

# ΠΑΝΕΠΙΣΤΗΜΙΟ ΑΙΓΑΙΟΥ

ΤΜΗΜΑ ΜΗΧΑΝΙΚΩΝ ΠΛΗΡΟΦΟΡΙΑΚΩΝ ΚΑΙ ΕΠΙΚΟΙΝΩΝΙΑΚΩΝ ΣΥΣΤΗΜΑΤΩΝ



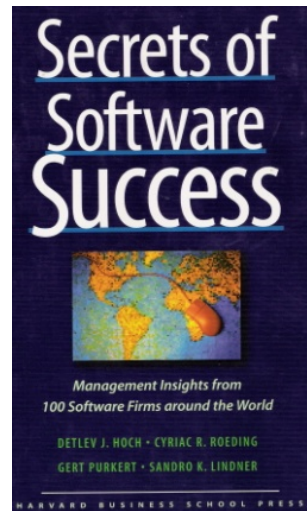
ΠΡΟΠΤΥΧΙΑΚΟ ΠΡΟΓΡΑΜΜΑ ΣΠΟΥΔΩΝ  
ΜΑΘΗΜΑ: ΤΕΧΝΟΛΟΓΙΑ ΛΟΓΙΣΜΙΚΟΥ

SOFTWARE AS A BUSINESS

... with extracts from:

Διδάσκων:

*Γ. Χαραλαμπίδης, Επ. Καθηγητής*



# The Global IT Market

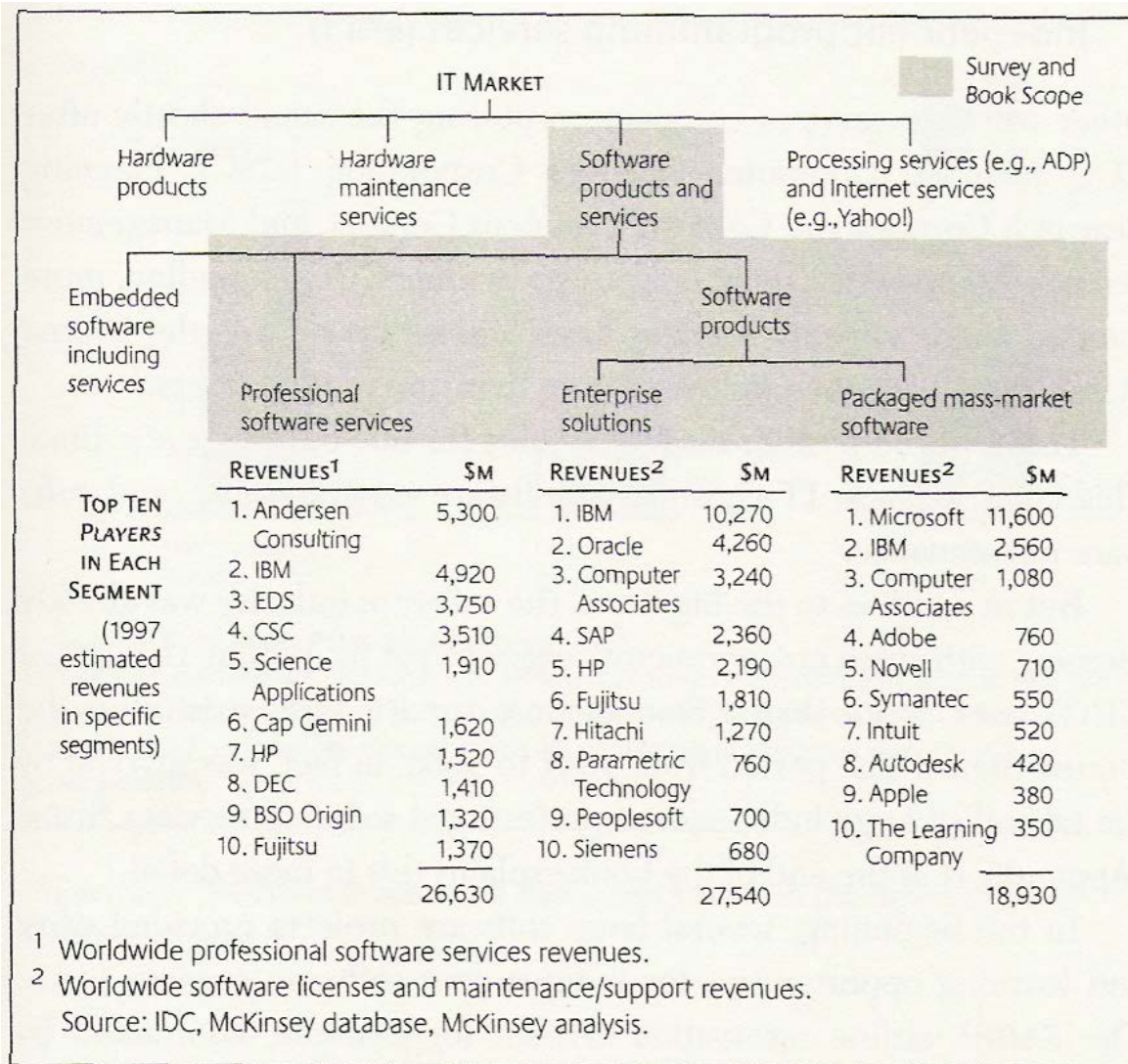


Figure 2-1. The segmentation of the IT market today

# The 3 Business Models

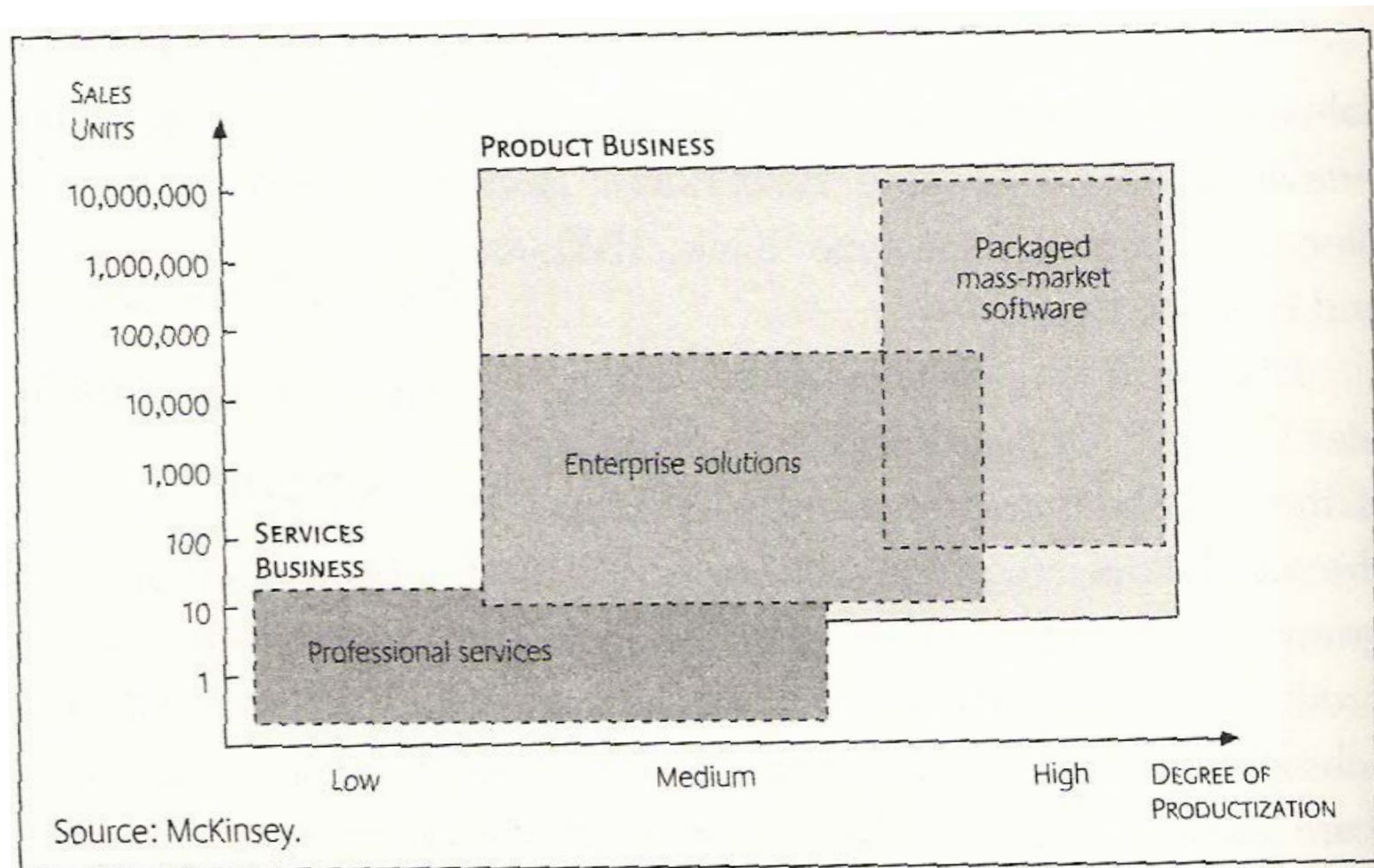


Figure 2-3. Degree of productization and unit volume in the three market segments

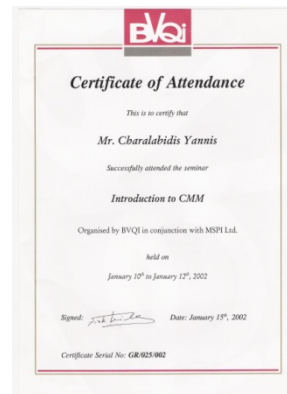
# Services vs Products

	PROFESSIONAL SERVICES	PRODUCT BUSINESS
<b>MARGINAL COSTS</b>	Almost constant	Almost zero
<b>MARKET STRUCTURE</b>	Highly fragmented	Drive towards high concentration
<b>REGIONAL APPEARANCE</b>	Mainly regional, with increasing tendency to globalization	Highly globalized
<b>CUSTOMER RELATIONSHIP</b>	One to one	One to few, one to many
<b>MOST IMPORTANT NUMBER TO WATCH</b>	Capacity utilization rate	Market share (installed base)
<b>RELEVANCE OF MANAGEMENT AREAS*</b>	<ol style="list-style-type: none"> <li>1. Human resources</li> <li>2. Software development</li> <li>3. Marketing and Sales</li> <li>4. Strategy</li> </ol>	<ol style="list-style-type: none"> <li>1. Strategy</li> <li>2. Marketing and Sales</li> <li>3. Human resources</li> <li>4. Software development</li> </ol>
<p>* According to significance analysis of key success factors in each management area. Source: Global McKinsey software survey.</p>		

*Table 2-1. Dynamics of software product versus professional services business*

# The Strategy Quotation of the day

« Strategy in software should be treated like chess:  
the “maneuvers” game is always easier and can be fun,  
but players who excel come from the “positions” game  
»



Mr. M. Song  
Lead Assessor, ISO/TickIT  
BVQI International

# The 5 Key Issues for Services

PROFESSIONAL SOFTWARE SERVICES			
Top Five Management Areas by Priority		Key Balances to Find within the Top Five Areas	
1	People management	Invest in developing and retaining individuals long term	versus Focus on short-term profitability by “utilizing people” efficiently
2	Human resource assignment	Spend time on future business and reputation building	versus Ensure full capacity utilization
3	Development	Keep project schedules	versus Deliver all features and top quality
4	Marketing	Invest in personal trust-based relationships and keep “professional touch”	versus Invest in more aggressive brand building
5	Partnering	Tie up with many product partners and expand quickly	versus Build up deeper relationships with only a few product partners, but slow the expansion

Source: McKinsey.

*Table 10-1. Key balancing acts of leaders of professional software services firms*

# The 5 Key Issues for Mass Software

MASS-MARKET SOFTWARE			
Top Five Management Areas by Priority			
		Key Balances to Find within the Top Five Areas	
1	Marketing	Invest in marketing to build dominance	versus Limit marketing expenses to raise profitability
2	Partnering	Grow the market, but share it with partners	versus Focus on a smaller market, but "take it alone"
3	Globalization	Invest in fast international expansion	versus Keep organizational focus and profitability
4	People management	Invest in developing and retaining people long term	versus Focus on short-term profitability by "utilizing people" efficiently
5	Development	Shorten time to market	versus Deliver all features and top quality

Source: McKinsey.

Table 10-3. Key balancing acts of leaders of software mass-market product firms

# The 5 Key Points for Enterprise Software ?

Point	Rank (1-5)
Development	
Globalisation	
HR Assignment	
Marketing	
Partnering	
People	
Services/Products Strategy	

<b>Name (s):</b>	
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# And the winner is ...

ENTERPRISE SOLUTIONS			
Top Five Management Areas by Priority		Key Balances to Find within the Top Five Areas	
1	Partnering	Grow the market, but share it with partners	versus Focus on a smaller market, but “take it alone”
2	Service strategy	Grow revenues with products and services combined	versus Maintain organizational focus on product business only
3	Marketing	Invest in brand and relationship building to reach market dominance	versus Limit marketing expenses to raise profitability
4	People management	Invest in developing and retaining people long term	versus Focus on short-term profitability by “utilizing people” efficiently
5	Development	Shorten time to market	versus Deliver all features and top quality

Source: McKinsey.

*Table 10-2. Key balancing acts of leaders of enterprise solutions firms*