

# Impact of Downsizing on Systems Integration Market

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Consultant

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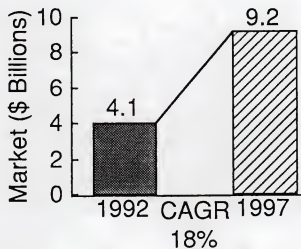
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## Systems Integration Market—Europe, 1992-1997



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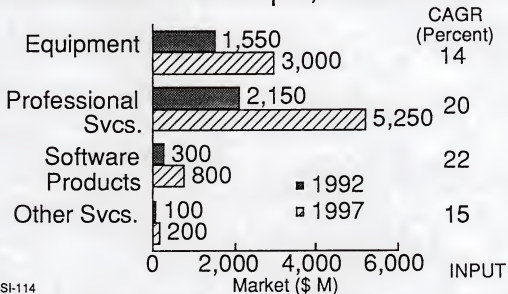
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## Systems Integration by Subsector—Europe, 1992-1997



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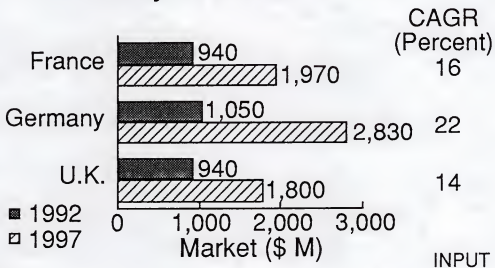
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## Systems Integration, Europe

# Country Market Growth



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Software and Services, Europe

## Seeking Cost Reductions for IT

- Downsizing
- Outsourcing
- 80% solutions

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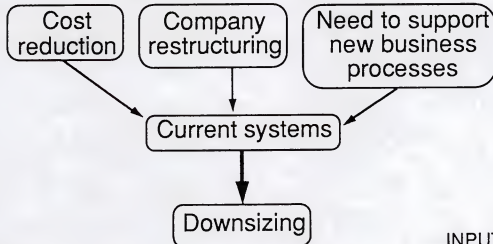
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## Driving Forces Downsizing, Europe



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## SI Projects by Equipment Type—Europe, 1991

Equipment Type	% of Contracts	Value (\$ M)
Mainframe	28	1,000
Proprietary midrange	15	500
UNIX-based midrange	35	1,200
PC or PC/LAN	22	800
Total	100	3,500

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Systems Integration, Europe

## Major Purchasing Influence, 1991

Major Purchasing Influence	Share of Total Mkt. (%)	Value (\$ M)
IS director or managers	40	1,400
CEO or end user management	60	2,100
Total	100	3,500

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## Who Drives Downsizing?

Personnel	Degree of Influence
CEO	Medium
Finance director	High
IT director/DPM	Low

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## Case Study 1 Impact on IS Systems

- Phase 1—Replacement of commercial and financial systems
- Phase 2—Complete computer-integrated processing
- Current emphasis—Cost reduction and customer service

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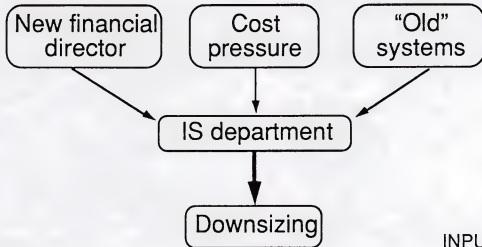
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## Case Study 2 Reasons for Downsizing



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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 detailed breakdown of how to allocate funds across different departments and projects, highlighting the need for flexibility in case of unexpected changes. The budgeting process is presented as a continuous cycle that requires regular review and adjustment.

The third section focuses on the role of technology in modern accounting. It discusses how software solutions can streamline data entry, reduce errors, and provide real-time access to financial information. The text also touches upon the importance of data security and the need for regular backups to protect sensitive information. The author notes that while technology offers significant advantages, it also requires a certain level of expertise to be used effectively.

Finally, the document concludes with a discussion on the importance of transparency and communication. It argues that clear reporting and open communication with stakeholders are key to building trust and ensuring the success of any organization. The author encourages the use of clear, concise language in all financial reports and to be proactive in addressing any concerns or questions that may arise.

## Changing Role of IS Department/Downsizing, Europe

- Developing closer relationships with user departments
- Greater decentralization
- More emphasis on business/systems analysis
- Less emphasis on systems development

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## Changing Role of End Users

- Acquiring control of IS strategy
- A major force in applications software product selection
- Taking over the IS budget

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Mainframe Downsizing, Europe  
Target Architectures

Architecture	Percentage	Trend
IBM AS/400	40	Decreasing
UNIX-based	35	Increasing
Other proprietary	25	Decreasing rapidly

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## Impact of Downsizing on IS Budgets

<u>Service Component</u>	<u>Expenditure Trend</u>
Equipment	Large decrease
In-house IS personnel	Large decrease
Consulting services	Increasing

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## Impact of Downsizing on IS Budgets

Service Component	Expenditure Trend
External custom SW development	Small increase
Application SW products	Large increase
Network integration	Increasing

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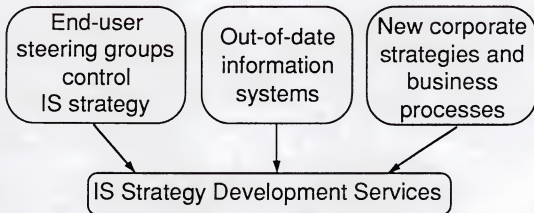
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## Driving Forces—IS Strategy Development Services



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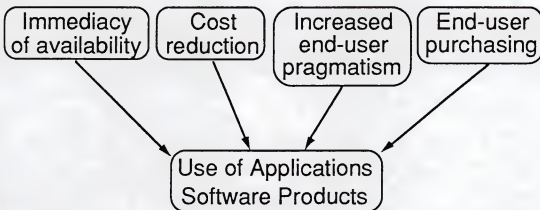
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## Driving Forces—Increased Use of Applications SW Products



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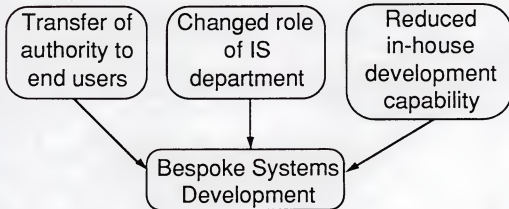
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## Driving Forces—Bespoke Systems Development



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Systems Integration, Europe

Market Segmentation, 1991

Market Segment	Share of Total Mkt. (%)	Value (\$ M)
Networking/infrastructure development	26	900
Application/business solutions	74	2,600
Total	100	3,500

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