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Title: Meeting User Needs for Internet
Intranet Development

- Report
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Reports		Executive OV
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Stock	_____	Stock _____
		TU Pkg. _____
Total	_____	Total _____

Fulfillment - Please print list to order covers>>

Research Bulletin	Newsletter
Fulfillment <u>75</u>	Fulfill. _____
Stock <u>125</u>	
<u>total 200</u>	

TO: GBC
Covers Order
 Date _____
 Quantity _____
 Color _____
 Size _____
 P. O. Number _____
 GBC Control Number _____

Date/ FedX GBC _____
 Date Due INPUT _____
 Date Rec. INPUT _____

Date _____
 PLEASE PRINT labels packing slips
 To: BAC _____

TO BRADFORD ADAMS

- Folder
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- Hard Copy
- Blue Form
- Dates
- GBC Cover

For Set Up/Proof _____
 Proof rtn to INPUT _____
 Final proof rtn to BA _____
 Scheduled to Ship _____

Other Information/Notes

Pls print on old (1956 stock) Systems Integration Program masthead.

Instructions:

- Window Cover
- Hot Strip
- 3-Hole Drill
- Staple
- Shrink Wrap
- Other _____

Return to INPUT Ship Date _____

- Originals/Disk in folder
- For Stock: _____ RP _____ OV _____ RB _____ PR
- Internals for Distribution
- International for mailing/DHL
- Other _____
- INPUT add stock quantity to inventory report

Meeting User Needs for Internet/Intranet Development

The Internet represents the most significant wave of new technology since the introduction of PCs in the early 1980s.

The realization that the Internet can be adopted to support an organization's internal business processes brings to the fore the reliability and security issues of the "open Internet" that are key drivers of the *Intranet* opportunity.

Some large organizations are already deploying Intranets designed to underpin key elements of their business. Certainly the majority of organizations are at least planning how Intranets can most effectively be used.

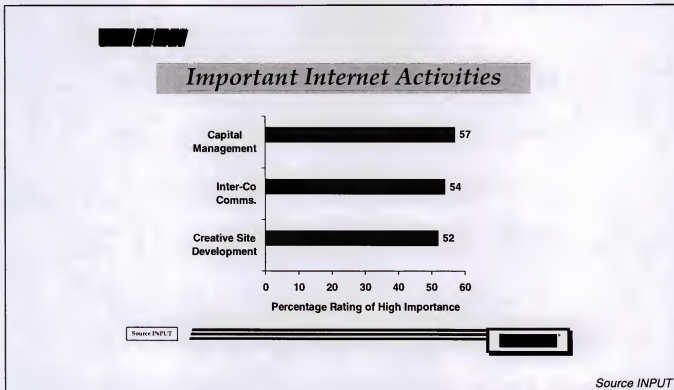
The opportunity to meet both Intranet and Internet systems development requirements is creating a substantial new market for professional services firms and systems integrators. This market was already worth \$2.5 billion in the U.S. in 1996 and is expected to be worth \$18 billion by 2001.

However, IT professional services firms and systems integrators face major challenges in attempting to understand how Internet technology can best be used in corporate computing environments now and in the future.

Primary research recently compiled by INPUT is presented here to assist IT services vendors to optimize the growing potential of this market, covering the following issues:

- Gaining an understanding of the priority that users are placing on different applications of Internet technology, both internally as Intranets and externally
- Identifying those areas where users are most likely to seek or be receptive to the utilization of external sources of development assistance

Exhibit 1



Source INPUT

Understanding User Priorities

The most important Internet activities for users are indicated in Exhibit 1.

Content management is one of the highest priorities for users as they come to realize the full extent of the on-going support commitments, ranging from update services through to continuous 24x7 support.

At the moment Internet users are not yet generally applying the technology to full function interactive services, although these are expected to emerge soon to form a second wave of demand for services.

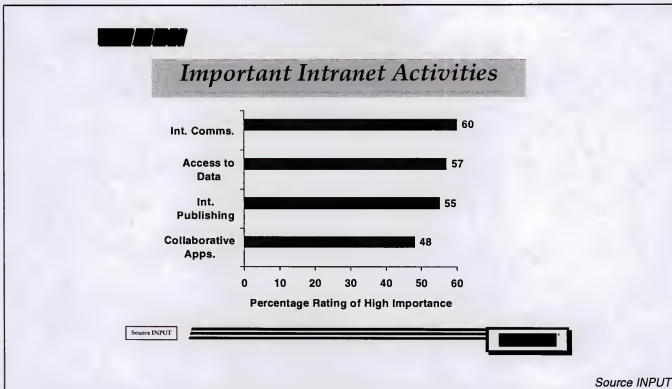
Currently concerns about security and network reliability are impeding the development of the more advanced uses of the Internet.

It is in response to these concerns that users have in the meantime focused their attention on leveraging Internet technology internally as Intranets.

Three quarters of the users surveyed in this research project reported that they were actively planning to implement an Intranet.

User priorities for Intranet development are shown in Exhibit 2.

Exhibit 2



Identifying Strong Service Need Areas

Users adopt a selective approach in utilizing services vendors for Internet related activities.

Creative site development is the area most likely to be subcontracted to a services vendor as is shown in Exhibit 3.

The functions users choose to subcontract will not necessarily correspond to the functions which users rate of highest priority.

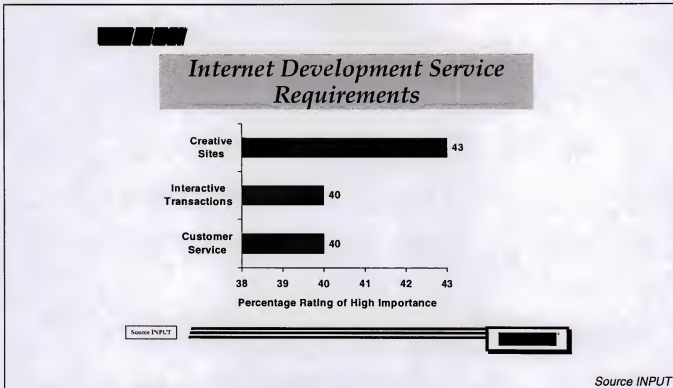
For example, users indicated that they were least likely to turn to an outside vendor for help

with inter-company communications even though this activity was rated first in importance by users.

This is an example of the tendency to insource critical activities which might be more efficiently addressed through utilizing an external source of know-how and experience.

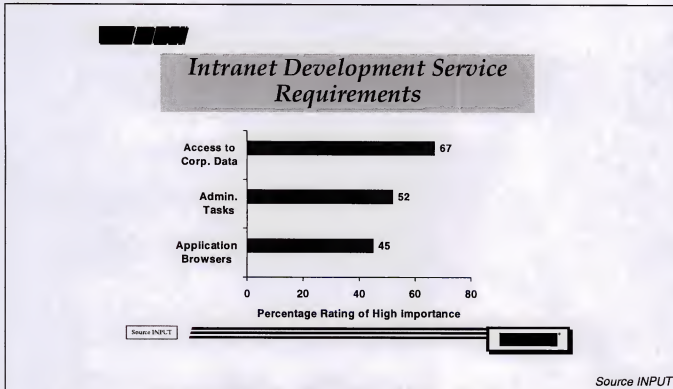
Exhibit 4 indicates that the strongest service need in relation to Intranets would appear to be supporting access to corporate data.

Exhibit 3



Source INPUT

Exhibit 4



Source INPUT

Other Intranet activities that are also highly likely to be sub-contracted by users are, the migration of existing applications, the facilitation of internal communications and collaborative applications.

The key factors that are likely to drive demand for vendor assistance in the support of Intranet development are:

- Lack of skills and experience in-house
- Non-mission critical nature of projects causing shortages of internally available resources
- Uncontrolled, unmanaged development of Intranets at the department level

Existing applications that are likely to be moved to Intranet platforms are:

- Sales automation including expense reporting and travel
- Order processing as part of EDI and Supply Chain Management
- Internal Help desks
- Accounting applications

Greater dependence on internal networks particularly for firms that operate globally, will be a major driving force for development opportunities of professional services firms.

For example Ford Motor depends on Hewlett-Packard to manage its Intranet activity to ensure support for 70,000 users across over two dozen countries.

This Research Bulletin is issued as part of INPUT's Systems Integration Program. If you have any questions or comments on this bulletin, call Wilson Haddow at INPUT, 1881 Landings Drive, Mountain View, CA 94043-0848, (415) 961-3300, email wh@input.com.

