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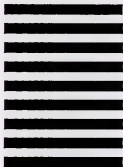


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# **U.S. Market Forecast Compendium**

## **1994-1999**

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Published by  
INPUT  
1881 Landings Drive  
Mountain View, CA 94043-0848  
United States of America

**U.S. Information Services Market  
Analysis Program**

***U.S. Market Forecast Compendium,  
1994-1999***

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# Introduction

## A

### Objective

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This report, the U.S. Market Forecast Compendium, 1994-1999, is a compilation of all 1994 forecasts by market sector and product/service category. These forecasts represent the state of the market at the time all forecasts were completed (in 3Q94), but later industry or product/service market segment publications may contain updated forecasts for their specific market segments.

The increasing size and complexity of the U.S. information services industry requires that a single source of forecast data, this Compendium, be provided to INPUT clients so that they may have easy access to the complete set of INPUT's market projections. For 1994-1999, INPUT has provided forecasts for eight product/service categories, 15 vertical industry sectors and seven cross-industry sectors.

- **Product/service Categories** - The eight product/service category forecasts each include appropriate submodes—for example, the systems software products product/service category includes three submodes (systems control, application development tools and operations management tools), and each of these is projected for three platform types (mainframe, minicomputer and workstation/PC).
- **Vertical Industry** - The 15 vertical industry sectors each contain forecasts for the following product/service categories: professional services, systems integration, outsourcing, processing services, network services, applications software products and portions of network services.
- **Cross-Industry** - The seven cross-industry sectors each contain forecasts for the processing services, turnkey systems and applications software products product/service categories only.



## **B**

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### **Report Structure**

#### **1. Forecast Matrices**

This report contains the forecast matrices for the product/service categories, industries and cross-industries noted above. Each matrix provides the 1993 actual market size, and the 1994 through 1999 forecasts of market size for the measured entity. Dollars are presented in millions, and 1993 to 1994 growth percentages are provided. Compound annual growth rates (CAGR) are indicated for the 1994 through 1999 forecasts.

#### **2. Report Chapters**

The balance of this report is organized as follows:

- Chapter II contains summary forecasts for the industry as a whole
- Chapter III contains the forecasts for each of the eight product/service categories.
- Chapter IV contains the forecasts for each of the 15 vertical industry sectors.
- Chapter V contains the forecasts for each of the seven cross-industry sectors.

Note that the Table of Contents lists only the chapter headings and the order in which the forecasts appear in that chapter.

## **C**

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### **Definitions**

The user of this forecast compendium is referred to INPUT's 1994 Definition of Terms for clarification of any product/service category or market sector terminology. That document offers definitions and explanations of all product/service category and industry-specific terms used by INPUT in preparing its market analyses and forecasts.





**D****Methodology**

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Much of the data on which each report, and this compendium, is based was gathered during late 1993 and 1994 as part of INPUT's ongoing market analysis program. Market sizes and growth rates are based upon INPUT research and in-depth interviews with users in each industry and the IS vendors serving that industry.

**1. Financial Data**

It must be noted that vendors may be unwilling to provide detailed revenue information by product/service category or industry. Also, vendors often use different categories of industries and industry segments, or view their services as falling into different product/service categories from those used by INPUT. Thus, INPUT must estimate revenues for these categories on a best-effort basis. For this reason, the product/service category and individual segment forecasts should be viewed as indicators of general patterns and trends rather than specific, detailed estimates for individual years.

**2. Rounding**

In a few instances, sub-totals may not add to indicated totals due to rounding during calculations. Such differences will generally not be greater than one in the units (low-order) position of a number.

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## U.S. Information Services Industry Forecast

This chapter contains the summary forecasts for the U.S. information services industry for the period 1994-1999. Each is presented in greater detail in the product/service category, industry and cross-industry sector chapters.



Exhibit II-1

**U.S. Information Services  
User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	Growth		1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR
	1993 (\$M)	93-94 (%)							94-99 (%)
<b>Total U.S. Market</b>	136589	11%	151844	169288	189422	212775	239979	271496	12%
<i>Professional Services</i>	20778	11%	23000	25377	28020	30963	34281	37994	11%
- IS Consulting	5165	13%	5830	6566	7386	8313	9362	10548	13%
- Education & Training	3096	11%	3430	3783	4171	4603	5090	5640	10%
- Software Development	12517	10%	13740	15028	16463	18047	19829	21806	10%
<i>Systems Integration</i>	9989	12%	11184	12840	14807	17085	19704	22673	15%
- Equipment	4612	10%	5059	5764	6585	7559	8644	9868	14%
- Software Products	768	10%	848	983	1150	1330	1546	1750	16%
- Professional Services	4233	15%	4879	5628	6530	7574	8801	10269	16%
- Other	376	6%	398	465	542	622	713	786	15%
<i>Outsourcing</i>	12535	14%	14304	16545	19145	22326	26126	30712	17%
- Platform Operations	4047	11%	4485	5035	5632	6347	7139	8058	12%
- Applications Operations	5579	14%	6352	7312	8424	9739	11288	13170	16%
- Desktop Services	1468	17%	1716	2042	2444	2968	3637	4484	21%
- Network Management	1441	22%	1751	2156	2645	3272	4062	5000	23%
<i>Processing Services</i>	21629	8%	23407	25317	27421	29757	32356	35205	9%
- Transaction Processing	17264	7%	18397	19597	20921	22407	24036	25795	7%
- Utility Processing	1030	4%	1075	1120	1170	1220	1270	1320	4%
- Other Processing	3335	18%	3935	4600	5330	6130	7050	8090	16%
<i>Network Services</i>	11993	15%	13824	16137	19086	22538	26679	31597	18%
- Electronic Information Svcs	9593	16%	11094	12942	15265	17923	21083	24861	18%
- Network Applications	2400	14%	2730	3195	3821	4615	5596	6736	20%
<i>Systems SW Products</i>	21848	9%	23721	25284	27135	29298	31914	35046	8%
- Mainframe	9454	3%	9738	9870	10028	10214	10426	10666	2%
- Minicomputer	6930	5%	7309	7519	7741	7977	8228	8493	3%
- Workstation/PC	5464	22%	6674	7895	9366	11107	13260	15887	19%
<i>Applications SW Products</i>	24253	14%	27654	31728	36421	41988	48531	56129	15%
- Mainframe	5548	7%	5935	6330	6751	7191	7635	8191	7%
- Minicomputer	6335	9%	6904	7527	8172	8850	9561	10384	9%
- Workstation/PC	12370	20%	14815	17871	21498	25947	31335	37554	20%
<i>Turnkey Systems</i>	13564	9%	14750	16060	17387	18820	20388	22140	8%
- Equipment	5848	6%	6184	6553	6887	7245	7605	8000	5%
- Software Products	5148	10%	5658	6220	6814	7433	8107	8861	9%
- Professional Services	2568	13%	2908	3287	3686	4142	4676	5279	13%





Exhibit II-2

## U.S. Market Forecast by Industry Sector, 1994-1999

Market Sectors	1993	Growth	1994	1995	1996	1997	1998	1999	CAGR
	(\$M)	93-94 (%)							
Total U.S. Market	136589	11%	151844	169288	189422	212775	239979	271496	12%
<i>Total Industry Sector</i>	105221	11%	116993	130958	146922	165549	187158	212014	13%
Banking and Finance	14657	11%	16314	18112	20150	22585	25359	28623	12%
Business Services	5396	10%	5916	6530	7262	8096	9034	10073	11%
Discrete Manufacturing	14687	13%	16528	18639	21176	24267	28024	32597	15%
Education	2050	12%	2290	2559	2866	3211	3611	4064	12%
Federal Government	11048	5%	11634	12680	13678	14672	15772	16802	8%
Health Services	5419	12%	6044	6721	7516	8499	9647	10984	13%
Insurance	5249	9%	5732	6426	7222	8145	9206	10434	13%
Miscellaneous	1301	8%	1403	1511	1613	1743	1868	2043	8%
Process Manufacturing	7380	13%	8356	9496	10862	12472	14338	16447	15%
Retail Trade	2696	14%	3071	3518	4048	4683	5445	6356	16%
State and Local Gov't	6863	13%	7769	8856	10112	11567	13260	15226	14%
Telecommunications	4037	18%	4764	5642	6689	7936	9431	11224	19%
Transportation	4214	10%	4631	5095	5605	6176	6807	7531	10%
Utilities	1751	12%	1963	2201	2473	2782	3132	3528	12%
Wholesale Trade	2813	11%	3134	3510	3948	4459	5058	5788	13%
Total Cross-Industry	15660	11%	17444	19462	21702	24256	27166	30294	12%
<i>Total Other Markets</i>	31368	11%	34851	38330	42500	47226	52821	59482	11%
<i>Other Network Services</i>	5155	19%	6120	7326	8865	10578	12587	15026	20%
- On-line Data Bases	3365	17%	3937	4685	5669	6775	8062	9594	19%
- On-line News Services	1790	22%	2183	2641	3196	3803	4525	5432	20%
<i>Other Processing Svcs</i>	4365	15%	5010	5720	6500	7350	8320	9410	13%
- Processing Svcs-Utility	1030	4%	1075	1120	1170	1220	1270	1320	4%
- Processing Svcs-Other	3335	18%	3935	4600	5330	6130	7050	8090	16%
<i>Systems SW Products</i>	21848	9%	23721	25284	27135	29298	31914	35046	8%



Exhibit II-3

**U.S. Market Forecast by Cross-Industry Sector, 1994-1999**

Market Sector	1993	Growth	1994	1995	1996	1997	1998	1999	CAGR
	(\$M)	93-94 (%)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	94-99 (%)
Total Cross-Industry Sectors	15660	11%	17444	19462	21702	24256	27166	30294	12%
Accounting	3611	10%	3967	4404	4927	5555	6284	7075	12%
Education & Training	391	10%	432	486	547	618	701	797	13%
Engineering & Scientific	1087	9%	1186	1298	1432	1578	1742	1928	10%
Human Resources	3455	9%	3773	4100	4443	4780	5141	5481	8%
Office Systems	3356	12%	3759	4294	4896	5632	6479	7397	14%
Planning & Analysis	2455	20%	2940	3410	3895	4450	5090	5800	15%
Sales & Marketing	1305	6%	1387	1470	1562	1643	1729	1816	6%





## Product/Service Category Forecast

This chapter presents the market forecasts for each of the eight product/service categories used by INPUT to define the U.S. information services industry. For additional details, including reconciliations, industry trends, and INPUT's competitive and forecast analysis, please refer to the appropriate product/service category report.

The product/service category forecasts contained in this chapter are presented in the following order:

- Professional Services
- Systems Integration
- Outsourcing
- Processing Services
- Network Services
- Systems Software Products
- Applications Software Products
- Turnkey Systems



Exhibit III-1

**Professional Services  
User Expenditures Forecast by Market Sector, 1994-1999**

Market Sectors	1993	Growth	1994	1995	1996	1997	1998	1999	CAGR
	(\$M)	93-94 (%)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	94-99 (%)
<b>Total All Sectors</b>	<b>20778</b>	<b>11%</b>	<b>23000</b>	<b>25377</b>	<b>28020</b>	<b>30963</b>	<b>34281</b>	<b>37994</b>	<b>11%</b>
Banking and Finance	2588	11%	2885	3135	3393	3684	3992	4333	8%
Business Services	352	8%	379	410	440	469	499	527	7%
Discrete Manufacturing	5194	7%	5580	5961	6377	6831	7327	7869	7%
Education	98	12%	110	121	134	146	161	178	10%
Federal Government	2468	11%	2736	3009	3299	3574	3881	4181	9%
Health Services	319	10%	350	379	412	454	507	572	10%
Insurance	1600	6%	1700	1831	1971	2125	2291	2470	8%
Miscellaneous	142	8%	154	168	183	200	216	233	9%
Process Manufacturing	2569	14%	2936	3365	3861	4433	5094	5856	15%
Retail Sales	257	8%	277	298	321	346	371	396	7%
State and Local Gov't	2900	12%	3234	3605	4019	4481	4996	5572	11%
Telecommunications	1250	22%	1519	1844	2241	2721	3308	4021	21%
Transportation	269	8%	290	313	334	357	376	395	6%
Utilities	362	14%	411	467	530	601	684	775	14%
Wholesale Sales	410	7%	439	471	505	541	578	616	7%





Exhibit III-2

**Systems Integration  
User Expenditures Forecast by Market Sector, 1994-1999**

Market Sectors	Growth		1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
	1993 (\$M)	93-94 (%)							
Total All Sectors	9989	12%	11184	12840	14807	17085	19704	22673	15%
Banking and Finance	601	15%	689	804	967	1188	1452	1786	21%
Business Services	235	26%	297	361	442	540	658	794	22%
Discrete Manufacturing	1631	19%	1948	2325	2800	3396	4124	4977	21%
Education	121	16%	140	165	198	231	266	305	17%
Federal Government	3603	3%	3707	4093	4501	4887	5256	5541	8%
Health Services	310	18%	366	438	515	609	721	866	19%
Insurance	245	18%	288	338	396	465	545	641	17%
Miscellaneous	9	11%	10	12	14	16	19	21	16%
Process Manufacturing	447	13%	505	580	675	774	887	1019	15%
Retail Sales	409	21%	493	592	711	858	1037	1268	21%
State and Local Gov't	1015	14%	1161	1299	1454	1628	1825	2047	12%
Telecommunications	293	24%	364	453	564	702	872	1086	24%
Transportation	225	20%	271	325	390	469	563	665	20%
Utilities	634	10%	700	771	852	942	1040	1148	10%
Wholesale Sales	211	16%	245	284	328	380	439	509	16%



Exhibit III-3

**Outsourcing**  
**User Expenditures Forecast by Market Sector, 1994-1999**

Market Sectors	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
Total All Sectors	12535	14%	14304	16545	19145	22326	26126	30712	17%
Banking and Finance	2963	14%	3381	3901	4533	5307	6238	7400	17%
Business Services	221	21%	267	327	388	463	542	626	19%
Discrete Manufacturing	851	21%	1027	1239	1493	1810	2190	2660	21%
Education	281	16%	326	379	441	525	619	730	17%
Federal Government	1491	6%	1586	1670	1701	1747	1812	1896	4%
Health Services	1258	13%	1416	1585	1783	2041	2339	2681	14%
Insurance	1427	12%	1600	1872	2191	2569	3011	3533	17%
Miscellaneous	23	13%	26	30	35	40	47	54	16%
Process Manufacturing	954	16%	1107	1293	1515	1777	2087	2456	17%
Retail Sales	432	24%	534	661	822	1021	1270	1569	24%
State and Local Gov't	1998	15%	2291	2725	3247	3876	4636	5550	19%
Telecommunications	82	16%	95	108	122	135	153	174	13%
Transportation	237	19%	281	325	370	423	487	565	15%
Utilities	70	21%	85	107	133	167	209	262	25%
Wholesale Sales	247	14%	282	323	371	425	486	556	15%



Exhibit III-4

**Processing Services**  
**User Expenditures Forecast by Market Sector, 1994-1999**

Market Sectors	Growth		1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
	1993 (\$M)	93-94 (%)							
Total All Sectors	21629	8%	23407	25317	27421	29757	32356	35205	9%
Banking and Finance	4138	9%	4502	4898	5329	5873	6507	7210	10%
Business Services	1730	2%	1762	1794	1828	1862	1888	1915	2%
Discrete Manufacturing	894	3%	925	952	980	1009	1039	1069	3%
Education	206	3%	212	217	220	224	229	233	2%
Federal Government	161	-6%	152	158	156	153	149	146	-1%
Health Services	553	5%	582	599	622	655	680	706	4%
Insurance	395	4%	410	433	457	483	510	538	6%
Miscellaneous	137	-2%	134	132	129	126	124	122	-2%
Process Manufacturing	789	4%	817	842	872	906	930	960	3%
Retail Sales	186	6%	197	209	222	235	249	264	6%
State and Local Gov't	369	12%	415	467	526	592	667	751	13%
Telecommunications	1195	15%	1370	1583	1828	2112	2440	2819	16%
Transportation	2268	6%	2403	2540	2692	2850	2995	3145	6%
Utilities	279	11%	310	344	382	425	472	525	11%
Wholesale Sales	325	4%	337	349	360	367	373	382	3%
Total Cross-Industry	3639	6%	3869	4080	4318	4535	4784	5010	5%
Other Markets	4365	15%	5010	5720	6500	7350	8320	9410	13%
- Processing Svcs-Utility	1030	4%	1075	1120	1170	1220	1270	1320	4%
- Processing Svcs-Other	3335	18%	3935	4600	5330	6130	7050	8090	16%
<i>Note: Cross-Industry Summary</i>									
Accounting	162	-2%	159	157	154	153	151	149	-1%
Education & Training	5	-20%	4	4	3	3	2	2	-13%
Engineering & Scientific	129	-4%	124	118	112	106	100	94	-5%
Human Resources	2550	9%	2780	3000	3240	3460	3710	3930	7%
Office Systems	28	-4%	27	26	24	23	21	20	-6%
Planning & Analysis	165	-9%	150	125	110	95	85	80	-12%
Sales & Marketing	600	4%	625	650	675	695	715	735	3%
Total Cross-Industry	3639	6%	3869	4080	4318	4535	4784	5010	5%



Exhibit III-5

**Network Services**  
**User Expenditures Forecast by Market Sector, 1994-1999**

Market Sectors	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
Total All Sectors	11993	15%	13824	16137	19086	22538	26679	31597	18%
Banking and Finance	897	13%	1011	1151	1327	1542	1798	2109	16%
Business Services	691	9%	754	826	913	1037	1197	1383	13%
Discrete Manufacturing	129	21%	156	189	229	278	338	410	21%
Education	254	17%	298	348	404	469	547	638	16%
Federal Government	1232	-1%	1219	1300	1432	1597	1830	2056	11%
Health Services	671	18%	795	904	1048	1232	1448	1712	17%
Insurance	258	9%	280	317	360	409	465	530	14%
Miscellaneous	161	12%	181	204	231	261	286	319	12%
Process Manufacturing	1110	15%	1281	1477	1719	2021	2390	2780	17%
Retail Sales	271	22%	331	408	503	624	775	963	24%
State and Local Gov't	152	20%	182	219	264	318	386	468	21%
Telecommunications	142	19%	169	203	243	292	350	420	20%
Transportation	427	18%	505	596	719	850	1013	1205	19%
Utilities	32	9%	35	38	43	47	52	57	10%
Wholesale Sales	411	23%	507	631	786	983	1217	1521	25%
Other Markets	5155	19%	6120	7326	8865	10578	12587	15026	20%
- On-Line Data Bases	3365	17%	3937	4685	5669	6775	8062	9594	19%
- On-Line News Services	1790	22%	2183	2641	3196	3803	4525	5432	20%





Exhibit III-6

**Systems Software Products**  
**User Expenditures Forecast by Market Sector, 1994-1999**

Market Sectors	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
Product/Service Total	21848	9%	23721	25284	27135	29298	31914	35046	8%
<i>Platform</i>									
Mainframe	9454	3%	9738	9870	10028	10214	10426	10666	2%
- Systems Control Products	2774	-5%	2635	2451	2279	2119	1971	1833	-7%
- Operations Mgmt Tools	2967	8%	3204	3364	3532	3709	3894	4089	5%
- Appl Developm't Tools	3713	5%	3899	4055	4217	4386	4561	4744	4%
Minicomputer	6930	5%	7309	7519	7741	7977	8228	8493	3%
- Systems Control Products	2267	4%	2357	2319	2282	2246	2210	2174	-2%
- Operations Mgmt Tools	1849	8%	1997	2097	2201	2311	2426	2548	5%
- Appl Developm't Tools	2814	5%	2955	3103	3258	3420	3592	3771	5%
Workstation/PC	5464	22%	6674	7895	9366	11107	13260	15887	19%
- Systems Control Products	2035	12%	2279	2470	2670	2840	3056	3288	8%
- Operations Mgmt Tools	783	22%	955	1194	1492	1865	2331	2914	25%
- Appl Developm't Tools	2646	30%	3440	4231	5204	6402	7873	9685	23%
<i>Product Category</i>									
Systems Control Products	7076	3%	7271	7240	7231	7205	7237	7295	0%
- Mainframe	2774	-5%	2635	2451	2279	2119	1971	1833	-7%
- Minicomputer	2267	4%	2357	2319	2282	2246	2210	2174	-2%
- Workstation/PC	2035	12%	2279	2470	2670	2840	3056	3288	8%
Operations Mgmt Tools	5599	10%	6156	6655	7225	7885	8651	9551	9%
- Mainframe	2967	8%	3204	3364	3532	3709	3894	4089	5%
- Minicomputer	1849	8%	1997	2097	2201	2311	2426	2548	5%
- Workstation/PC	783	22%	955	1194	1492	1865	2331	2914	25%
Applications									
Development Tools	9173	12%	10294	11389	12679	14208	16026	18200	12%
- Mainframe	3713	5%	3899	4055	4217	4386	4561	4744	4%
- Minicomputer	2814	5%	2955	3103	3258	3420	3592	3771	5%
- Workstation/PC	2646	30%	3440	4231	5204	6402	7873	9685	23%



Exhibit III-7

**Application Software Products**  
**User Expenditures Forecast by Market Sector, 1994-1999**

Market Sectors	1993	Growth	1994	1995	1996	1997	1998	1999	CAGR
	(\$M)	93-94 (%)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	94-99 (%)
Total All Sectors	24253	14%	27654	31728	36421	41988	48531	56129	15%
Banking and Finance	2355	11%	2612	2870	3129	3401	3661	3940	9%
Business Services	1192	18%	1401	1661	1992	2361	2776	3251	18%
Discrete Manufacturing	2706	20%	3237	3905	4760	5873	7325	9235	23%
Education	828	12%	927	1034	1154	1282	1430	1595	11%
Federal Government	689	6%	727	771	806	833	856	882	4%
Health Services	1237	12%	1385	1600	1856	2146	2495	2887	16%
Insurance	997	12%	1112	1278	1474	1704	1976	2295	16%
Miscellaneous	284	8%	306	334	365	405	446	510	11%
Process Manufacturing	815	16%	942	1097	1288	1527	1810	2114	18%
Retail Sales	341	13%	387	440	498	561	634	710	13%
State and Local Government	219	15%	252	283	319	360	406	460	13%
Telecommunications	485	20%	584	704	850	1027	1241	1502	21%
Transportation	478	14%	544	625	700	800	918	1062	14%
Utilities	260	14%	296	335	380	431	490	556	13%
Wholesale Sales	661	12%	741	841	962	1104	1284	1499	15%
Total Cross-Industry	10706	14%	12201	13950	15888	18173	20783	23631	14%
<i>Note: Cross-Industry Summary</i>									
Accounting	2954	12%	3307	3740	4260	4884	5612	6402	14%
Education & Training	242	10%	266	302	346	399	461	533	15%
Engineering & Scientific	821	12%	917	1028	1160	1306	1470	1657	13%
Human Resources	810	10%	895	1000	1100	1215	1325	1445	10%
Office Systems	3209	12%	3610	4142	4743	5479	6329	7247	15%
Planning & Analysis	2290	22%	2790	3285	3785	4355	5005	5720	15%
Sales & Marketing	380	9%	416	453	494	535	581	627	9%
Total Cross-Industry	10706	14%	12201	13950	15888	18173	20783	23631	14%



Exhibit III-8

**Turnkey Systems**  
**User Expenditures Forecast by Market Sector, 1994-1999**

Market Sectors	Growth		1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
	1993 (\$M)	93-94 (%)							
Total All Sectors	13564	9%	14750	16060	17387	18820	20388	22140	8%
Banking and Finance	1115	11%	1234	1353	1472	1590	1711	1845	8%
Business Services	975	8%	1056	1151	1259	1364	1474	1577	8%
Discrete Manufacturing	3282	11%	3655	4068	4537	5070	5681	6377	12%
Education	262	6%	277	295	315	334	359	385	7%
Federal Government	1404	7%	1507	1679	1783	1881	1988	2100	7%
Health Services	1071	7%	1150	1216	1280	1362	1457	1560	6%
Insurance	327	5%	342	357	373	390	408	427	5%
Miscellaneous	545	9%	592	631	656	695	730	784	6%
Process Manufacturing	696	10%	768	842	932	1034	1140	1262	10%
Retail Sales	800	7%	852	910	971	1038	1109	1186	7%
State and Local Government	210	11%	234	258	283	312	344	378	10%
Telecommunications	590	12%	663	747	841	947	1067	1202	13%
Transportation	310	9%	337	371	400	427	455	494	8%
Utilities	114	11%	126	139	153	169	185	205	10%
Wholesale Sales	548	6%	583	611	636	659	681	705	4%
Total Cross-Industry	1315	4%	1374	1432	1496	1548	1599	1653	4%
<i>Note: Cross-Industry Summary</i>									
Accounting	495	1%	501	507	513	518	521	524	1%
Education & Training	144	13%	162	180	198	216	238	262	10%
Engineering & Scientific	137	6%	145	152	160	166	172	177	4%
Human Resources	95	3%	98	100	103	105	106	106	2%
Office Systems	119	3%	122	126	129	130	129	130	1%
Planning & Analysis	0	0%	0	0	0	0	0	0	0%
Sales & Marketing	325	6%	346	367	393	413	433	454	6%
Total Cross-Industry	1315	4%	1374	1432	1496	1548	1599	1653	4%



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**IV**

## Industry Sector Forecast

This chapter presents the market forecasts for each of the 15 industry sectors used by INPUT to define the U.S. information services industry. For additional details, including reconciliations, industry trends, and INPUT's competitive and forecast analysis, please refer to the appropriate complete industry report.

The industry sector forecasts contained in this chapter are presented in the following order:

- Discrete Manufacturing
- Process Manufacturing
- Transportation
- Utilities
- Telecommunications
- Retail Trade
- Wholesale Trade
- Banking and Finance
- Insurance
- Health Services
- Education
- Business Services
- Federal Government
- State and Local Government
- Miscellaneous Industries



Exhibit IV-1

**Discrete Manufacturing**  
**User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	Growth		1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
	1993 (\$M)	93-94 (%)							
<b>Sector Total</b>	14687	13%	16528	18639	21176	24267	28024	32597	15%
<i>Professional Services</i>	5194	7%	5580	5961	6377	6831	7327	7869	7%
- IS Consulting	1342	13%	1510	1687	1884	2104	2350	2625	12%
- Education & Training	827	10%	906	1000	1104	1219	1346	1486	10%
- Software Development	3025	5%	3164	3274	3389	3508	3631	3758	4%
- Application Management									
<i>Systems Integration</i>	1631	19%	1948	2325	2800	3396	4124	4977	21%
- Equipment	957	20%	1149	1370	1655	2028	2485	3017	21%
- Software Products	116	16%	135	158	187	219	258	303	18%
- Professional Services	505	19%	601	723	870	1046	1259	1515	20%
- Other	53	19%	63	74	88	103	122	142	18%
<i>Outsourcing</i>	851	21%	1027	1239	1493	1810	2190	2660	21%
- Platform Operations	299	16%	348	404	470	549	631	732	16%
- Applications Operations	338	19%	403	478	565	670	795	942	19%
- Desktop Services	115	26%	145	183	228	286	360	451	25%
- Network Management	99	32%	131	174	230	305	404	535	33%
<i>Processing Services</i>	894	3%	925	952	980	1009	1039	1069	3%
- Transaction Processing	894	3%	925	952	980	1009	1039	1069	3%
<i>Network Services</i>	129	21%	156	189	229	278	338	410	21%
- Electronic Information Svcs	62	19%	74	88	104	123	146	173	19%
- Network Applications	67	22%	82	101	125	155	192	237	24%
<i>Applications Software</i>	2706	20%	3237	3905	4760	5873	7325	9235	23%
- Mainframe	405	5%	427	450	472	497	523	550	5%
- Minicomputer	1284	11%	1430	1585	1756	1946	2155	2390	11%
- Workstation/PC	1017	36%	1380	1870	2532	3430	4647	6295	35%
<i>Turnkey Systems</i>	3282	11%	3655	4068	4537	5070	5681	6377	12%
- Equipment	1378	6%	1465	1552	1643	1740	1843	1952	6%
- Software Products	1297	13%	1460	1642	1848	2078	2338	2630	12%
- Professional Services	607	20%	730	874	1046	1252	1500	1795	20%



Exhibit IV-2

**Process Manufacturing  
User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	Growth		1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
	1993 (\$M)	93-94 (%)							
<b>Sector Total</b>	<b>7380</b>	<b>13%</b>	<b>8356</b>	<b>9496</b>	<b>10862</b>	<b>12472</b>	<b>14338</b>	<b>16447</b>	<b>15%</b>
<i>Professional Services</i>	2569	14%	2936	3365	3861	4433	5094	5856	15%
- IS Consulting	644	15%	741	852	980	1127	1296	1490	15%
- Education & Training	342	5%	359	380	403	427	453	480	6%
- Software Development	1583	16%	1836	2133	2478	2879	3345	3886	16%
<i>Systems Integration</i>	447	13%	505	580	675	774	887	1019	15%
- Equipment	172	13%	194	222	256	292	334	384	15%
- Software Products	44	16%	51	59	68	77	89	102	15%
- Professional Services	210	12%	236	272	320	370	423	486	16%
- Other	21	14%	24	27	31	35	41	47	14%
<i>Outsourcing</i>	954	16%	1107	1293	1515	1777	2087	2456	17%
- Platform Operations	311	11%	345	386	433	485	543	608	12%
- Applications Operations	419	17%	490	573	671	785	918	1074	17%
- Desktop Services	120	17%	140	165	195	230	271	320	18%
- Network Management	104	27%	132	169	216	277	355	454	28%
<i>Processing Services</i>	789	4%	817	842	872	906	930	960	3%
- Transaction Processing	789	4%	817	842	872	906	930	960	3%
<i>Network Services</i>	1110	15%	1281	1477	1719	2021	2390	2780	17%
- Electronic Information Svcs	941	14%	1069	1212	1379	1583	1821	2113	15%
- Network Applications	169	25%	212	265	340	438	569	667	26%
<i>Applications Software</i>	815	16%	942	1097	1288	1527	1810	2114	18%
- Mainframe	197	6%	209	220	235	245	257	294	7%
- Minicomputer	267	13%	301	335	381	426	480	550	13%
- Workstation/PC	351	23%	432	542	672	856	1073	1270	24%
<i>Turnkey Systems</i>	696	10%	768	842	932	1034	1140	1262	10%
- Equipment	331	10%	365	395	429	479	523	563	9%
- Software Products	252	10%	278	308	346	382	423	477	11%
- Professional Services	113	11%	125	139	157	173	194	222	12%



Exhibit IV-3

**Transportation**  
**User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	<b>4214</b>	<b>10%</b>	<b>4631</b>	<b>5095</b>	<b>5605</b>	<b>6176</b>	<b>6807</b>	<b>7531</b>	<b>10%</b>
<i>Professional Services</i>	269	8%	290	313	334	357	376	395	6%
- IS Consulting	67	10%	74	81	89	99	109	119	10%
- Education & Training	36	14%	41	44	47	49	54	59	8%
- Software Development	166	5%	175	188	198	209	213	217	4%
<i>Systems Integration</i>	225	20%	271	325	390	469	563	665	20%
- Equipment	78	23%	96	117	142	173	203	240	20%
- Software Products	14	21%	17	20	26	31	39	47	23%
- Professional Services	126	19%	150	178	210	251	305	360	19%
- Other	7	14%	8	10	12	14	16	18	18%
<i>Outsourcing</i>	237	19%	281	325	370	423	487	565	15%
- Platform Operations	116	14%	132	147	163	178	195	218	11%
- Applications Operations	76	24%	94	112	127	148	178	212	18%
- Desktop Services	25	20%	30	35	41	46	51	60	15%
- Network Management	20	25%	25	31	39	51	63	75	25%
<i>Processing Services</i>	2268	6%	2403	2540	2692	2850	2995	3145	6%
- Transaction Processing	2268	6%	2403	2540	2692	2850	2995	3145	6%
<i>Network Services</i>	427	18%	505	596	719	850	1013	1205	19%
- Electronic Information Svcs	309	17%	360	421	508	595	706	820	18%
- Network Applications	118	23%	145	175	211	255	307	385	22%
<i>Applications Software</i>	478	14%	544	625	700	800	918	1062	14%
- Mainframe	157	5%	165	173	181	189	197	206	5%
- Minicomputer	124	10%	136	152	163	173	183	196	8%
- Workstation/PC	197	23%	243	300	356	438	538	660	22%
<i>Turnkey Systems</i>	310	9%	337	371	400	427	455	494	8%
- Equipment	147	7%	157	173	183	193	203	217	7%
- Software Products	118	11%	131	145	160	173	187	205	9%
- Professional Services	45	9%	49	53	57	61	65	72	8%





Exhibit IV-4

**Utilities**  
**User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	<b>1751</b>	<b>12%</b>	<b>1963</b>	<b>2201</b>	<b>2473</b>	<b>2782</b>	<b>3132</b>	<b>3528</b>	<b>12%</b>
<i>Professional Services</i>	362	14%	411	467	530	601	684	775	14%
- IS Consulting	119	13%	135	154	177	202	232	265	14%
- Education & Training	81	14%	92	105	119	135	153	174	14%
- Software Development	162	14%	184	208	234	264	299	336	13%
<i>Systems Integration</i>	634	10%	700	771	852	942	1040	1148	10%
- Equipment	206	13%	232	253	277	303	331	362	9%
- Software Products	58	16%	67	76	87	99	113	129	14%
- Professional Services	345	8%	374	412	455	503	555	612	10%
- Other	25	8%	27	30	33	37	41	45	11%
<i>Outsourcing</i>	70	21%	85	107	133	167	209	262	25%
- Platform Operations	34	21%	41	50	61	75	91	111	22%
- Applications Operations	19	16%	22	28	35	44	55	69	26%
- Desktop Services	9	22%	11	14	17	22	28	35	26%
- Network Management	8	38%	11	15	20	26	35	47	34%
<i>Processing Services</i>	279	11%	310	344	382	425	472	525	11%
- Transaction Processing	279	11%	310	344	382	425	472	525	11%
<i>Network Services</i>	32	9%	35	38	43	47	52	57	10%
- Electronic Information Svcs	29	7%	31	34	38	42	46	51	10%
- Network Applications	3	33%	4	4	5	5	6	6	8%
<i>Applications Software</i>	260	14%	296	335	380	431	490	556	13%
- Mainframe	56	7%	60	65	71	78	85	93	9%
- Minicomputer	76	14%	87	97	108	120	134	149	11%
- Workstation/PC	128	16%	149	173	201	233	271	314	16%
<i>Turnkey Systems</i>	114	11%	126	139	153	169	185	205	10%
- Equipment	50	8%	54	58	63	68	73	79	8%
- Software Products	44	11%	49	55	61	68	75	84	11%
- Professional Services	20	15%	23	26	29	33	37	42	13%



Exhibit IV-5

**Telecommunications**  
**User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	4037	18%	4764	5642	6689	7936	9431	11224	19%
<i>Professional Services</i>	1250	22%	1519	1844	2241	2721	3308	4021	21%
- IS Consulting	277	23%	340	418	514	632	777	956	23%
- Education & Training	185	23%	228	283	352	436	542	673	24%
- Software Development	788	21%	951	1143	1375	1653	1989	2392	20%
<i>Systems Integration</i>	293	24%	364	453	564	702	872	1086	24%
- Equipment	78	23%	96	119	148	183	227	282	24%
- Software Products	20	40%	28	34	42	51	62	75	22%
- Professional Services	192	23%	237	296	369	461	575	718	25%
- Other	3	0%	3	4	5	7	8	11	30%
<i>Outsourcing</i>	82	16%	95	108	122	135	153	174	13%
- Platform Operations	24	13%	27	29	32	34	37	40	8%
- Applications Operations	38	16%	44	50	57	63	71	81	13%
- Desktop Services	10	20%	12	14	15	17	19	22	13%
- Network Management	10	20%	12	15	18	21	26	31	21%
<i>Processing Services</i>	1195	15%	1370	1583	1828	2112	2440	2819	16%
- Transaction Processing	1195	15%	1370	1583	1828	2112	2440	2819	16%
<i>Network Services</i>	142	19%	169	203	243	292	350	420	20%
- Electronic Information Svcs	116	19%	138	165	197	236	282	337	20%
- Network Applications	26	19%	31	38	46	56	68	83	22%
<i>Applications Software</i>	485	20%	584	704	850	1027	1241	1502	21%
- Mainframe	225	16%	262	306	357	417	487	568	17%
- Minicomputer	120	23%	148	181	222	272	332	407	22%
- Workstation/PC	140	24%	174	217	271	338	422	527	25%
<i>Turnkey Systems</i>	590	12%	663	747	841	947	1067	1202	13%
- Equipment	255	9%	279	309	342	379	420	465	11%
- Software Products	230	13%	259	293	331	374	422	477	13%
- Professional Services	105	19%	125	145	168	194	225	260	16%



Exhibit IV-6

**Retail Trade**  
**User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	<b>2696</b>	<b>14%</b>	<b>3071</b>	<b>3518</b>	<b>4048</b>	<b>4683</b>	<b>5445</b>	<b>6356</b>	<b>16%</b>
<i>Professional Services</i>	257	8%	277	298	321	346	371	396	7%
- IS Consulting	66	8%	71	77	84	91	98	106	8%
- Education & Training	38	5%	40	42	44	46	49	52	5%
- Software Development	153	8%	166	179	193	209	224	238	7%
<i>Systems Integration</i>	409	21%	493	592	711	858	1037	1268	21%
- Equipment	242	21%	294	355	428	518	627	768	21%
- Software Products	30	17%	35	41	48	56	67	79	18%
- Professional Services	126	20%	151	181	217	263	319	394	21%
- Other	11	18%	13	15	18	21	24	27	16%
<i>Outsourcing</i>	432	24%	534	661	822	1021	1270	1569	24%
- Platform Operations	195	23%	240	295	360	440	520	631	21%
- Applications Operations	133	25%	166	207	263	327	400	485	24%
- Desktop Services	60	22%	73	90	113	146	211	276	30%
- Network Management	44	25%	55	69	86	108	139	177	26%
<i>Processing Services</i>	186	6%	197	209	222	235	249	264	6%
- Transaction Processing	186	6%	197	209	222	235	249	264	6%
<i>Network Services</i>	271	22%	331	408	503	624	775	963	24%
- Electronic Information Svcs	172	19%	204	245	292	347	413	485	19%
- Network Applications	99	28%	127	163	211	277	362	478	30%
<i>Applications Software</i>	341	13%	387	440	498	561	634	710	13%
- Mainframe	51	6%	54	57	59	61	63	65	4%
- Minicomputer	150	12%	168	188	209	229	251	268	10%
- Workstation/PC	140	18%	165	195	230	271	320	377	18%
<i>Turnkey Systems</i>	800	7%	852	910	971	1038	1109	1186	7%
- Equipment	351	4%	365	380	395	411	427	444	4%
- Software Products	305	7%	326	349	374	400	428	458	7%
- Professional Services	144	12%	161	181	202	227	254	284	12%



Exhibit IV-7

**Wholesale Trade**  
**User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	<b>2813</b>	<b>11%</b>	<b>3134</b>	<b>3510</b>	<b>3948</b>	<b>4459</b>	<b>5058</b>	<b>5788</b>	<b>13%</b>
<i>Professional Services</i>	410	7%	439	471	505	541	578	616	7%
- IS Consulting	90	11%	100	110	121	133	145	157	9%
- Education & Training	60	7%	64	67	71	74	78	82	5%
- Software Development	260	6%	275	294	313	334	355	377	7%
<i>Systems Integration</i>	211	16%	245	284	328	380	439	509	16%
- Equipment	67	15%	77	88	101	116	133	152	15%
- Software Products	15	20%	18	22	26	32	38	44	20%
- Professional Services	123	16%	143	166	192	222	256	299	16%
- Other	6	17%	7	8	9	10	12	14	15%
<i>Outsourcing</i>	247	14%	282	323	371	425	486	556	15%
- Platform Operations	110	13%	124	141	160	180	203	228	13%
- Applications Operations	78	13%	88	98	112	128	144	166	14%
- Desktop Services	34	18%	40	49	58	69	83	98	20%
- Network Management	25	20%	30	35	41	48	56	64	16%
<i>Processing Services</i>	325	4%	337	349	360	367	373	382	3%
- Transaction Processing	325	4%	337	349	360	367	373	382	3%
<i>Network Services</i>	411	23%	507	631	786	983	1217	1521	25%
- Electronic Information Svcs	79	14%	90	101	113	128	142	161	12%
- Network Applications	332	26%	417	530	673	855	1075	1360	27%
<i>Applications Software</i>	661	12%	741	841	962	1104	1284	1499	15%
- Mainframe	258	6%	274	283	290	298	304	326	4%
- Minicomputer	151	9%	165	179	193	205	215	228	7%
- Workstation/PC	252	20%	302	379	479	601	765	945	26%
<i>Turnkey Systems</i>	548	6%	583	611	636	659	681	705	4%
- Equipment	243	2%	249	255	259	263	267	271	2%
- Software Products	205	10%	225	239	252	263	274	286	5%
- Professional Services	100	9%	109	117	125	133	140	148	6%





Exhibit IV-8

**Banking and Finance**  
**User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	14657	11%	16314	18112	20150	22585	25359	28623	12%
<i>Professional Services</i>	2588	11%	2885	3135	3393	3684	3992	4333	8%
- IS Consulting	688	13%	775	860	940	1040	1145	1260	10%
- Education & Training	375	12%	420	460	503	550	602	658	9%
- Software Development	1525	11%	1690	1815	1950	2094	2245	2415	7%
<i>Systems Integration</i>	601	15%	689	804	967	1188	1452	1786	21%
- Equipment	198	15%	227	263	310	371	450	554	20%
- Software Products	39	15%	45	52	62	77	101	122	22%
- Professional Services	335	14%	383	448	545	679	828	1025	22%
- Other	29	17%	34	41	50	61	73	85	20%
<i>Outsourcing</i>	2963	14%	3381	3901	4533	5307	6238	7400	17%
- Platform Operations	722	11%	804	895	998	1112	1239	1380	11%
- Applications Operations	1571	13%	1783	2054	2378	2763	3221	3794	16%
- Desktop Services	352	14%	403	467	551	672	820	1010	20%
- Network Management	318	23%	391	485	606	760	958	1216	25%
<i>Processing Services</i>	4138	9%	4502	4898	5329	5873	6507	7210	10%
- Transaction Processing	4138	9%	4502	4898	5329	5873	6507	7210	10%
<i>Network Services</i>	897	13%	1011	1151	1327	1542	1798	2109	16%
- Electronic Information Svcs	792	13%	893	1018	1176	1368	1596	1873	16%
- Network Applications	105	12%	118	133	151	174	202	236	15%
<i>Applications Software</i>	2355	11%	2612	2870	3129	3401	3661	3940	9%
- Mainframe	1028	10%	1131	1228	1324	1417	1501	1587	7%
- Minicomputer	745	11%	827	910	992	1081	1167	1261	9%
- Workstation/PC	582	12%	654	732	813	903	993	1092	11%
<i>Turnkey Systems</i>	1115	11%	1234	1353	1472	1590	1711	1845	8%
- Equipment	479	7%	512	548	584	619	653	689	6%
- Software Products	430	13%	487	541	595	649	703	767	10%
- Professional Services	206	14%	235	264	293	322	355	389	11%



Exhibit IV-9

**Insurance**  
**User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	<b>5249</b>	<b>9%</b>	<b>5732</b>	<b>6426</b>	<b>7222</b>	<b>8145</b>	<b>9206</b>	<b>10434</b>	<b>13%</b>
<i>Professional Services</i>	1600	6%	1700	1831	1971	2125	2291	2470	8%
- IS Consulting	403	10%	445	491	542	598	660	728	10%
- Education & Training	232	10%	255	281	309	341	375	413	10%
- Software Development	965	4%	1000	1059	1120	1186	1256	1329	6%
<i>Systems Integration</i>	245	18%	288	338	396	465	545	641	17%
- Equipment	39	23%	48	56	65	76	88	103	16%
- Software Products	22	23%	27	31	36	42	49	57	16%
- Professional Services	179	16%	207	244	287	338	398	469	18%
- Other	5	20%	6	7	8	9	10	12	15%
<i>Outsourcing</i>	1427	12%	1600	1872	2191	2569	3011	3533	17%
- Platform Operations	574	9%	627	723	833	961	1108	1277	15%
- Applications Operations	522	14%	593	686	794	920	1064	1232	16%
- Desktop Services	179	12%	200	239	285	340	406	485	19%
- Network Management	152	18%	180	224	279	348	433	539	25%
<i>Processing Services</i>	395	4%	410	433	457	483	510	538	6%
- Transaction Processing	395	4%	410	433	457	483	510	538	6%
<i>Network Services</i>	258	9%	280	317	360	409	465	530	14%
- Electronic Information Svcs	193	11%	214	238	265	294	327	364	11%
- Network Applications	65	2%	66	79	95	115	138	166	20%
<i>Applications Software</i>	997	12%	1112	1278	1474	1704	1976	2295	16%
- Mainframe	351	4%	366	401	439	481	528	578	10%
- Minicomputer	126	4%	131	138	146	155	164	173	6%
- Workstation/PC	520	18%	615	739	889	1068	1284	1544	20%
<i>Turnkey Systems</i>	327	5%	342	357	373	390	408	427	5%
- Equipment	145	1%	147	151	154	158	162	166	2%
- Software Products	124	7%	133	140	148	156	165	174	6%
- Professional Services	58	7%	62	66	71	76	81	87	7%

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Exhibit IV-10

**Health Services**  
**User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	<b>5419</b>	<b>12%</b>	<b>6044</b>	<b>6721</b>	<b>7516</b>	<b>8499</b>	<b>9647</b>	<b>10984</b>	<b>13%</b>
<i>Professional Services</i>	319	10%	350	379	412	454	507	572	10%
- IS Consulting	78	12%	87	96	107	119	133	157	13%
- Education & Training	45	11%	50	55	61	67	74	84	11%
- Software Development	196	9%	213	228	244	268	300	331	9%
<i>Systems Integration</i>	310	18%	366	438	515	609	721	866	19%
- Equipment	107	19%	127	148	170	197	226	256	15%
- Software Products	28	29%	36	45	56	68	79	90	20%
- Professional Services	175	16%	203	245	289	344	416	520	21%
- Other									
<i>Outsourcing</i>	1258	13%	1416	1585	1783	2041	2339	2681	14%
- Platform Operations	497	8%	538	575	613	662	719	774	8%
- Applications Operations	462	10%	508	561	622	702	775	878	12%
- Desktop Services	157	17%	183	205	239	280	334	424	18%
- Network Management	142	32%	187	244	309	397	511	605	26%
<i>Processing Services</i>	553	5%	582	599	622	655	680	706	4%
- Transaction Processing	553	5%	582	599	622	655	680	706	4%
<i>Network Services</i>	671	18%	795	904	1048	1232	1448	1712	17%
- Electronic Information Svcs	386	13%	435	486	543	614	715	827	14%
- Network Applications	285	26%	360	418	505	618	733	885	20%
<i>Applications Software</i>	1237	12%	1385	1600	1856	2146	2495	2887	16%
- Mainframe	414	6%	437	451	484	509	538	610	7%
- Minicomputer	335	7%	360	385	408	439	468	530	8%
- Workstation/PC	488	20%	588	764	964	1198	1489	1747	24%
<i>Turnkey Systems</i>	1071	7%	1150	1216	1280	1362	1457	1560	6%
- Equipment	497	4%	517	531	553	570	585	607	3%
- Software Products	400	9%	435	463	512	561	610	656	9%
- Professional Services	174	14%	198	222	215	231	262	297	8%



Exhibit IV-11

**Education**  
**User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	<b>2050</b>	<b>12%</b>	<b>2290</b>	<b>2559</b>	<b>2866</b>	<b>3211</b>	<b>3611</b>	<b>4064</b>	<b>12%</b>
<i>Professional Services</i>	98	12%	110	121	134	146	161	178	10%
- IS Consulting	26	15%	30	33	39	42	48	55	13%
- Education & Training	15	13%	17	19	21	23	25	27	10%
- Software Development	57	11%	63	69	74	81	88	96	9%
<i>Systems Integration</i>	121	16%	140	165	198	231	266	305	17%
- Equipment	41	17%	48	56	67	79	91	105	17%
- Software Products	10	10%	11	13	16	19	22	25	18%
- Professional Services	68	15%	78	93	111	129	148	170	17%
- Other	2	50%	3	3	4	4	5	5	11%
<i>Outsourcing</i>	281	16%	326	379	441	525	619	730	17%
- Platform Operations	194	15%	223	255	290	346	408	483	17%
- Applications Operations	76	18%	90	109	134	159	187	220	20%
- Desktop Services	4	25%	5	6	6	7	8	9	12%
- Network Management	7	28%	8	9	11	13	16	18	18%
<i>Processing Services</i>	206	3%	212	217	220	224	229	233	2%
- Transaction Processing	206	3%	212	217	220	224	229	233	2%
<i>Network Services</i>	254	17%	298	348	404	469	547	638	16%
- Electronic Information Svcs	163	18%	192	225	263	307	359	420	17%
- Network Applications	91	16%	106	123	141	162	188	218	16%
<i>Applications Software</i>	828	12%	927	1034	1154	1282	1430	1595	11%
- Mainframe	85	1%	86	88	88	89	90	89	1%
- Minicomputer	195	8%	211	226	239	250	266	283	6%
- Workstation/PC	548	15%	630	720	827	943	1074	1223	14%
<i>Turnkey Systems</i>	262	6%	277	295	315	334	359	385	7%
- Equipment	120	6%	127	135	143	150	160	171	6%
- Software Products	100	5%	105	112	120	129	140	152	8%
- Professional Services	42	7%	45	48	52	55	59	62	7%





Exhibit IV-12

**Business Services**  
**User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	<b>5396</b>	<b>10%</b>	<b>5916</b>	<b>6530</b>	<b>7262</b>	<b>8096</b>	<b>9034</b>	<b>10073</b>	<b>11%</b>
<i>Professional Services</i>	352	8%	379	410	440	469	499	527	7%
- IS Consulting	96	9%	105	120	133	147	159	171	10%
- Education & Training	49	8%	53	57	62	68	74	83	9%
- Software Development	207	7%	221	233	245	254	266	273	4%
<i>Systems Integration</i>	235	26%	297	361	442	540	658	794	22%
- Equipment	58	29%	75	89	111	131	158	205	22%
- Software Products	31	19%	37	46	56	72	87	103	23%
- Professional Services	134	27%	170	207	252	312	384	453	22%
- Other	12	25%	15	19	23	25	29	33	17%
<i>Outsourcing</i>	221	21%	267	327	388	463	542	626	19%
- Platform Operations	58	10%	64	77	83	97	110	119	13%
- Applications Operations	111	22%	135	166	195	230	269	316	19%
- Desktop Services	26	35%	35	47	61	79	92	109	26%
- Network Management	26	27%	33	37	49	57	71	82	20%
<i>Processing Services</i>	1730	2%	1762	1794	1828	1862	1888	1915	2%
- Transaction Processing	1730	2%	1762	1794	1828	1862	1888	1915	2%
<i>Network Services</i>	691	9%	754	826	913	1037	1197	1383	13%
- Electronic Information Svcs	670	9%	727	792	871	987	1138	1311	13%
- Network Applications	21	29%	27	34	42	50	59	72	22%
<i>Applications Software</i>	1192	18%	1401	1661	1992	2361	2776	3251	18%
- Mainframe	118	1%	119	121	122	124	125	127	1%
- Minicomputer	249	6%	265	290	315	343	365	380	7%
- Workstation/PC	825	23%	1017	1250	1555	1894	2286	2744	22%
<i>Turnkey Systems</i>	975	8%	1056	1151	1259	1364	1474	1577	8%
- Equipment	326	7%	350	384	419	450	481	519	8%
- Software Products	324	8%	351	377	410	439	474	499	7%
- Professional Services	325	9%	355	390	430	475	519	559	10%

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 statements. The second part of the document provides a detailed breakdown of the company's revenue streams, including sales from various product lines and services. It also outlines the company's expenses, such as salaries, rent, and marketing costs, and explains how these are allocated across different departments. The final part of the document summarizes the overall financial performance for the period, highlighting key trends and areas for improvement. It concludes with a statement of the company's commitment to transparency and accountability in its financial reporting.

Exhibit IV-13

**Federal Government**  
**User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	<b>11048</b>	<b>5%</b>	<b>11634</b>	<b>12680</b>	<b>13678</b>	<b>14672</b>	<b>15772</b>	<b>16802</b>	<b>8%</b>
<i>Professional Services</i>	2468	11%	2736	3009	3299	3574	3881	4181	9%
- IS Consulting	490	11%	543	597	654	709	770	830	9%
- Education & Training	388	11%	430	467	499	534	569	601	7%
- Software Development	1590	11%	1763	1945	2146	2331	2542	2750	9%
<i>Systems Integration</i>	3603	3%	3707	4093	4501	4887	5256	5541	8%
- Equipment	1997	0%	1990	2188	2380	2578	2734	2836	7%
- Software Products	276	-3%	269	308	354	394	440	463	11%
- Professional Services	1155	11%	1284	1405	1545	1663	1799	1950	9%
- Other	175	-6%	164	192	222	252	283	292	12%
<i>Outsourcing</i>	1491	6%	1586	1670	1701	1747	1812	1896	4%
- Platform Operations	447	6%	476	501	510	524	544	569	4%
- Applications Operations	671	6%	709	735	744	751	779	815	3%
- Desktop Services	149	7%	159	167	170	175	181	190	4%
- Network Management	224	8%	242	267	277	297	308	322	6%
<i>Processing Services</i>	161	-6%	152	158	156	153	149	146	-1%
- Transaction Processing	161	-6%	152	158	156	153	149	146	-1%
<i>Network Services</i>	1232	-1%	1219	1300	1432	1597	1830	2056	11%
- Electronic Information Svcs	320	-2%	315	330	356	389	439	493	9%
- Network Applications	912	-1%	904	970	1076	1208	1391	1563	12%
<i>Applications Software</i>	689	6%	727	771	806	833	856	882	4%
- Mainframe	103	4%	107	106	105	108	111	115	1%
- Minicomputer	164	2%	167	177	183	181	178	176	1%
- Workstation/PC	422	7%	453	488	518	544	567	591	5%
<i>Turnkey Systems</i>	1404	7%	1507	1679	1783	1881	1988	2100	7%
- Equipment	632	7%	674	734	762	785	810	840	5%
- Software Products	533	8%	575	649	695	736	788	840	8%
- Professional Services	239	8%	258	296	326	360	390	420	10%



Exhibit IV-14

**State and Local Government  
User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	<b>6863</b>	<b>13%</b>	<b>7769</b>	<b>8856</b>	<b>10112</b>	<b>11567</b>	<b>13260</b>	<b>15226</b>	<b>14%</b>
<i>Professional Services</i>	2900	12%	3234	3605	4019	4481	4996	5572	11%
- IS Consulting	744	12%	835	947	1073	1216	1379	1563	13%
- Education & Training	402	12%	452	498	549	605	666	734	10%
- Software Development	1754	11%	1947	2160	2397	2660	2951	3275	11%
<i>Systems Integration</i>	1015	14%	1161	1299	1454	1628	1825	2047	12%
- Equipment	368	9%	401	434	469	507	548	593	8%
- Software Products	64	11%	71	77	85	92	101	110	9%
- Professional Services	556	18%	658	753	861	985	1127	1289	14%
- Other	27	15%	31	35	39	44	49	55	12%
<i>Outsourcing</i>	1998	15%	2291	2725	3247	3876	4636	5550	19%
- Platform Operations	458	7%	488	548	616	693	779	875	12%
- Applications Operations	1055	15%	1215	1442	1712	2032	2413	2864	19%
- Desktop Services	225	23%	277	357	460	593	766	987	29%
- Network Management	260	20%	311	378	459	558	678	824	22%
<i>Processing Services</i>	369	12%	415	467	526	592	667	751	13%
- Transaction Processing	369	12%	415	467	526	592	667	751	13%
<i>Network Services</i>	152	20%	182	219	264	318	386	468	21%
- Electronic Information Svcs	56	13%	63	71	80	89	101	113	12%
- Network Applications	96	24%	119	148	184	229	285	355	24%
<i>Applications Software</i>	219	15%	252	283	319	360	406	460	13%
- Mainframe	63	6%	67	70	73	76	79	82	4%
- Minicomputer	44	14%	50	56	64	72	81	92	13%
- Workstation/PC	112	21%	135	157	182	212	246	286	16%
<i>Turnkey Systems</i>	210	11%	234	258	283	312	344	378	10%
- Equipment	92	9%	100	108	117	127	137	148	8%
- Software Products	80	13%	90	100	110	122	135	149	11%
- Professional Services	38	16%	44	50	56	63	72	81	13%



Exhibit IV-15

**Miscellaneous Industries**  
**User Expenditures Forecast by Product/Service Market, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
Sector Total	1301	8%	1403	1511	1613	1743	1868	2043	8%
<i>Professional Services</i>	142	8%	154	168	183	200	216	233	9%
- IS Consulting	35	11%	39	43	49	54	61	66	11%
- Education & Training	21	10%	23	25	27	29	30	34	8%
- Software Development	86	7%	92	100	107	117	125	133	8%
<i>Systems Integration</i>	9	11%	10	12	14	16	19	21	16%
- Equipment	4	25%	5	6	6	7	9	11	17%
- Software Products	1	0%	1	1	1	1	1	1	0%
- Professional Services	4	0%	4	5	7	8	9	9	18%
- Other									
<i>Outsourcing</i>	23	13%	26	30	35	40	47	54	16%
- Platform Operations	8	0%	8	9	10	11	12	13	10%
- Applications Operations	10	20%	12	13	15	17	19	22	13%
- Desktop Services	3	0%	3	4	5	6	7	8	22%
- Network Management	2	50%	3	4	5	6	9	11	30%
<i>Processing Services</i>	137	-2%	134	132	129	126	124	122	-2%
- Transaction Processing	137	-2%	134	132	129	126	124	122	-2%
<i>Network Services</i>	161	12%	181	204	231	261	286	319	12%
- Electronic Information Svcs	150	13%	169	190	215	243	265	294	12%
- Network Applications	11	9%	12	14	16	18	21	25	16%
<i>Applications Software</i>	284	8%	306	334	365	405	446	510	11%
- Mainframe	13	-8%	12	11	11	10	9	9	-6%
- Minicomputer	100	4%	104	108	112	115	117	120	3%
- Workstation/PC	171	11%	190	215	242	280	320	381	15%
<i>Turnkey Systems</i>	545	9%	592	631	656	695	730	784	6%
- Equipment	238	5%	249	259	256	264	270	275	2%
- Software Products	205	10%	225	246	256	278	292	324	8%
- Professional Services	102	16%	118	126	144	153	168	185	9%

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is essential for ensuring transparency and accountability in the organization's operations.

2. The second part outlines the various methods and tools used to collect and analyze data. This includes the use of surveys, interviews, and focus groups to gather qualitative information, as well as the application of statistical software for quantitative analysis.

3. The third part describes the process of identifying and measuring key performance indicators (KPIs). It highlights the need to select metrics that are relevant to the organization's strategic goals and to establish a clear baseline for comparison.

4. The fourth part details the implementation of a data management system. This involves setting up a secure database to store all collected information and ensuring that access is restricted to authorized personnel only.

5. The fifth part discusses the importance of regular reporting and communication of findings. It stresses that management should be kept informed of progress and any emerging trends or issues in a timely manner.

6. The sixth part addresses the challenges of data collection and analysis, such as ensuring data quality and addressing potential biases. It offers strategies to mitigate these risks and ensure the reliability of the results.

7. The seventh part concludes by summarizing the key findings and recommendations. It reiterates the importance of a systematic and ongoing approach to data collection and analysis for the organization's success.





## Cross-Industry Sector Forecast

This chapter presents the market forecasts for each of the seven cross-industry sectors used by INPUT used in its definition of the U.S. information services industry. Cross-industry product/service categories are limited to processing services, applications software products and turnkey systems solutions tailored to each specific cross-industry sector. The four categories *not* included here are systems integration, network services, professional services and outsourcing. For additional details, including reconciliations, industry trends, and INPUT's forecast analysis, please refer to the appropriate complete cross-industry report.

The cross-industry sector forecasts contained in this chapter are presented in the following order:

- Accounting
- Education and Training
- Engineering and Scientific
- Human Resources
- Office Systems
- Planning and Analysis
- Sales and Marketing

# THE HISTORY OF THE UNITED STATES

The history of the United States is a complex and multifaceted story that spans centuries. It begins with the early Native American civilizations, such as the Mayans, Aztecs, and Incas, who established sophisticated societies in the Americas. The arrival of European explorers, including Christopher Columbus and John Cabot, marked the beginning of a new era of discovery and colonization. The United States was founded in 1776, and its early years were characterized by a struggle for independence from British rule. The American Revolution led to the signing of the Declaration of Independence and the establishment of a new nation. The early years of the United States were marked by westward expansion, the Louisiana Purchase, and the War of 1812. The mid-19th century saw the rise of the Industrial Revolution and the growth of the United States as a major world power. The American Civil War (1861-1865) was a pivotal moment in the nation's history, leading to the abolition of slavery and the preservation of the Union. The late 19th and early 20th centuries were characterized by the Progressive Era, the rise of the United States as a global superpower, and the emergence of the United States as a major world power. The mid-20th century saw the United States emerge as a global superpower, leading the world in the Cold War. The late 20th and early 21st centuries have seen significant changes in the United States, including the end of the Cold War, the rise of the Internet, and the challenges of globalization. The United States continues to play a central role in the world, and its history remains a source of inspiration and guidance for the future.

Exhibit V-1

**Accounting**  
**U.S. Market Forecast by Product/Service Sector, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
Sector Total	3611	10%	3967	4404	4927	5555	6284	7075	12%
<i>Processing Services</i>	162	-2%	159	157	154	153	151	149	-1%
- Transaction Processing	162	-2%	159	157	154	153	151	149	-1%
<i>Applications Software</i>	2954	12%	3307	3740	4260	4884	5612	6402	14%
- Mainframe	930	9%	1013	1100	1193	1289	1392	1491	8%
- Minicomputer	706	7%	752	805	865	930	995	1080	8%
- Workstation/PC	1318	17%	1542	1835	2202	2665	3225	3831	20%
<i>Turnkey Systems</i>	495	1%	501	507	513	518	521	524	1%
- Equipment	213	-1%	211	209	205	202	198	195	-2%
- Software Products	188	2%	192	196	200	204	208	212	2%
- Professional Services	94	4%	98	102	108	112	115	117	4%

Exhibit V-2

**Education and Training**  
**U.S. Market Forecast by Product/Service Sector, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
Sector Total	391	10%	432	486	547	618	701	797	13%
<i>Processing Services</i>	5	-20%	4	4	3	3	2	2	-13%
- Transaction Processing	5	-20%	4	4	3	3	2	2	-13%
<i>Applications Software</i>	242	10%	266	302	346	399	461	533	15%
- Mainframe	56	2%	57	58	59	60	61	61	1%
- Minicomputer	28	4%	29	29	30	31	31	32	2%
- Workstation/PC	158	14%	180	215	257	308	369	440	20%
<i>Turnkey Systems</i>	144	13%	162	180	198	216	238	262	10%
- Equipment	61	8%	66	72	78	83	89	96	8%
- Software Products	55	15%	63	71	78	85	94	104	11%
- Professional Services	28	18%	33	37	42	48	55	62	13%

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Exhibit V-3

**Engineering and Scientific  
U.S. Market Forecast by Product/Service Sector, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
Sector Total	1087	9%	1186	1298	1432	1578	1742	1928	10%
<i>Processing Services</i>	129	-4%	124	118	112	106	100	94	-5%
- Transaction Processing	129	-4%	124	118	112	106	100	94	-5%
<i>Applications Software</i>	821	12%	917	1028	1160	1306	1470	1657	13%
- Mainframe	170	8%	183	197	211	225	238	250	6%
- Minicomputer	291	9%	317	344	373	404	436	472	8%
- Workstation/PC	360	16%	417	487	576	677	796	935	18%
<i>Turnkey Systems</i>	137	6%	145	152	160	166	172	177	4%
- Equipment	59	2%	60	60	61	61	62	62	1%
- Software Products	53	8%	57	61	65	69	72	75	6%
- Professional Services	25	12%	28	31	34	36	38	40	7%

Exhibit V-4

**Human Resources  
U.S. Market Forecast by Product/Service Sector, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
Sector Total	3455	9%	3773	4100	4443	4780	5141	5481	8%
<i>Processing Services</i>	2550	9%	2780	3000	3240	3460	3710	3930	7%
- Transaction Processing	2550	9%	2780	3000	3240	3460	3710	3930	7%
<i>Applications Software</i>	810	10%	895	1000	1100	1215	1325	1445	10%
- Mainframe	270	4%	280	295	305	320	330	340	4%
- Minicomputer	280	7%	300	325	345	365	385	405	6%
- Workstation/PC	260	21%	315	380	450	530	610	700	17%
<i>Turnkey Systems</i>	95	3%	98	100	103	105	106	106	2%
- Equipment	40	0%	40	38	36	34	30	26	-8%
- Software Products	35	3%	36	39	42	44	46	48	6%
- Professional Services	20	10%	22	23	25	27	30	32	8%



Exhibit V-5

**Office Systems**  
**U.S. Market Forecast by Product/Service Sector, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	<b>3356</b>	<b>12%</b>	<b>3759</b>	<b>4294</b>	<b>4896</b>	<b>5632</b>	<b>6479</b>	<b>7397</b>	<b>14%</b>
<i>Processing Services</i>	28	-4%	27	26	24	23	21	20	-6%
- Transaction Processing	28	-4%	27	26	24	23	21	20	-6%
<i>Applications Software</i>	3209	12%	3610	4142	4743	5479	6329	7247	15%
- Mainframe	163	-1%	161	157	152	146	139	133	-4%
- Minicomputer	635	8%	685	735	780	820	860	895	5%
- Workstation/PC	2411	15%	2764	3250	3811	4513	5330	6219	18%
<i>Turnkey Systems</i>	119	3%	122	126	129	130	129	130	1%
- Equipment	51	0%	51	52	50	49	47	45	-2%
- Software Products	45	2%	46	49	51	53	53	54	3%
- Professional Services	23	9%	25	25	28	28	29	31	4%

Exhibit V-6

**Planning and Analysis**  
**U.S. Market Forecast by Product/Service Sector, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
<b>Sector Total</b>	<b>2455</b>	<b>20%</b>	<b>2940</b>	<b>3410</b>	<b>3895</b>	<b>4450</b>	<b>5090</b>	<b>5800</b>	<b>15%</b>
<i>Processing Services</i>	165	-9%	150	125	110	95	85	80	-12%
- Transaction Processing	165	-9%	150	125	110	95	85	80	-12%
<i>Applications Software</i>	2290	22%	2790	3285	3785	4355	5005	5720	15%
- Mainframe	235	9%	255	275	295	320	340	375	8%
- Minicomputer	180	0%	180	185	185	185	185	180	0%
- Workstation/PC	1875	26%	2355	2825	3305	3850	4480	5165	17%
<i>Turnkey Systems</i>	0	0%	0	0	0	0	0	0	0%
- Equipment	0	0%	0	0	0	0	0	0	0%
- Software Products	0	0%	0	0	0	0	0	0	0%
- Professional Services	0	0%	0	0	0	0	0	0	0%





Exhibit V-7

**Sales and Marketing**  
**U.S. Market Forecast by Product/Service Sector, 1994-1999**

Product/Service Sector	1993 (\$M)	Growth 93-94 (%)	1994 (\$M)	1995 (\$M)	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	CAGR 94-99 (%)
Sector Total	1305	6%	1387	1470	1562	1643	1729	1816	6%
<i>Processing Services</i>	600	4%	625	650	675	695	715	735	3%
- Transaction Processing	600	4%	625	650	675	695	715	735	3%
<i>Applications Software</i>	380	9%	416	453	494	535	581	627	9%
- Mainframe	200	5%	210	218	225	232	238	242	3%
- Minicomputer	85	7%	91	97	103	108	113	117	5%
- Workstation/PC	95	21%	115	138	166	195	230	268	18%
<i>Turnkey Systems</i>	325	6%	346	367	393	413	433	454	6%
- Equipment	140	4%	146	150	155	160	165	170	3%
- Software Products	125	8%	135	145	160	170	180	190	7%
- Professional Services	60	8%	65	72	78	83	88	94	8%



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