

Leaders and Contenders: Professional Services and Solutions



2006 Brand Tracking Study

In a highly undifferentiated market, professional services providers invest in their brands and craft marketing campaigns to stake out areas of uniqueness. Leaders find ways to break through the noise of sound-alike value propositions. Other firms, recognizing some of these same opportunities, follow and thereby add even more competitive pressure to differentiate. All firms' innovators and adapters require detailed knowledge of buyer needs, decision influencers, and purchase criteria as well as an understanding of how buyers perceive their companies in relation to key competitors.

REPORT HIGHLIGHTS

OVERVIEW

The word leadership connotes images of being first, being different, being best. What a daunting challenge for participants in the highly competitive and fragmented market of IT professional services! On one level, professional services providers must define themselves within the context of their current capabilities, client needs, and organizational dynamics. On another level, they must keep close watch on new and existing competitors and their reactions to emerging, not yet articulated demands for services.

This report provides critical insight into the prevailing buying reality for IT professional services and solutions providers, analyzed by respondent perspective, vertical industry, and size of organization.

By breaking new ground, pushing the envelope, or exceeding expectations, IT professional services leaders stake their ground in ways that are reinforced by perceptions of their brands and market positioning. Challengers are ever present.

STUDY SCOPE

ITSMA's *Leaders and Contenders: 2006 Professional Services and Solutions Brand Tracking Study* focuses on providers of IT professional services and solutions. This study delivers the data study sponsors need to validate internal assumptions, improve marketing strategies and tactics, and hone their brand communication.

(Continued)

Included are new data and analyses on key market indicators and topics, such as:

- **Market knowledge.** Who are the leaders and followers? Are providers recognized for their services capabilities? Are they making credible claims?
- **Brand equity.** How familiar are buyers with each firms' brand? Who would they call first? Are their impressions favorable?
- **Provider preference.** To which firms do clients turn first? Are they familiar with others? Can firms leverage positive brand equity, or do they carry baggage?
- **Services decision influences.** When there are a number of qualified providers, what breaks the deadlock?
- **Competitive differentiation.** Is what's different really different? Does it really matter?
- **Alternative service delivery models.** Does offshore services provision matter in a global economy? Are attitudes changing?
- **Report card.** Are professional services firms meeting expectations? Which ones are hitting home runs?

STUDY HIGHLIGHTS

This examination of the IT professional services and solutions market yields many interesting findings related to the firm selection process, brand equity of services providers, effective marketing, and purchasing preferences.

- Prospects tie services provider selection criteria strongly to track records.
- Clients are focusing on growth opportunities, productivity, and competitive advantage.
- More clients pursue a best-of-breed strategy to sourcing projects.
- Service-level agreements (SLAs) can offer upside potential to professional services firms.
- Technology firms are not limited in the clients' eyes to supporting only their own products.
- Client interest in using offshore resources increases.
- IBM Global Services retains its awareness advantage.
- The field of players is growing, but the decision set is narrowing.
- Efforts to market widely are difficult to sustain.
- Market positioning perceived by the clients is not always the same as the positions the providers are staking out for themselves.

STUDY METHODOLOGY

ITSMA recruited sponsors for its *Leaders and Contenders: 2006 Professional Services and Solutions Brand Tracking Study* in early 2006. Primary sponsors of the study included BearingPoint and SAP. Cognizant, EDS, and Hitachi Consulting joined as secondary sponsors.

ITSMA interviewed, by telephone, 400 U.S.-based senior IT and business decision makers (CXOs, vice presidents, and directors). The sample includes two types of professional services buyer (information technology executives/CIOs and business executives) and spans eight industry segments (communications, financial services, healthcare payer, life sciences, manufacturing, public sector, retail trade, and transportation). Organizations eligible to participate in the study reported annual revenue or operating budget of \$200 million or greater. Participants qualified for inclusion based on their decision-making authority. ITSMA donated money to two charities in return for participants' contribution to the study.

The 2006 edition of this survey represents the latest in nearly a decade of ITSMA's multiclient brand tracking research focused on the IT professional services market.

COMPANIES COVERED

Companies covered in the study include: Accenture, BearingPoint, Capgemini, Cognizant, Computer Science Corporation, Deloitte Consulting, EDS, Fujitsu Consulting, Hewlett-Packard, Hitachi Consulting, IBM Global Services, Infosys, McKinsey, Oracle, SAP, and Wipro.

RESPONDENT DEMOGRAPHICS

Respondent Titles

Director	65.5%
Vice President	19.5%
President/CXO	16.0%

Organization Size

\$200-999M	17.5%
\$1-4.9B	26.0%
\$5-9.9B	18.3%
\$20B or more	38.3%

Industry

Communications	13.7%
Manufacturing	13.7%
Transportation	13.3%
Public sector	13.0%
Life sciences	12.3%
Financial services	12.0%
Retail	12.0%
Healthcare payer	10.0%

MORE INFORMATION

To learn more about the report, contact Rob Leavitt, Vice President, Marketing and Member Advocacy at +1-781-862-8500, Ext. 45, or rleavitt@itsma.com.

Figure 5.1 Mean Familiarity With IT Professional Services Firms

How familiar are you with _____'s IT professional services?



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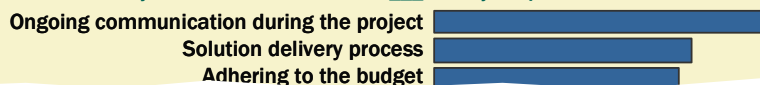
Figure 4.2 Unaided Awareness of IT Professional Services and Solutions Firms

What one firm would you most likely call if you needed IT professional services?
Which other firms come to mind that provide IT professional services?



Figure 7.2 Overall Satisfaction With Firm Experiences

Thinking about your recent IT professional services purchases in general, how would you rate your satisfaction with the ___ from your providers?





RESEARCH ORDER FORM

	ITSMA Member Price	Nonmember Price
Leaders and Contenders: Professional Services and Solutions, 2006 Brand Tracking Study	\$32,500	\$38,000
Optional Web Briefing	\$5,000	\$7,500
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