Tech Market View

Quarterly Research Summary – Q1 2012

A review of research Reports and AnalystViews notes from TechMarketView

Welcome

Well Q1 has certainly whizzed by. This quarter we've seen the publication of a raft of quality reports including several 'must reads' from Angela Eager within our ESASViews research stream: notably the **Enterprise Software Market Trends and Themes** report and two excellent notes on SAP and Oracle.

Our other research directors have been equally busy, covering a range of interesting topics across the UK SITS market. A couple of highlights include: **The Public Services Network: the foundation for change in public sector IT?** and **Communications-focused BPS – opportunities beyond document outsourcing.**

Read all our reports for this, and previous quarters, at **www.techmarketview.com**. The website also provides access to our vast archive of UKHotViews posts and more in-depth UKHotViews*Extra* articles, which aren't included in this research summary.

Capita: a new force in UK IT services?
30th March 2012

We met up recently with Capita's IT services executive director Mark Wyllie and MD Mark Quartermaine to discuss their plans to take Capita forwards as a leading player in UK IT services in its own right. The prize is replicating the same kind of success it has achieved in UK business process services (BPS), where Capita is the undisputed market leader. But IT services is a very different proposition, and as a 'work in progress' there is much still to be done.

OffshoreViews 2011 - Review
29th March 2012

The leading India-centric, offshore IT/BP services firms once again showed the rest of the industry a clean pair of heals, with a staggering aggregate 22% revenue growth in the UK market in 2011, essentially all organic. In this fascinating look at the Offshore market, discover why it was 'another great year for the Indians'.

IndustryViews Private Equity 2011 - Review
29th March 2012

Despite a precipitous fall in the number and value of VC investments in UK/Irish tech companies in Q4 last year, there was almost

30% more invested in 2011 than in 2010. To find out more, dig into our 2011 Private Equity Review which also includes highlights of key UK software and IT services VC deals in Q4, and another in our occasional BuySide*Views* series.

Logica's margin challenge - 2012
14th March 2012

This time last year we questioned the viability of Logica CEO Andy Green's aspiration to move medium term 'adjusted' operating margins towards double digits. Why not dive into this current note to see what we think now!

Accenture: taking the BYOT medicine
13th March 2012

Accenture provides an interesting example of BYOT in practice. The firm is introducing bring-your-own policies for its employees, while also working on opportunities for BYOT-related services among its clients. This latest note examines the company's experiences in both these areas so far.

The Public Services Network: the foundation for change in public sector IT?
11th March 2012

2012 looks set to be the year that the UK's Public Services Network (PSN), which has been talked

about in a number of guises for many years, finally moves from vision to reality. PSN is designed to create a single logical network for use across the public sector. But how much progress has really been made? Will PSN actually deliver? What are the benefits really likely to be? Which barriers are still holding progress back? Which will the key suppliers be and how will the supplier landscape evolve? These questions and more are answered in the latest report from TechMarketView's PublicSectorViews research stream.

UK local government dinner debate: facing change
8th March 2012

At the end of January, TechMarketView hosted a dinner debate focused on the topic of 'UK local government: supplier models of engagement'. In this note we summarise the evening's discussions and provide our opinion on what it all means for suppliers tackling the UK local government market. The discussions centred on changes in the UK local government market and what they would mean for local authorities, and secondly, what that would mean for software and IT services suppliers to the sector.

Communications-focused BPS – opportunities beyond document outsourcing
8th March 2012

Disruptive change is taking place across the whole document services market due to the effect of IT consumerisation and 'bring your own technology' (BYOT).The burgeoning take-up of communications media like smartphones, tablets and social media is changing how businesses and consumers interact, and blurring the boundaries between what is considered B2B and B2C. Read more in this popular report from the BusinessProcess*Views* stream of research.

IndustryViews M&A Review – 2011
6th March 2012

We wouldn't go quite as far as saying that the M&A market for UK software and IT services (SITS) companies was in rude health in 2011, but it was looking better than it had since 2006. Read the 2011 M&A review to find out more.

Capita emerges from a lean spell
29th February 2012

Following Capita's mixed full year results we've digested the detail, spoken with management,

and assessed progress across the business. There are signs that it has now turned the corner with a strong start to 2012, and promising signs for a return to organic growth this year.

Little British Battlers – Q1 2012
29th February 2012

When we issued an invitation last November to CEOs of small, privately-held, UK-owned software and IT services companies to meet the TechMarketView analyst team, we thought a few might reply. In fact, we got over 180 responses! In our first report in the Little British Battler series, we have summarised the views and opinions of the TechMarketView team on each of these companies. We are now in the process of planning the next stage of the TechMarketView LBB programme.

Atos UK: making the most of SIS
23rd February 2012

While the Group has suffered nine consecutive quarters of revenue decline and only achieved positive organic growth in Q411, the UK business (which makes up 17% of the whole) has grown consistently quarter-on-quarter throughout the year. Q4 was indeed its finest quarter with organic growth of 5.6% by our calculations. But what impact has the integration of Siemens IT Solutions & Services (SIS) had on the performance? And what will the impact be in the years ahead?

Oracle: advances and market implications
3rd December 2011

As the second largest enterprise software supplier to the UK market, Oracle's actions have implications across the whole UK SITS landscape. This latest report from the ESASViews research stream, dissects Oracle's developments around the white hot areas of big data and analytics appliances and the impact they will have on competitors, including putting pressure on them to ramp up their own appliance-related project schedules.

UK public sector 2012: Grasping the potential for change
7th February 2012

Late last year we published our top predictions for the UK public sector SITS market in 2012. We have now taken a deeper dive to examine the impact of these predictions on the suppliers and

the market in 2012. With many central government contracts coming to their natural conclusion in 2012 and 2013, there is huge potential for change. However, numerous barriers continue to threaten progress and the Cabinet Office's Efficiency & Reform Group will continue to face an uphill battle as it tries to implement the UK Government ICT Strategy.

IndustryViews Quoted Sector – 2011 Review
6th February 2012

2011 was truly a year of disruption and diversity for UK software and IT services companies listed on the London Stock Exchange. Their number declines inexorably year by year, and it won't be long, surely, before there are fewer than 100 – there were almost 160 when we launched TechMarketView a mere three years ago. This is why IndustryViews Quoted Sector – 2011 Review makes such interesting reading. Plus, our venerable chairman, Richard Holway, imparts his Longer View on the outlook for the industry.

Enterprise Software Predictions 2012: discoveries and challenges
26th January 2012

This report from the ESASViews research stream is our deeper dive into the 2012 predictions we released in December, where we look at the challenges and discoveries in store for suppliers to the UK market over the coming year. SaaS-only suppliers need to find out how to run profitability, traditional software suppliers have to be agile to function against incoming competition in the mobile space, everyone has to pay attention to security, and skills acquisition. Despite – maybe in spite – of the economic outlook, 2012 will be a year of fast paced activity.

UK BPS Predictions for 2012 – supplier challenges and opportunities
23rd January 2012

Late last year we published our top predictions for the UK business process services (BPS) market in 2012 .We have now taken a deeper dive to examine the impact of these predictions on the suppliers and the market in 2012. There are some interesting findings for incumbents like Capita, Xchanging and Serco in this year which we characterise as one of 'disruption and change'.

SAP developments open up opportunities for the ecosystem
20th January 2012

SAP was built on ERP and this is still core to the business but it is not relying purely on its traditional business to move forward. Its Innovation Agenda projects – in-memory computing, cloud and mobile – are where much of its future growth will come from. They are changing the focus of the business, from a transaction-led proposition to one based around information, manipulation and access. As one of the top software suppliers to the UK, it activities have direct implications for SITS providers.

Infrastructure services in 2012: opportunity in adversity
17th January 2012

The infrastructure services market is facing huge disruption, but very little overall growth. That means opportunities for suppliers abound, but so do threats to those that don't adjust their strategies. This note highlights some of the key areas to watch in the infrastructure services market during 2012.

Enterprise Software Market Trends and Forecasts 2012
12th January 2012

The Enterprise Software: Market Trends and Forecasts report provides insight and analysis on the current state and future prospects of this still volatile sector. There is tangible tension between the new disruptor technologies and business models being established as a consequence of the cloud, social media, mobility and big data analytics, and what you might call the legacy marketplace of mature on premise, transactional applications. Read all about it in this report from the ESASViews research stream.