

PRESS RELEASE

2019 German IT Sourcing Study Results Published

The 2019 German IT Sourcing Study, conducted by Whitelane Research in collaboration with Navisco AG - Sourcing Professionals, investigates more than 620 unique IT sourcing relationships held by over 150 of the top IT spending organisations across all industry sectors in Germany.

Key findings from the 2019 German study include:

- » Over the next two years more outsourcing is predicted for Germany with 65% of organisations planning to outsource at the same rate or more. Plans to insource increase from 2018 to 22% making Germany the country with one of the highest levels of insourcing in Europe.
- » We have asked the 22% of organisations that plan to outsource less what factors are driving more insourcing. The primary reason to insource is the need to increase the speed/quality of delivery (cited by 71%) followed by the need to own/retain Intellectual Property to drive the business (53%).
- » The top three objectives for IT outsourcing from a client perspective are focus on core business, cost reduction and access to resources. Service providers consider cost reduction the most important factor in their clients' outsourcing decisions (cited by 91%) while they place almost twice as much emphasis on business transformation (64% compared to 27% of clients).
- » The service provider community continues to show a strong overall satisfaction level with 87% of the clients being somewhat to very satisfied with the 621 evaluated IT sourcing relationships.
- » NTT DATA (Intelligence) is the highest-ranking provider with a general satisfaction score of 81%, followed by Amazon (77%), TCS and Google (both at 75%) and Microsoft (74%). The average satisfaction score remains the same in comparison with last year.
- » Across the four different IT domains, the highest-ranking providers are:
 - For application development, maintenance, testing and SaaS: TCS, NTT DATA (Intelligence) and Wipro
 - For datacentre, managed infrastructure and hosting: Microsoft, Amazon and CGI
 - For network & telecommunications: Verizon, T-Systems and AT&T
 - For end-user services and collaboration solutions: Microsoft, Data Group and Bechtle
- » Almost half of all organisations are already using Agile as their preferred model with another 21% planning to adopt it. A significant increase in the use of DevOps (+32%) is also expected in Germany.
- » According to the service providers, clients can still make significant improvements in their transition and change management skills, service management and integration skills as well as their business relationship management/demand forecasting skills. While clients are fairly positive about their own capabilities, at least one in two service providers cite client skills for these three capability areas as immature/somewhat immature.

The German study is part of Whitelane's annual IT sourcing studies. We interview sourcing executives (CIOs/CFOs or their direct reports) about their outsourcing plans and their opinions on service providers. The study is conducted in 13 different European countries and provides a comprehensive overview of the IT outsourcing landscape in each country. The survey shows the main outsourcing trends, evaluates and ranks the main IT service providers based on a set of key performance indicators (KPIs), and analyses trends in outsourcing governance and the impact of new technologies.

Press information:

To purchase a copy of the full German report, please email info@whitelane.com or visit whitelane.com for more information.

For more information about Navisco AG - Sourcing Professionals, please visit navisco.com.

APPENDIX

FIGURE 1: What are your organisation's plans for the next two years with regard to outsourcing?

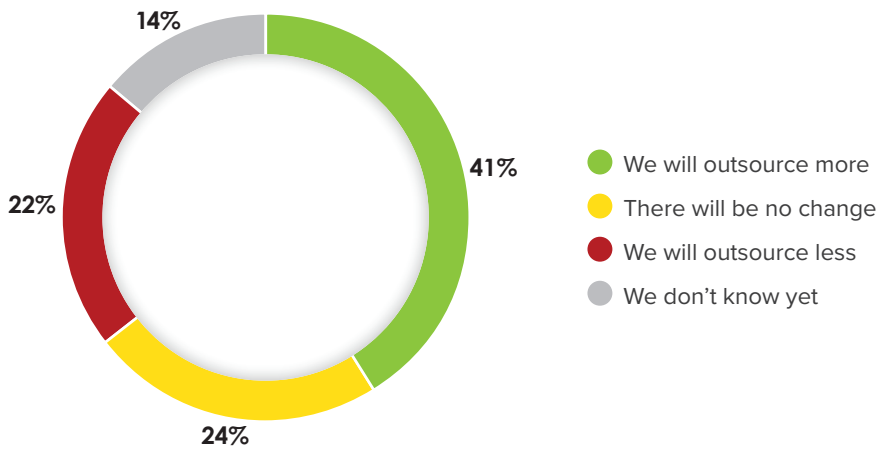


FIGURE 2: What does your organisation want to achieve by outsourcing its IT services?

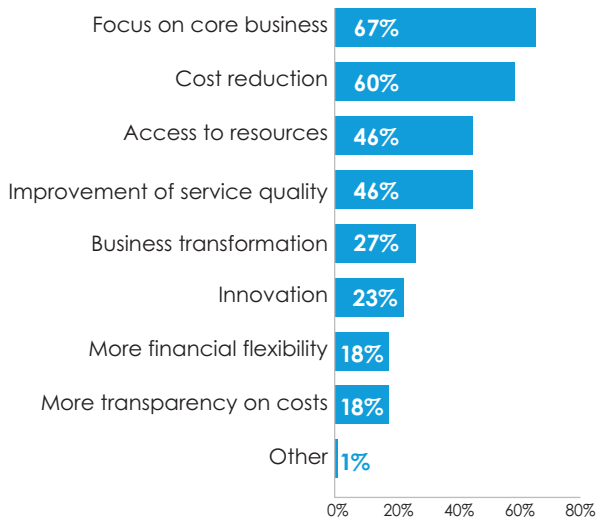
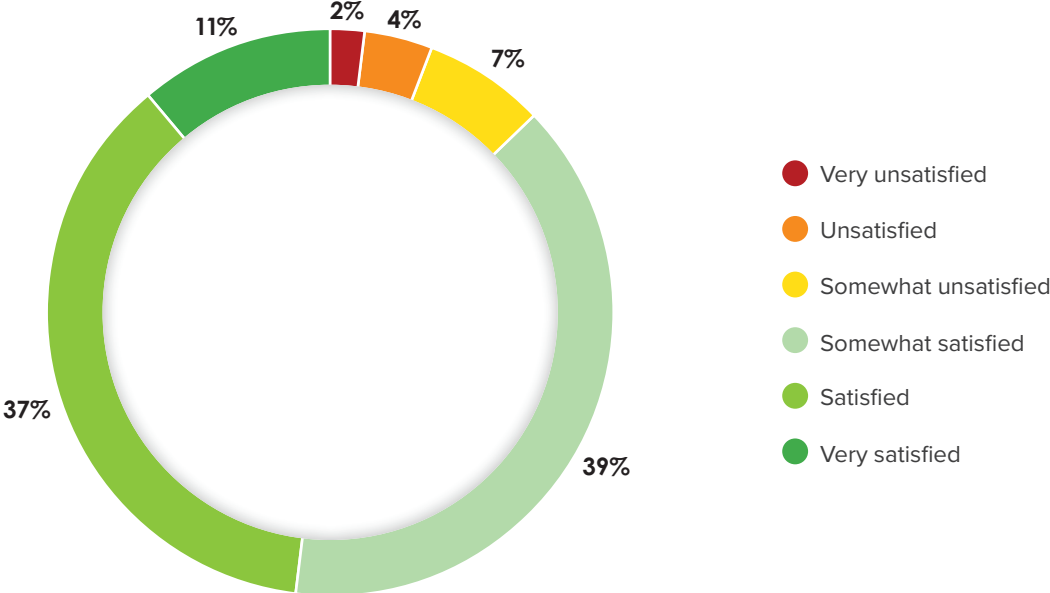
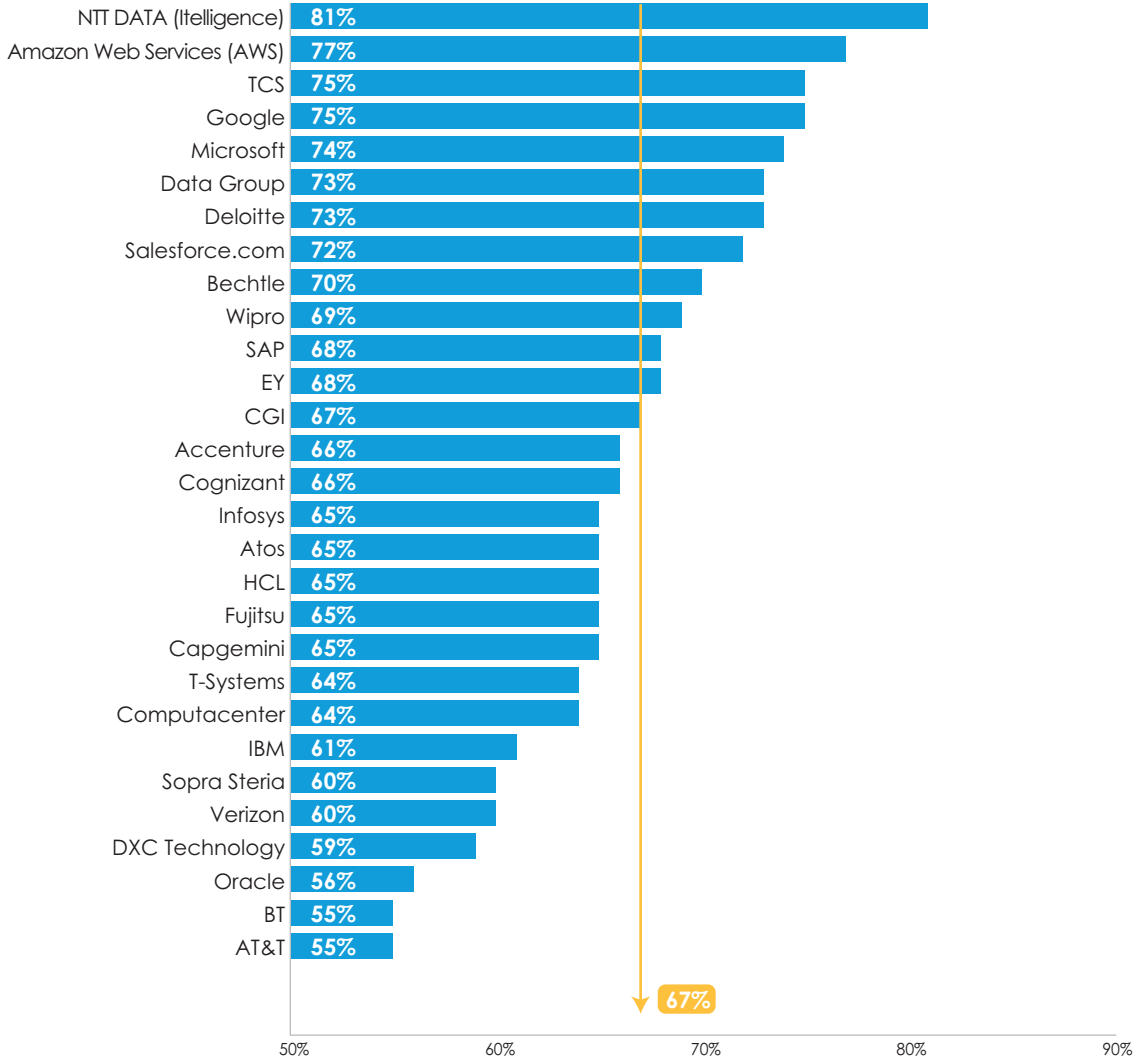


FIGURE 3: General satisfaction across all IT sourcing relationships (Overall)



N=621

FIGURE 4: General satisfaction with IT sourcing relationship



KEY TO SCORES	
Very unsatisfied	0%
Unsatisfied	20%
Somewhat unsatisfied	40%
Somewhat satisfied	60%
Satisfied	80%
Very satisfied	100%