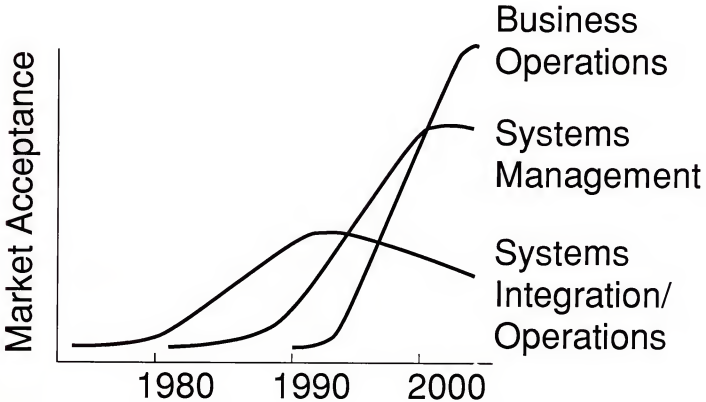
# Outsourcing Market Waves




INPUT

# Strategies for Dealing with Revolution in the IT Industry

INPUT

# Peter Lines

## Managing Director
## INPUT—Europe

MC3-PL- 1

INPUT

# The Computer Industry in the 1990s

Technology Revolutions

+

Organizational Evolutions

=

All the rules have changed

IS- 97

INPUT

# European Client/Server Markets

- Software product brand leaders scale up
- Open competition for client/server projects
- Transition costs fuel outsourcing

MC3-PL- 10

# Atomization of the Customer Environment

| | | |
|---|---|---|
| 1988: | 1 | Customer (IS) |
| 1992: | 25 | Independent Business Units (IBU) |
| | x 5 | Major business functions per IBU |
| | 125 | Customers |

ACCOR 10/13-5

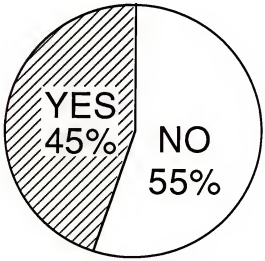
# IS Environment

| "Old" Traditional | "New" Downsized |
|---|---|
| Mainframe | Client/server |
| Shared | Dedicated |
| Remote | Local |
| IS operated | User operated |

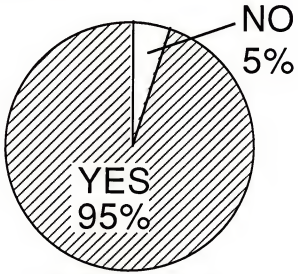
ID-96

INPUT

# European Client/Server Implementation Plans




Currently implementing

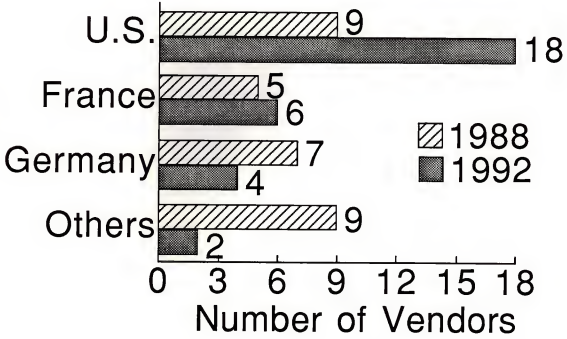



Within next 2 years

MC3-PL- 7

INPUT

# Top 30 Software Product Vendors Europe




MC3-PL- 18

INPUT

# Work Migration

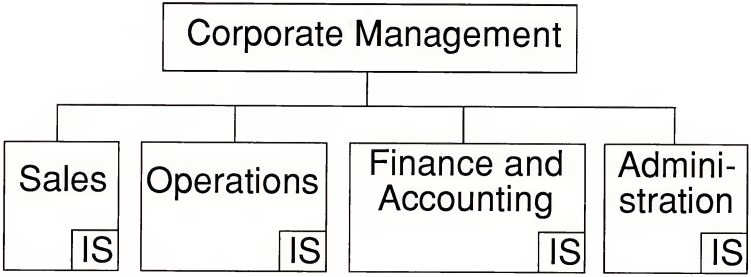
- 1970s/1980s—Physical work relocation
  - Container/transportation revolution
  - Process automation
  - Training automation
- 1990s/2000s—Intellectual work relocation
  - Network infrastructure
  - Electronic representation
- Other historic analogs

MACFC-PAC-4

# Re-engineering the Organization

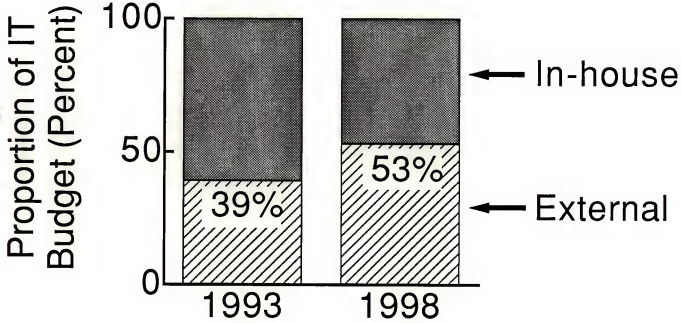
- Slow
- Not driven by IS
- Must have outside agency
- Must include IT

# Organizational Position of IS Unit Future




ACCOR 10/13-11

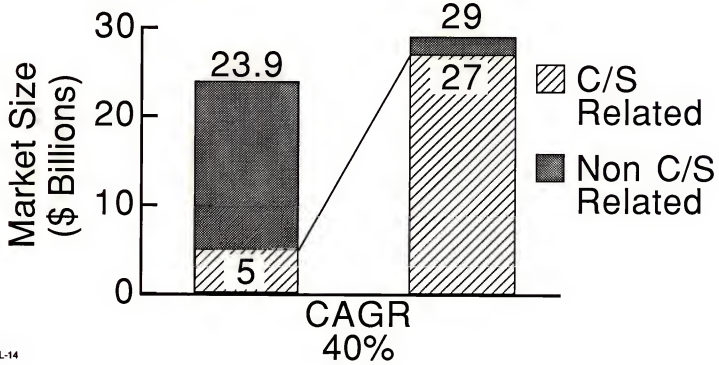
# European IT Spending Changes




MC3-PL-9

INPUT

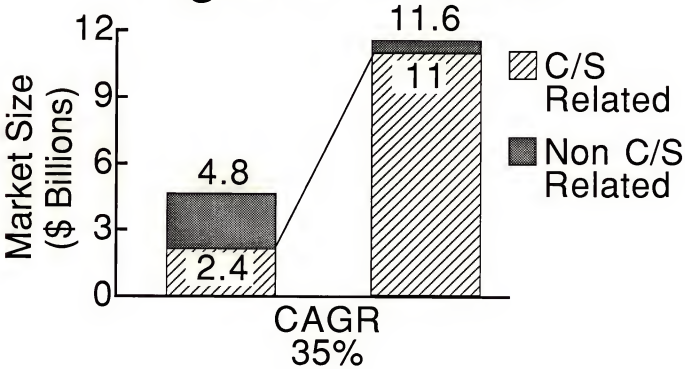
# European Professional Services Market




MC3-PL-14

INPUT

# European Systems Integration Market




MC3-PL-15

INPUT

# Industry Structure and IS Revolution

| Operations | |
|---|---|
| Solutions | |
| "Old" IS | "New" IS |
| Packaging | Packaging |
| Technology | Technology |

Successful segments

IEU/SIP-PL-I- 15

INPUT

# User's Needs

- Results
- Solutions and tools
- Vendor responsibility
- Global/local support
- Understanding of business
- Simplified decisions

IS-101

INPUT

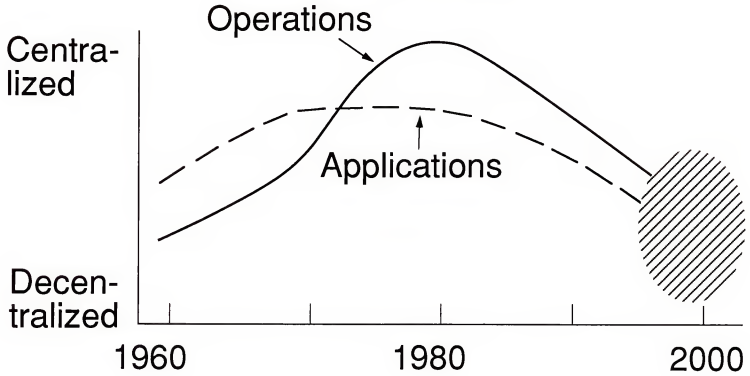
# Transition Management

- Requires outsourcer as agent of change
- Transition difficult to accomplish
- Transition takes time
- Dual operational environments required

ID-98

INPUT

# IT Trends




ACCOR 10/13-8

INPUT

# Changing Management Requirements

Data center mgt. → Distributed network mgt.

Defacto IBM stds. → Heterogeneous stds.

Centralized dev. → Decentralized dev.

Centralized support → Distributed support

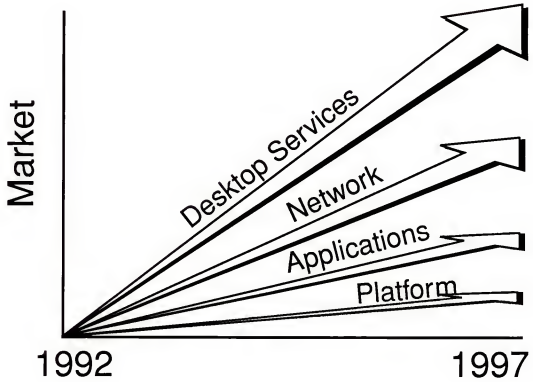
Cobol based sys. → New dev. environments

*... Are users ready?*

ID-108

INPUT

# Changing Outsourcing Options




OU-104

INPUT

# Drivers to Desktop Services

- Whole environment is new and complex
- IS departments lack skills, coverage and inclination
- Users lack skills and inclination
- Third parties are acceptable

OU-118

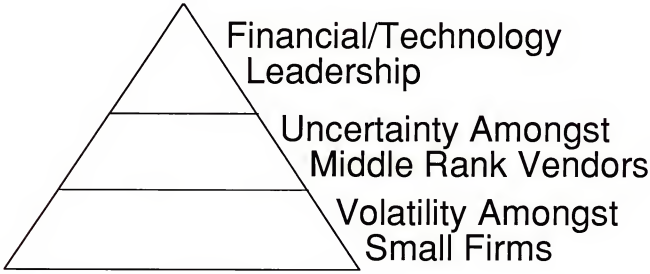
INPUT

# Applications Management

Contracted management of development and maintenance of a set of applications

INPUT

# European Info. Services Industry Structure




MC3-PL-20

INPUT

# Successful Vendors

- Knowledge-based
- Network-based
- Low cost - continual improvement
- Low price - continual improvement
- Channel independent

MACFC-PAC-7

INPUT

# Competing in a Revolution

What used to work
doesn't work now!

IS-78

INPUT

# Peter Lines

## Managing Director
## INPUT—Europe

MC3-PL- 1

INPUT

Notes

10/5/93

# Strategies for Dealing with Revolution in the IT Industry

INPUT

MACFC-PAC-1

Notes

10/5/93

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Technology Revolutions
+
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INPUT

IS- 97

Notes

1/20/92

# European Client/Server Markets

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MC3-PL-

INPUT

Notes

10/5/93

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INPUT

ACCOR 10/13-5

Notes

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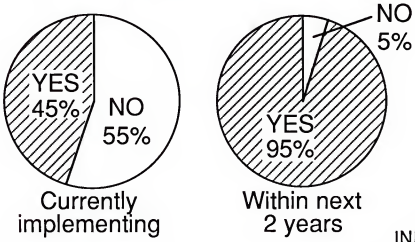
INPUT

ID-96

Notes

1668892

# European Client/Server Implementation Plans



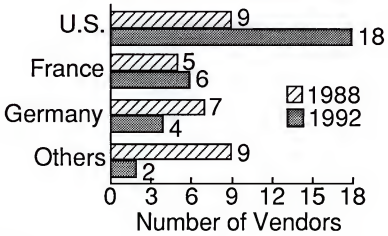

MC3-PL- 6

INPUT

Notes

9/27/93

# Top 30 Software Product Vendors Europe




MC3-PL- 18

INPUT

Notes

9/27/93

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INPUT

MACFC-PAC-4

Notes

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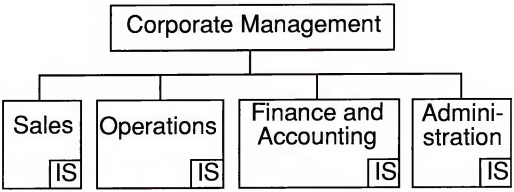
INPUT

MACFC-PAC - 13

Notes

10/5/93

# Organizational Position of IS Unit Future



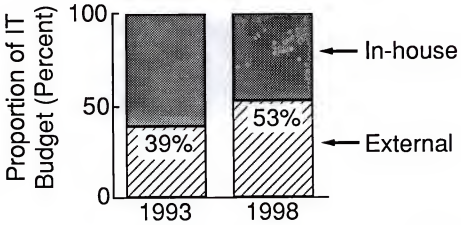

INPUT

ACCOR 10/13-11

Notes

10/26/93

# European IT Spending Changes



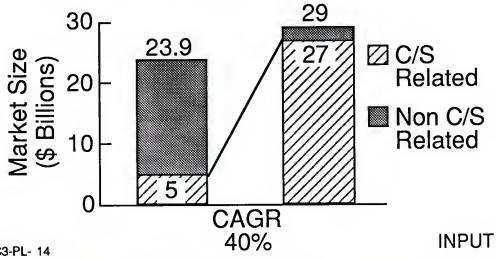

MC3-PL- 9

INPUT

Notes

9/27/93

# European Professional Services Market



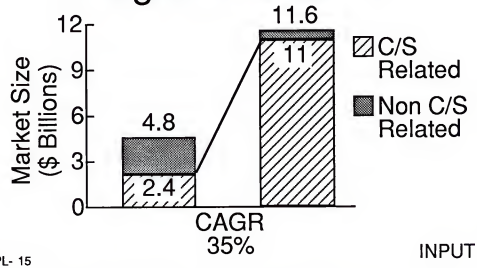

MC3-PL- 14

INPUT

Notes

9/27/93

# European Systems Integration Market




MC3-PL- 15

INPUT

Notes

9/27/93

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Successful segments

INPUT

IEU/SIP-PL-I- 15

Notes

10/5/93

# User's Needs

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- Solutions and tools
- Vendor responsibility
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- Simplified decisions

INPUT

IS-101

Notes

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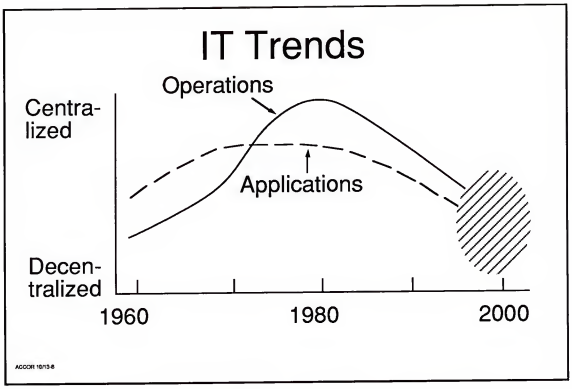
INPUT

ID-98

Notes




Notes

10/5/93

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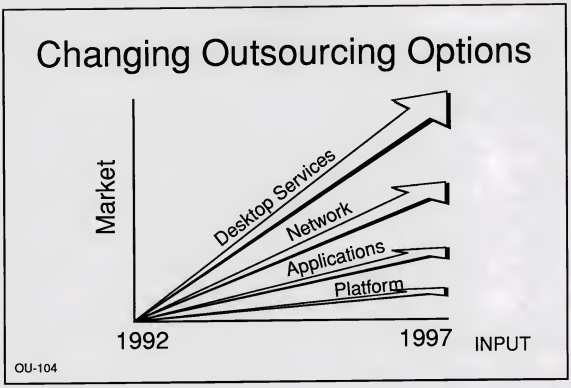
... *Are users ready?*

INPUT

ID-108

Notes




Notes

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INPUT

OU-118

Notes

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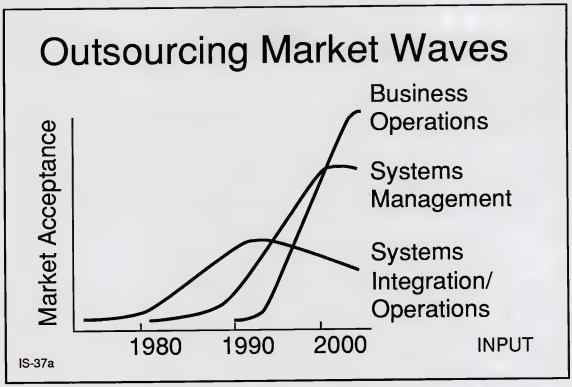
INPUT

PF-35

Notes

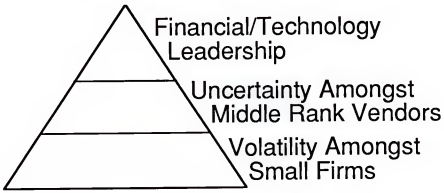
5/30/91




Notes

10/28/92

# European Info. Services Industry Structure




INPUT

MC3-PL- 20

Notes

9/27/93

# Successful Vendors

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INPUT

Notes

10/5/93

# Competing in a Revolution

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INPUT

IS-78

Notes

10/5/92