

SOFTWARE:

STRATEGIC POSITIONING AND MARKET FORECASTS TO 2001

Combined, the top three software companies, IBM, Microsoft, Oracle, represent 24% of the 1996 total market of \$109 billion. The market is anticipated to double to \$232 billion by 2001. These huge markets are poised to experience explosive growth in response to dramatic improvements of price performance provided by computing hardware. New software is needed at every level to implement computing interoperability.

Growth is also in response to network centric computing which has improved productivity at every level of business. Networks are used to support distributed processing to extend the power of computing and control provided thereby. New software distributed computing is achieving its power and performance potential. Team working environments have replaced hierarchical corporate structures. New software is needed at every level to implement computing interoperability.

Open systems providers lead markets because of support for cross platform computing hardware and software platforms. Innovators also lead. Open systems software permits systems to cross the boundaries of constraints imposed by proprietary systems. Growth in software markets is occurring as the proliferation of new software impacts every industry segment.

Internet and ATM which provide end to end connectivity of video, data, and voice are also stimulating development of software markets. The ability to interconnect digital representations of text, pictures, and voice communications across geographical and time barriers represent strong growth factors. Fiber optic telecommunications systems are creating vast new pipes to support moving data all over the place.

The tension between mainframe, midrange, and PC systems is being resolved as client server systems are implemented in multi-tier computing architectures. Mainframes are being repositioned as very large servers. Servers talk to desktop machines. Mission critical systems and industrial strength robust hardware and software are supported via middleware messaging systems at the enterprise, departmental, and desktop level.

The opportunities presented by the Internet and Intranets represent an opportunity to participate in high growth markets. A new study from WinterGreen Research **Software: Market Forecasts to 2001** documents market shifts and points out opportunities.

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