



# **EXTREME PERSPECTIVES**

**A REPORT ON THE ROLE OF THE  
AS/400**

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**A PEER COMPARISON REPORT  
PRODUCED FOR:**

John Smith  
WWW Company

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COMPLIMENTS OF

IBM CORPORATION & NEWS /400

**John Smith - WWW Company**

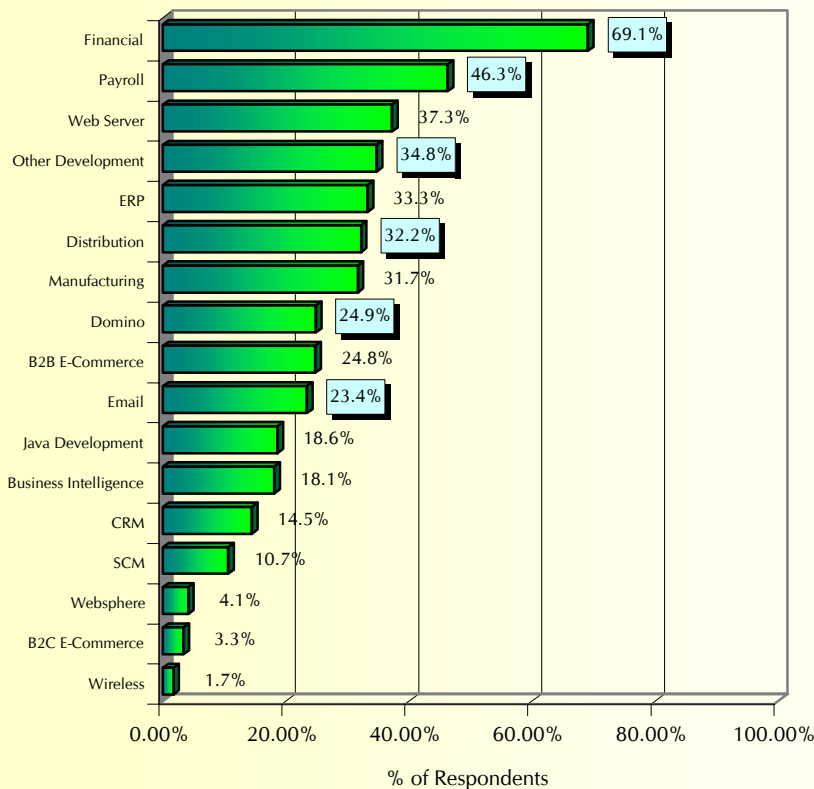
In the last quarter of 2000, IBM Corporation and News 400 surveyed 750 AS/400 users from around the world. The data was aggregated into a global view and segmented into three regional categories – North America; EMEA comprising Europe, Middle East & Africa as EMEA; LA/AP for Latin America and Asia Pacific. This report was produced by CustomAbility, an independent consulting company, using data aggregated by RONIN Corporation. Individual comparative reports were produced for each respondent using the CustomAbility Personalization Engine.

Subsequent to the implementation of the survey, IBM launched the iSeries 400. However for consistency, the AS/400 identification available to the respondents at the time will be used to describe the findings.

The report presents study findings on global or regional levels, providing a comparison of your organization to other AS/400 users. A highlighted data label in the accompanying graphs indicates your response on a particular topic.

### Applications

**Applications on AS/400 Worldwide**



Highlighted values indicate your responses

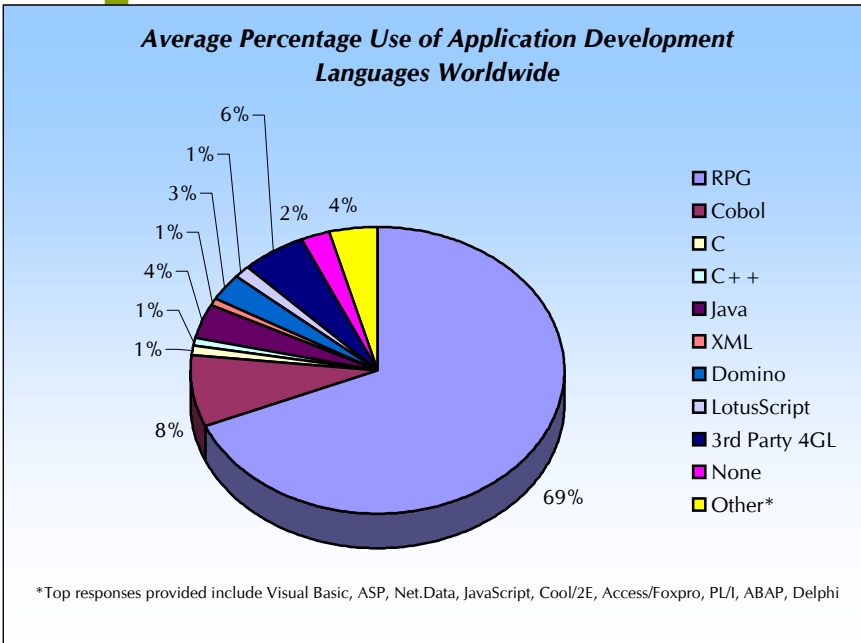
The portfolio of active or planned software applications provides valuable measure of the relative importance of the computing platform upon which these applications will operate.

Clearly, the AS/400 plays a pivotal role in the respondents' organizations worldwide, with seven of ten (69.1%) running core financial applications on the AS/400 platform.

Payroll is the next most frequently mentioned application with 46.3% of respondents currently operating on that platform. Web Server applications follow with a strong 37.3%, application development at 34.8% and Enterprise Resource Planning - ERP at 33.3%.

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### Application Development

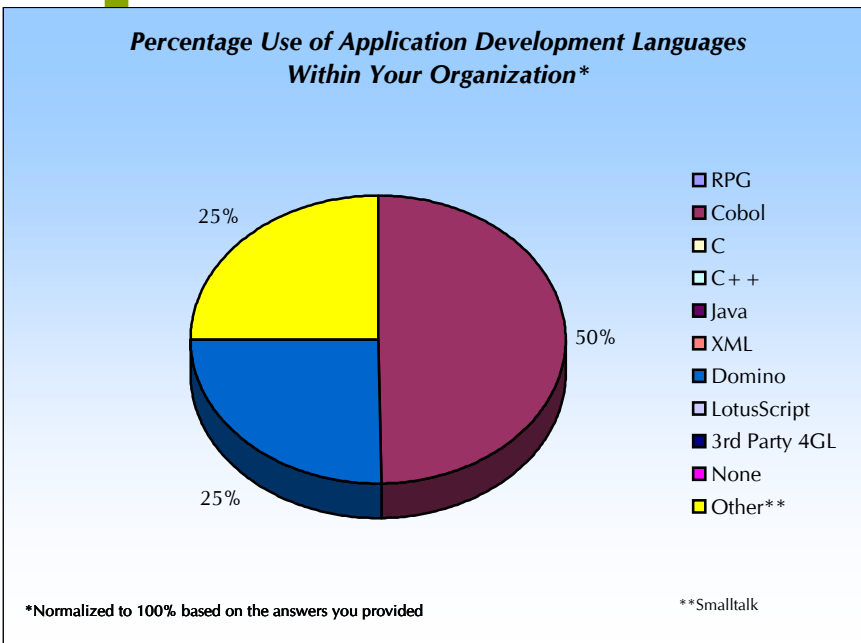


RPG is by far the most widely used application development language found on the AS/400 platform. On average, respondents report that 69% of development is performed in this language. The percentage of development in RPG is more than eight times that done in COBOL, the next most frequently used development language.

Domino and Java combined account for 7% of the applications development effort. This can be interpreted as an indication of the increased emphasis being placed on web application development.

On the other hand, XML, C and C++ each garner only 1%, suggesting that these development languages do not share the same level of acceptance enjoyed by RPG, Domino, Java or the decades-old COBOL.

Only 2% of respondents indicate no application development language being used. This is clear evidence that organizations still rely on in-house development to meet their unique needs.



Comparing your usage of application development languages to the overall findings can provide insight into whether WWW Company is in the mainstream or it employs languages that are unique.

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### Applications

Respondents were asked to indicate the operational status of eight key applications. They were able to select from full production, installed but not fully implemented, several stages of planning and finally, no plans to implement.

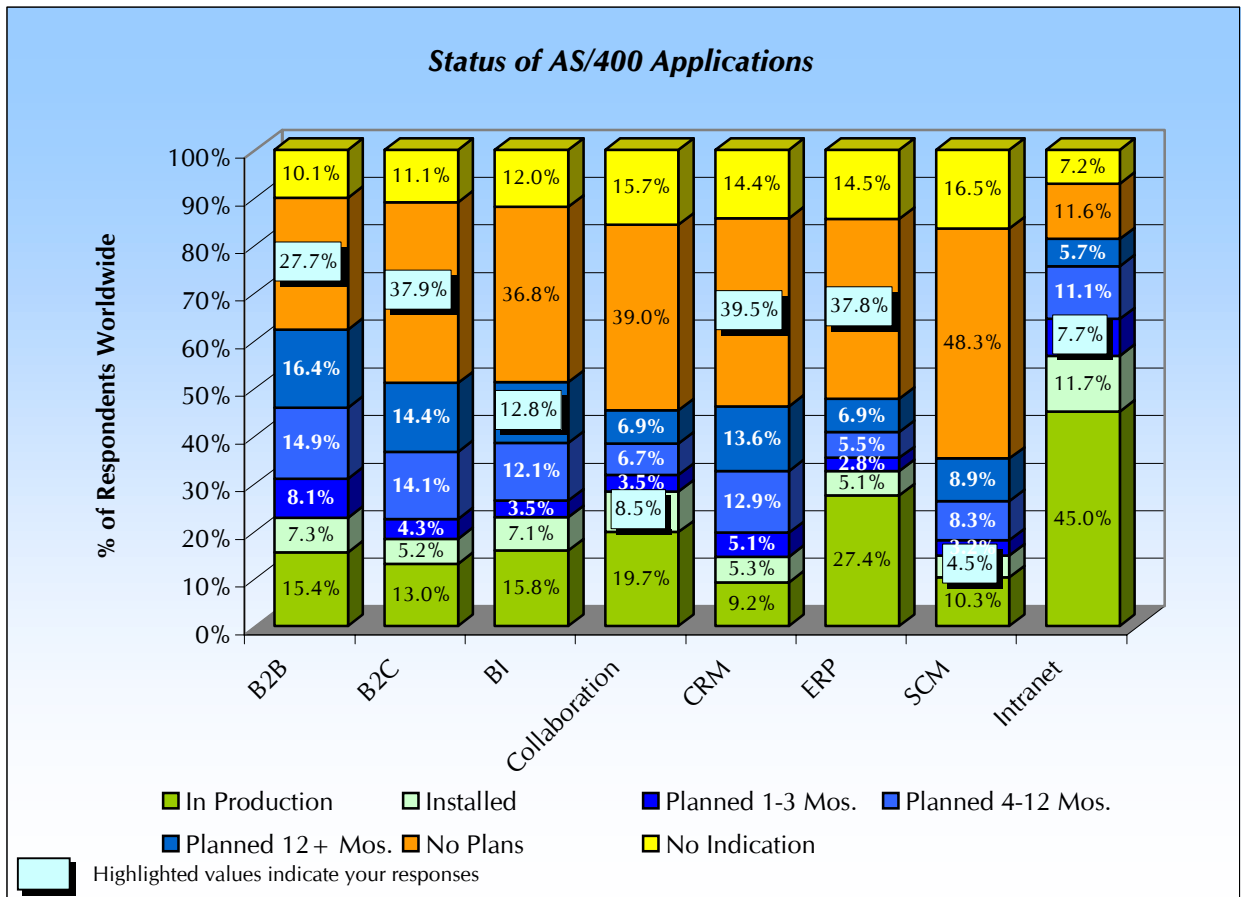
When put into this context, Intranets are the most frequently mentioned applications with more than 80% of respondents indicating these are either a current or planned application.

Business-to-Business applications are the next most likely installed application with two of three respondents stating an intention to implement B2B facilities on the AS/400.

The 37.9% with no plans to implement Business-to-Consumer applications versus the 27.7% who have no plans for B2B applications indicates less acceptance for B2C applications within the respondent population.

Although Customer Relationship Management (CRM) is shown to be in full production in only 9.2% of respondents, 31.6% have plans to adopt CRM while another 5.3% are in the process of installing this application. When aggregated, this brings the total to 46.1% who will implement a CRM application on their AS/400.

ERP exhibits a strong showing with 27.4% in production and 15.2% planning implementation. More than half the respondents (51.3%) have BI as a priority application.



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### Network Enabled Activities

#### Sharing

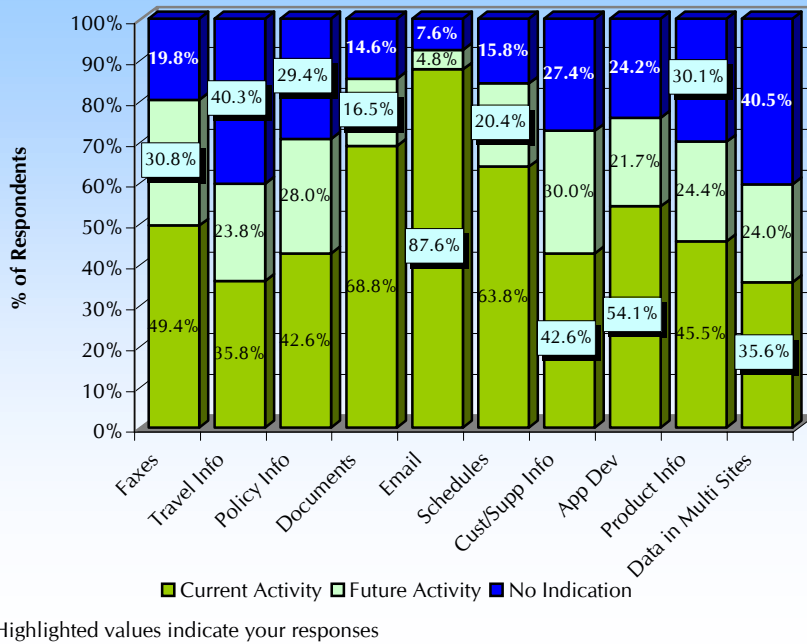
Business activities that can be enhanced through use of an electronic network, such as an Intranet, were divided into three categories – shared activities, exchange activities and tracking activities.

Respondents were asked to indicate which of these activities are currently performed via a network and which are planned for the future. No response to a particular activity question is shown as “No Indication.” It is reasonable to interpret unanswered questions as no plans to adopt.

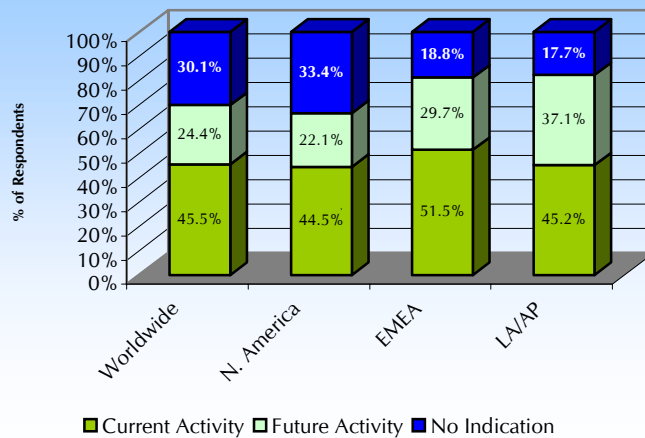
Among shared activities, email is far and away the most widely implemented. More than 9 of 10 respondents either have or plan to use email. Following closely are two other major collaborative activities, the sharing of documents and the sharing of schedules. Each records 84% adoption.

At the other end of the adoption spectrum are travel information sharing and multi-site data sharing. These activities were neither present nor planned by 40% of the respondents.

Sharing Activities Performed via an Electronic Network Worldwide Currently and In Future



Sharing of Product Info via an Electronic Network Currently and In Future by Region



The sharing of Product Information is of particular interest. On this issue, both EMEA and LA/AP lead North America both from a current perspective and from a planned perspective. This suggests that these regions may use such capabilities as a means of leapfrogging more established competitors, similar to how these regions are embracing wireless telecommunications today.

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### Network Enabled Activities

#### Exchanging

The topic of exchanging ideas or expertise with other parts of the organization or supply chain was also presented.

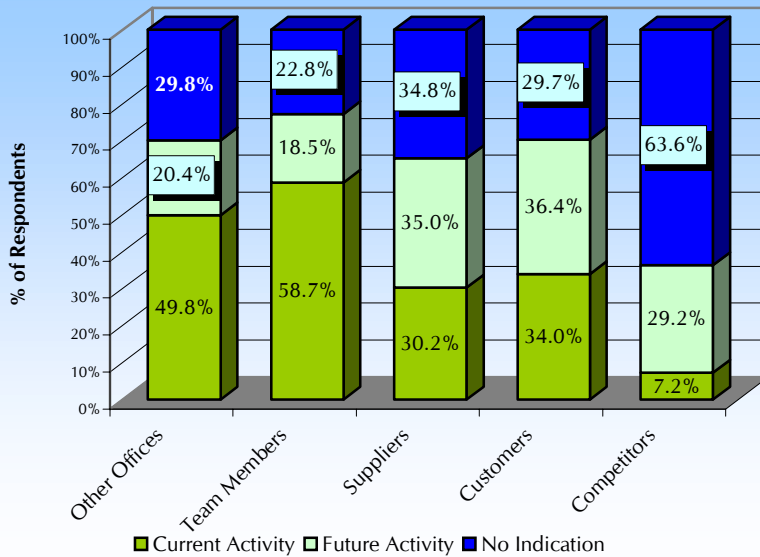
Sharing among team members is the most prevalent activity. In this case, nearly six of ten respondents already practice this form of collaboration. Close to another 20% plan to implement this activity in the future.

Conversely, and not surprisingly, the sharing of information with competitors ranks well below all categories with the exception of "Other."

Only 7.2% of respondents currently exchange ideas or expertise with competitors and nearly two of three did not indicate this would be a future activity either.

The situation with other members of the supply chain however is much more positive. Here seven of ten respondents intend to exchange information with customers, while two thirds will do so with suppliers. When viewed in aggregate, one can see that competitors remain a clear threat to the respondents' businesses and these respondents do not see the reward of information exchange outweighing potential risks.

Exchanging Activities Performed via an Electronic Network Worldwide Currently and In Future



Highlighted values indicate your responses

#### The Supply Chain

*Thirty four percent of AS/400 respondents presently exchange information with customers, while nearly the same number (30.2%) do so with suppliers.*

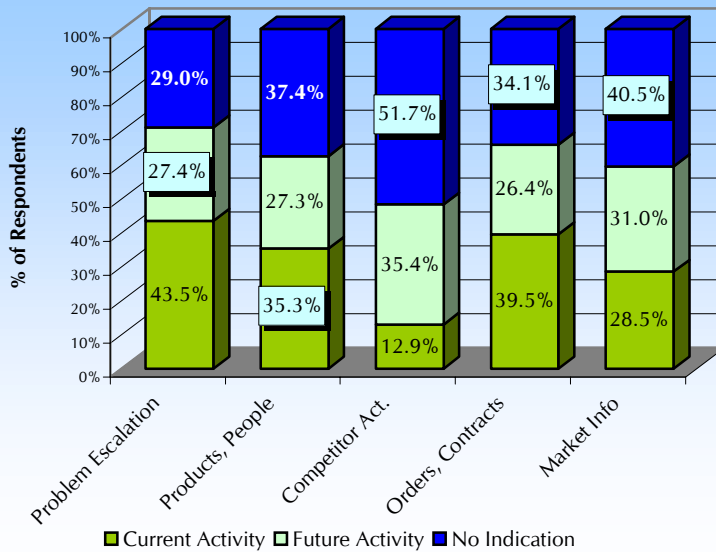
*Looking ahead, the percentage jumps to 70% who will exchange data with customers and 65.2% who will share with suppliers.*

*Clearly, the flow of information up and down the supply chain is robust and will expand.*

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### Network Enabled Activities

Tracking Activities Performed via an Electronic Network Worldwide Currently and In Future



### Tracking

The third and final aspect of network-enabled business activities deals with tracking information about markets, products, competitors and problem escalation.

Three tracking activities registered with a sizeable portion of the respondents. These are:

- problem escalation;
- order and contract tracking;
- and, the tracking of products and /or people.

Seven of ten respondents suggest they use or plan to use electronic networks to track problems. Slightly more than two thirds track products and / or people. A similar number tracks orders and contracts via their network.

Less than half say they will track competitor activity via the network and of these, less than 15% do so presently. Similarly, the tracking of market activity does not appear to have struck a chord with the respondents, since only six of ten say they either will or already track this information.

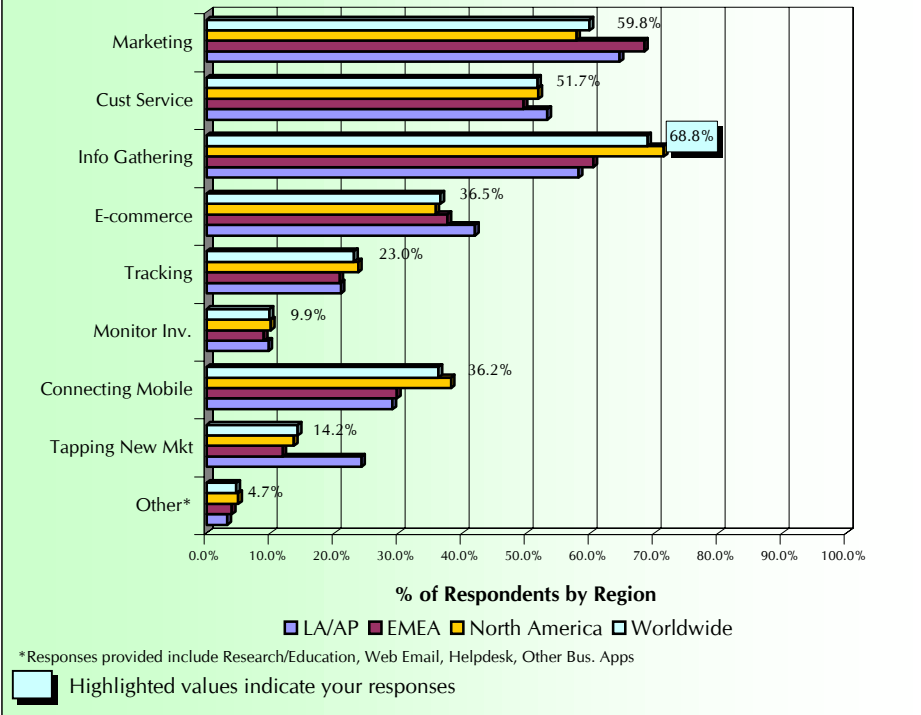
There are no fundamental differences between the regions on the issue of network-based tracking.

- **Overall, respondents express a fairly consistent view that collaborative activities such as document or schedule sharing are prime applications for their networks.**
- **The primary participants for the exchange of ideas and expertise are other team members within the same organization.**
- **Activities associated with core business processes, such as problem escalation and contract tracking, are of major interest to participants.**

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### The Internet

**Uses of the Internet within Organizations by Region**



On a global basis, the Internet continues to serve primarily as an information source for the majority of respondents (68.8%).

Among EMEA respondents however, marketing is the primary use of the Internet. Additionally, the Internet appears to be a delivery channel for customer service worldwide with half the respondents opting for this use.

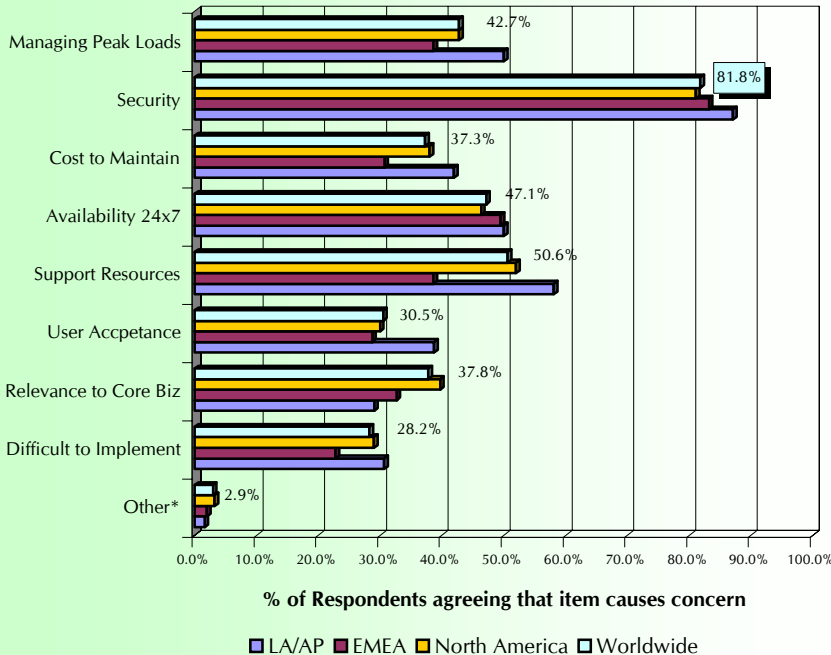
e-Commerce is reported by one third of the respondents, except for those from LA/AP where the incidence is higher at 41.9%. Monitoring product inventories achieves less than 10% penetration among the respondents. Approximately twice that number (23%) track supply and delivery via the Web.

Enabling mobile employees to remain connected to the organization is reported by slightly more than one third of all respondents (36.2%). In this instance, North America exhibits a 10% lead over its counterparts.

There does not appear to be much evidence of respondents using the Internet as a means of tapping into new markets with 14.2% reporting this type of activity. The exception is LA/AP, which records a 24.2% use of the Internet to penetrate new market opportunities.

### The Internet

**Factors Which Cause Concern About Using Internet as a Business Channel by Region**



\* Responses provided include Cost to Implement, ROI, Head Office Policy, Reliability, Availability, Market Readiness

Highlighted values indicate your responses

**The Internet has changed the manner in which organizations operate, primarily in its facility to:**

- **make information available to virtually anyone,**
- **foster communication via electronic mail,**
- **solidify the supply chain and,**
- **to deliver goods and services to customers.**

Security remains the number one concern about business use of the Internet among respondents.

More than 8 of 10 believe security to be a factor influencing their decision to implement the Internet as a business channel. So strong is this concern, that it is constant across all geographic regions and it surpasses the next highest concern, support resource demands (50.6%).

The issue of 24x7 availability registered with nearly as many respondents (47.1%), while managing peak loads was mentioned by 42.7% on a global basis.

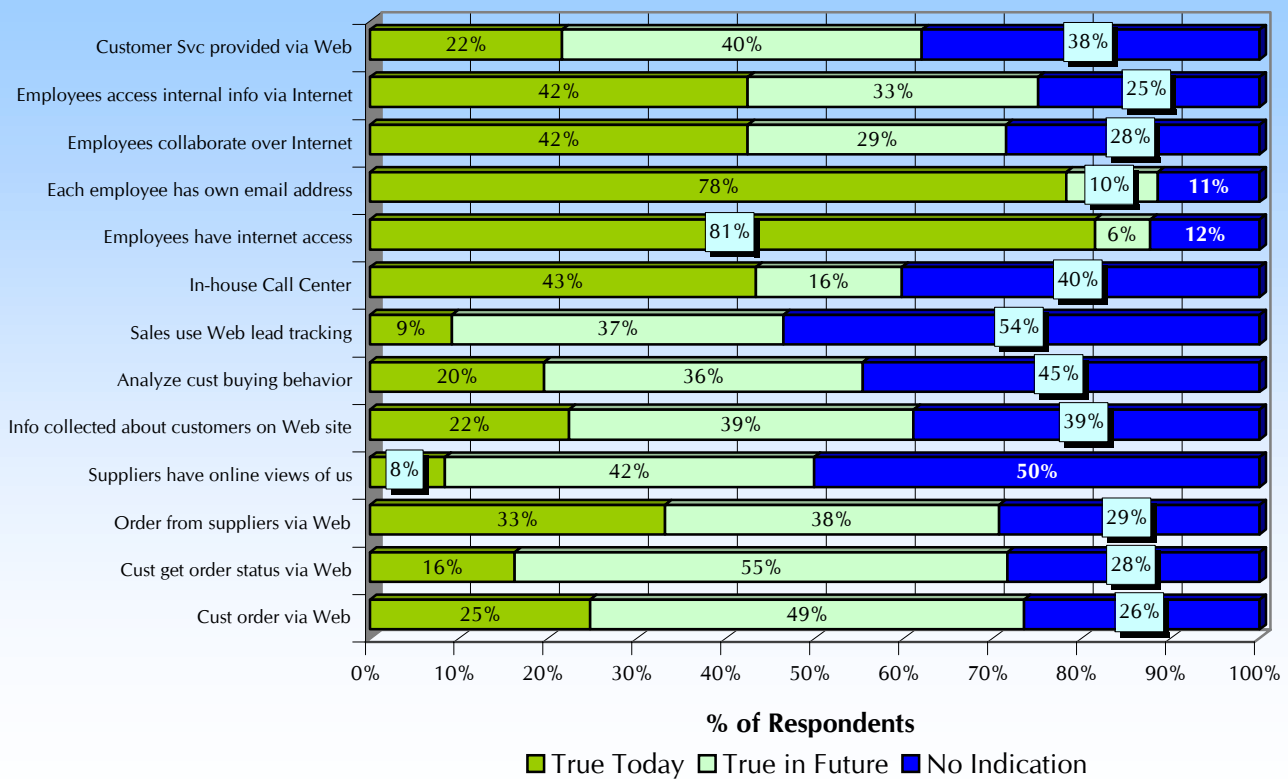
Implementation of the Internet as a business channel does not appear to be a major concern of respondents. Similarly, neither the issues of user acceptance, nor relevance to core business activities, raise much concern.

Latin American and Asian Pacific respondents express a greater concern about meeting support requirements than respondents from other regions, while EMEA respondents consider this less of a concern than their North American counterparts.

Respondents were asked to review a series of statements relating to the Internet and its applicability to their organization. They could indicate which statements were true today and which they would like to be true in the future. The results are quite telling.

## The Internet

**Statements about Organization Worldwide Today and In Future**



Highlighted values indicate your responses

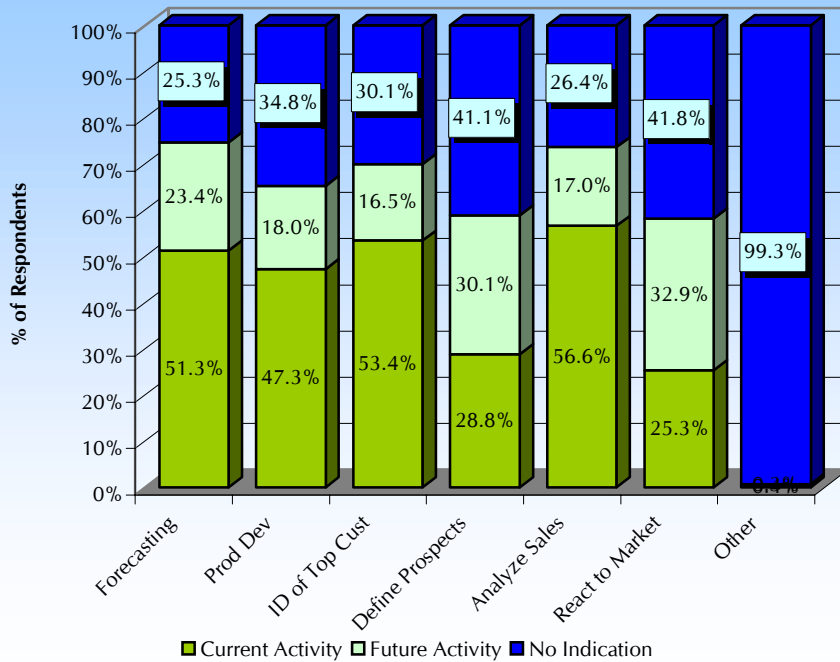
By significant margins, two statements resonate with the majority as being true about their organizations today. Eighty one percent say that employees have Internet access and 78% have individual email addresses.

When one adds the percentage that would like these statements to be true in the future, the results approach 90% on a global basis. No other statements reach this level of acceptance.

Supplier access is the statement least likely to be true today with only 8% saying this capability exists currently in their organization. Given the 42% who say they would like to provide this access in the future, there does not appear to be any lingering resistance. More likely it is a question of how to implement this successfully and without raising security concerns.

### Business Intelligence

**Data Use Performed Worldwide  
Currently and In Future**



Highlighted values indicate your responses

The uses of data associated with Business Intelligence provide a sound measure of the pervasiveness of this technology within respondent organizations.

Traditional approaches such as sales analysis, forecasting and identification of top customers are the three BI activities most likely to be active today. More advanced capabilities, such as defining prospects for new products, are not as well represented. Only 28.8% say they perform this task today, although three of ten plan this as a future activity. The results are very similar for BI as a tool to enable rapid reaction to market dynamics.

There is little regional difference on the issue of BI data use, with the exception that LA/AP respondents are more closely aligned with respondents from North America. Both of these groups report higher percentages of active BI capabilities, than do the EMEA respondents.

**Three of four AS/400 users will perform Sales Analysis as part of their BI implementations. Forecasting is considered a key BI application by nearly the same percentage.**

**Two thirds will use BI as part of their product development process, suggesting that customer input will become an even more important factor in delivering marketable offerings.**