

Customer Services, Europe  
Changing Marketplace

Stuttgart

1 December 1992

**INPUT<sup>®</sup>**

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U.K.—17 Hill Street, London W1X 7FB, U.K.

France—24, avenue du Recteur Poincaré, 75016 Paris, France

Germany—Sudetenstrasse 9, W-6306 Langgöns-Niederkleen, Germany

+44 71 493 9335

+33 1 46 47 65 65

+49 6447 7229



Researched by  
INPUT  
17 Hill Street  
London W18 7FB  
United Kingdom

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***Customer Services, Europe***  
***Changing Marketplace***

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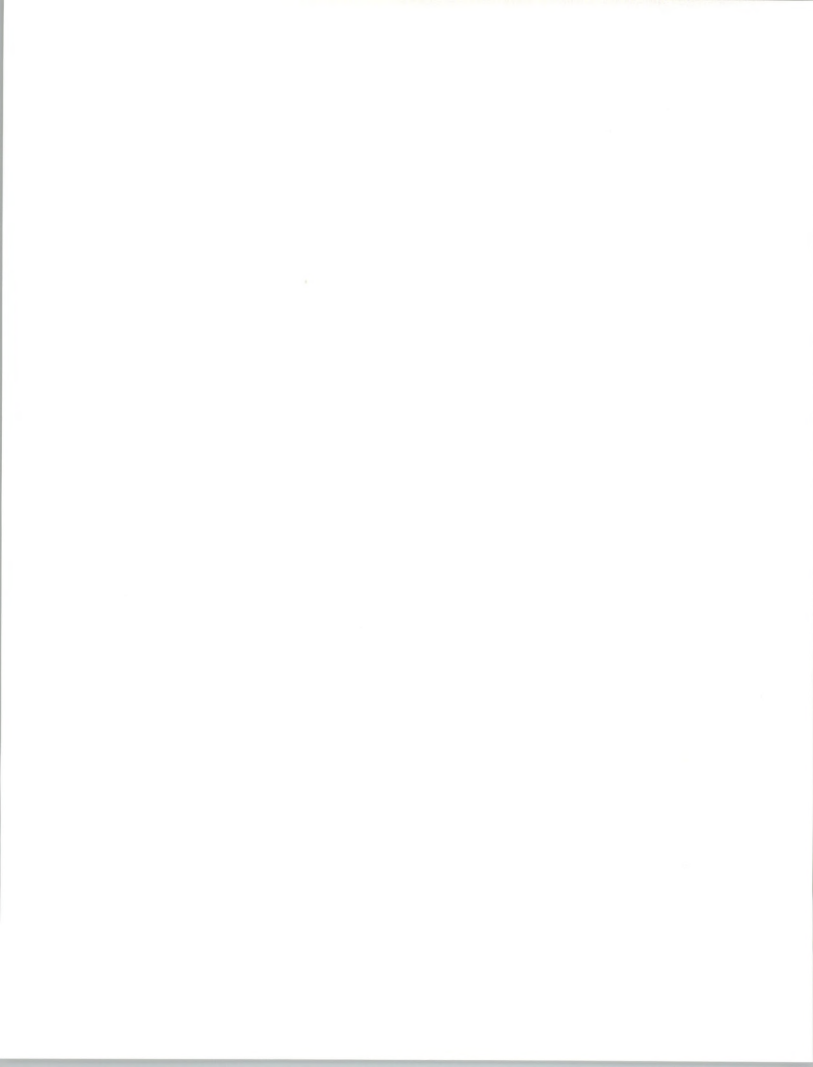
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# **Customer Services, Europe Changing Marketplace**

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Michael Longy  
Principal Consultant



## Restructuring for Growth

- Overall IT market Europe
- Customer services
  - The new perspective
- Germany and German-speaking countries
- Multivendor service
- Services strategies

E-CS-130

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Notes





Restructuring for Growth

## Key User Demands

- Effectiveness
- Cost reduction
- Value for money

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Notes



Restructuring for Growth

## Improved Effectiveness from IT

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

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Notes



Restructuring for Growth

## Seeking Cost Reduction for IT

- Downsizing
- Outsourcing
- 80% solutions

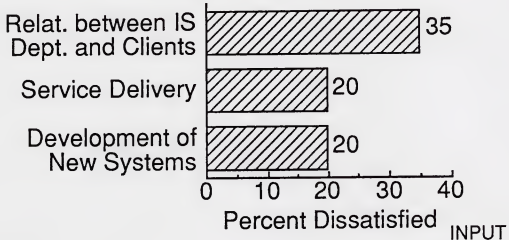
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## Major Challenges for IS Departments



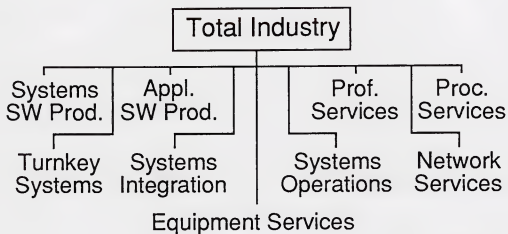
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# Information Services Industry Structure



IS-2

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## Restructuring for Growth

### Customer Services—I

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

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Restructuring for Growth

## Presentation of Market Analyses

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

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Notes



Restructuring for Growth

## Hardware Products Market

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

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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



## 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—1

Category	\$ Billion		
	1992	1997	CAGR (%)
Hardware	15.9	17.4	2
Maintenance			
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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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 text suggests that a systematic approach to record-keeping is essential for identifying trends and making informed decisions.

Next, the document addresses the issue of budgeting. It states that a well-defined budget is crucial for controlling costs and maximizing resources. The author provides a step-by-step guide to creating a budget, starting with identifying all sources of income and then listing all expenses. The goal is to ensure that income exceeds expenses, leaving room for savings and investment.

The third section focuses on the importance of regular financial reviews. It argues that periodic assessments of the financial situation are necessary to catch any discrepancies or errors early on. This involves comparing actual performance against the budget and adjusting as needed. The text also highlights the value of consulting with a professional advisor for complex financial matters.

Finally, the document concludes with a strong emphasis on transparency and accountability. It encourages individuals to be open about their financial status and to take responsibility for their choices. By following these principles, one can achieve long-term financial stability and success.

## 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

the 1990s, the number of people in the world who are illiterate has increased from 1.1 billion to 1.2 billion (UNESCO 2003).

There are a number of reasons for this increase. First, the population of the world has increased from 5 billion in 1987 to 6 billion in 2003. Second, the number of people who are illiterate has increased in all regions of the world. Third, the number of people who are illiterate has increased in all age groups. Fourth, the number of people who are illiterate has increased in all countries. Fifth, the number of people who are illiterate has increased in all languages.

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## Hardware Maintenance

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

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## Hardware Maintenance Model

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

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## Environmental Services

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

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## System Software Support

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

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## Education and Training

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

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## Professional Services

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

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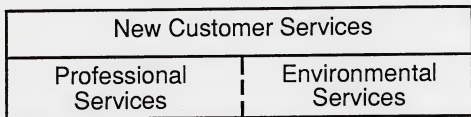
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# Market Segmentation



- Consultancy
  - Design
  - Project mgmt.
- ↓
- 
- Computer room
  - Cabling
  - Power
  - Installation
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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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## Non-Available Market

- Bundled
- User self-service
- Own trends

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Notes





# Multivendor Maintenance Market Europe

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Notes



Multivendor Maintenance

## Redefinition of Multivendor

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

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Notes



## Definition

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

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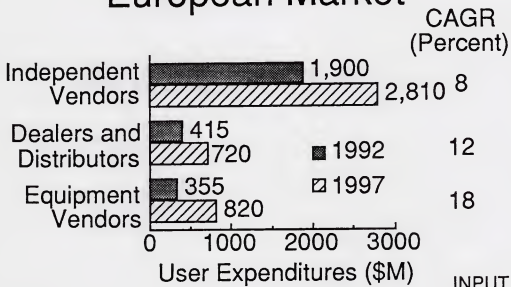
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# European Market



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Notes

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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



Multivendor Maintenance—Europe

## Country Markets—II

Country	1992 (\$M)	1997 (\$M)	CAGR (%)
Sweden	80	105	6
Netherlands	180	320	12
Belgium	90	145	12
Spain	190	505	22

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Multivendor Maintenance—Europe

## Country Markets—III

Country	1992 (\$M)	1997 (\$M)	CAGR (%)
Denmark	22	35	10
Norway	26	43	10
Finland	23	34	8
Austria	24	44	13

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Multivendor Maintenance—Europe

## Country Markets—IV

Country	1992 (\$M)	1997 (\$M)	CAGR (%)
Switzerland	55	81	8
Portugal	8	22	23
Greece	8	20	19
Ireland	8	14	10
E. Europe	120	250	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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Multivendor Maintenance

## Open Systems

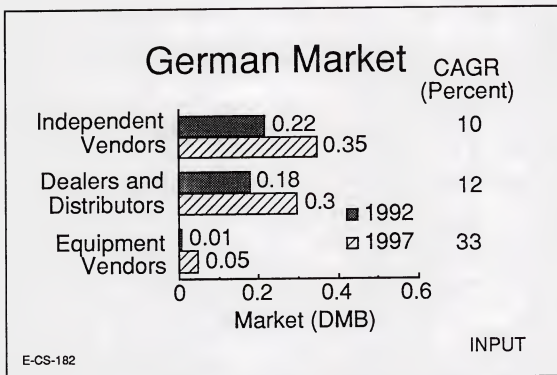
- From threat to reality
- Three-year transition
- Services strategy

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## Trends 1992—Germany

- IMO's diversify to networking
- Downsizing
- Dealers strengthen
- Partnering

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## Independent Suppliers 1991—Germany

Vendor	Share (%)
Sorbus	9
Granada	8
Thomainfor	5
Telub Bitronic	4
Areatech	2

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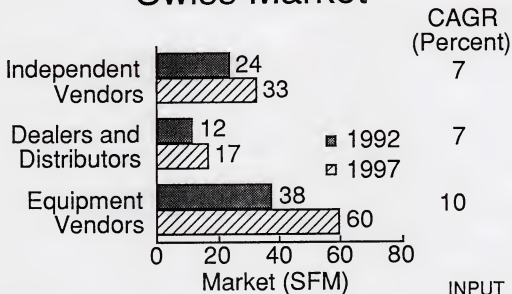
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# Swiss Market



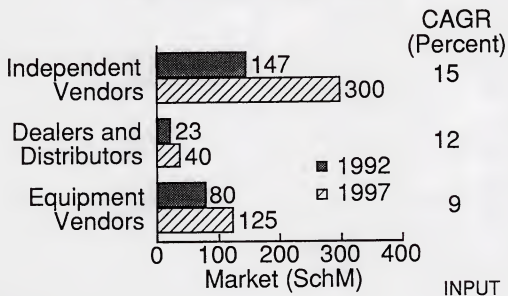
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# Austrian Market



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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

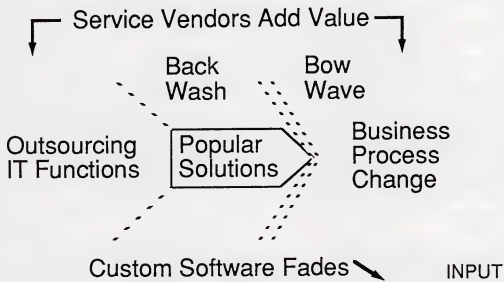
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# The Tidal Wave of Change



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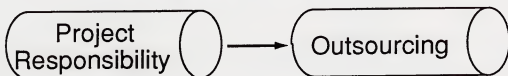
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# Information Systems Market Scenario



Service Products

Products

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

##### Washington, D.C.

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

#### International

##### London - INPUT LTD.

17 Hill Street  
London, W1X 7FB, England  
Tel. +71 493-9335 Fax +71 629-0179

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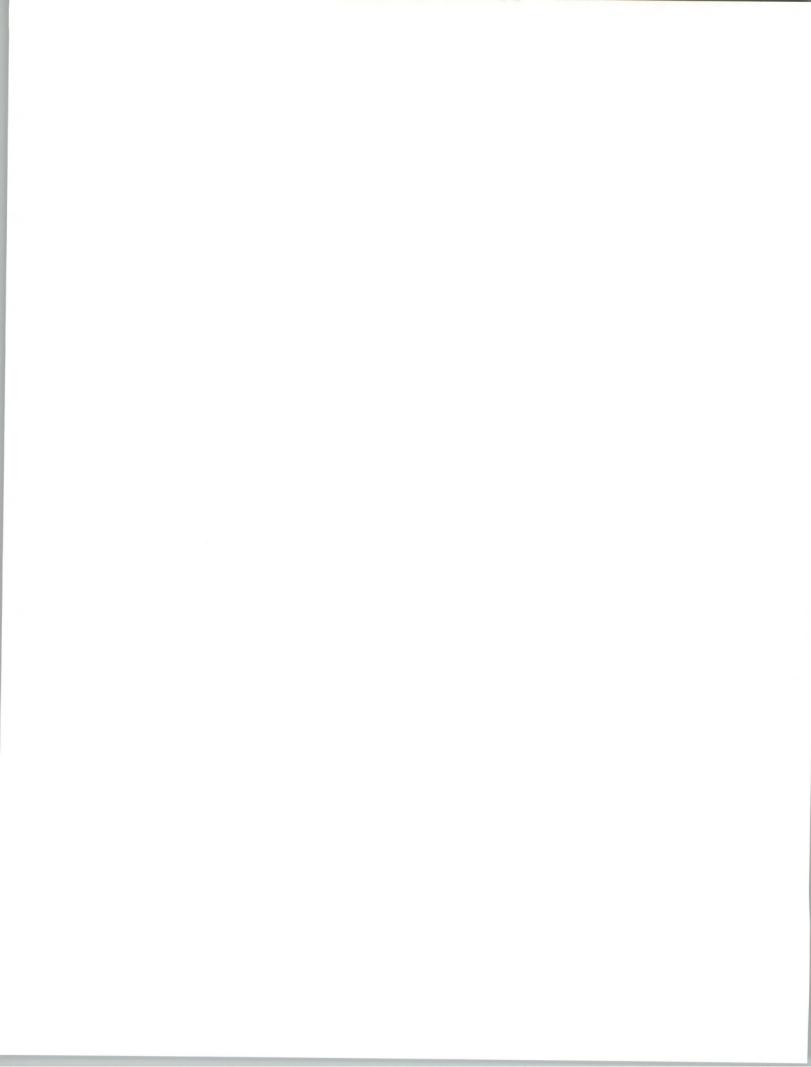
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75016 Paris, France  
Tel. +1 46 47 65 65 Fax +1 46 47 69 50

##### Frankfurt - INPUT LTD.

Sudetenstrasse 9  
W-6306 Langgöns-Niederkleen, Germany  
Tel. +6447-7229 Fax +6447-7327

##### Tokyo - INPUT KK

Saida Building, 4-6  
Kanda Sakuma-cho, Chiyoda-ku  
Tokyo 101, Japan  
Tel. +3 3864-0531 Fax +3 3864-4114





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Michael Longy  
Principal Consultant

