Systems Integration Opportunities in the Client/Server Environment

MC3-BW-1

INPUT

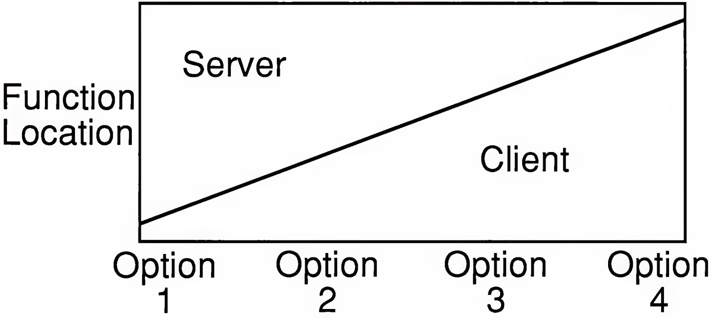
Peter Cunningham

President
INPUT

INPUT

INPUT

Client/Server Boundaries Where is the Balance?



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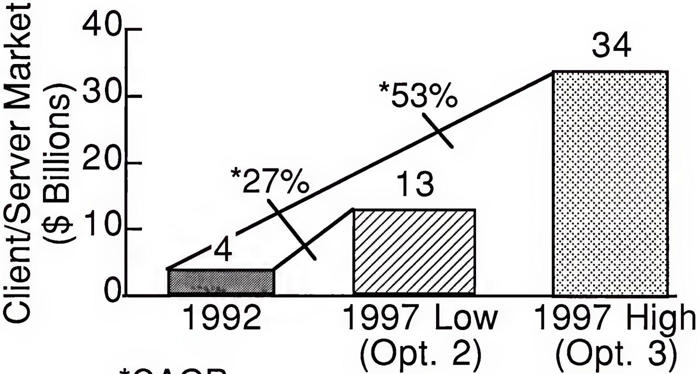
The Client/Server Market



*CAGR

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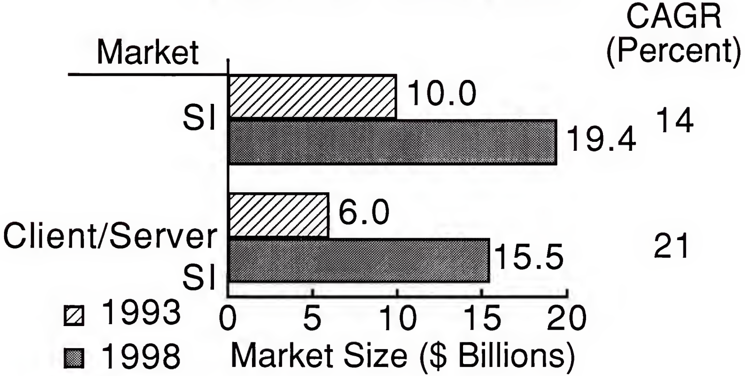
Market Growth



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Client/Server Affects Systems Integrators

- Increased complexity
- Multiple architectures
- Users acquiring services
- Smaller SI projects

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Client/Server Demands New Skills

- LANs, MANs, WANs
- Open systems
- System design and management
- Workflow
- Business process

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Client/Server Not Always the Answer

Say "Yes" to Client/Server

- Local control of data, applications
- Matches business function
- Speed applications development
- Scalability
- Cost reduction

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Client/Server Not Always the Answer

Say "No" to Client/Server

- Data remaining centralized
- Unable to support completed system
- Users unwilling to manage system
- Security
- Cost increase

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Client/Server Opportunities

Increasing Value to Client

- Coupling to business process and workflow projects
- Helping client determine benefits and high-value applications
- Expanding legacy systems portfolio

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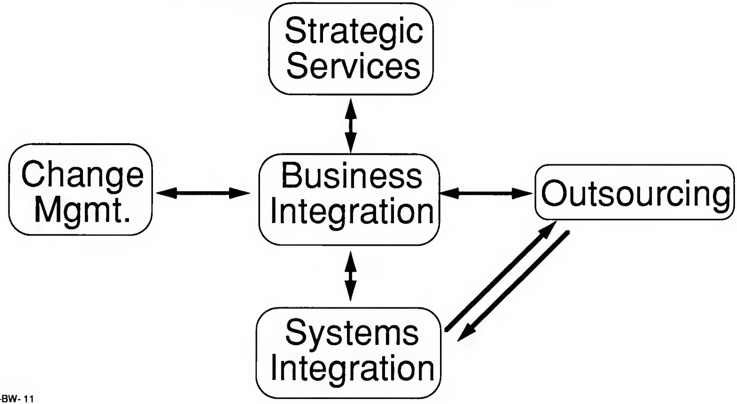
Client/Server Opportunities

Opportunity Flow



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Client/Server Opportunities

Key Indicators

- 30% of companies have a client/server migration strategy
- 40% say next system will be client/server
- Approximately 70% will use client/server for any new applications

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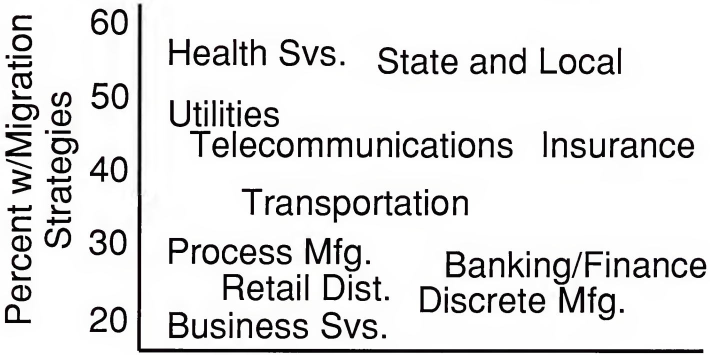
Client/Server Opportunities

Who Has A Strategy?



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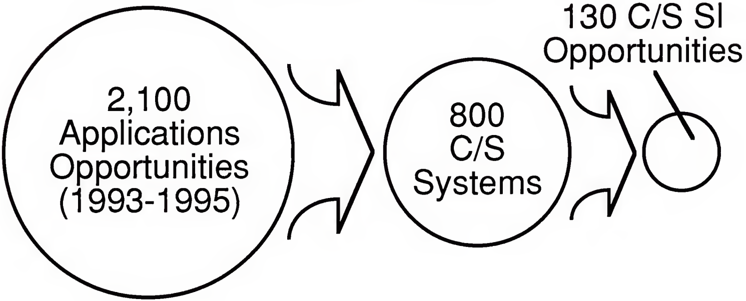
Client/Server Opportunities

The Challenge: Market Awareness



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Outsourcing Opportunities in the Client/Server Environment

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Client/Server Shift

Impacts Outsourcing Market

- Positive
  - Transition outsourcing opportunities
  - New opportunities in:
    - Desktop services
    - Network management

MC3-JP-2

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Client/Server Shift

Impacts Outsourcing Market

- Negative
  - New contracts
    - Shorter duration
    - Lower value
  - Existing contracts
    - Renegotiations
    - Changing requirements

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Outsourcing Market Growth Pattern Changing

Type of Outsourcing	$ Billions 1993	$ Billions 1998	CAGR (Percent)
Platform Ops.	3.9	6.7	12
Application Ops.	5.4	11.2	15
Application Mgmt.	0.6	1.7	27
Desktop Svcs.	1.4	3.6	21
Network Mgmt.	1.3	4.1	26

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Proportion of Outsourcing Market Related to C/S Shift

Type of Outsourcing	1993 (Percent)	1998 (Percent)
Platform Ops.	20	20
Application Ops.	20	80
Application Mgmt.	10	70
Desktop Svcs.	100	100
Network Mgmt.	50	90

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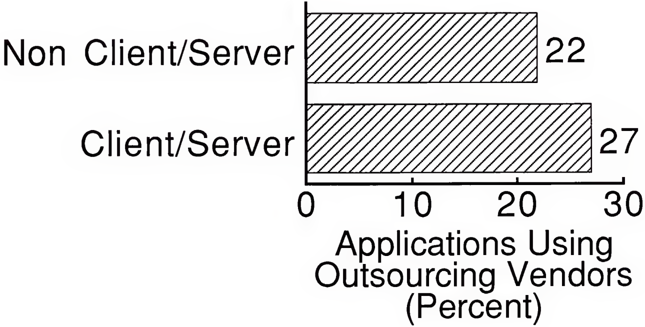
Use of Outsourcing Vendors C/S Vs. Non C/S Applications



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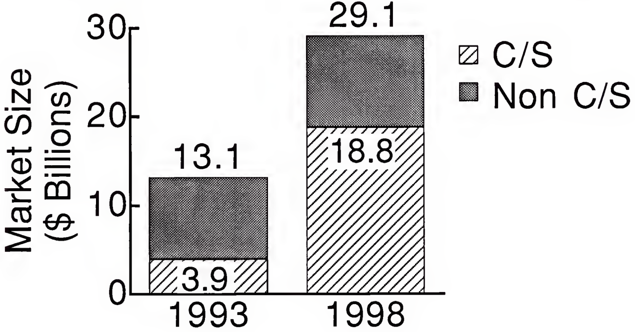
New Opportunities Created by C/S in Outsourcing



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Vendor Responses to Client/Server Challenge

- ISSC
  - Expand SI responsibilities/capabilities
  - Develop business/consulting skills
- EDS
  - Expand TPD to Europe market
  - Refine methodology and logistics expertise

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Vendor Responses to Client/Server Challenge

- CSC
  - Team with CSC Index and CSC Partners
  - Leverage existing system integration capability
- Digital
  - Leverage network management strength
  - Capitalize on strong hardware client base

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INPUT

Conclusions

- Market shift to accelerate
- Contracts will reflect changes
  - Short term
  - Share in savings
- Market leaders continue to innovate

MC3-JP-10

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