

Professional Services Markets

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Vice President
INPUT



Professional Services
Markets
1988-1993

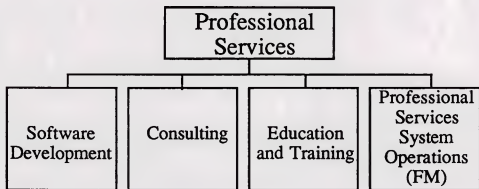
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Professional Services Market Structure



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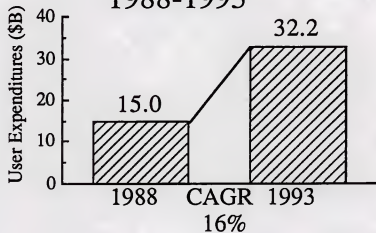
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Professional Services Market Forecast 1988-1993



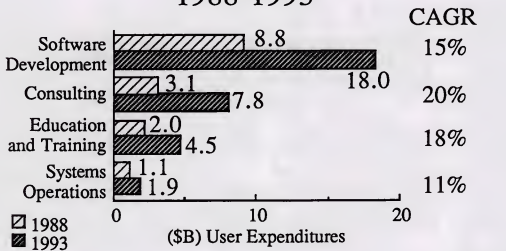
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Professional Services Market by Mode 1988-1993



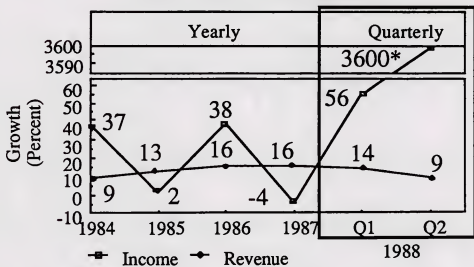
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Public Government Professional Services Vendors



Income
 Revenue
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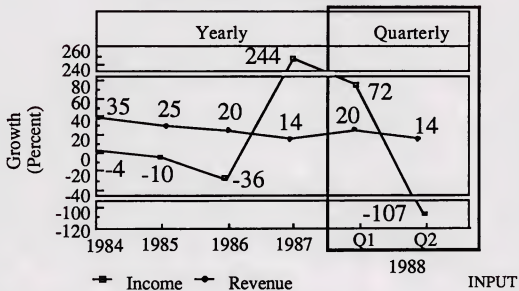
* Due to \$18.3 million loss taken by BBN during second quarter calendar year 1987.

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Public Commercial Professional Services Vendors



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Professional Services Market Driving Forces

- Changing U.S. Workforce
- New Hardware, Software, and Communications Products
- Growing Application Backlog

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MPRE89-303a



Professional Services Market Driving Forces

- Unpredictable Need for Specific Resources
- Specialists Needed to "Fine Tune" the System
- Low Cost Market Entry
- Systems Complexity

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Professional Services Market Growth Inhibitors

- Lack of Qualified Personnel
- Investment Required for Internal Education/Training

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Professional Services Market Growth Inhibitors

- More Capital-Intensive Business Means Higher Added-Value Services
- Competition from:
 - Packaged Software Products
 - In-House Departments or Subsidiaries

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Major Vendors' Shares of Total U.S. Professional Services Market—1988

Company Name	1988 US Revenue (\$ M)*	Market Share (%)
IBM	1,180	8
GM/EDS	740	5
Arthur Andersen	500	3
Unisys Corporation	440	3
CSC Corporation	360	2

* INPUT Estimates

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Major Vendors' Shares of Total U.S. Professional Services Market—1988

Company Name	1988 US Revenue (\$ M)*	Market Share (%)
Emhart/Planning Research	320	2
Ford Aerospace/BDM Int'l	300	2
TRW, Inc.	290	2

* INPUT Estimates

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Major Vendors' Shares of Total U.S. Professional Services Market—1988

Company Name	1988 US Revenue (\$ M)*	Market Share (%)
Boeing Computer Services	240	1
Peat Marwick	190	1

* INPUT Estimates

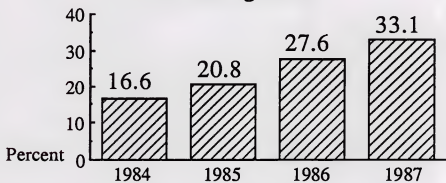
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Combined Market Shares of Top 10
Professional Services Vendors*,
1984 through 1987



*Based on combined commercial/federal
professional services revenues

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the 1990s, the number of people in the world who are illiterate has increased from 700 million to 800 million. The number of illiterate people in the world is expected to reach 900 million by the year 2015 (UNESCO, 2003).

Illiteracy is a major barrier to economic and social development. It is a major cause of poverty and social exclusion. It is a major cause of ill health and poor living conditions. It is a major cause of unemployment and underemployment. It is a major cause of social and economic inequality. It is a major cause of social and economic stagnation.

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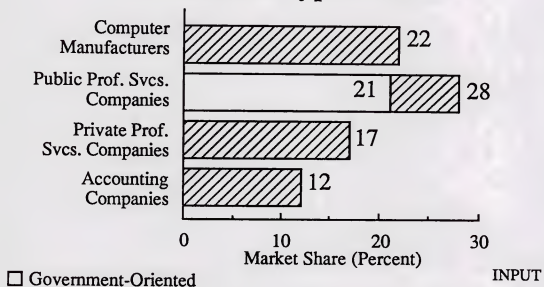
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Professional Services Market Share by Vendor Type, 1987

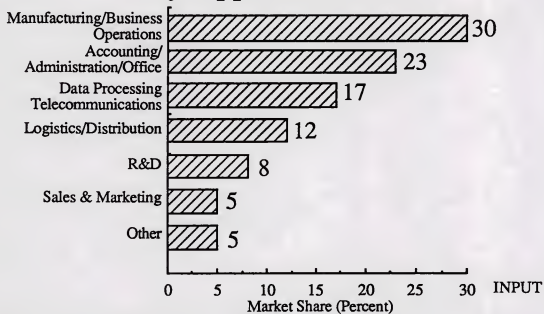


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Professional Services Expenditures by Application Area



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Professional Services Firms as Acquisition Targets

- "Buy versus Build" for Key Capabilities
- Wall Street Cycles
 - Previously: Hardware and Software In
 - Now: Hardware and Software Out,
Services In
- Professional Services Firms Are
Undervalued

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The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial data. This includes not only sales and purchases but also expenses and income. The document further explains that regular reconciliation of accounts is essential to identify any discrepancies early on and prevent them from escalating into larger issues.

In addition, the document highlights the need for transparency and accountability in financial reporting. It states that all stakeholders, including management and investors, should have access to clear and concise financial statements. This helps in making informed decisions and building trust in the organization's financial health. The document also mentions the importance of adhering to relevant accounting standards and regulations to ensure compliance and avoid legal penalties.

The second part of the document provides a detailed overview of the company's financial performance over the past year. It includes a summary of key financial indicators such as revenue, profit, and cash flow. The document also presents a comparison of the company's performance against its budget and industry benchmarks. This analysis helps in identifying areas of strength and weakness, and provides valuable insights for future strategic planning.

Finally, the document concludes with a series of recommendations and action items. It suggests that the company should continue to invest in technology and infrastructure to improve operational efficiency and reduce costs. It also recommends strengthening internal controls and implementing robust risk management practices to protect the company's assets and ensure long-term sustainability. The document ends with a statement of confidence in the company's future prospects and a commitment to continued growth and success.

Growing Role of Temporary Personnel Agencies

- Driving Force: Shortages of Qualified IS Personnel
- Temporary Firms Offer Short-Term Solutions
- Economics of Temporary Personnel Agencies
 - Low Cost of Entry
 - Limited Added-Value Services

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Big-Eight Accounting Professional Services

- Predominately Accounting/Audit
- Professional Services Growing Faster
- Andersen Consulting Reorganization
- Entering Software Markets
 - Andersen's *Foundation*
 - Peat Marwick's *Catalyst*
- Mergers/Acquisitions/Strategic Alliances

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Significant Mergers/Acquisitions in Professional Services (1988)

- EDS/M&SD
- Emhart (Planning Research)/
Advanced Technology
- NYNEX/AGS
- Ford Aerospace/BDM Intl
- Logica (U.K.)/Data Architects

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Significant Mergers/Acquisitions in Professional Services (1988)

- AEG (FRG)/DYNCORP
- Oracle/Falcon
- CSC/Index Group
- Cincinnati Bell/Vanguard
- Adia/Computer Dynamics
- Knoll Capital/C3

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Opportunities and Recommendations

- Specialize
- Develop Alliances within Other Delivery Modes
- Enhance Education and Training Offerings
- Follow Standards and Regulatory Processes
- Monitor New Technologies

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-303A

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304A

304B

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320 AB

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174 AB

175 AB

177 AB

