

Information Services Client Meeting

Stuttgart

1 December 1992

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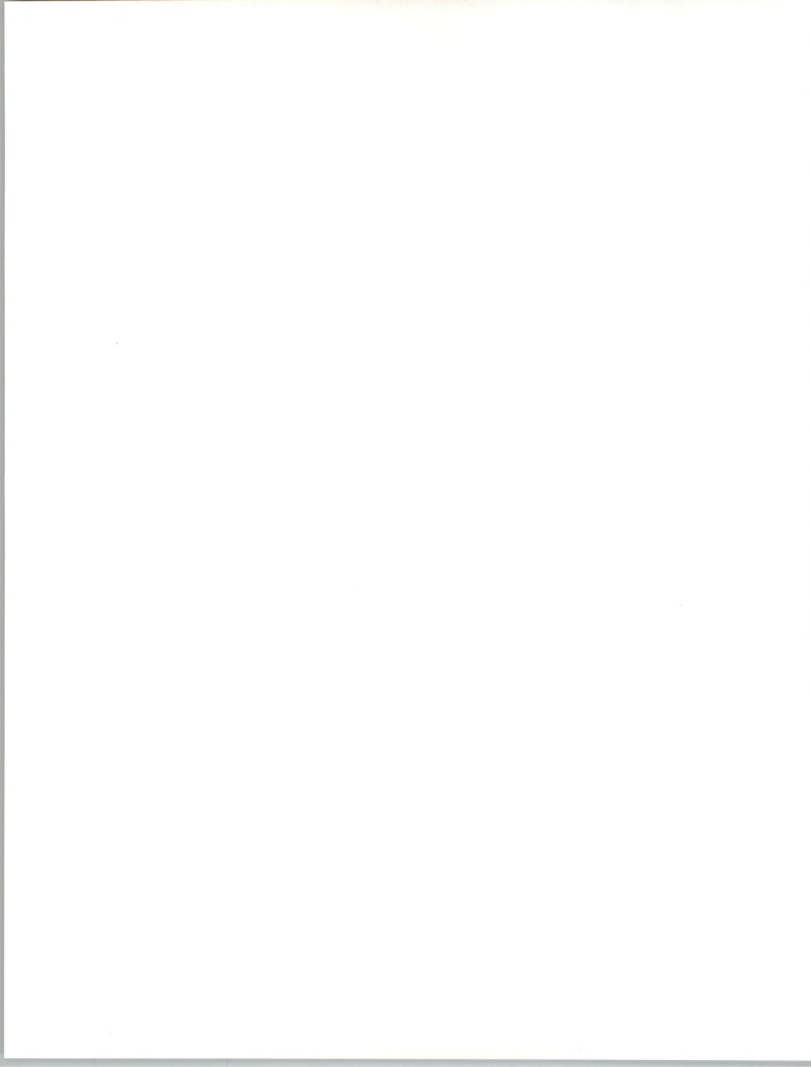
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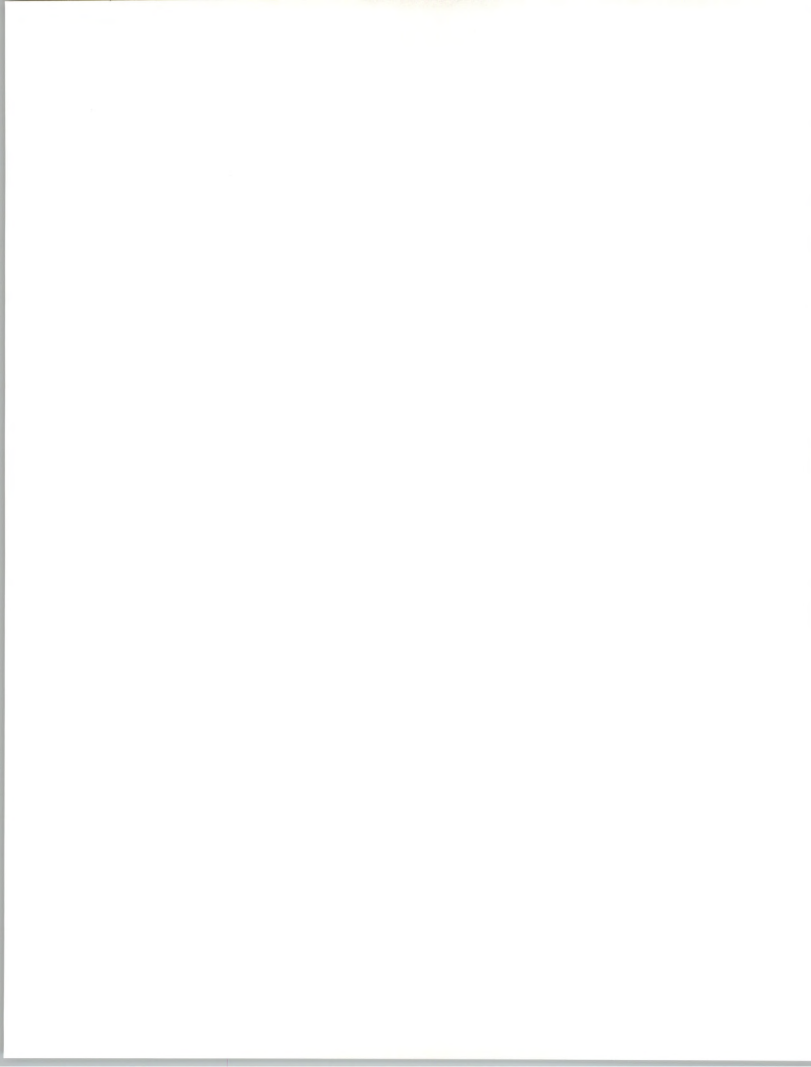
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Stuttgart***

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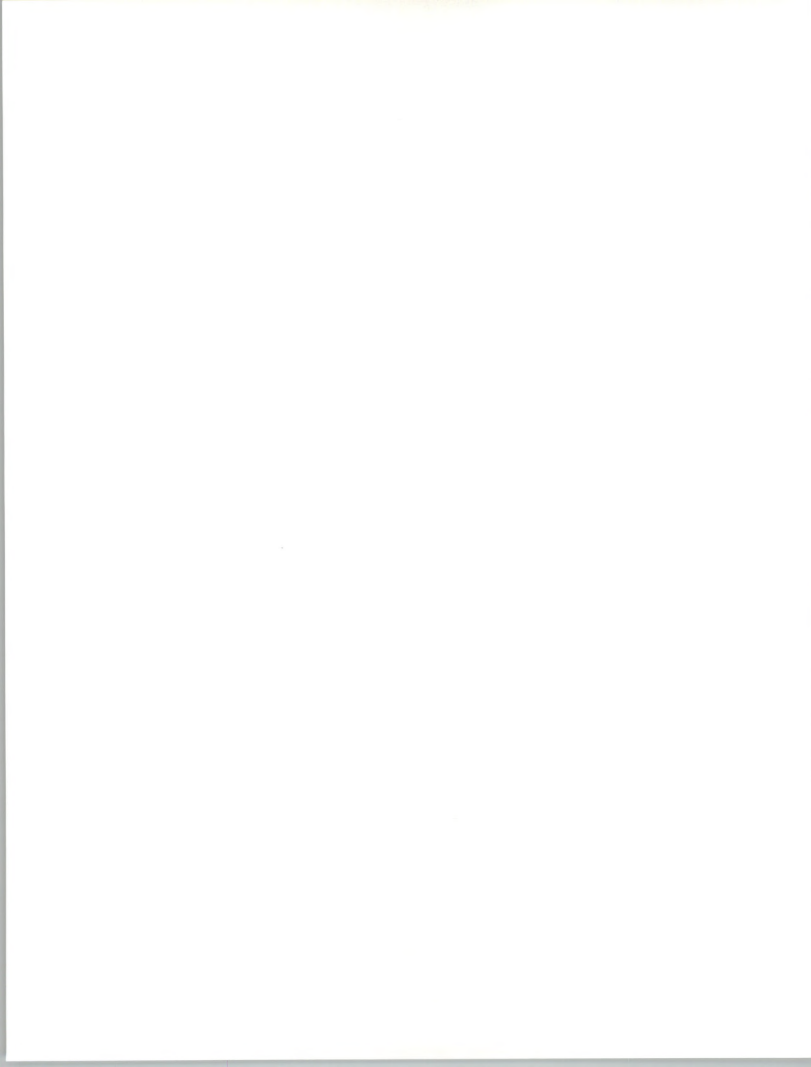
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Tidal Wave of Change

Roger Fulton
Consultant
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Europe

Software and Services

Workshop Agenda

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

E-MS-10

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Notes



Software and Services, Europe

Key Industry Trends

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

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E-IS-17

Notes

the 1990s, the number of people in the UK who are aged 65 and over has increased by 1.5 million, and the number of people aged 75 and over has increased by 1.2 million (Office for National Statistics 2000).

There is a growing awareness of the need to address the needs of older people in the community. The Department of Health (1999) has published a strategy for older people, which sets out a vision for the future of older people's services. The strategy is based on the following principles: older people should be able to live independently in their own homes; older people should be able to access the services they need; older people should be able to participate in the decisions that affect their lives; and older people should be able to live in a safe and secure environment. The strategy also sets out a number of objectives for the future of older people's services, including: to improve the quality of care; to reduce the costs of care; to increase the number of people who are able to live independently in their own homes; and to increase the number of people who are able to participate in the decisions that affect their lives.

The strategy is a key document for the development of older people's services in the UK. It sets out a vision for the future of older people's services, and provides a framework for the development of policies and practices. The strategy is based on the following principles: older people should be able to live independently in their own homes; older people should be able to access the services they need; older people should be able to participate in the decisions that affect their lives; and older people should be able to live in a safe and secure environment.

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Europe

Software and Services

Key user demands

- Value for money
- Cost reduction
- Effectiveness

E-IS-43

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Notes



Europe

Software and Services

Getting value for money from IT

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

E-IS-44

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Notes



Europe

Software and Services

Seeking cost reduction for IT

- Downsizing
- Outsourcing
- 80% solutions

E-IS-45

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Notes



Europe

Software and Services

Improving effectiveness from IT

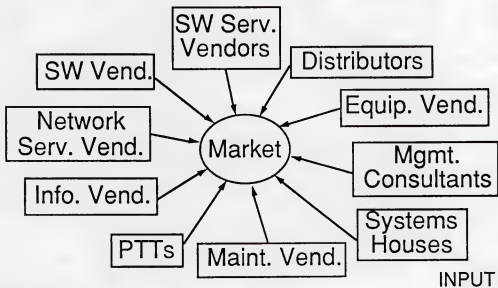
- Business process re-engineering
- Simplification
- Speed of implementation
- Flexibility

E-IS-46

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Notes

Increasing Competition



E-IS-30

Notes

the 1990s, the number of people in the UK who are employed in the public sector has increased by 1.5 million, from 2.5 million in 1980 to 4 million in 1995. The public sector has grown from 10% of the economy to 15% of the economy.

There is a growing emphasis on the need to improve the efficiency of the public sector. This has led to a number of initiatives, including the introduction of competition, the restructuring of public services, and the introduction of performance targets. The aim of these initiatives is to reduce the cost of public services and to improve the quality of the services provided.

One of the main challenges facing the public sector is the need to reduce the cost of public services. This is a difficult task, as public services are often provided at a loss. However, there are a number of ways in which the cost of public services can be reduced. These include the introduction of competition, the restructuring of public services, and the introduction of performance targets.

Another challenge facing the public sector is the need to improve the quality of the services provided. This is a difficult task, as public services are often provided at a loss. However, there are a number of ways in which the quality of public services can be improved. These include the introduction of competition, the restructuring of public services, and the introduction of performance targets.

The public sector is a complex and challenging environment. It is a sector that is constantly evolving and changing. It is a sector that is facing a number of challenges, including the need to reduce the cost of public services and the need to improve the quality of the services provided. However, there are a number of ways in which these challenges can be met.

One of the main ways in which these challenges can be met is through the introduction of competition. Competition can help to reduce the cost of public services and to improve the quality of the services provided. It can also help to ensure that public services are provided in a timely and efficient manner.

Another way in which these challenges can be met is through the restructuring of public services. This can help to reduce the cost of public services and to improve the quality of the services provided. It can also help to ensure that public services are provided in a timely and efficient manner.

Finally, the introduction of performance targets can help to reduce the cost of public services and to improve the quality of the services provided. Performance targets can help to ensure that public services are provided in a timely and efficient manner. They can also help to ensure that public services are provided in a cost-effective manner.

Software and Services—Europe, 1991

Changing Market Shares

Vendor's Main Business	Percent		
	1981	1991	2001
Software Products	9	13	16
Equipment Products	39	35	40
Processing/Networks	31	5	7

E-IS-47

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Notes



Software and Services—Europe, 1991

Changing Market Shares

Vendor's Main Business	Percent		
	1981	1991	2001
Independent Services	18	40	27
Management Consultancy	3	7	10

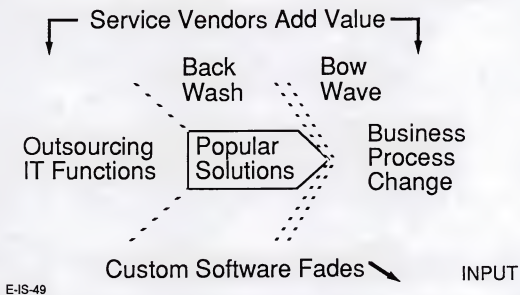
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Notes



The Tidal Wave of Change



Notes

the 1990s, the number of people with a diagnosis of schizophrenia has increased in the United Kingdom (Meltzer 1996). The prevalence of schizophrenia in the United Kingdom is estimated to be 1.2% (Meltzer 1996). The prevalence of schizophrenia in the United States is estimated to be 1.1% (Meltzer 1996). The prevalence of schizophrenia in the United States is estimated to be 1.1% (Meltzer 1996).

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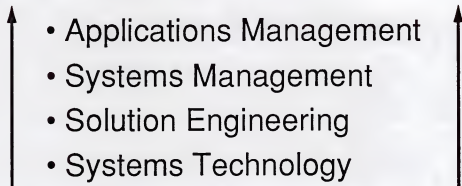
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Vendor-Added Value

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

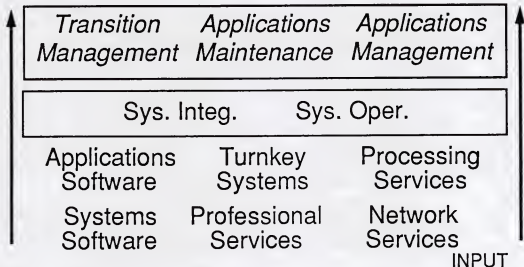
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Product and Service Trends

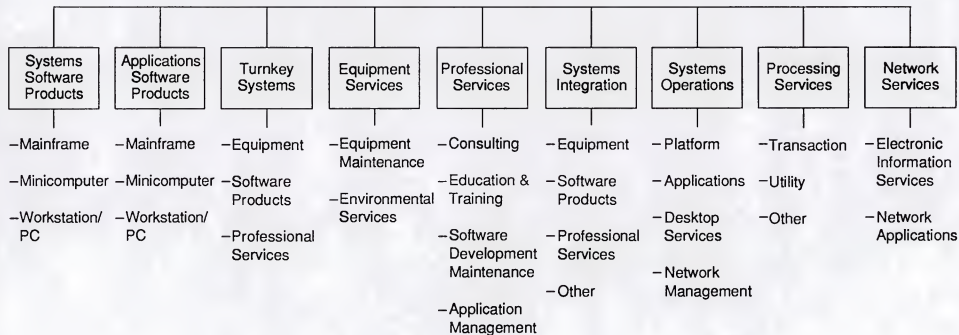


E-IS-20

Notes



Information Services Industry Structure



Source: INPUT

Software and Services, Europe

Average Growth in Spending



E-IS-50

Notes

(a)

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

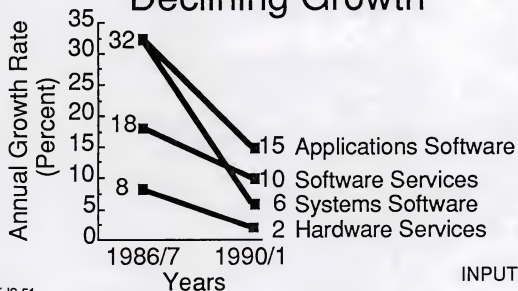
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Software and Services, Europe

Declining Growth



E-IS-51

Notes

the 1990s, the number of people with a mental health problem has increased by 50% (Mental Health Foundation 2000). The prevalence of mental health problems has increased in the general population, and the incidence of mental health problems has increased in the prison population.

There is a growing awareness of the need to address the mental health needs of prisoners. The Department of Health (2000) has published a strategy for mental health services, which includes a commitment to improve the mental health of prisoners. The Department of Health (2000) has also published a strategy for mental health services, which includes a commitment to improve the mental health of prisoners.

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Europe

Delivery Mode Issues

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

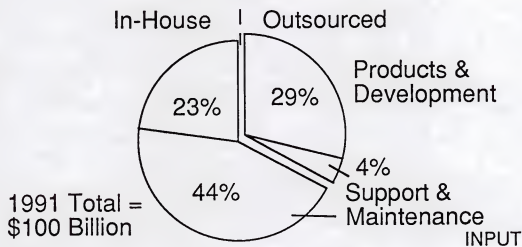
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E-IS-27

Notes



European User Software Budgets



E-IS-28

Notes



Europe

Delivery Mode Issues

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

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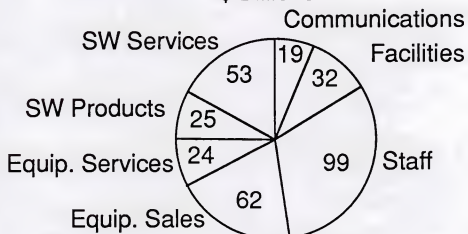
E-IS-29

Notes



IT Spending—Europe, 1992

\$ Billions



E-IS-53

Total: 315, CAGR 5%

INPUT

Notes



IT Spending—Europe, 1992

	CAGR (%)	
Communications	8	
Facilities	1	
Staff	3	
Equipment Sales	2	
Equipment Services	3	
Software Products	11	
Software Services	11	INPUT

E-IS-54

Notes

the 1990s, the number of people with a mental health problem has increased by 50% (Mental Health Foundation 2000). The prevalence of mental health problems in the UK is estimated to be 10% (Mental Health Foundation 2000).

There is a growing awareness of the need to address the needs of people with mental health problems. The Department of Health (2000) has set out a strategy for mental health care, which aims to improve the lives of people with mental health problems and to reduce the stigma and discrimination that they often experience. The strategy is based on the following principles:

- People with mental health problems should be treated as individuals, with their own needs and strengths.
- People with mental health problems should be given the opportunity to participate in decisions about their care and treatment.
- People with mental health problems should be supported to live in the community, wherever possible.

The strategy also sets out a number of targets for the improvement of mental health care, including the following:

- To reduce the waiting time for mental health services to 18 weeks.
- To increase the number of people with mental health problems who are treated in the community.
- To improve the quality of mental health services.

The strategy is a key document in the development of mental health care in the UK. It provides a framework for the development of mental health services and for the evaluation of their effectiveness. It also provides a basis for the development of policies and procedures for the care of people with mental health problems.

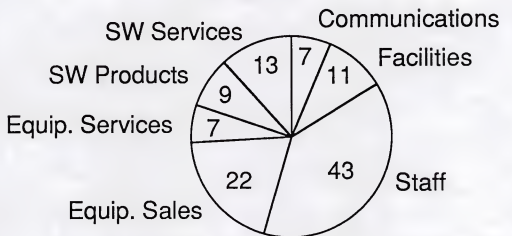
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IT Spending—Germany, 1992

DM Billions



E-IS-61

Total: 112, CAGR 7%

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Notes



IT Spending—Germany, 1992

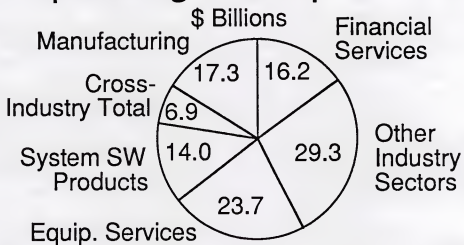
	CAGR (%)
Communications	9
Facilities	1
Staff	6
Equipment Sales	4
Equipment Services	2
Software Products	13
Software Services	13

INPUT

E-IS-62

Notes

Information Services Spending—Europe, 1992



E-IS-57

Total: 110, CAGR 9%

INPUT

Notes

10/14/92



Information Services Spending—Europe, 1992

	CAGR (%)
Manufacturing	11
Financial Services	11
Other Industry Sectors	11
Equipment Services	3
System Software Products	7
Cross-Industry Total	12

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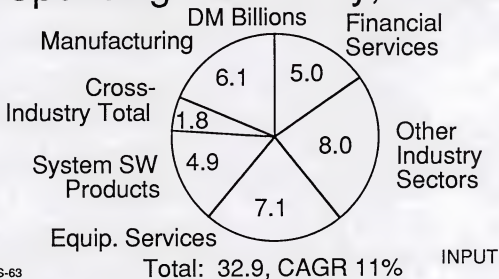
E-IS-58

Notes

10/14/92



Information Services Spending—Germany, 1992



Notes

the 1990s, the number of people in the UK who are aged 65 and over has increased from 10.5 million to 12.5 million, and the number of people aged 75 and over has increased from 4.5 million to 6.5 million (Office of National Statistics 2000).

There is a growing awareness of the need to address the needs of older people in the community. The Department of Health (1999) has published a strategy for older people, which sets out the government's commitment to improve the health and social care of older people. The strategy is based on the following principles:

- Older people should be able to live independently in their own homes for as long as possible.
- Older people should be able to access the services and support they need to live well.
- Older people should be able to participate in the decisions that affect their lives.

The strategy also sets out a number of key objectives, including:

- To improve the health and social care of older people.
- To ensure that older people have access to the services and support they need to live well.
- To ensure that older people are able to participate in the decisions that affect their lives.

The strategy is a key document for the development of services for older people in the UK. It provides a framework for the development of policies and practices that will improve the health and social care of older people.

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- To ensure that older people are able to participate in the decisions that affect their lives.

Information Services Spending—Germany, 1992

	CAGR (%)	
Manufacturing	13	
Financial Services	14	
Other Industry Sectors	14	
Equipment Services	2	
System Software Products	8	
Cross-Industry Total	14	INPUT

E-IS-64

Notes



Software and Services Forecast, 1992-1997 Europe

11% CAGR
... and falling

E-IS-31

INPUT

Notes







Tidal Wave of Change

Roger Fulton
Consultant

