



Impact of Digital on IT Services in the Automotive Sector: 2017

Market Analysis
Report Abstract

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Who Is This Report For?

NelsonHall's "Impact of Digital on IT Services in the Automotive Sector: 2017" report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within the automotive sector
- Vendor marketing, sales and business managers developing strategies to target IT services (ITS) opportunities within the automotive sector
- Financial analysts and investors specializing in the IT services and BPS sector.

Scope of the Report

The report is based on interviews with executives in the automotive sector in the U.S., U.K., Continental Europe, and Asia Pacific.

The report analyzes the worldwide market for IT services within the automotive sector and addresses the following questions:

- What are the principal business priorities faced by organizations in the automotive sector?
- What IT initiatives are planned by organizations in the automotive sector?
- How relevant are digital initiatives to organizations in the automotive sector?
- What digital initiatives are planned by organizations in the automotive sector?
- What business areas are targeted for digital initiatives by organizations in the automotive sector?
- What digital technologies are planned to be introduced by organizations in the automotive sector?
- What are the key selection criteria used by organizations in the automotive sector to select suppliers to implement digital initiatives?
- What shifts in sourcing approach are expected by executives in the automotive sector over the next three years?
- How do companies in the automotive sector expect their spend on ITS services to change over the next three years?



Key Issues & Highlights

Within the context of uncertain macroeconomic issues, automotive companies are primarily focused on improving time to market and the cost-effectiveness of their operations. Areas of focus on improving time to market include introducing new products, updating existing products, and responding to market changes. Areas targeted for increased cost effectiveness include acquiring skilled workers, product design, sales, and distribution. At the same time, organizations are looking to enhance their customer insight and improve the reliability of their supply chains.

While the ability to launch new products and services to generate new revenue streams is highly important to automotive companies, increasing the rate of automation of operations (highly important to 82% of organizations) and digitizing operations (highly important to 80% of organizations) were cited as the next most important objectives.

In response to these business objectives, automotive industry IT groups are focusing on initiatives with two key goals: increasing responsiveness to, and alignment with, business priorities; and reducing IT cost and complexity.

These IT priorities align with the planned business operations initiatives, as companies are focused on increasing IT budget for new initiatives and reducing new application time-to-market, as well as specific “value-add” initiatives such as increasing digitization and introducing AI and cognitive.

The key initiatives in reducing the cost of existing systems over the next 12 months were identified, unprompted, to be:

- Increasing the use of cloud and virtualization, including increasing SaaS adoption, migrating to a cloud environment, and server virtualization
- Transforming application environment, including retiring legacy IT, modernizing applications, and platform standardization.

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Report Length

45 pages, consisting of 7 chapters

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