohibited.

INPUT



Software and Services—Europe, 1991

Changing Market Shares

| Vendor's Business | (Percent) | |
|------------------------|-----------|------|
| | 1981 | 1991 |
| Professional Services | 18 | 38 |
| Management Consultancy | 3 | 7 |
| Software Products | 9 | 13 |
| Processing/Networks | 31 | 3 |

E-IS-47

INPUT

Notes



Software and Services—Europe, 1991

Changing Market Shares

| Vendor's Business | (Percent) | |
|--------------------|-----------|------|
| | 1981 | 1991 |
| Equipment Vendor | 39 | 35 |
| Maintenance | 0 | 2 |
| Distribution | 0 | 1 |
| Telecommunications | 0 | 1 |

E-IS-48

INPUT

Notes



Software and Services—Europe, 1991

Leading Vendors

| Vendor | 1991 \$B | Rank | |
|---------|-------------|------|------|
| | | 1991 | 1990 |
| IBM | 6.2 | 1 | 1 |
| CGS | 1.7 | 2 | 3 |
| SNI | 1.6 | 3 | 2 |
| Digital | 1.6 | 4 | 5 |

E-IS-21

INPUT

Notes



Software and Services—Europe, 1991

Leading Vendors

| Vendor | 1991 \$B | Rank | |
|---------------------|-------------|------|------|
| | | 1991 | 1990 |
| Reuters | 1.5 | 5 | 4 |
| Microsoft | 1.0 | 6 | 9 |
| Groupe Bull | 0.9 | 7 | 6 |
| Andersen Consulting | 0.9 | 8 | 8 |

E-IS-22

INPUT

Notes



Software and Services—Europe, 1991

Leading Vendors

| Vendor | 1991 \$B | Rank | |
|----------|-------------|------|------|
| | | 1991 | 1990 |
| Finsiel | 0.9* | 9 | 11 |
| ICL | 0.9* | 10 | 16 |
| Olivetti | 0.8* | 11 | 13 |
| EDS | 0.7 | 12 | 30 |

E-IS-23

*Restated in 1991.

INPUT

Notes



Software and Services—Europe, 1991

Leading Vendors

| Vendor | 1991 \$B | Rank | |
|-----------------|-------------|------|------|
| | | 1991 | 1990 |
| Sema Group | 0.7 | 13 | 10 |
| Unisys | 0.7 | 14 | 7 |
| Computer Assoc. | 0.6 | 15 | 12 |
| Sligos | 0.5 | 16 | 15 |

INPUT

E-IS-24

Notes

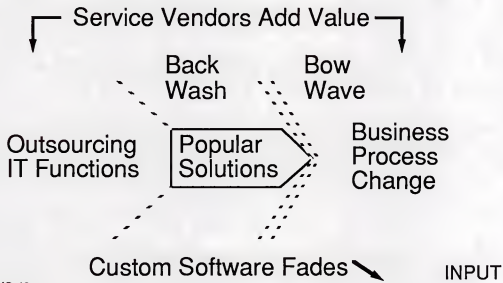
8/28/92

© 1992 by INPUT. Reproduction Prohibited.

INPUT



The Tidal Wave of Change



E-IS-49

Notes

8/28/92

© 1992 by INPUT. Reproduction Prohibited.

INPUT



Vendor-Added Value

- Applications Management
- Systems Management
- Solution Engineering
- Systems Technology

E-IS-19

INPUT

Notes

5/11/92

© 1992 by INPUT. Reproduction Prohibited.

INPUT



Product and Service Trends

Transition Management *Applications Maintenance* *Applications Management*

Sys. Integ. Sys. Oper.

Applications
Software

Turnkey
Systems

Processing
Services

Systems
Software

Professional
Services

Network
Services

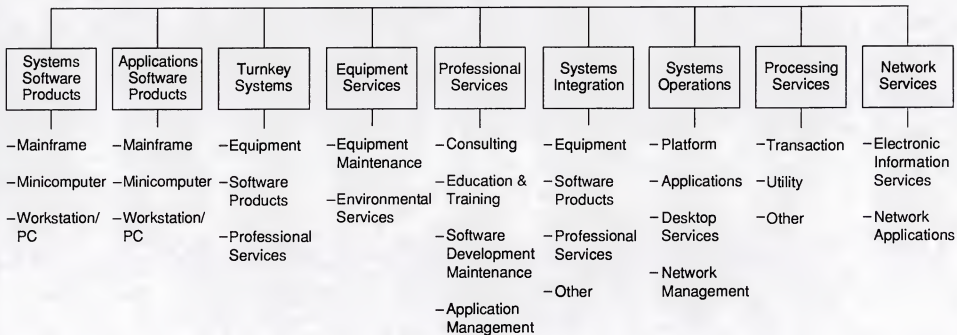
INPUT

E-IS-20

Notes



Information Services Industry Structure

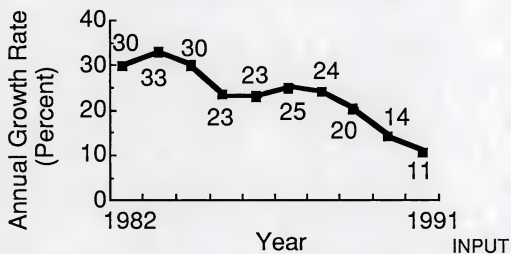


Source: INPUT



Software and Services, Europe

Average Growth in Spending



E-IS-50

Notes



Europe

Delivery Mode Issues

- Turnkey systems—Impacted by downsizing and open systems margins
- Applications software products—Smaller systems dominate
- Systems software products—Prices under pressure

E-IS-25

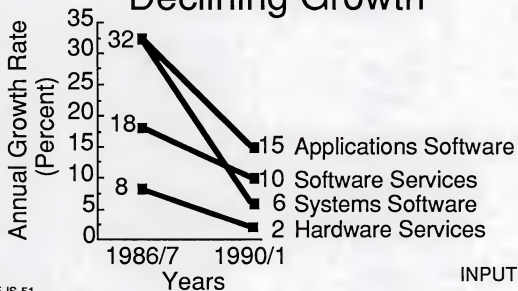
INPUT

Notes



Software and Services, Europe

Declining Growth



E-IS-51

Notes



Europe

Delivery Mode Issues

- Network services—High-growth opportunities
- Systems operations—Renewed satisfaction, desktop entrants
- Systems integration—Project downsizing for fast payback

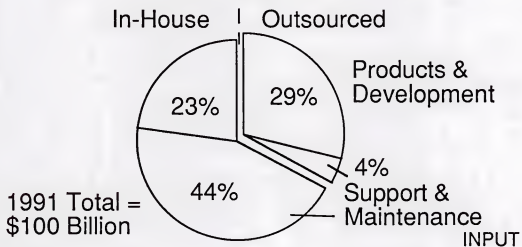
INPUT

E-IS-27

Notes



European User Software Budgets



E-IS-28

Notes

5/11/92

© 1992 by INPUT. Reproduction Prohibited.

INPUT



Europe

Delivery Mode Issues

- Professional services—
Competition up, growth down
- Processing services—Specialized
applications drive development
- Equipment services—Multivendor
and environmental services grow

E-IS-29

INPUT

Notes



Software and Services Forecast, 1992-1997 Europe

11% CAGR
... and falling

E-IS-31

INPUT

Notes

8/28/92

© 1992 by INPUT. Reproduction Prohibited.

INPUT



About INPUT

INPUT is a worldwide consulting and market research firm uniquely focused on the information technology services and software markets. Executives in many technically advanced companies in Europe, North America, and Japan, rely on INPUT for data, objective analysis, and insightful opinions to support their business plans, market assessments, and technology directions. By leveraging INPUT's considerable knowledge and expertise, clients make informed decisions more quickly, and benefit by saving on the cost of internal research.

Since 1974, INPUT has compiled the most extensive research base available on the worldwide information services market and its key segments, providing detailed market forecasts, vertical industry sector analysis and forecasts and analysis of vendor strategies and products. INPUT delivers specific expertise in the fast changing areas of outsourcing, systems integration, EDI/electronic commerce, software development/CASE, and the impact of downsizing.

Consulting services are provided by more than 50 professionals in major international business centers. Clients retain INPUT for custom consulting/proprietary research, subscription-based continuous advisory programs, merger/acquisition analysis and user satisfaction surveys.

Most clients have retained INPUT continuously for a number of years, providing testimony to INPUT's consistent delivery of high-value solutions to complex business problems. To find out how your company can leverage INPUT's market knowledge and experience to gain a competitive edge, call us today.

INPUT OFFICES

North America

San Francisco

1280 Villa Street
Mountain View, CA 94041-1194
Tel. (415) 961-3300 Fax (415) 961-3966

New York

Atrium at Glenpointe
400 Frank W. Burr Blvd.
Teaneck, NJ 07666
Tel. (201) 801-0050 Fax (201) 801-0441

Washington, D.C. - INPUT, INC.

1953 Gallows Road, Suite 560
Vienna, VA 22182
Tel. (703) 847-6870 Fax (703) 847-6872

International

London - INPUT LTD.

Piccadilly House
33/37 Regent Street
London SW1Y 4NF, England
Tel. (071) 493-9335 Fax (071) 629-0179

Paris - INPUT SARL

24, avenue du Recteur Poincaré
75016 Paris, France
Tel. (33-1) 46 47 65 65 Fax (33-1) 46 47 69 50

Frankfurt - INPUT LTD.

Sudetenstrasse 9
W-6306 Langgöns-Niederkleen, Germany
Tel. (0) 6447-7229 Fax (0) 6447-7327

Tokyo - INPUT KK

Saida Building, 4-6
Kanda Sakuma-cho, Chiyoda-ku
Tokyo 101, Japan
Tel. (03) 3864-0531 Fax (03) 3864-4114

