

U.S. Systems
Integration Market

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U.S. Systems Integration Market

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Systems Integration Program
(SIP)

U.S. Systems Integration Market

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Systems Integration at the Crossroads

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Notes

Agenda

- Impact of Outsourcing on SI
- Impact of Downsizing on SI
- Impact of Networking on SI
- Market Factors
 - Positive
 - Negative

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Notes

Agenda

- Buyer Issues
- Keys to Successful SI Projects
- SI Market Forecast
- Market Share
- Major Vendors
- Conclusions

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Notes

Prediction: More SI projects to become part of outsourcing contracts

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Notes

How OS Users Fill SI Needs

Method	Average Percent of Users
Obtain through existing OS contracts	52
Obtain other vendor services	23
Utilize in-house personnel	25

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Notes

Where does systems
integration stop and
outsourcing begin?

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Notes

Outsourcing Agreements with SI Components

- Revlon/Andersen Consulting
 - Manage old platforms
 - Develop client/server applications
- Dial Corp./Andersen Consulting
 - Manage old platform
 - Develop client/server applications

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Notes

Outsourcing Agreements with SI Components

- GE/EDS
 - Take over desktop services
 - Standardize to enhance client/server environment

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Notes

SI Contracts Become Outsourcing Agreements

- Nations Bank/EDS
 - Built new data center
 - Operate data center
- Cummins Engine/EDS
 - Built new data center
 - Operate data center

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Notes

SI Contracts Become Outsourcing Agreements

- Del Monte Foods
 - Designed new system
 - Manage client/server environment

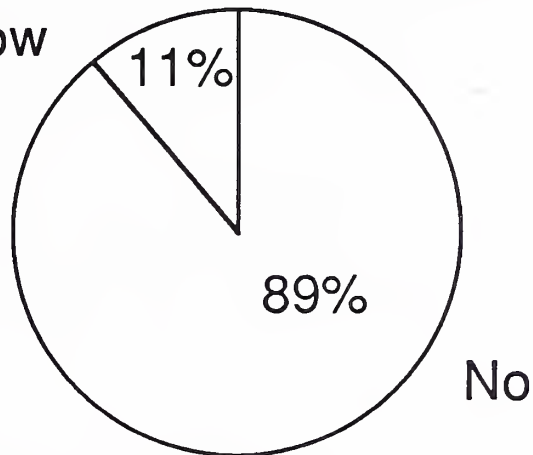
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Notes

Less SI Opportunities Because of Outsourcing?

Don't Know



Percent of Respondents

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Notes

SI Project Components Changing

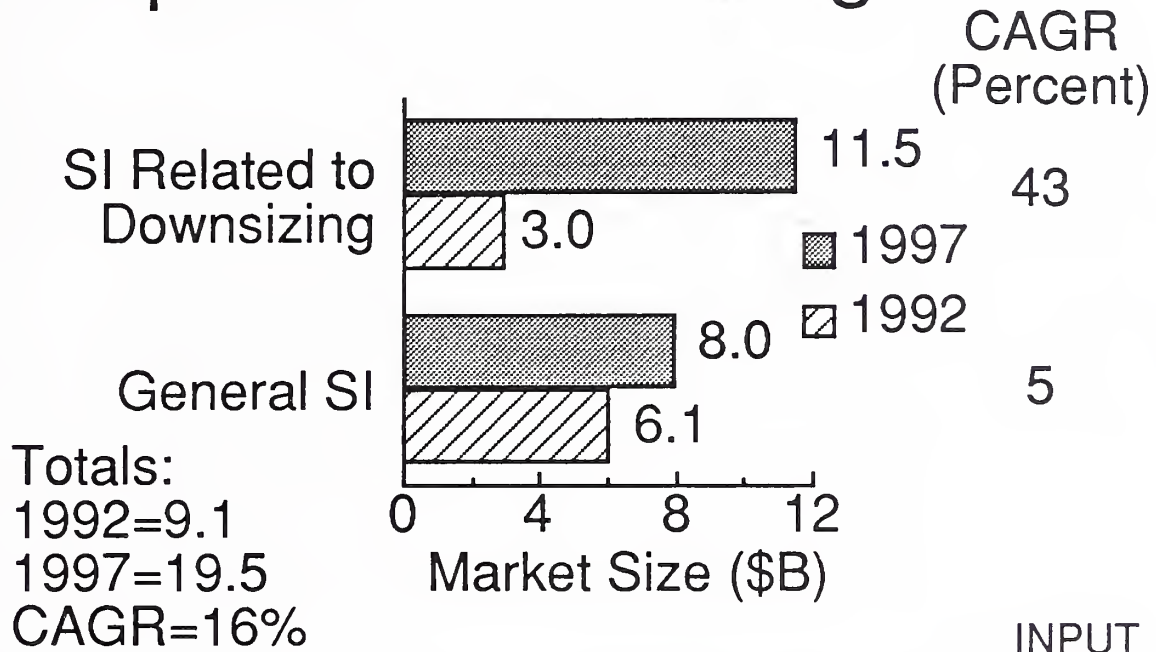
- Smaller projects
- Shorter duration
- Client/server component dominates
- Prototype often first stage

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Notes

Impact of Downsizing on SI



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Notes

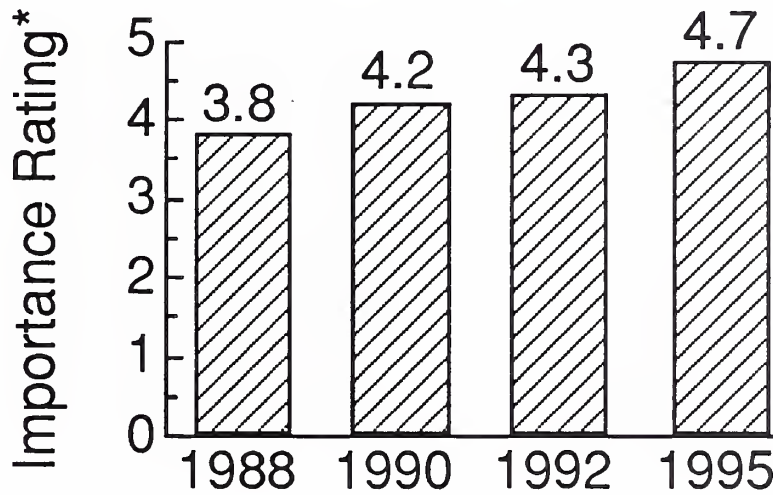
Many current SI projects
have networking component

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Importance of Networks to Business



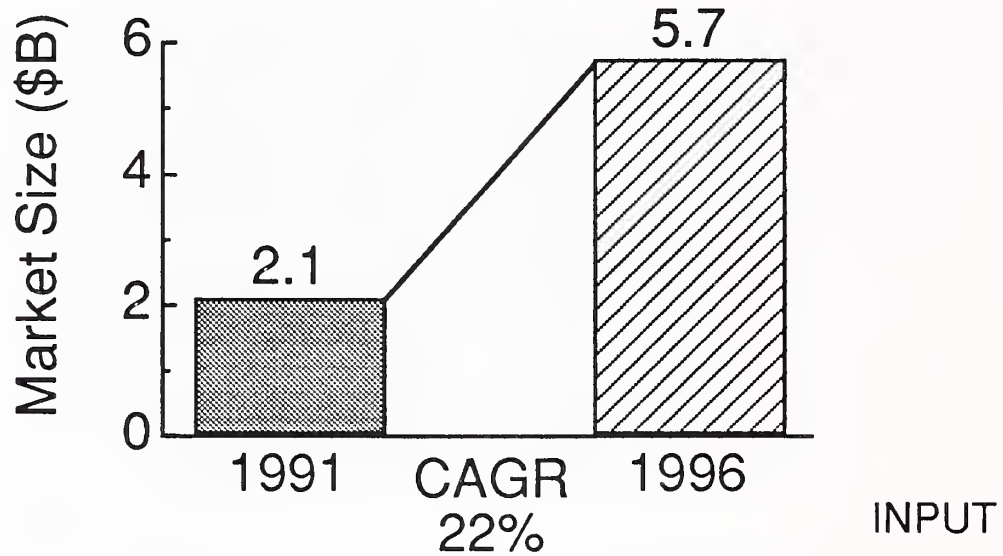
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Notes

*On a scale of 0-5, where 0=no importance, 5=greatest importance.

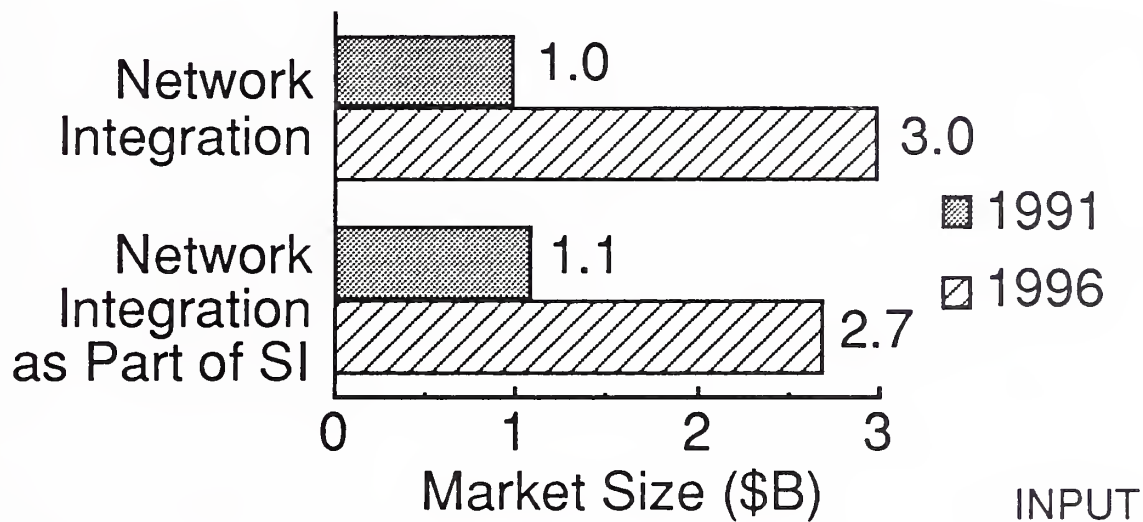
U.S. Commercial Network Integration Expenditures



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Notes

Commercial Network Integration Expenditures



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Notes

Positive Market Factors

- New technology emerging
- Lack of internal (client) expertise
- Vendor increasing global scope
- Telecommunication capabilities improving

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Notes

Negative Market Factors

- Rapid technology changes confuse client
- Decision process moves to functional managers
- Vendors need vertical industry expertise

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Notes

Buyer Issues

- Want to concentrate on business basics
- Need to use technology competitively
- Need solutions immediately
- Must experience short-term financial gains

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Notes

Keys to Successful SI Projects

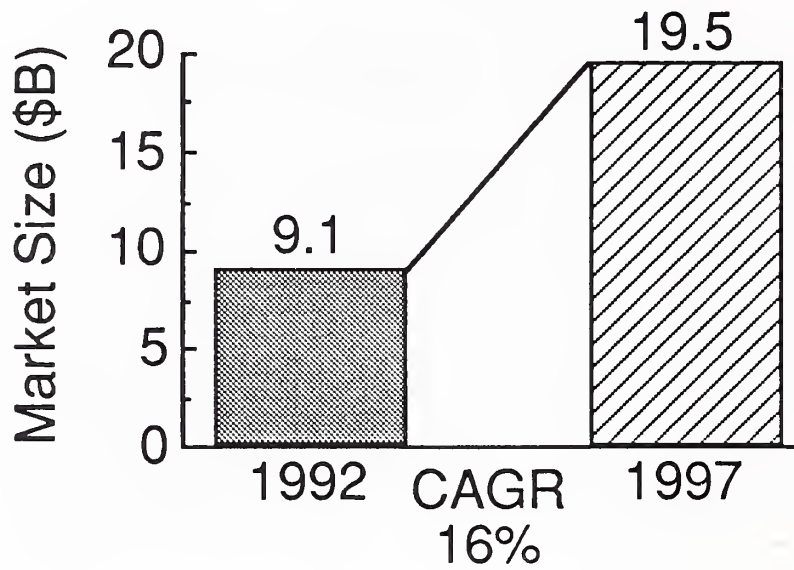
- Good project management
- Knowledge of client's business
- Open communication between vendor/client
- Structured project review process
- Risk management controls in place

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Notes

Systems Integration Market

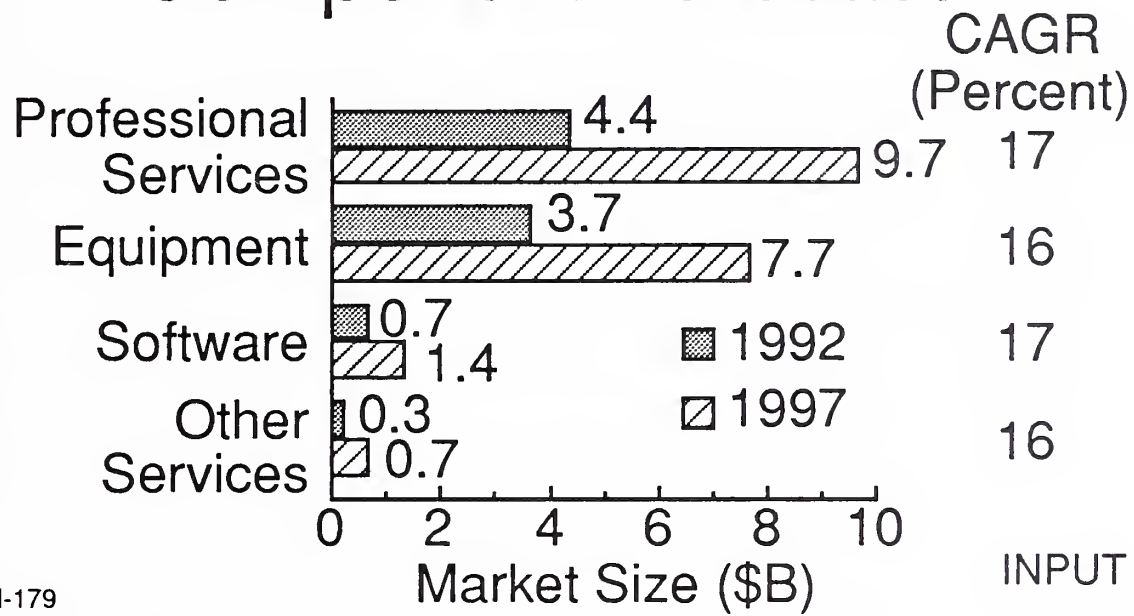


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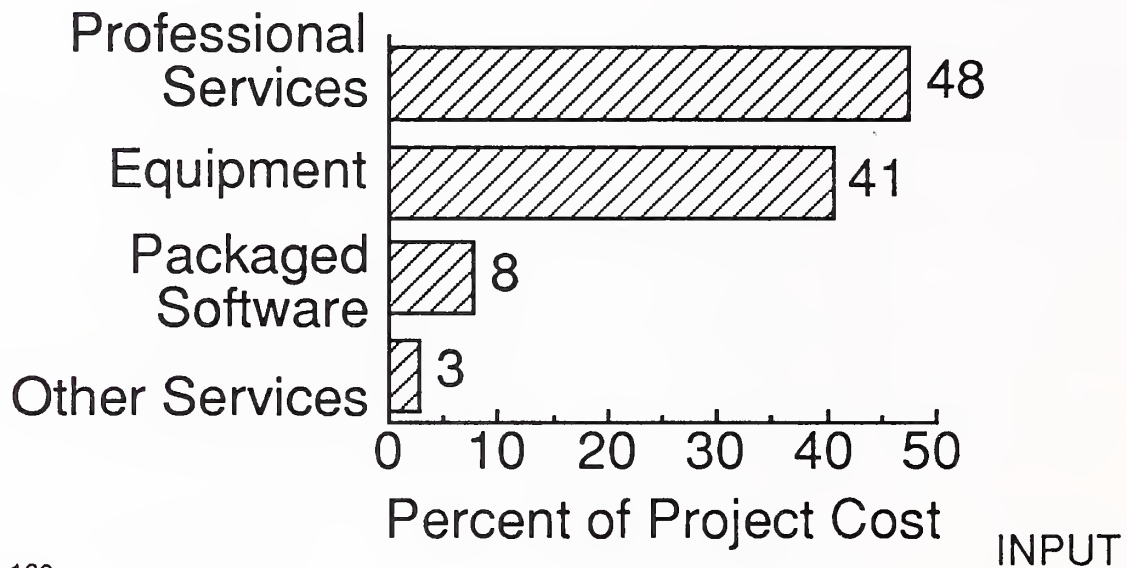
Systems Integration Market Component Forecast



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Notes

1992 SI Project Composition



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Notes

U.S. Vendors

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Notes

Vendor Market Share, 1991

Vendor	Revenue (\$M)	Percent
IBM	1,750	17
Andersen Consulting	787 ⁽¹⁾⁽³⁾	8
EDS	770 ⁽²⁾	8
Digital	565	6
Computer Sciences Corp.	478	5

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Notes

1. Includes INPUT's estimate of equipment content
2. Non-GM business only
3. Adjusted to calendar year 1991

Major Vendors and Strategies

Vendors	Strategies and Advantages
IBM/ISSC	Cost, integration, IBM system knowledge, credibility, full line of products/services

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Notes

Major Vendors and Strategies

Vendors	Strategies and Advantages
Digital	Network application support, low cost and integration, multiple platform expertise

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Notes

Major Vendors and Strategies

Vendors	Strategies and Advantages
Andersen Consulting	Focus on new business applications transition downsizing, years of diverse application experience, no hardware ties

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Notes

Major Vendors and Strategies

Vendors	Strategies and Advantages
EDS	Cost effective, multiple platform expertise

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Notes

Major Vendors and Strategies

Vendors	Strategies and Advantages
CSC	High level of technical support multiple platform expertise, good project management skills

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Notes

Conclusions

- Systems Integration
 - Ranges from consulting to operations
 - Stimulated by business process re-engineering
 - Must provide global services

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Notes

Conclusions

- Systems Integration
 - More impacted by client/server
 - Communications increasing factor
 - Vendors must manage carefully

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Notes

ABOUT INPUT

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- Downsizing (vendor and user)
- Systems Integration
- EDI and Electronic Commerce
- IT Vendor Analysis
- U.S. Federal Government IT Procurements

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