

**Information Services  
Industry Forecast  
1988-1993**

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**Robert L. Goodwin  
Vice President  
INPUT**







# Information Services Industry Forecast 1988-1993

INPUT

NOTES:

MPRE89-35



## Research Methodology

Vendor  
Surveys

Analysis  
Bottoms-Up

- 500 Largest
- Revenues: Current/  
Prior Years
- Growth Rates
- Industries
- Delivery Mode (7)
- Industry Sector (22)

INPUT

NOTES:

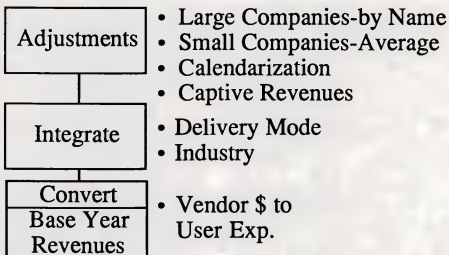
MAAP-36

MPRE89-36





## Research Methodology



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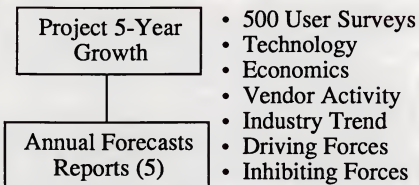
NOTES:

MAAP-36.1

MPRE89-37



## Research Methodology



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MAAP-36.2

MPRE89-38



All INPUT Forecasts Are for U.S.  
Non-Captive User Expenditures,  
in Current Period Dollars.

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NOTES:

JJ88-RG1-14

MPRE89-39



## GNP Nominal Growth Rate Assumptions (Percent)

	1987A	1988A	1989E	1993E
Real GNP	3.4	3.8	2.8	3.0
*GNP Deflator	3.3	3.4	5.5	4.5
Nominal GNP	6.7	7.2	8.3	7.5

\*Year-to-Year Comparisons

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NOTES:

MAAP-56

MPRE89-40





## Growth Rates By Delivery Mode (Percent)

### Applications Software

	1987A	1988E	1989E	1993E
Real Growth	20.7	19.5	16.5	15.0
Price Deflator	3.3	4.5	5.5	4.5
Nominal Growth	24.0	24.0	22.0	18.0

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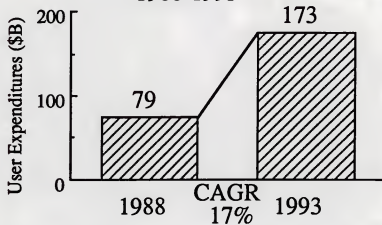
NOTES:

MAAP-57d

MPRE89-43



Information Services Industry Forecast  
1988-1993



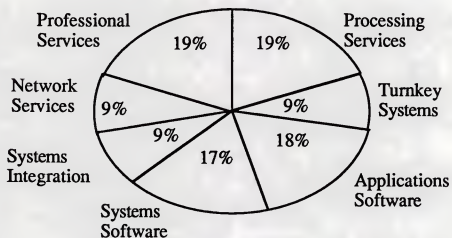
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NOTES:

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## Projected Information Services Markets by Mode of Service—1993



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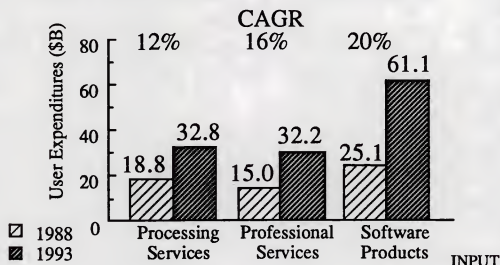
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JJ88-DW1-29

MPRE89-52



## Information Services Industry Forecast by Delivery Modes, 1988-1993



NOTES:

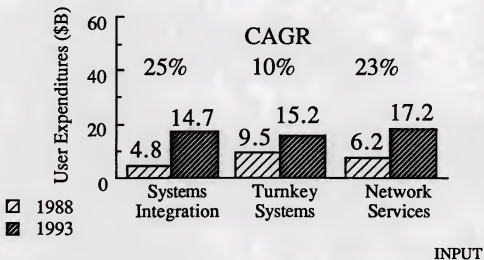
MAAP-39

MPRE89-53





## Information Services Industry Forecast by Delivery Modes, 1988-1993



NOTES:

MAAP-40

MPRE89-54



# **Preliminary Results**

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**1989 Forecast Activity**

**330 Interviews of  
Information Services Vendors**

**INPUT**

**NOTES:**

**MPRE89-54a**



## Preliminary Results 1989 Vendor Survey

Delivery Mode	# of Respondents	1987-1988 Revenue Growth (%)
Processing Services	47	13
Network Services	20	35
Application Software	152	25
Systems Software	48	30
Turnkey Systems	63	20
Systems Integration	23	31
Professional Services	91	23

INPUT

NOTES:

MPRE89-54b



## Incremental Industry Expenditures by Delivery Mode, 1988-1993

Delivery Mode	\$B Added over 5-Yr Period
Total Software	38
- Systems Products	20
- Applications Products	18
Professional Services	18
Processing Services	14

INPUT

NOTES:

MPRE89-55





## Incremental Industry Expenditures by Delivery Mode, 1988-1993

Delivery Mode	\$B Added Over 5-Yr Period
Network Services	12
Systems Integration	11
Turnkey Systems	6
Total	99

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NOTES:

JJ88-RDW-7b

MPRE89-56



## Information Services Leading Vendors

Vendors	1988 U.S. Revenues (\$B)*	Market Share (Percent)
IBM	5.7	7
** EDS	1.7	2
ADP	1.6	2
DEC	1.3	2
Unisys	1.2	2
CSC	1.0	1

Top Ten Vendors=20% of Industry Total

\* INPUT Estimates

\*\* Non-GM Business

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NOTES:

JJ88-RDW-8a

MPRE89-57



## Information Services Leading Vendors

Vendors	1988 U.S. Revenues (\$B)*	Market Share (Percent)
Andersen Consulting	1.0	1
McDonnell Douglas	0.9	1
CDC	0.9	1
Computer Associates	0.7	1

Top Ten Vendors=20% of Industry Total

\* INPUT Estimates

INPUT

NOTES:

MPRE89-58



## Leading Independent Information Services Vendors

Vendors	1988 U.S. Revenues (\$B)*
ADP	1.6
CSC	1.0
Computer Assoc.	0.7
Intergraph	0.7
Lotus	0.4
Shared Medical	0.4
Microsoft	0.3
Oracle	0.3
MSA	0.2
Compugraphics	0.2

\* INPUT Estimates

INPUT

NOTES:

JJ88-RDW-9a

MPRE89-59a,b





## Worldwide Markets-1987

	\$ Billions				
	U.S.	Europe	Japan	Others	Total
Computer Equip.	54	33	28	6	121
Maintenance	12	8	6	1	27
Software	20	9	8	4	41
Computer Svcs.*	47	23	10	2	82
Total	133	73	52	13	271

\* Processing Services, Network Services,  
Professional Services, Systems Integration

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NOTES:

MPRE89-59c



## Worldwide Markets-1992

	\$ Billions				
	U.S.	Europe	Japan	Others	Total
Computer Equip.	88	50	50	12	200
Maintenance	16	13	7	2	38
Software	51	24	28	12	115
Computer Svcs.*	97	52	24	4	177
Total	252	139	109	30	530

\* Processing Services, Network Services,  
Professional Services, Systems Integration

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NOTES:

MPRE89-59d



# INPUT

1280 Villa Street, Mountain View, CA 94041 (415) 961-3300

Telex 171407 FAX (415) 961-3966

4-5

ROBERT L. GOODWIN

Vice President

Andrea,

Here are <sup>are</sup> few extra  
charts (or still  
incorporated) for the  
MSEH presentation.

I assigned MARE #12  
based on where they  
would fit.

T Bonds,

Bob



APR 89-31 A

INDUSTRY

SLOWDOWN

LOOKING?

---

1988 Savings Shortfalls:

- IBM
- DEC
- Apple
- Disney
- Price
- Microsoft

- 1-29 DURATION?

1000

1000

1000

1000

1000

1000



(31B)

Report of Equipment Shutdown  
on information services

SHORT

- LAGGING 1-2 QUARTERS  
EQUIPMENT BY

- SELECTIVE DOWNTURN

~~MAINFRAME~~ - RELATED

~~MINICOMPUTER~~ - RELATED

(31)

Wednesday, August 21st  
A. J. ... ..

... ..  
... ..  
... ..

... ..  
... ..  
... ..

MPRE-54A

Preliminary results

1989 forecast activity

330 interviews of

Information Services Users

25/11/18

at 10.30 - 11.00

at 11.15 - 11.45

at 11.55 - 12.25

at 12.35 - 1.05

Information Services

TPAS- 548

✓ Revenue growth, 1987-88 (Preliminary)

Delivery Mode

1987-1988  
% change

Processing Services

\_\_\_\_\_

Network Services

\_\_\_\_\_

Software Products

\_\_\_\_\_

Turnkey Systems

\_\_\_\_\_

~~Professional~~  
System Integration

\_\_\_\_\_

Professional Services

\_\_\_\_\_

Industry average  
75%

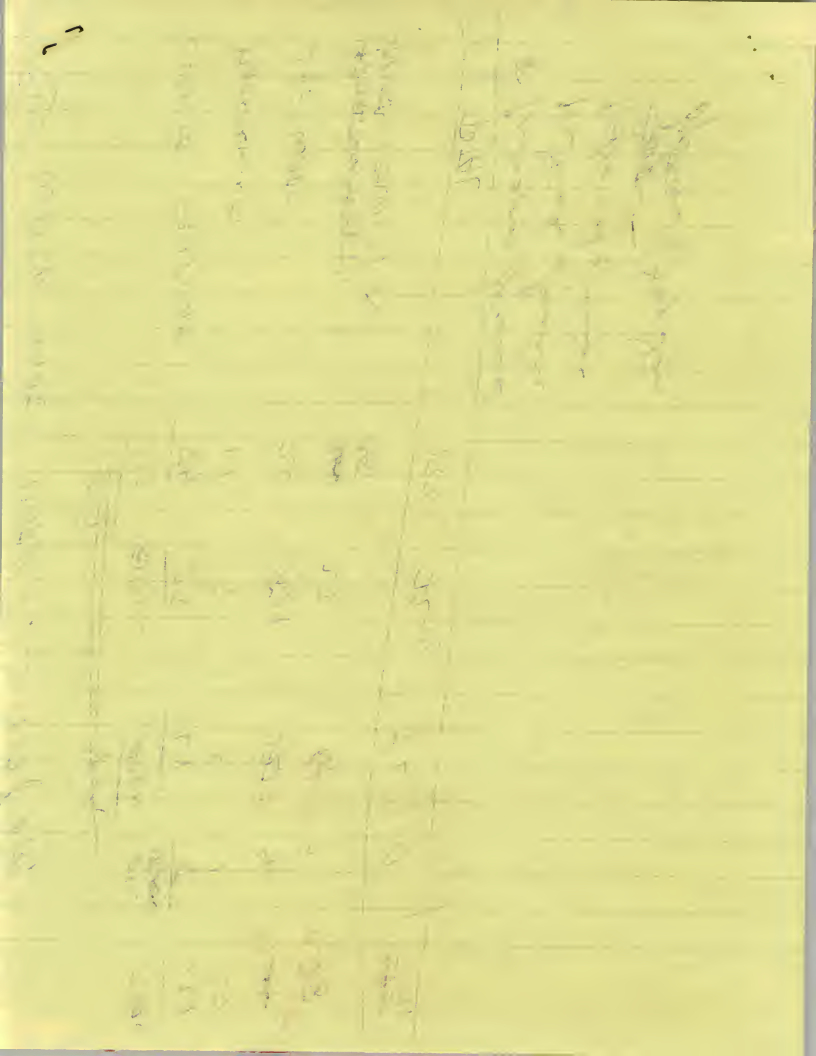
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✓ 59c WORLD WIDE MARKETS - 1987 (\$B)

	<u>1987</u>		<u>1992</u>		
	US	EUROPE	JAPAN	ALL OTHERS	TOTAL
COMPUTER EQUIPMENT	54	33	28	6	121
MAINTENANCE	12	8	6	1	27
SOFTWARE	20	89	128	4	4144 45
<del>PROCESSING/NETWORK</del>	<del>44</del>	23	610	2	8278
COMPUTER SERVICES *	47				
	133	7273	52	13	270271
TOTAL					

\* Processing services  
 Network services  
 Professional services  
 Computer  
 System integration



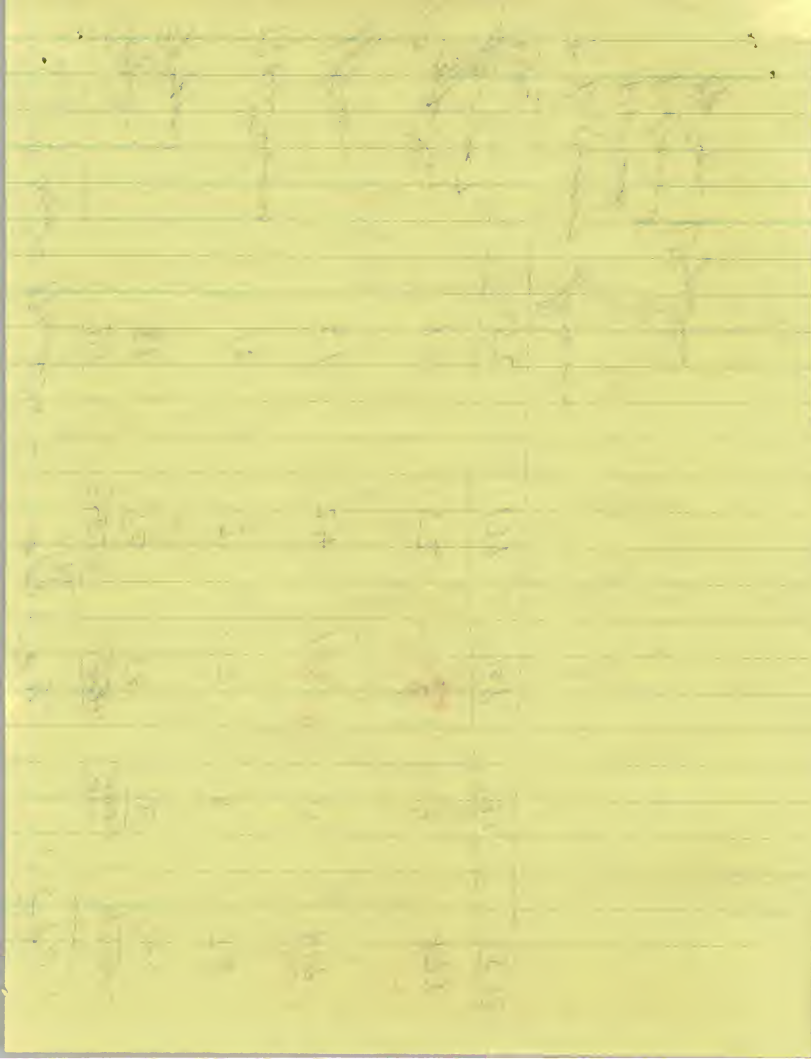


# World Wide Networks - 1992 (1B)

590

	US	EUROPE	JAPAN	ALL OTHERS	TOTAL
Computer Equipment	88	50	50	12	200
Maintenance	16	13	7	2	38
Software	51	24	<del>32</del> 28	12	<del>119</del> 115
Computer Services*	97	52	<del>24</del> 20	4	<del>173</del> 177
TOTAL	252	139	109	30	530

\* Processing Services  
 Network "  
 Informational "  
 Systems Integration



Preliminary results, 1989 order survey

~~1987-88 same growth~~

<u>Industry node</u>	<u># of repondents</u>	<u>1987-88 revenue growth %</u>
Crossing services	<del>57</del> 41	13 <del>15</del> %
Network services	<del>24</del> 20	35
Application software	<del>125</del> 152	<del>30</del> 25
System software	<del>30</del> 48	30
Turnkey systems	<del>74</del> 63	<del>30</del> 20
Systems integration	<del>31</del> 23	<del>31</del> 31
Professional services	<del>74</del> 91	<del>25</del> 23

March 11, 1911, Sunday

St. Louis, Mo.

Dear Mr. [illegible]

I have just received your letter of the 10th inst.

and am glad to hear from you.

I am well and hope this finds you the same.

I am sure you are doing well.

I am sure you are doing well.

I am sure you are doing well.

I am sure you are doing well.

I am sure you are doing well.

I am sure you are doing well.

I am sure you are doing well.

PUR 87-35

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54a,b

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59c,d

RG2

