

Customer Services, Europe
The Open Systems Support
Challenge

9 February 1993

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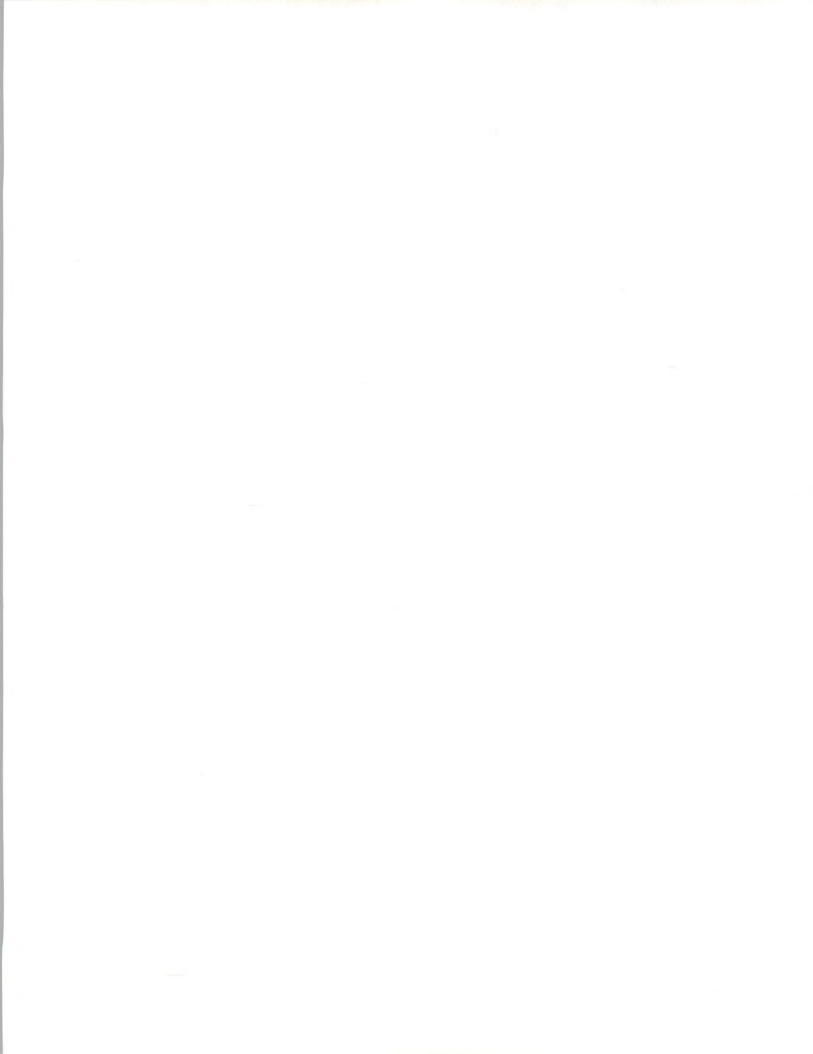
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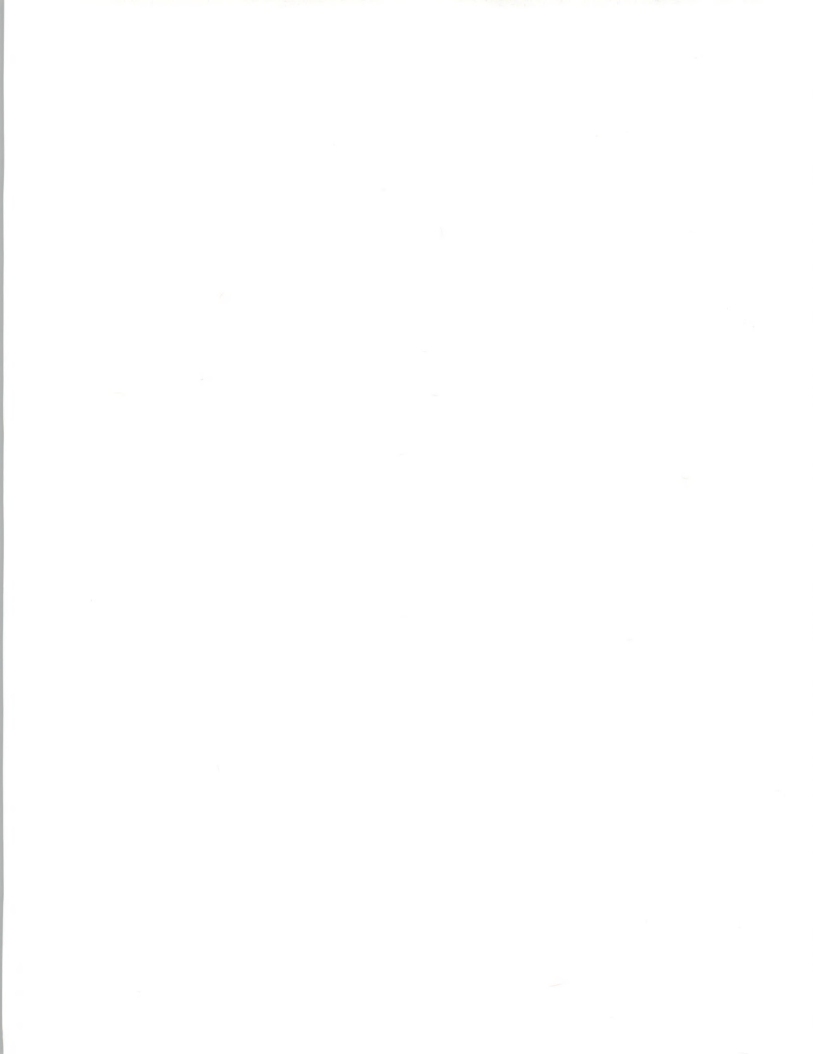
Customer Services Programme—Europe
(CSP)

Customer Services, Europe
The Open Systems Support Challenge

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Customer Services, Europe The Open Systems Support Challenge

Michael Longy
Principal Consultant



Restructuring for Growth

Key User Demands

- Effectiveness
- Cost reduction
- Value for money

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Notes



Restructuring for Growth

Seeking Cost Reduction for IT

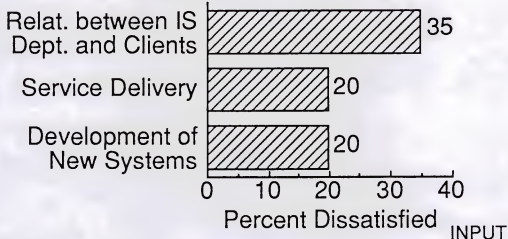
- Downsizing
- Outsourcing
- 80% solutions

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Notes

Major Challenges for IS Departments



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Notes

Restructuring for Growth

Presentation of Market Analyses

- Unique
- Non-unique
- All other services
- No software products

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Notes

Growth Over 1991

- 3% overall
- Ranging from -4% to +17% by sector
- Business continuity best
- Education and training worst

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Notes



Growth 1992 to 1997—I

Category	\$ Billion		
	1992	1997	CAGR (%)
Hardware Maintenance	15.9	17.4	2
Environmental Services	7.9	10.2	5

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Notes

Growth 1992 to 1997—II

Category	\$ Billion		
	1992	1997	CAGR (%)
System SW Support	1.9	2.8	8
Educ. and Training	1.3	1.6	4
Professional Servs.	0.8	1.4	11
Business Continuity	0.4	0.9	20

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Notes

Growth 1992 to 1997—III

Category	\$ Billion		
	1992	1997	CAGR (%)
Unique Services	23.8	27.6	3
Non-Unique Services	4.4	6.6	8
Total	28.1	34.3	4
Other Services	4.4	7.1	10

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Notes

Leading Suppliers 1991—Europe

Vendor	Share (%)
IBM	13
Digital	9
SMI	6
Bull	4
AT&T/NCR	4

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Notes

Hardware Maintenance Model

- 4 layers
 - Mainframe
 - Mid-range
 - Workstation and server
 - PC
- Volume and value attrition
- Fee rates

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Notes

Market Segmentation

New Customer Services	
Professional Services	Environmental Services

- Consultancy
- Design
- Project mgmt.



- Computer room
- Cabling
- Power
- Installation

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Notes



U.K. Growth Over 1991

- 1% overall
- Ranging from -15% to +28% by sector
- Business continuity best
- Education and training worst

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Notes

U.K. Growth 1992 to 1997—I

Category	£ Billion		
	1992	1997	CAGR (%)
Hardware	1.6	1.7	1
Maintenance			
Environmental	0.9	1.0	3
Services			

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Notes

Rounded market values

U.K. Growth 1992 to 1997—II

Category	£ Billion		
	1992	1997	CAGR (%)
System SW Support	0.3	0.4	9
Educ. and Training	0.1	0.1	0
Professional Servs.	0.1	0.2	12
Business Continuity	0.1	0.2	22

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Notes

Rounded market values

U.K. Growth 1992 to 1997—III

Category	£ Billion		
	1992	1997	CAGR (%)
Unique Services	2.5	2.7	2
Non-Unique Services	0.5	0.8	10
Total	3.0	3.6	4
Other Services	0.4	0.7	11

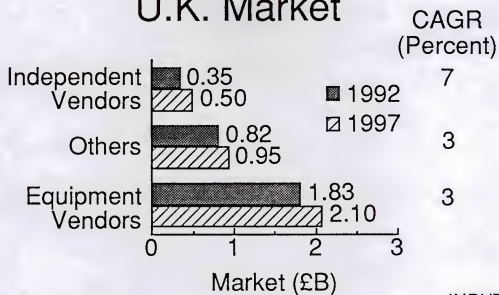
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Notes

Rounded market values

U.K. Market



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Notes

Trends 1992—U.K.

- Maintenance decline
- Downsizing
- Total service contracts
- Partnering/outourcing
- Availability key

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Notes



Leading Suppliers 1991—U.K.

Vendor	Share (%)
IBM	11
Digital	10
ICL	10
H-P	4
Unisys	4

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Notes

Non-Available Market

- Bundled
- User self-service
- Own trends

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Notes

Multivendor Maintenance Market Europe

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Notes

Definition

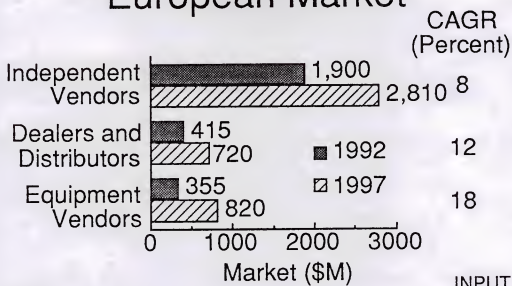
- Restated as
 - Hardware suppliers' multivendor
 - All independent maintainers'
- Multiservice contract with hardware maintenance

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Notes

European Market



E-CS-170

Notes

Multivendor Maintenance—U.K. and Europe

Country Markets—I

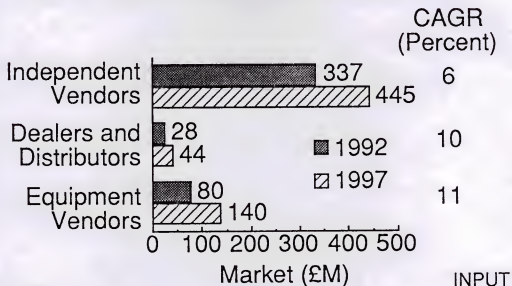
Country	\$ Millions		
	1992	1997	CAGR (%)
France	500	680	6
Germany	270	460	11
U.K.	830	1,200	8
Italy	240	390	10

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Notes

U.K. Multivendor Market



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Notes

Trends 1992—U.K.

- IMO's diversify to software
- Downsizing
- Dealers weaken
- Partnering/outourcing deals

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Notes

Independent Suppliers 1991—U.K.

Vendor	Share (%)
Granada	20
ACT	6
Computeraid	4
Sorbus	4
Servicetec	3

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Notes

Multivendor Maintenance—France and Europe

Strategy Development

- Reorient perspective
- Transition opportunities
- Strategic options, e.g.
 - Prime contractor
 - Services vendor
 - Subcontract/FPM

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Notes

Multivendor Maintenance

Open Systems

- From threat to reality
- Three-year transition
- Services strategy

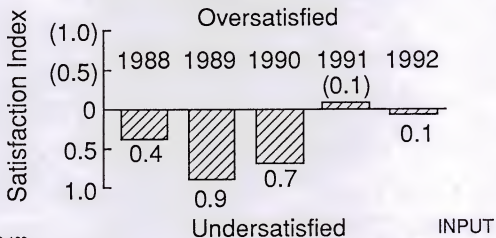
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Notes

Europe

Hardware Service Satisfaction Trends

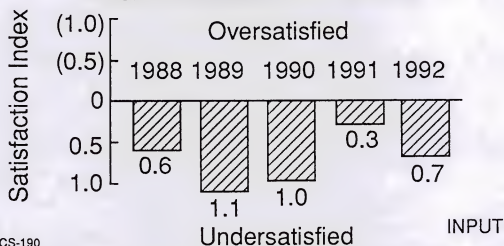


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Notes

Europe

Systems Software Support Satisfaction Trends

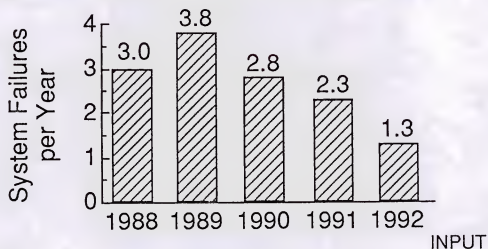


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Notes

Europe

System Failure Rate Trends

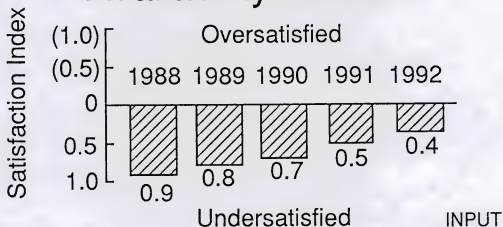


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Notes

Europe

Satisfaction with System Availability Trends



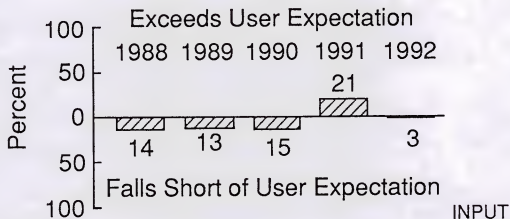
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Notes



Europe

Response Time Trends Hardware Service



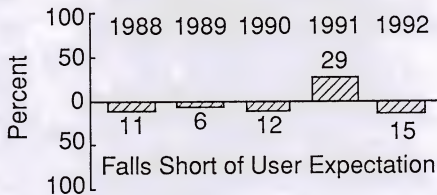
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Notes

Europe

Repair Time Trends Hardware Service

Exceeds User Expectation



E-CS-194

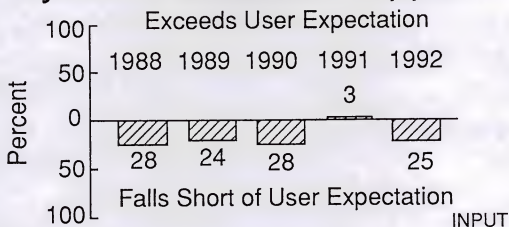
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Notes



Europe

Response Time Trends Systems Software Support

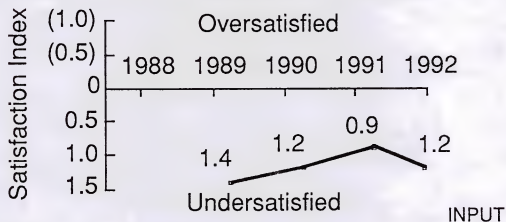


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Notes

Europe

Vendor Quality—Image Systems Software Support



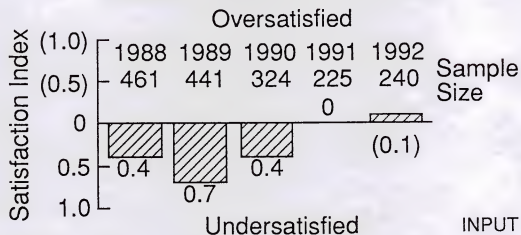
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Notes

No data for 1988

Europe—Large Systems

Hardware Service Satisfaction Trends



E-CS-197

Notes

Europe—Large Systems

Systems Software Support Satisfaction Trends

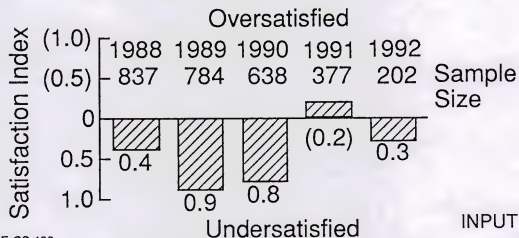


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Notes

Europe—Medium/Mid-Range Systems

Hardware Service Satisfaction Trends



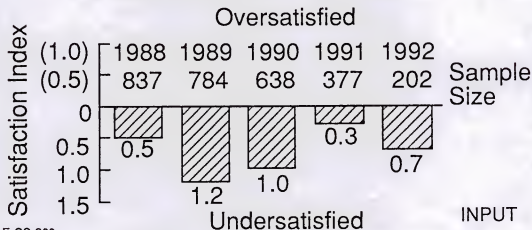
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Notes

Data prior to 1992 refers only to medium systems.

Europe—Medium/Mid-Range Systems

Systems Software Support Satisfaction Trends



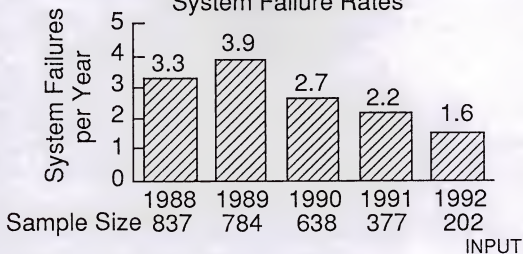
Notes

Data prior to 1992 refers only to medium systems.

Europe—Medium/Mid-Range Systems

System Performance Trends

System Failure Rates



E-CS-201

Notes

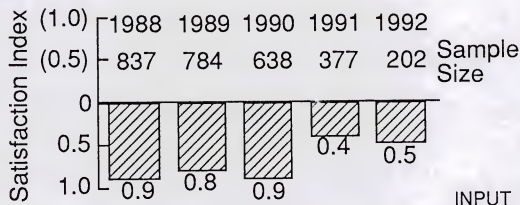
1988 data refers to all system ranges.

1989 to 1991 data refers to medium systems.

Europe—Medium/Mid-Range Systems

System Performance Trends

Satisfaction with Systems Availability



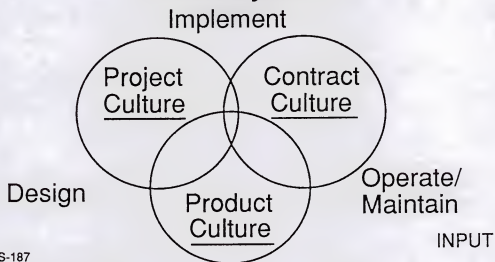
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Notes

- 1988 data refers to all system ranges.
- 1989 to 1991 data refers to medium systems.

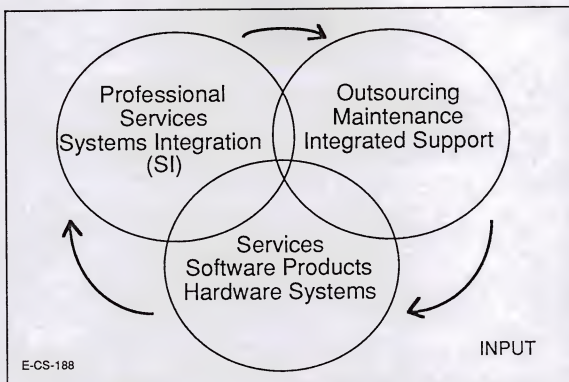


Business Cultures in the Life Cycle



Notes





Notes



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- Outsourcing (vendor and user)
- Downsizing (vendor and user)
- Systems Integration
- Corporate Networks
- Customer Services

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- Outsourcing (vendor and user)
- Downsizing (vendor and user)
- Systems Integration
- EDI and Electronic Commerce
- IT Vendor Analysis
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