



Market\*Access International, Inc.

## **U.S. Federal IT Market**

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THIC Meeting at NSWC Carderock Division

October 13, 1998

**Member of the IT Marketing & Sales Support Services Network**

**MAInternational**

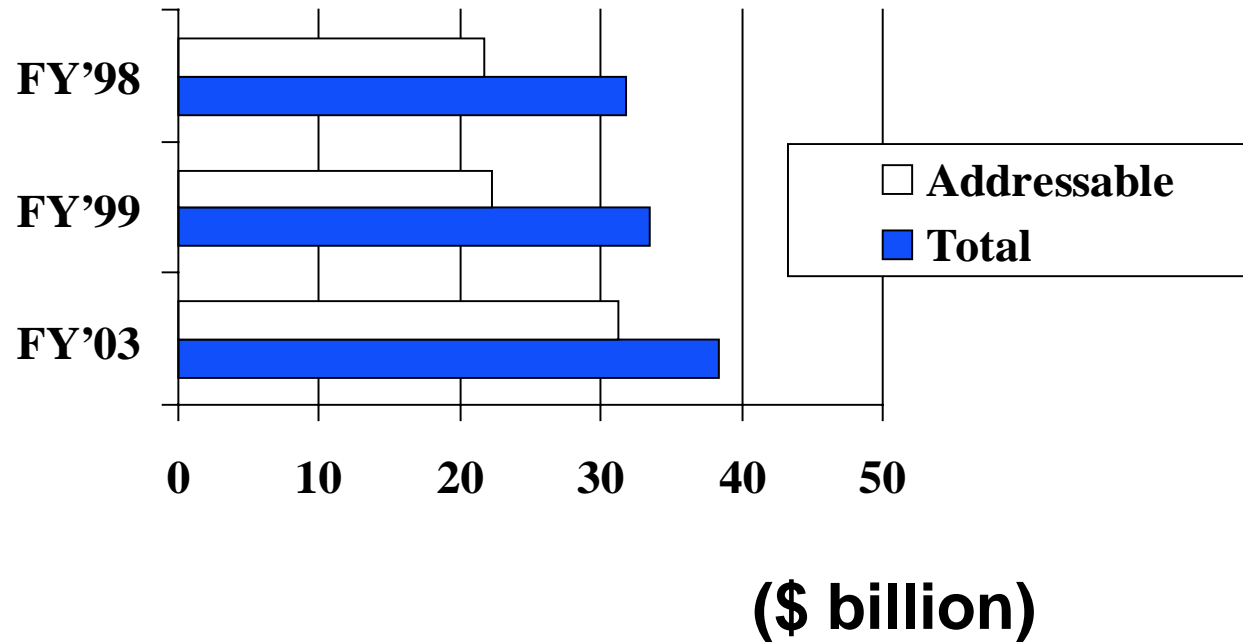
**Washington, D.C., USA and Paris, France**

# U.S. Federal IT Market

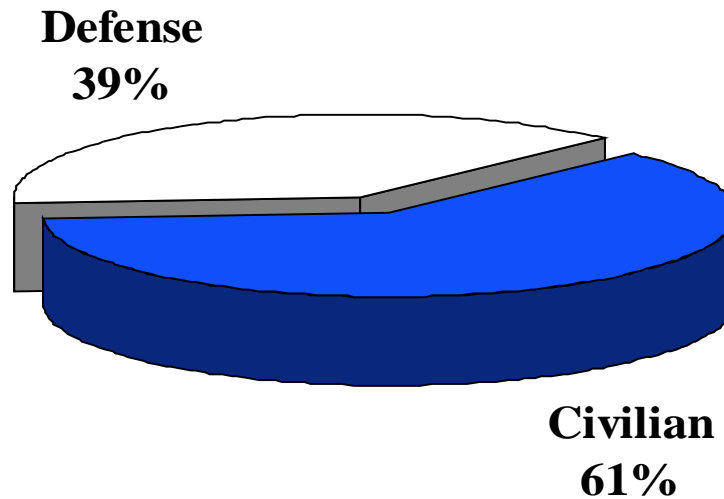
**The U.S. government is increasingly depending on information technology to improve performance.**

- ◆ **What is the market?**
- ◆ **How is it evolving?**
- ◆ **What should I know about it?**
- ◆ **What should I do about it?**

# U.S. Federal IT market - growing.

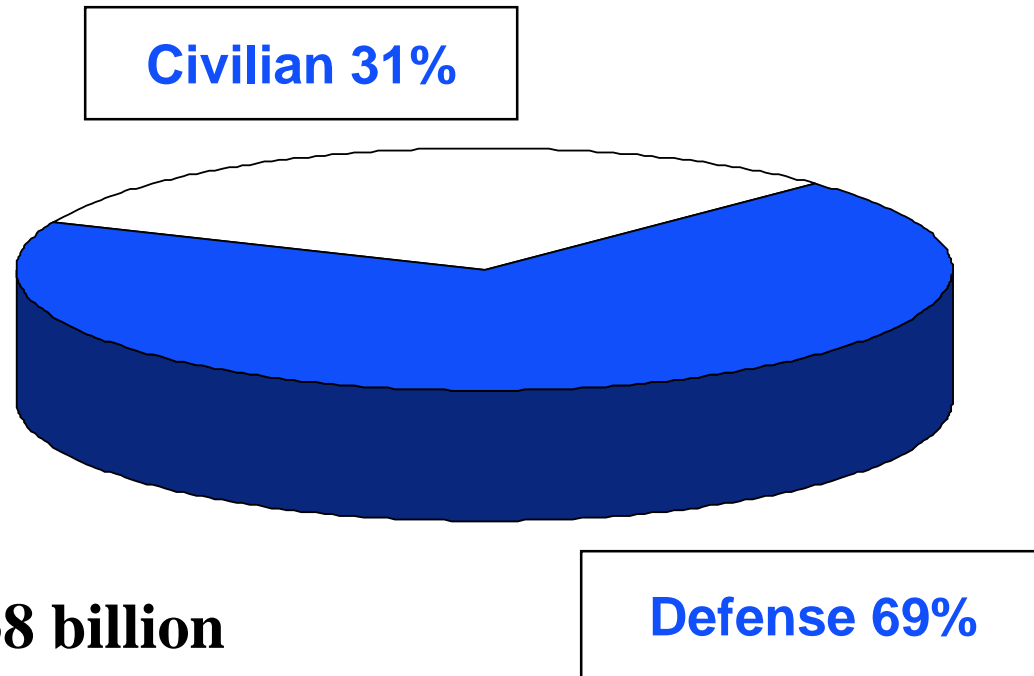


# Civilian - Defense Split (FY'98)



**Total - \$33.5 billion**

## DoD Accounts for Most IT Dollars - FY'99



**Total: ± \$38 billion**

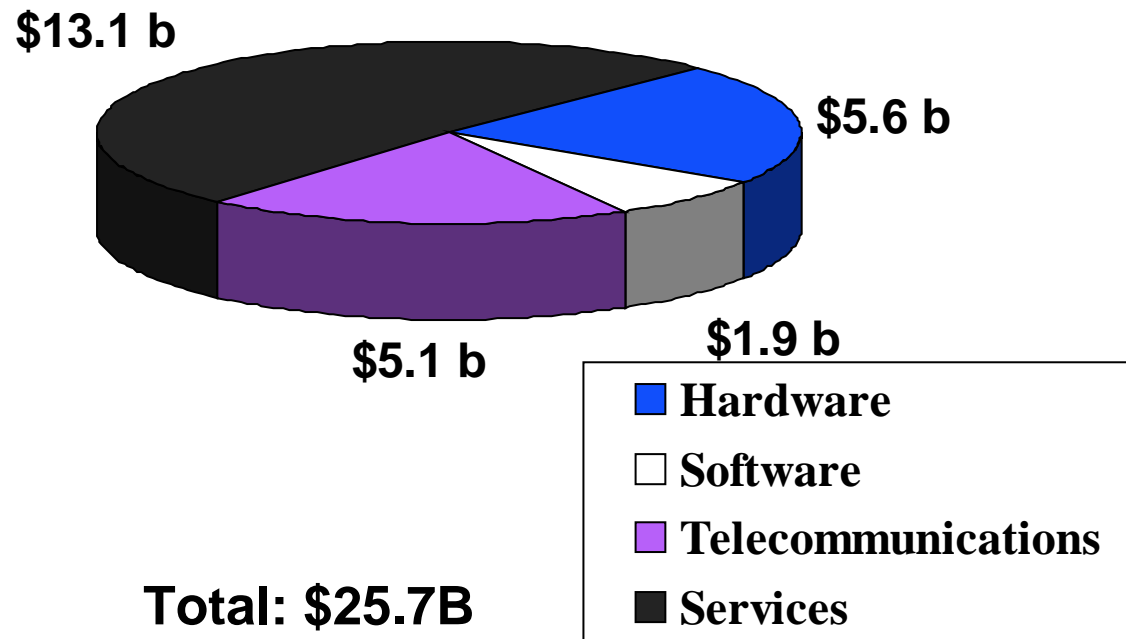
## Up and down since FY'98, but still growing.



<b>Defense</b>	<b>6.0</b>	<b>up</b>
<b>Air Force</b>	<b>2.5</b>	<b>up</b>
<b>Navy</b>	<b>2.3</b>	<b>down</b>
<b>Transportation</b>	<b>2.2</b>	<b>up</b>
<b>Army</b>	<b>2.1</b>	<b>down</b>
<b>Treasury</b>	<b>2.1</b>	<b>up</b>
<b>NASA</b>	<b>1.6</b>	<b>down</b>
<b>Energy</b>	<b>1.4</b>	<b>down</b>
<b>HHS</b>	<b>1.3</b>	<b>up</b>
<b><u>Justice</u></b>	<b><u>1.1</u></b>	<b>up</b>

**Total Government : \$33.5 billion**

# U.S. Federal IT Market - FY'99



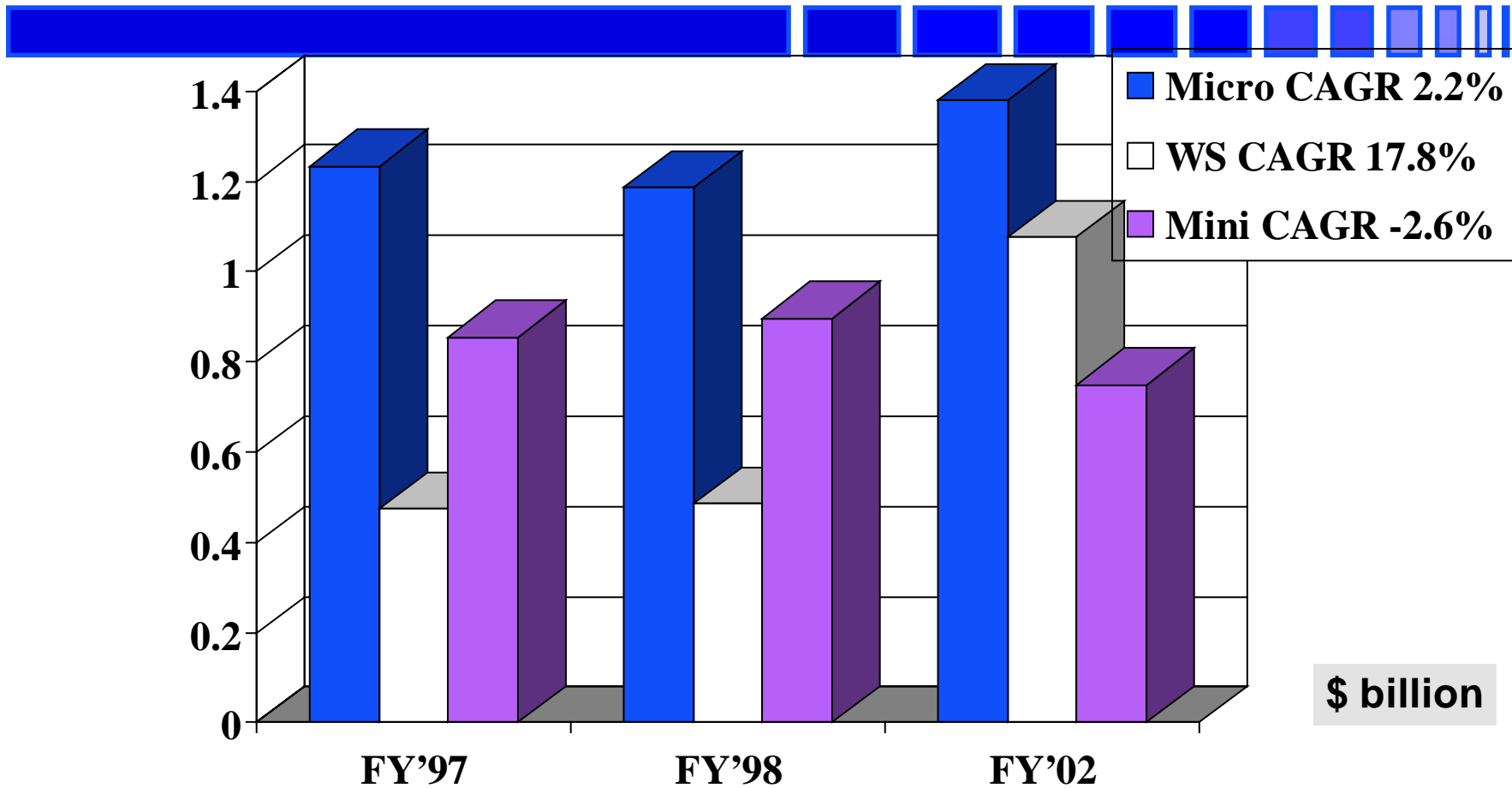
# Computer Systems - Key Issues



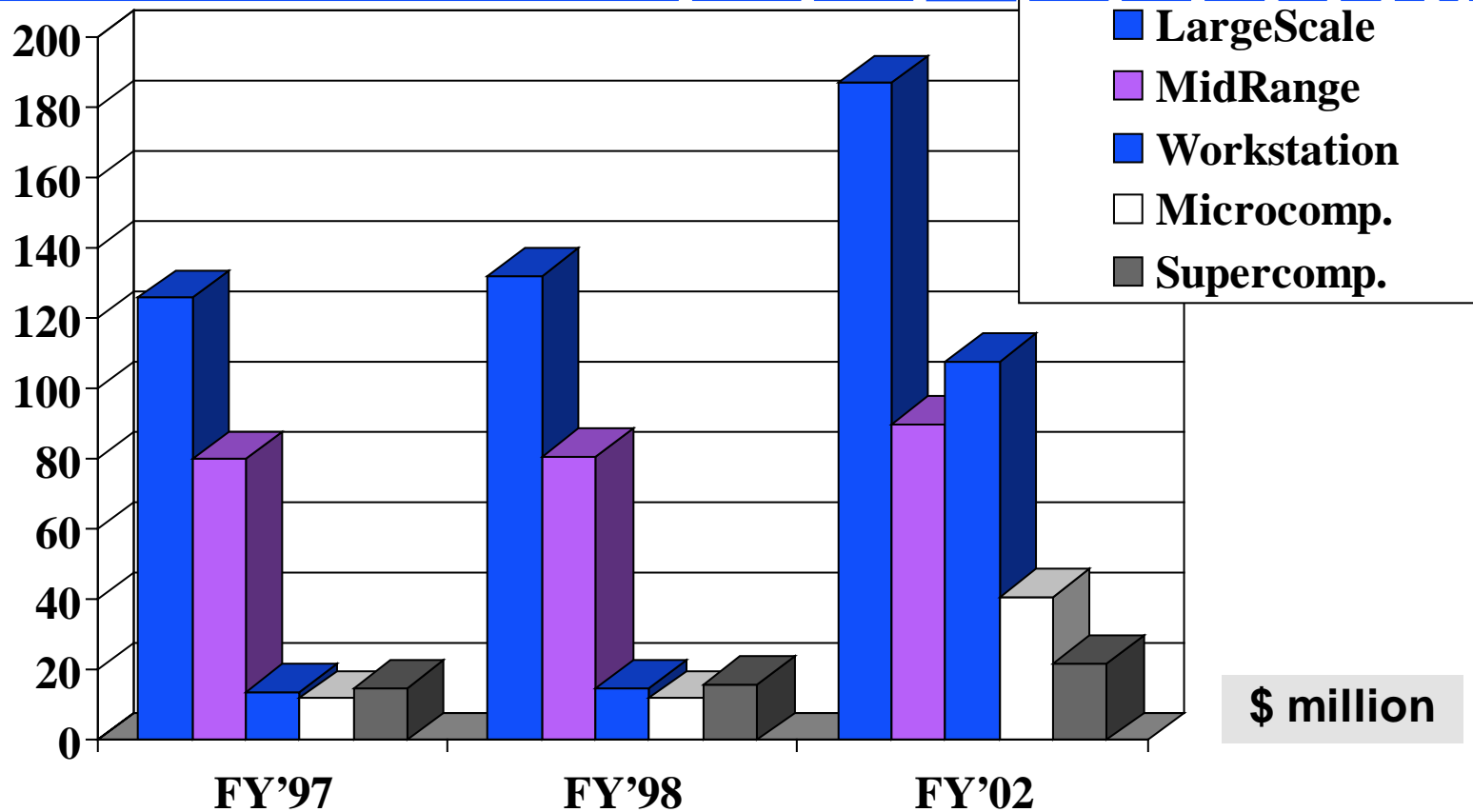
- **Hardware market remains strong**
- **Datacenter consolidation continues**
- **Leasing the desktop - not yet**
- **Outsourcing scattered**
- **Commercial product emphasis**
- **Support for client server**



# IT Budget - Small Computers



# High Availability Server Demand



# Communications - Key Issues



- **Professional Services strong - 7% CAGR**
- **Internet/Intranet/Extranet growth**
- **Network server vulnerability**
- **Infrastructure for electronic commerce**

# Services - Key Issues



- **Fastest growing segment - 7.6% CAGR**
- **Systems Operations turnaround**
- **Integration requirements persist**
- **Y2K work continues**
- **Franchise centers appearing**

# Implementation Through . . .



- **Systems Integration**
- **Work Flow**
- **Document Imaging**
- **Distributed Environments**
- **Secure Internet/Intranet**
- **Electronic Commerce**

# Market Pressures



- ◆ **Small business performs the work of government.**
- ◆ **New acquisition choices: ID/IQ v MAS v GWAC**
- ◆ **Year 2000 disputes cause varying market value**
- ◆ **Leadership transition and renewed oversight**
- ◆ **Changing operational landscape**
- ◆ **GPRA and other legislative agenda**



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