

Software Products  
Support Services and  
Desktop Services

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***Software Products Support Services and  
Desktop Services***

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# Software Products Support Services and Desktop Services

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Notes:

# Peter Cunningham President and CEO INPUT

MMONa-2

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Notes:

# Agenda

- Current status of software product support
- Software products support market
- Software products vendor trends and issues
- User trends
- Desktop services

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Notes:

# Current Status of Software Products Support

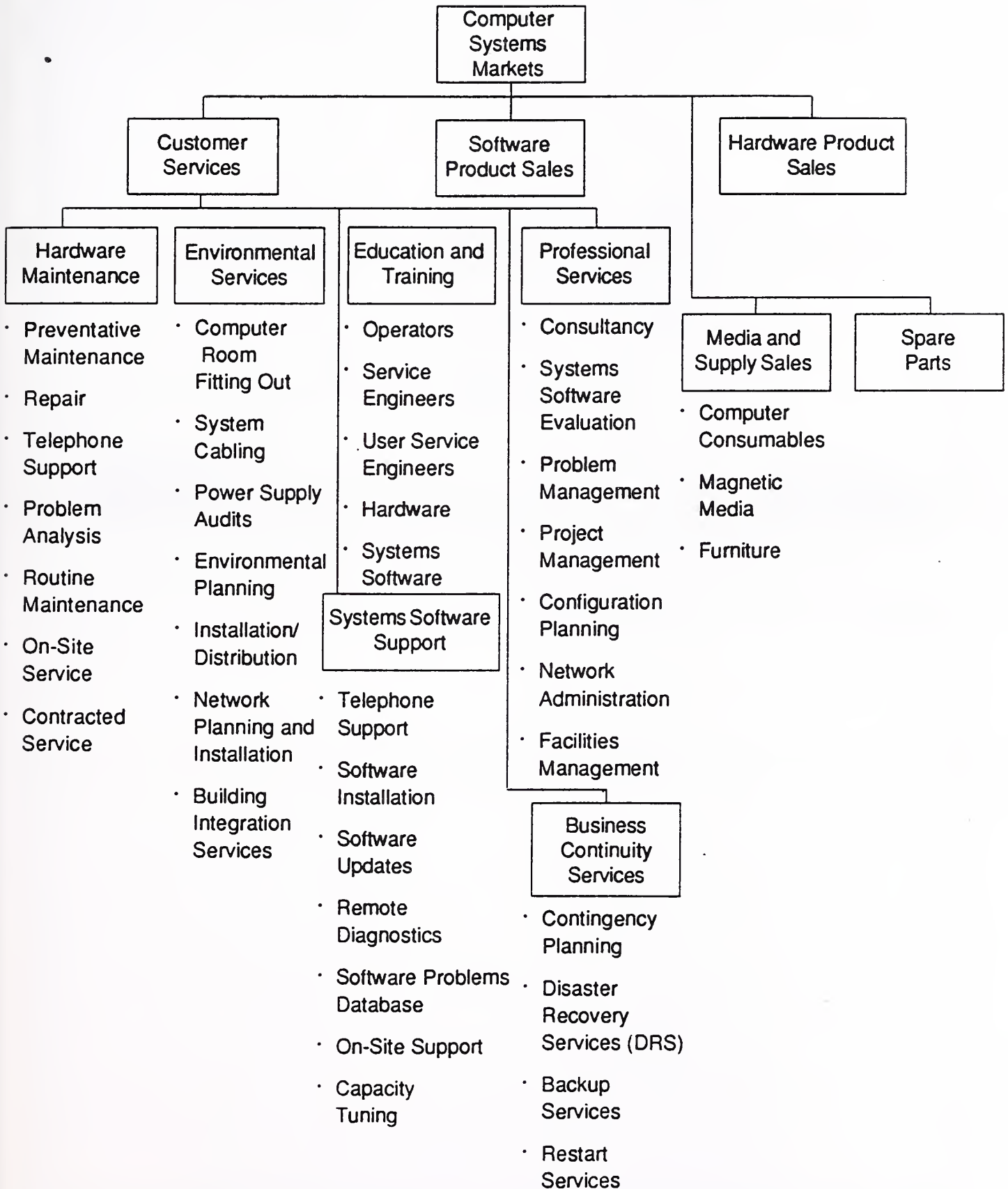
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Notes:



# Customer Services Market Structure



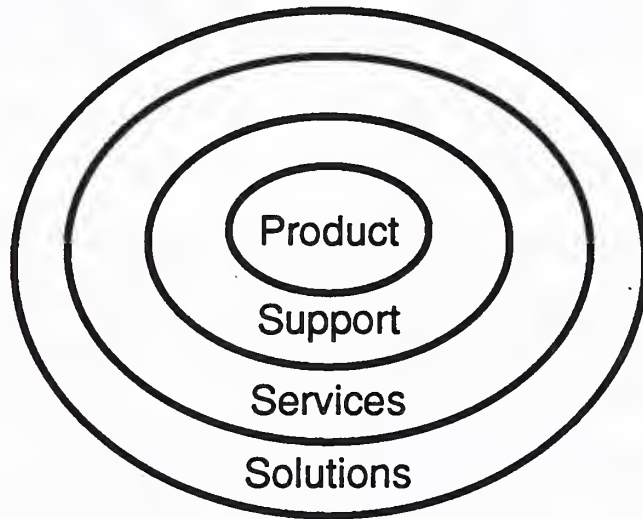
# Trend



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Notes:

# Traditional Elements of Software Product Support

- Software installation
- Telecommunications provided support
- Software updates
- Remote diagnostics
- Software problems data base
- On-site support (sometimes)

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Notes:

## Technology Applications in Software Product Support and Services

- Remote software distribution, assets management, remote diagnostics
- Voice services
  - 800 numbers
  - 900 numbers
  - Expert systems-based call tracking help desk systems
  - Automated call distribution

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Notes:

## Technology Applications in Software Product Support and Services

- Image/fax services
- Remote printing
- Electronic billboards
- Automated customer information response systems—problem resolution databases
- Embedded documentation/training

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Notes:

## Most Common Software Product Support and Services Provided by Vendors

- Software hotline support as part of a maintenance contract
- Software “bug” fixes as part of a limited period warranty
- Professional services, separately priced
- Systems integration, separately priced
- Software enhancements and product support services, unbundled pricing
- Training as part of a maintenance contract

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Notes:

# Software Product Services Opportunities for the 1990s

- Education
- Conversion
- Logistics
- Outsourcing
- Consulting
- Performance analysis
- Customization
- Application maintenance
- Systems integration
- Software support
- Software development (customer)
- Application or function management

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Notes:



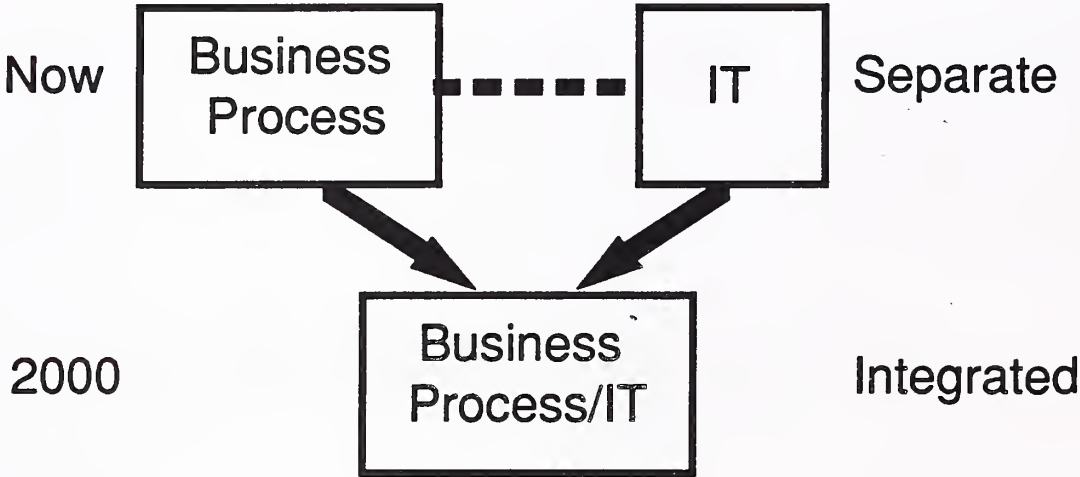
# Forces Affecting Software

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Notes:

# Integration of IT and Business Processes



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Notes:

# Revolutions

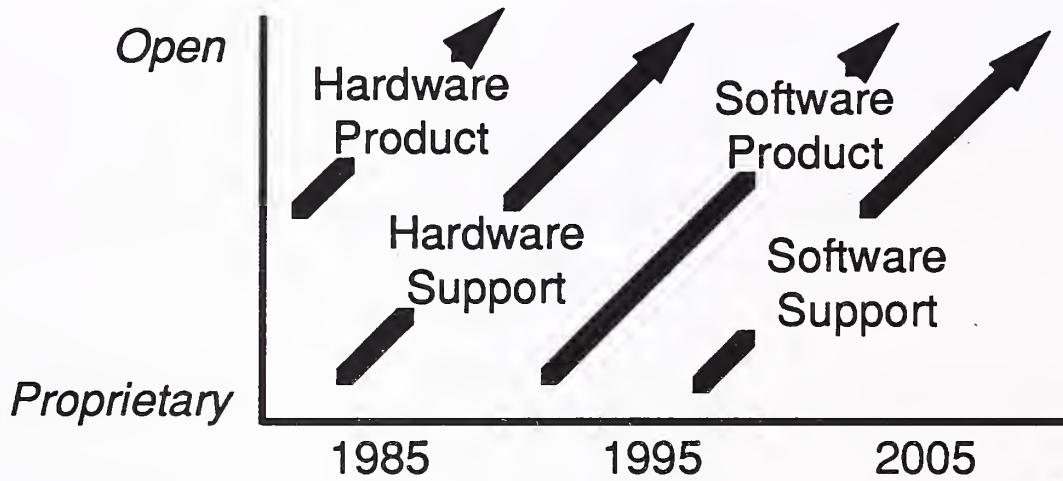
- Downsizing
- Outsourcing
- Re-engineering
- Networking

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# Software Support Enters the Open Market



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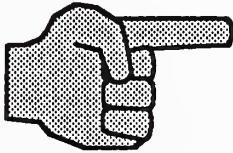
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Notes:



## Trend

- Push down on product pricing



- Push out towards services

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Notes:

Old

- Customers paid for conflict resolution in product price

New

- Customers pay for conflict resolution in service price

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Notes:

# Traditional Maintenance

- High margin
- Closed
- Cost center

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Notes:

# Customer Services

- Lower margin
- Competitive (open)
- Profit centers

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Notes:



# Keys to Success

- Use of technology
- Pricing
- Customer sensitivity
- Services (solution) orientation
- Standards

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Notes:

# Software Products Support Market

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Notes:

# U.S. Software Vendors Market

	Market Size (\$B)	
	1993	1998
Software Products Sales	35.0	53.4
Software Products Support	10.8	25.7
Software Product-related Services	8.4	22.8
Total	54.2	101.9

MMONa-22

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Notes:

# Worldwide Software Products Market

	Market Size (\$B)	
	1993	1998
Software Products Sales	62	93
Software Products Support	19	46
Software Product-related Services	15	40
Total	96	179

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Notes:

# Software Product Support Trends and Issues

MMONa-24

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Notes:

# PC Software Product Support Trends

- Free support services using hot-line/help desk
- Limited use of delivery channels for support
- Requires knowledge of:
  - Vendor software
  - Multiple operating systems
  - Competitive software
  - Multiple hardware platforms
  - Interaction between all of the above

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Notes:

# PC Software Product Support Issues

- Lower product pricing
- Need for free product support
- Increasing complexity of product support
- Increasing professional skill requirements

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Notes:

## WS/Mainframe Software Product Support Trends

- Products and environments tend to be more complex
- Clients tend to stay longer with vendors
- Greater use of maintenance/support contracts
- Bundled/unbundled options offered. Examples:
  - Professional Services
  - Systems Integration

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Notes:



## WS/Mainframe Software Product Support Issues

- WS-based turnkey systems frequently UNIX-based
  - More complex than PC environments
  - More support required
- Pricing of unbundled support services
  - Lower margins than software products
  - Require high utilization for profitability
- Growing need for understanding high-level applications development platforms

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Notes:

# Software Product Support Pricing Strategies

- Tiered pricing based on service levels
- Free implementation and a limited number of free support days
- Free common access support services (bulletin boards, hot-line, etc.)
- Automated information response systems
- Time of usage pricing

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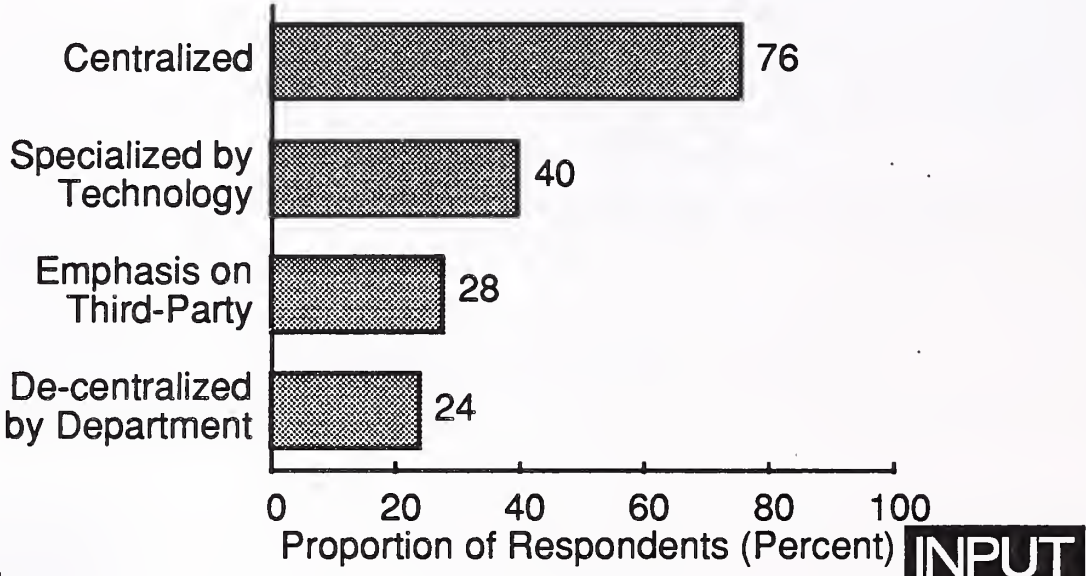
# User Trends

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MMONa-30

Notes:

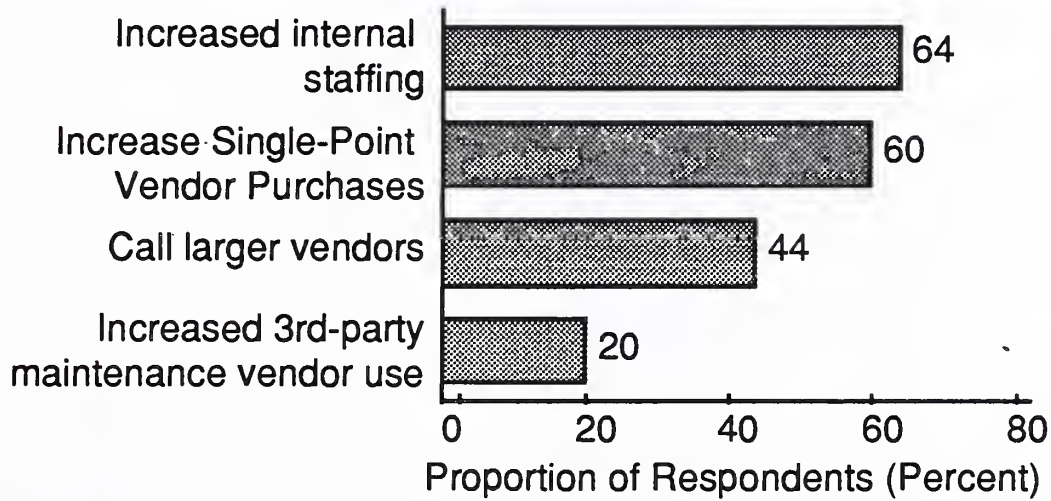
# Location of Software Support Services within the Company



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Notes:

# User Approaches to Multivendor Software Product Support Issues

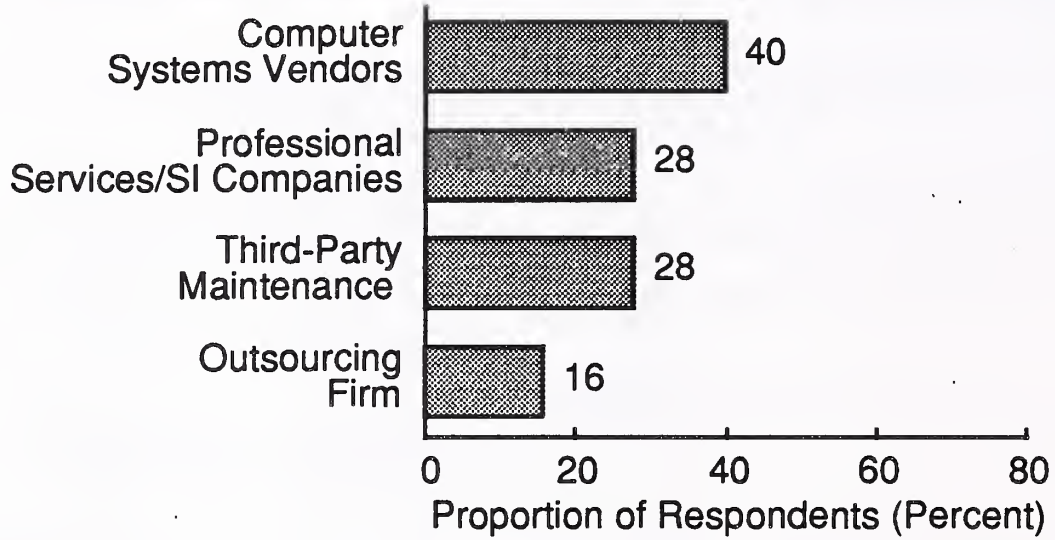


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Notes:

# Use of Third-Party Support Vendors by Type



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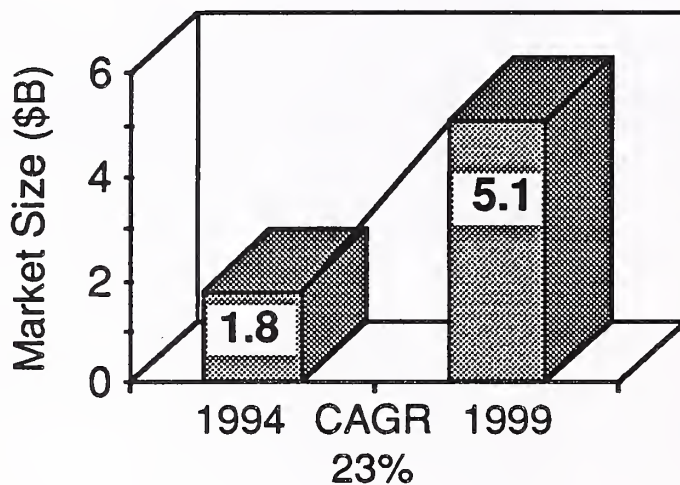
# Desktop Services

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Notes:

# Desktop Services 1994-1999



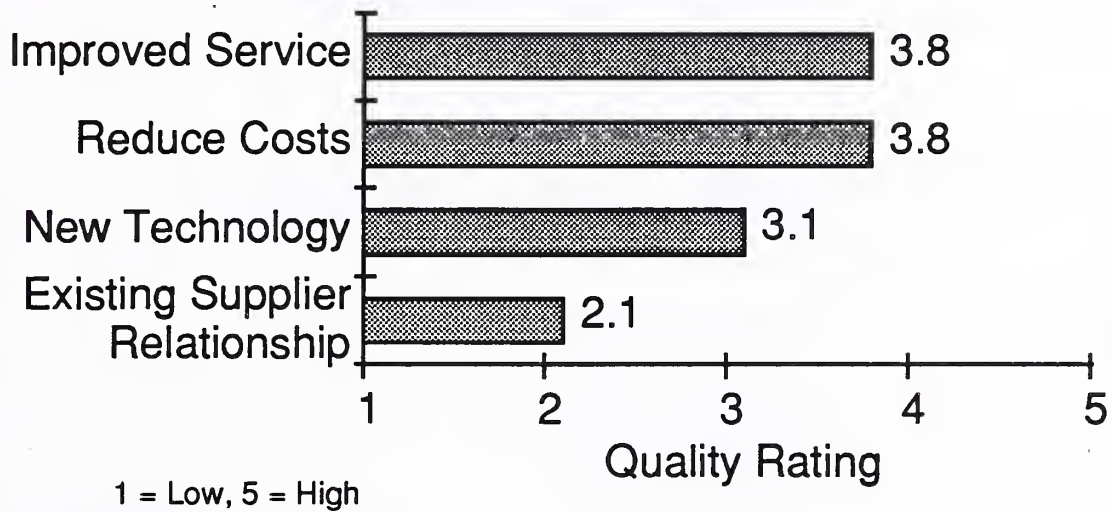
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# Why Users Outsource Desktop Services?

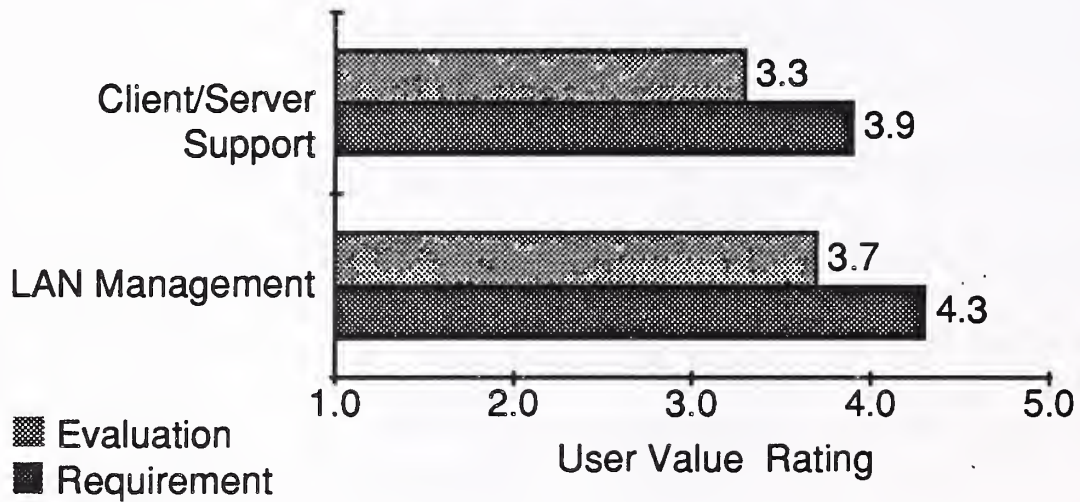


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Notes:

# User Satisfaction



1 = Low, 5 = High

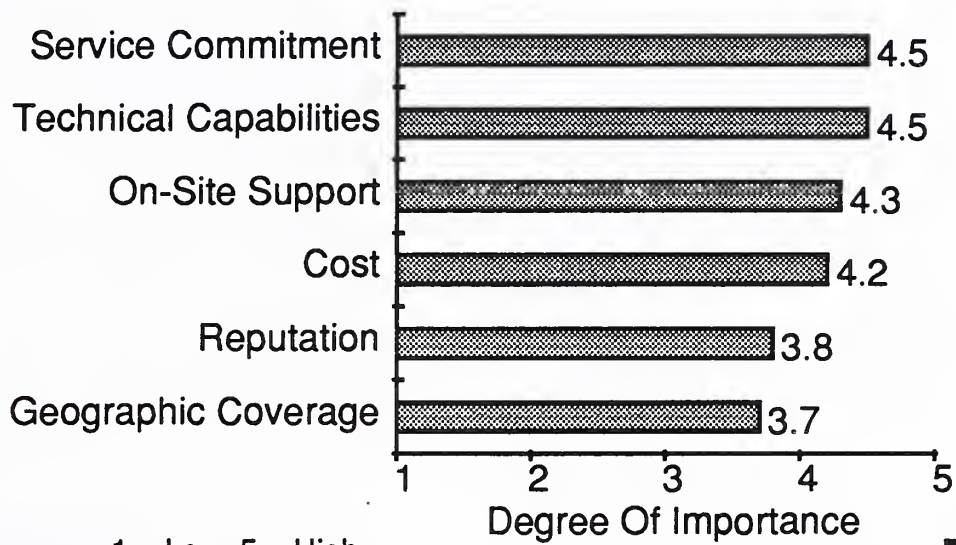
- Top requirements are not satisfied
- Traditional functions are no longer sufficient

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Notes:

# Vendor Selection Criteria



1 = Low, 5 = High

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Notes:

# Vendor Challenges

- Development of desktop-oriented skills
- Outsourcing/Professional Services relationship
- Maintenance of margins
- Widespread competition

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Notes:

# INPUT In-Depth Analysis

- In-depth INPUT reports that will provide additional analyses of today's topics include:
  - Software Product and Support Strategies
  - U.S. Applications Solutions Markets
  - Desktop Video Markets
  - Desktop Services User Perspectives

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## DATABASES

- Software and Services Market Forecasts
- Software and Services Vendors
- U.S. Federal Government
  - Procurement Plans (PAR, APR)
  - Forecasts
  - Awards (FAIT)

## CUSTOM PROJECTS

For Vendors—analyze:

- Market strategies and tactics
- Product/service opportunities
- Customer satisfaction levels
- Competitive positioning
- Acquisition targets

For Buyers—evaluate:

- Specific vendor capabilities
- Outsourcing options
- Systems plans
- Peer position

## OTHER SERVICES

Acquisition/partnership searches

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