Conférence INPUT

19 mai 1992

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19 mai 1992

Bilan & Perspectives Pour Les
Marches Des Services

L'incontournable pousée du "Downsizing"

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Information Services Industry European Market Trends in Software and Services

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Software and Services, Europe

Key Industry Trends

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

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Notes

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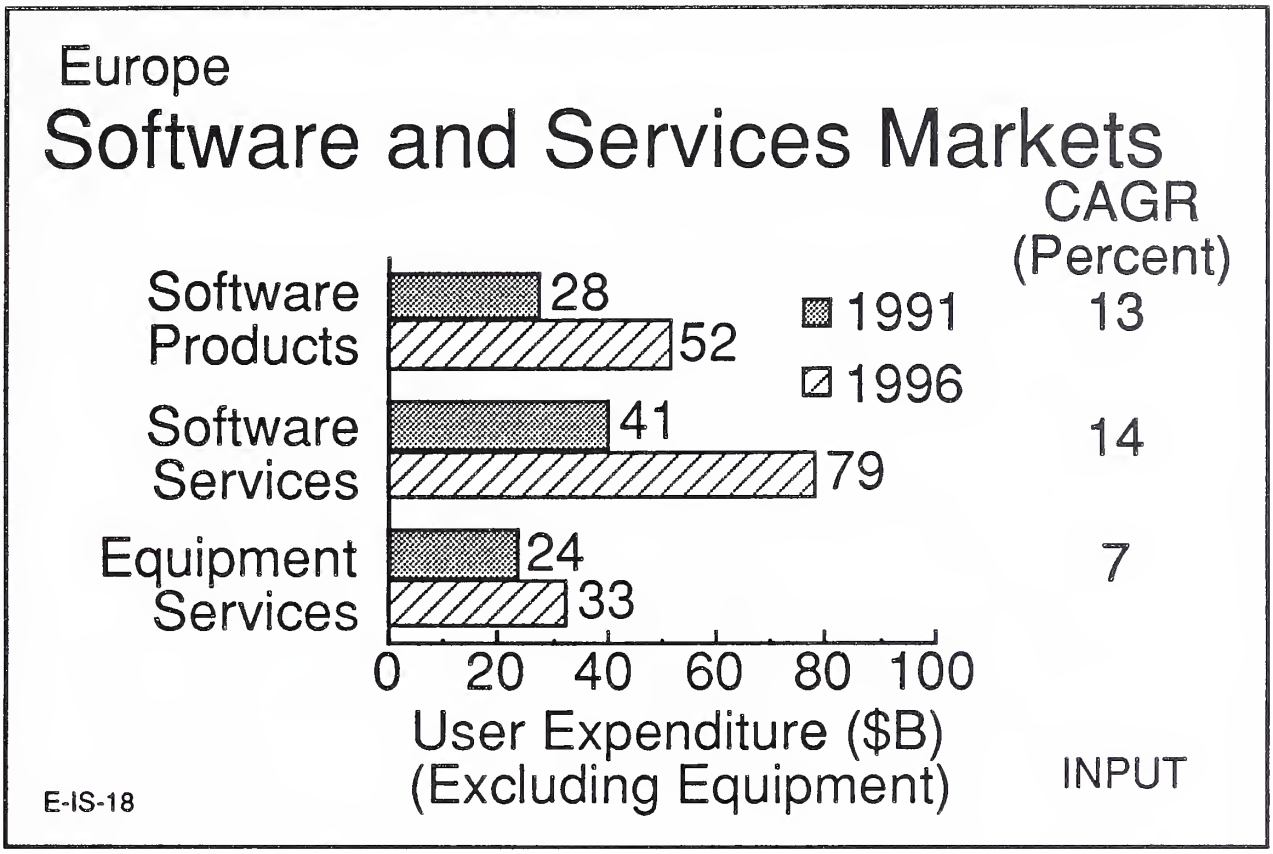
Europe
Software and Services Markets
CAGR
(Percent)
Software Products
28
52
13
Software Services
41
79
14
Equipment Services
24
33
7
1991
1996
0
20
40
60
80
100
User Expenditure ($B)
(Excluding Equipment)
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Vendor-Added Value

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

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Notes

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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

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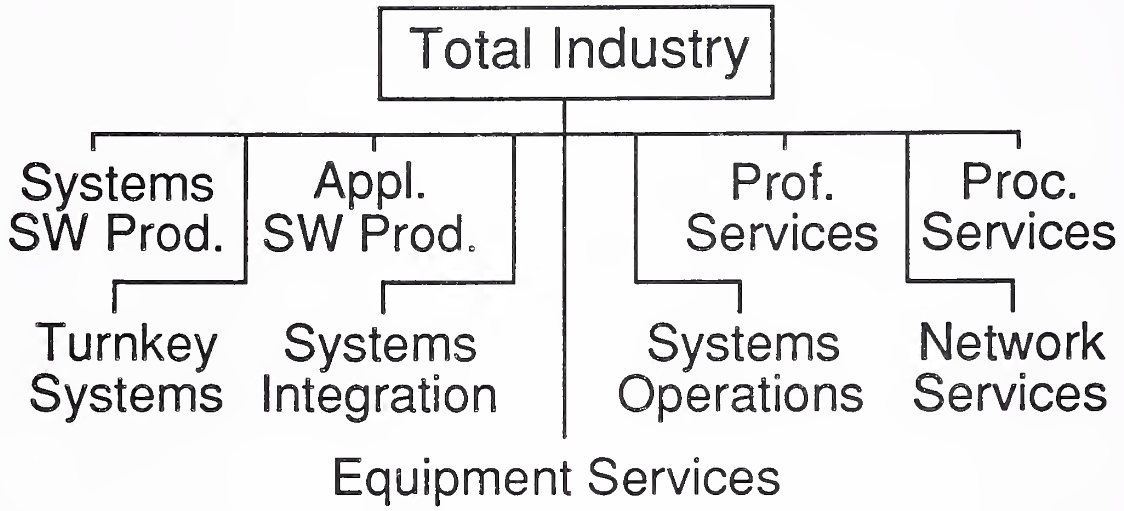
Information Services Industry Structure



IS-2

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Notes

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Software and Services, Europe, 1991

Leading Vendors

Vendor	1991 $B	Rank 1991	Rank 1990
IBM	5.3	1	1
Digital	1.7	2	5
SNI	1.7	3	2
CAP Gemini Sogeti	1.7	4	3

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Notes

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Software and Services, Europe, 1991

Leading Vendors

Vendor	1991 $B	Rank 1991	Rank 1990
Reuters	1.5	5	4
Microsoft	1.0	6	9
Andersen Consulting	0.9	7	8
Groupe Bull	0.8	8	6

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Notes

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Software and Services, Europe, 1991

Leading Vendors

Vendor	1991 $B	Rank 1991	Rank 1990
Unisys	0.7	9	7
EDS	0.7	10	30
Sema Group	0.7	11	10
Finsiel	0.7	12	11

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Notes

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Software and Services, Europe, 1991

Leading Vendors

Vendor	1991 $B	Rank 1991	Rank 1990
Computer Assoc.	0.7	13	12
Sligos	0.6	14	15
Oracle	0.5	15	20

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Notes

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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

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Notes

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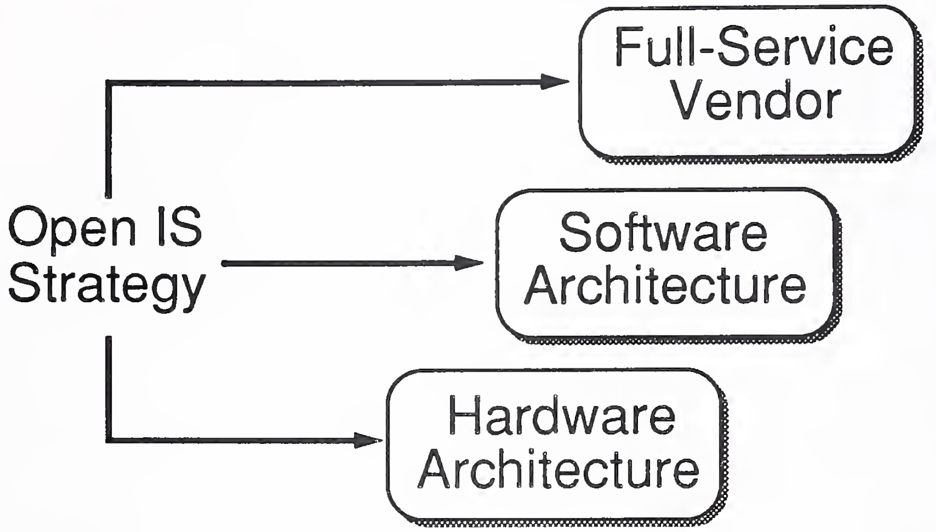
Vendor Selection Trends



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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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Notes

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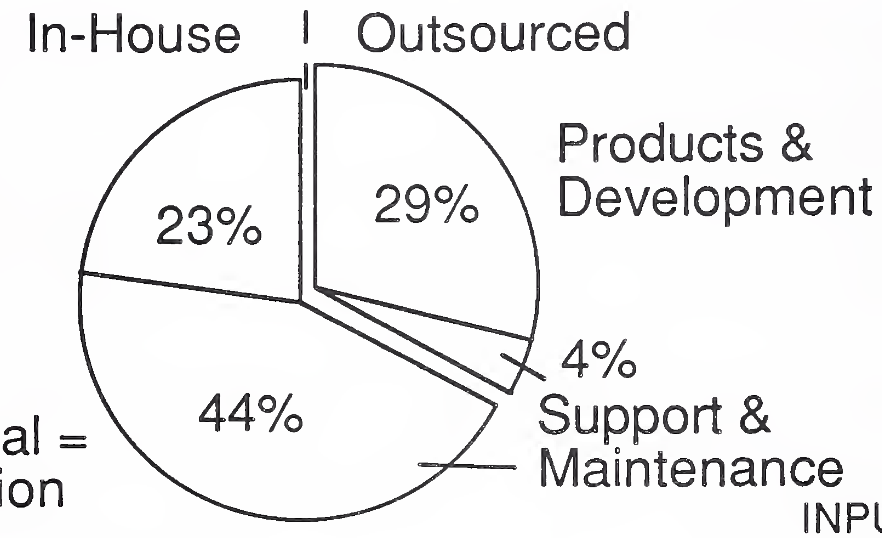
European User Software Budgets



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Notes

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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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Notes

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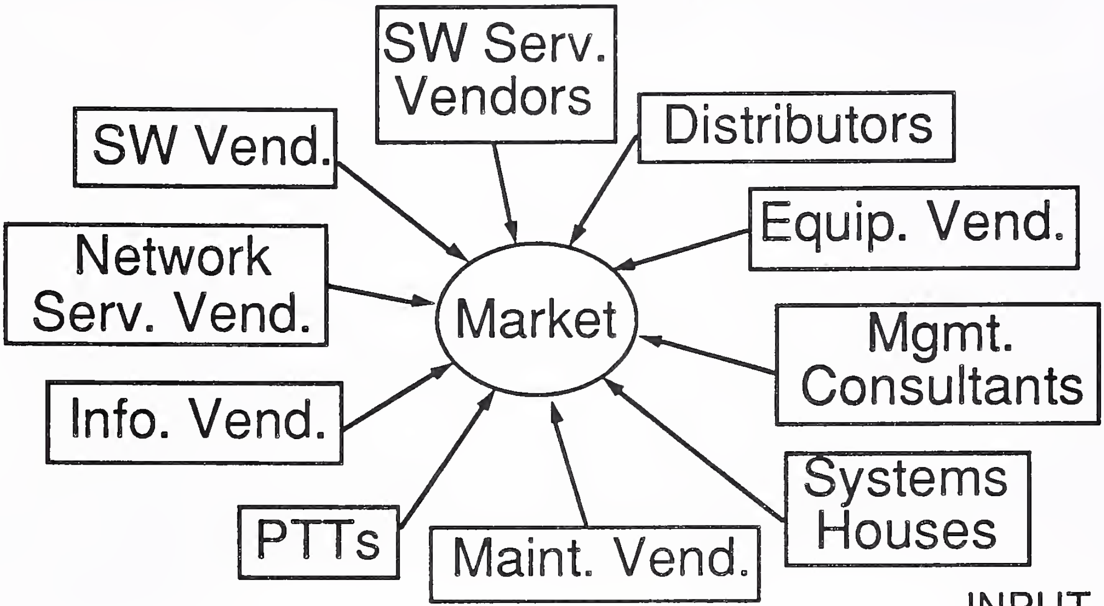
Increasing Competition



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Notes

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Software and Services Forecast, 1992-1997 Europe

13% CAGR
. . . and falling

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The Impact of Downsizing on Software and Services

- Software re-engineering
- Customer services perspective

E-AD-1a

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Software Re-engineering

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E-AD-2

Notes

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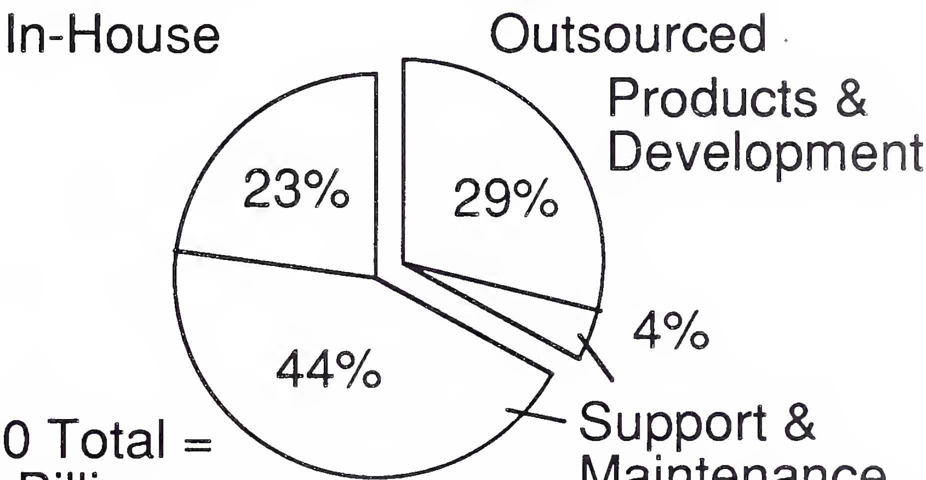
European User Software Budgets



1990 Total = $90 Billion

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Notes

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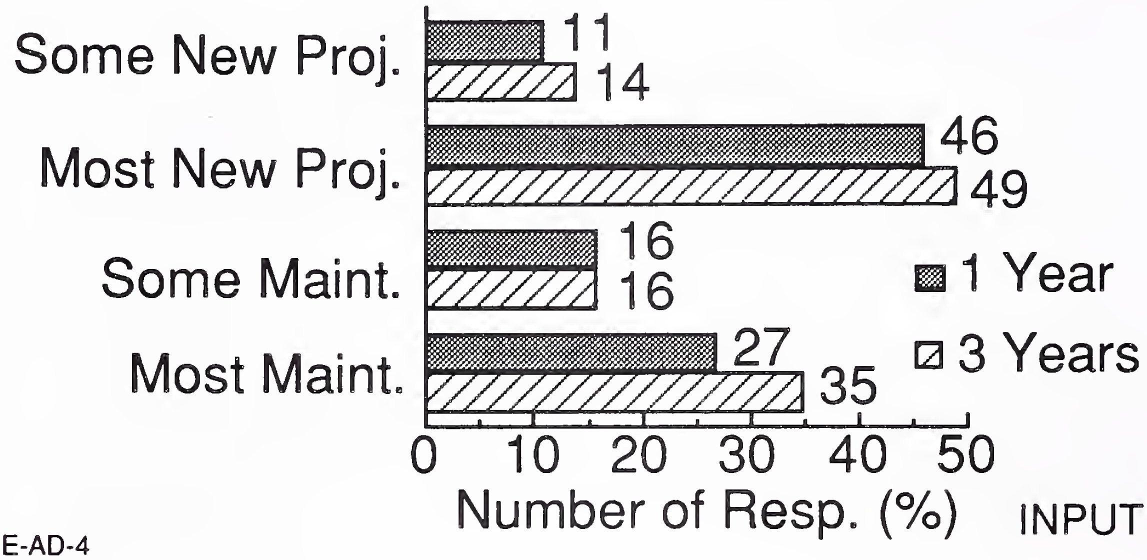
CASE Project Usage Plans
Europe



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Notes

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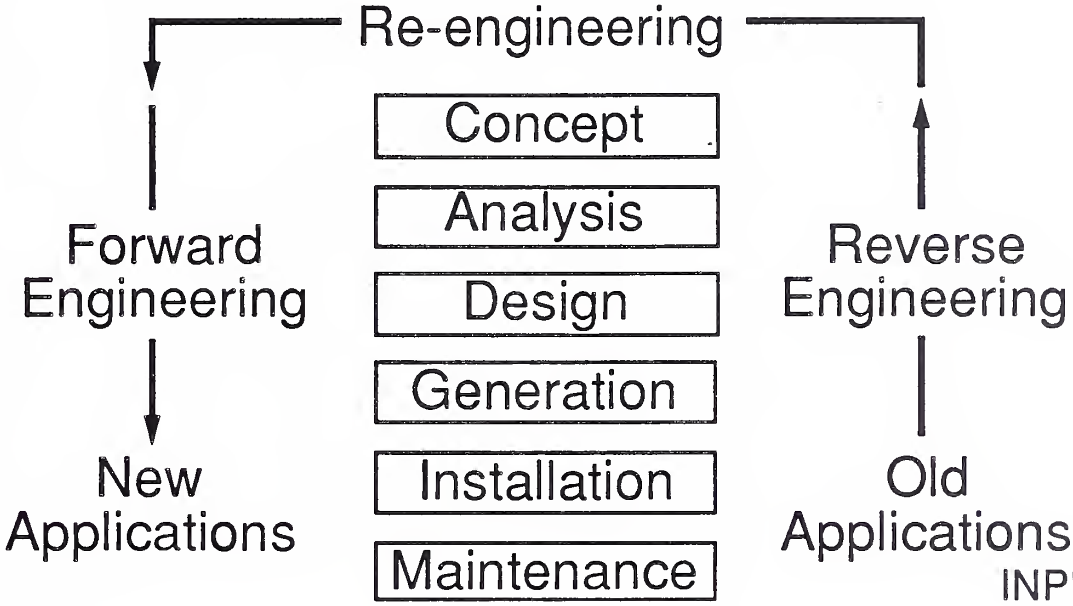
The Software Life-cycle



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Notes

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Software Re-engineering

- Drivers
  - Established business practices
  - Reverse engineering tools
  - Portable software platforms

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Notes

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Software Re-engineering

- Inhibitors
  - Change and business re-engineering
  - Object-oriented design
  - Downsizing

E-AD-6b

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Notes

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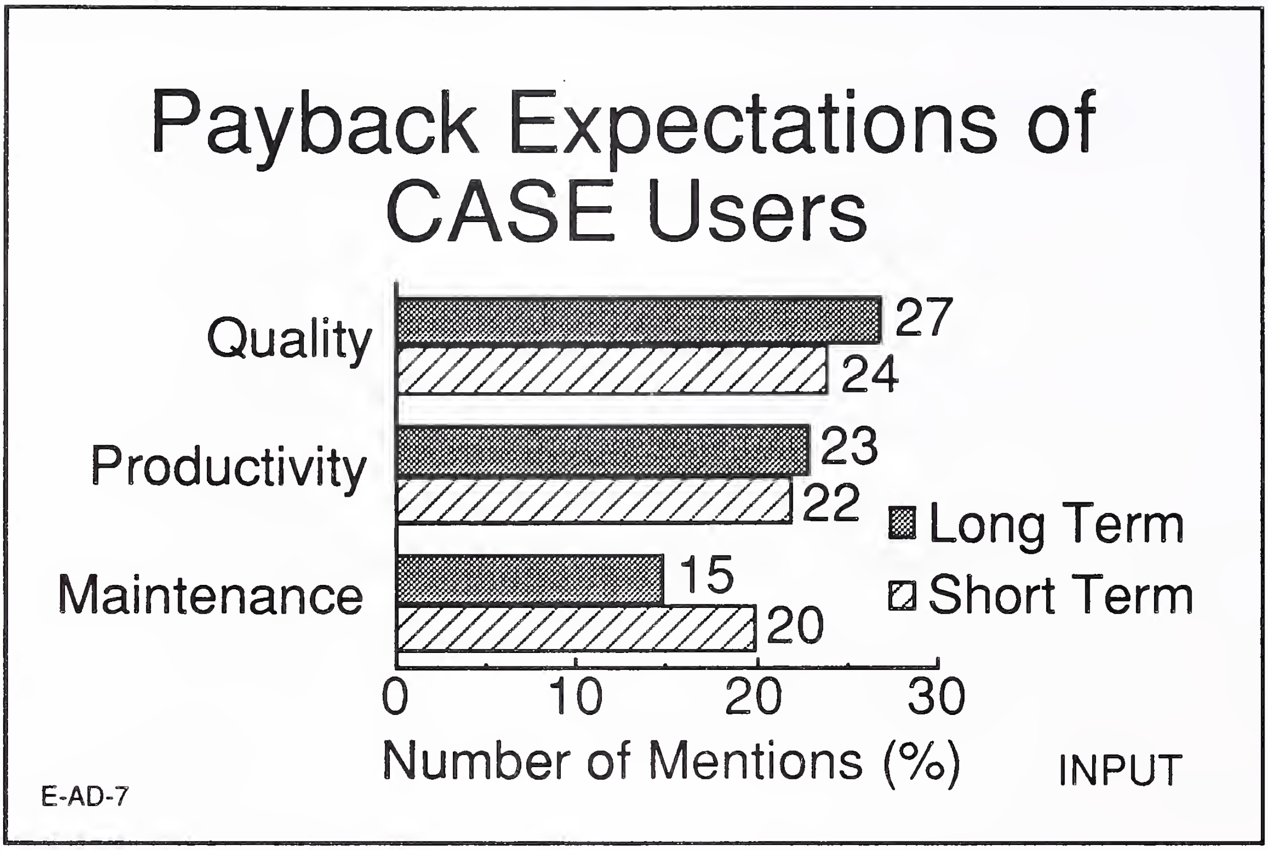
Payback Expectations of CASE Users
Quality
Productivity
Maintenance
27
24
23
22
15
20
Long Term
Short Term
0
10
20
30
Number of Mentions (%)
INPUT
E-AD-7

Notes

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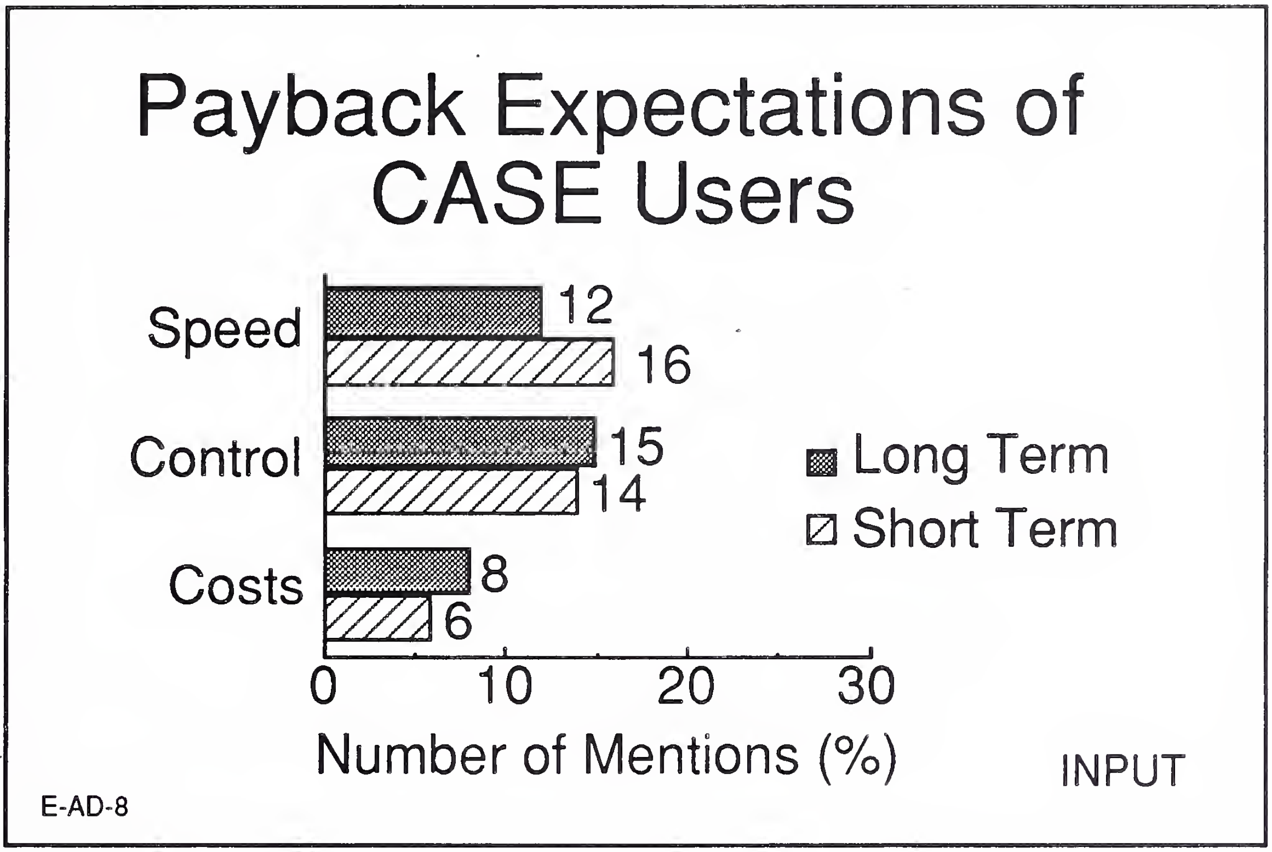
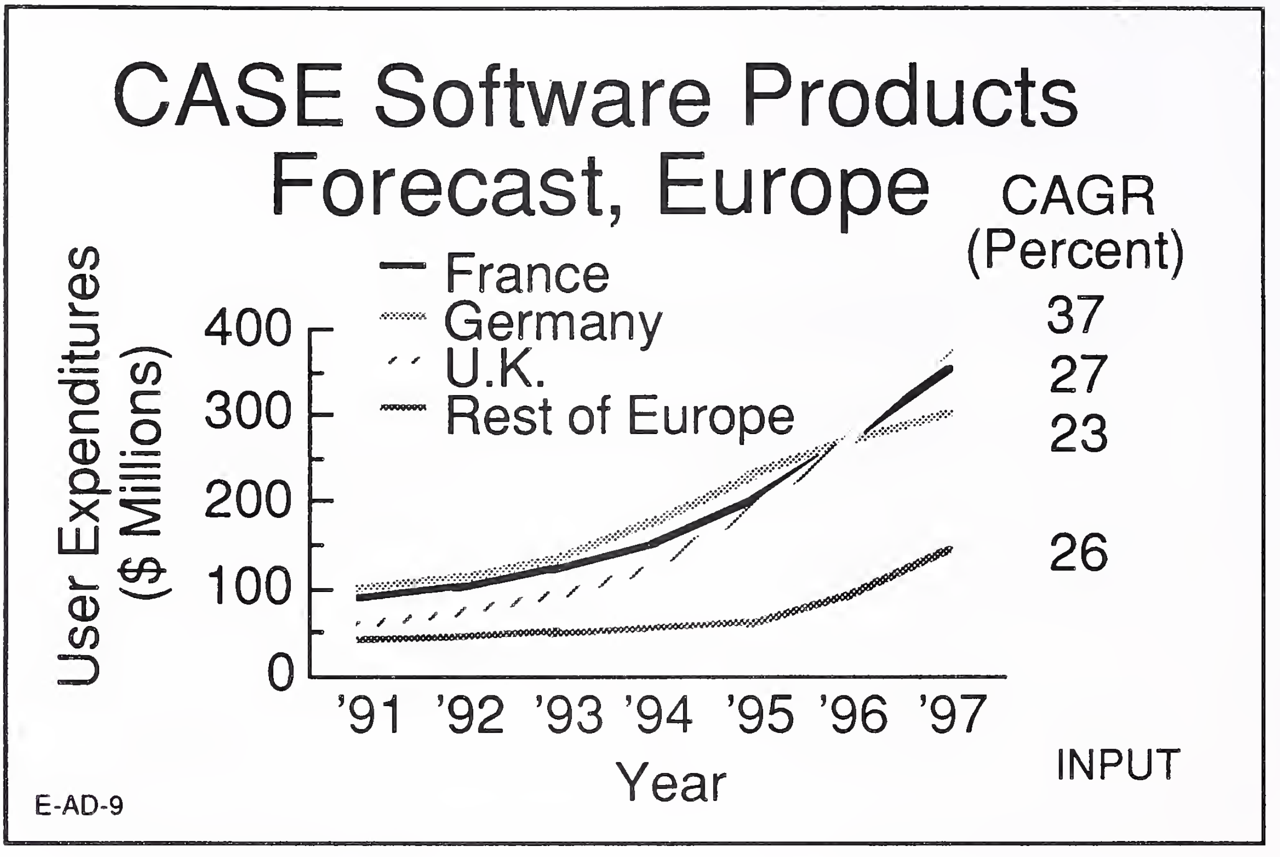

Payback Expectations of CASE Users
Speed
Control
Costs
12
16
15
14
8
6
Long Term
Short Term
0
10
20
30
Number of Mentions (%)
INPUT
E-AD-8

Notes

4/20/92


CASE Software Products
Forecast, Europe
CAGR
(Percent)
France
Germany
U.K.
Rest of Europe
37
27
23
26
User Expenditures
($ Millions)
400
300
200
100
0
'91 '92 '93 '94 '95 '96 '97
Year
INPUT
E-AD-9

Notes

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CASE-Related Initiatives

- Methodologies
- Software standards
- Software quality
- Organisational changes
- Training
- Team management

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E-AD-10

Notes

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Application Questions

- Drop
- Hold
- Re-engineer
- New development
- New package

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E-AD-11

Notes

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Impact of Downsizing

- Systems
- Projects
- Timescales
- Budgets
- Management

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E-AD-12

Notes

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Customer Services Perspective

E-CS-96

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Notes

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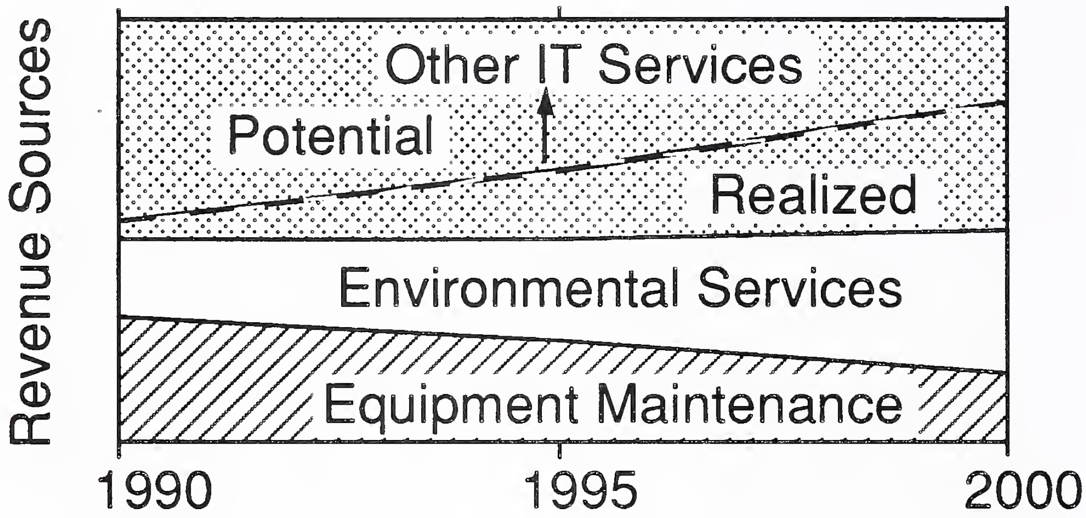
IT Customer Services



INPUT

E-CS-97

Notes

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Impact of Downsizing

- Maintenance squeezed
- Focus on SME/PME
- Desktop services

E-CS-98

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Notes

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Repositioning

- SI
- Business continuity
- Networks
- Human resources
- Cross-industry assimilation

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E-CS-99

Notes

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New Offerings

Percent of Business	Percent of Vendor Sample
≤10	50
11 - 20	25
21 - 25	8
26 - 40	17

E-CS-100

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Notes

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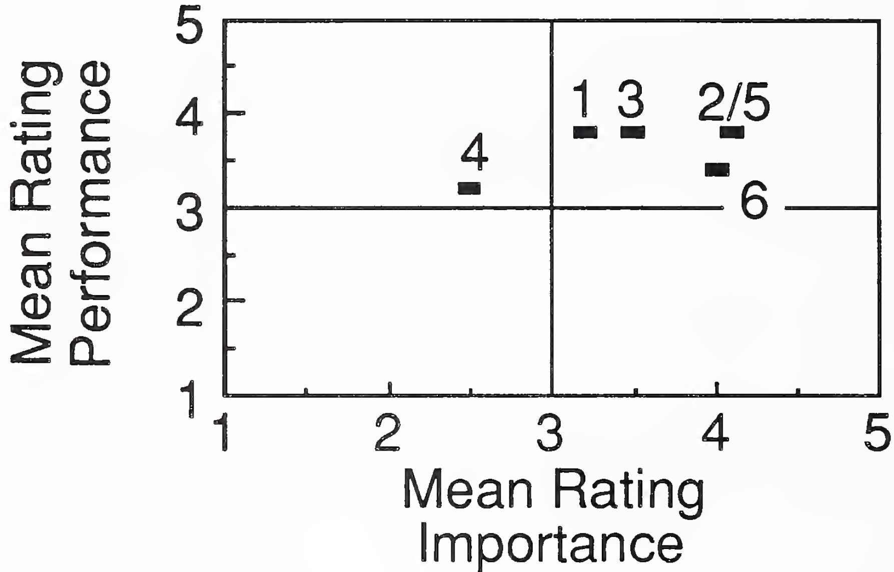
Performance vs. Importance



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Notes

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Legend

1 = Planning & Design

2 = Network Services

3 = Software Services

4 = Human Resources

5 = Disaster Recovery

6 = Security Services

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Notes

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Desktop Services

- One solution
- Open window
- Range of approaches

E-CS-103

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Traditional Desktop

- PC supply
- Network/server
- PC/printer maintenance
- Installation
- Training

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Notes

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New Services

- ASP supply/support
- Help desk selection/supply
- Problems management
- Planning/administration
- Network upgrades
- Application development

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E-CS-105

Notes

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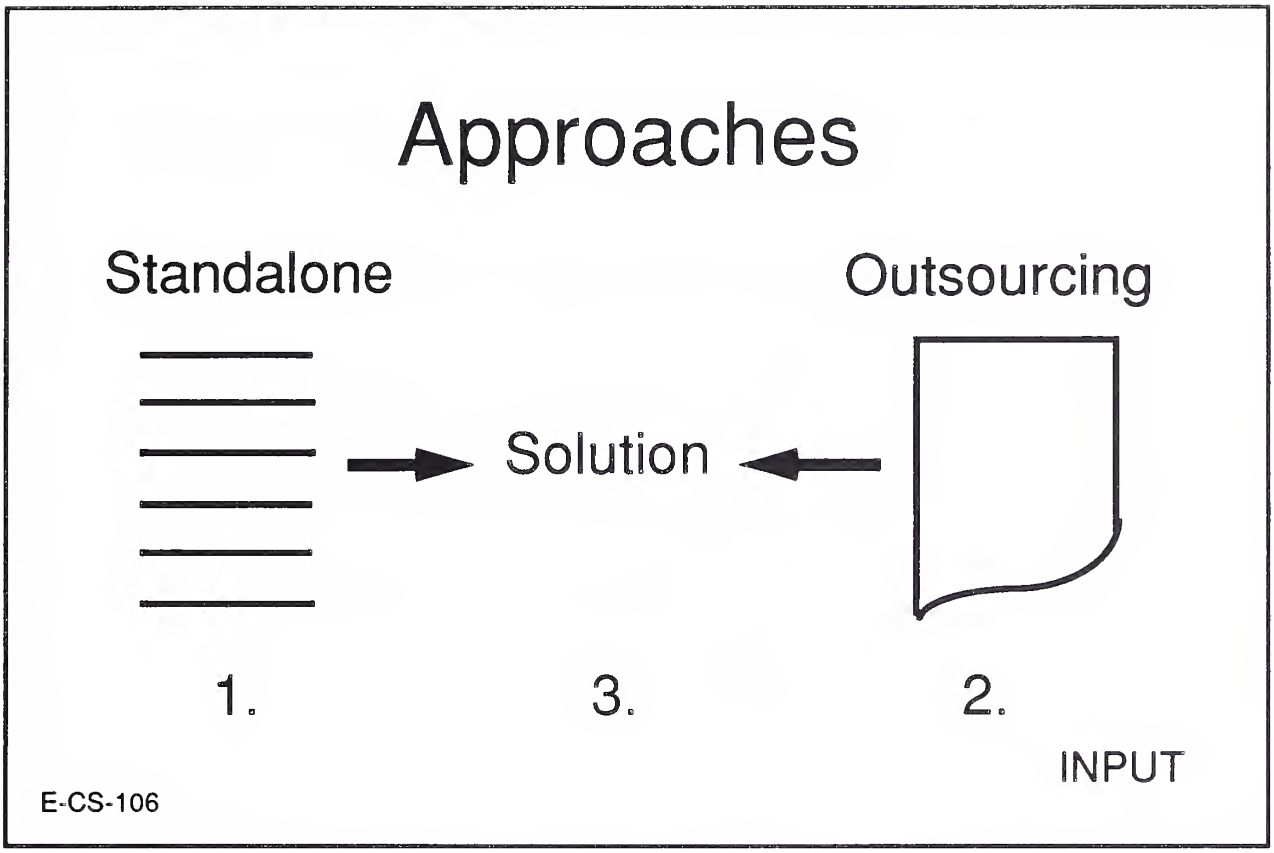
Approaches
Standalone
Outsourcing
Solution
1.
3.
2.
INPUT
E-CS-106

Notes

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Selection Criteria

- Network expertise
- Single supplier
- Up-to-date
- Independence
- Pan-European

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Notes

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Digital's Service Offering

- Part of Bespoke Services
- 4 service lines
- Mix and Match
- Sales - Force
  - DECdirect

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Notes

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Digital

Strengths	Weaknesses
• Name	- Hardware image
• Catalogue	- Confusing offerings
• Networking	- Impartial?
• I-stop	- Not highlighted
• Multivendor	

E-CS-109

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Notes

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Hewlett-Packard's Service Offering

- Standard contracts
- Multivendor—includes 3rd-party software
- Consultancy/customisation
- Specialist groups

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Notes

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Hewlett-Packard

Strengths	Weaknesses
• Premier on support	- Differentiated
• Tailored contracts	- Technical orientation
• Strong networking	- Weak SO
• Support for Oracle, Ingres, etc.	
• Own & multivendor	

E-CS-111

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Notes

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PrimeService's Service Offering

- Network planning/design
- Single-source 'Desktop'
- Standard supply/maintenance
- Multivendor 'One-Call'

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E-CS-112

Notes

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PrimeService

Strengths	Weaknesses
• Software skills	- Specialist
• Integration skills	- Technical
• Networking	- Commercial
• Multivendor	- Marketing clout
	- Weak SO

E-CS-113

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Computeraid Service Offering

- Blank paper
- Selective large contracts
- Learn on the job

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Notes

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Computeraid

Strengths	Weaknesses
• PC hardware maintenance	- ASP skills
• Help desk skills	- Maintenance culture
• Financial	- Selling to end users
• Clear strategy	

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Data Logic
Service Offering

- Branded product/service
- Mix and match
- Installed base
- Pan-European intention

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E-CS-116

Notes

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Data Logic

Strengths	Weaknesses
• International	- Uneven
• Skills mix	- ASP skills
• Focussed service line	- Pan-European(?)
• Independent	

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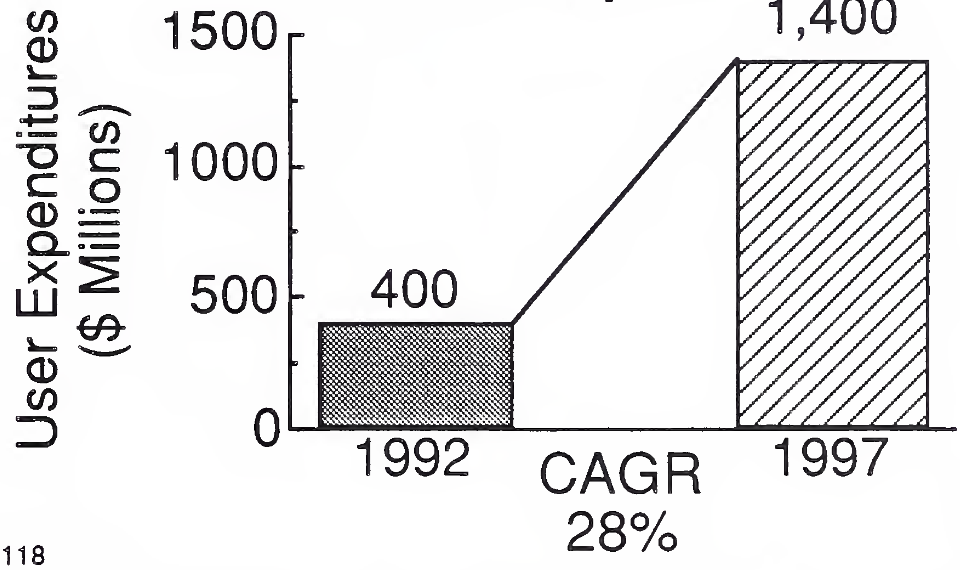
Desktop (+Maintenance) in Europe



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Notes

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Equipment Suppliers

Strengths	Weaknesses
• Expertise	- Product oriented
• Large IBs	- Resources
• Financial	- Channel contention
• CS organisation	- Slow to change
	- Not impartial

E-CS-119

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Notes

IMOs

Strengths	Weaknesses
• PC expertise	- Financial
• Incentive	- Software skills
• Independent	- Maintenance cultures

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Recommendations

- Strategic repositioning
- Acquire key skills
- Position migration

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