



The 2003 Branch Office Subsystems Market Report

Reengineering Branch Office Infrastructure

Peter Christy
John Katsaros
August, 2003

NETSEGE RESEARCH GROUP



Table of Contents

- 1. Overview 7
- 2. Introduction..... 8
- 3. Overall Branch Office Market Segmentation 9
 - Factor Analysis..... 15
- 4. Executive Summary 16
 - Workforce Distribution 17
- 5. Retail 19
 - Retail Segment Strength..... 19
 - Retail Industry IT Spending 19
 - Retail Industry – Potential for Differentiation..... 21
 - Retail Industry – Potential For Cost Savings 23
 - Retail Industry – Go to Market Partnerships 24
 - Top Retailers 24
 - Retail Industry – Marketing Communications 29
- 6. Accommodation and Food Services 30
 - Accommodation and Food Service IT Spending..... 30
 - Hospitality – Potential for Differentiation 32
 - Hospitality – Potential for Cost Savings 34
 - Top Hospitality Companies..... 34
- 7. Food Service 38
 - Food Service – Potential For Differentiation..... 38
 - Food Service – Potential For Cost Savings 40
 - Top Food Service Companies 40
 - Hospitality and Restaurant Industries Marketing and Communications..... 43
 - Financial Segment Strength..... 45
 - Financial Industry – IT Spending 46
- 8. Banking Industry 48
 - Banking – IT Spending..... 48
 - Banking – Potential for Differentiation 49
 - Banking – Potential for Cost Savings..... 51
 - Top Banks..... 51
 - Securities Industry IT Spending..... 55
 - Securities – Potential For Differentiation 56
 - Automated compliance and supervision 57
 - CRM..... 57



	Securities – Potential for Cost Savings.....	57
	Top Securities Industry Firms.....	58
	Insurance Industry IT Spending	60
	Insurance – Potential for Differentiation.....	60
	Channel integration.....	60
	Streamline claims processes (branch claim office re-engineering)	61
	Insurance Industry – Potential for Cost Savings	61
	Top Insurers	62
	Financial Services Industry Marketing Communications	62
9.	Information Industry.....	64
	Information Industry – IT Spending.....	64
	Potential for Branch Office Business Differentiation	66
	Information Industry – Potential for Cost Savings	67
	Top Information Industry Companies.....	67
	Information Industry Marketing Communications	70
10.	Healthcare.....	72
	Healthcare Segment Strength	72
	Healthcare IT Spending	72
	Healthcare Industry – Potential for Differentiation	74
	Healthcare Industry – Potential For Cost Savings	78
	Healthcare Industry – Go to Market Partnerships	78
	Top Healthcare Managed Care Providers.....	78
	Healthcare Industry Marketing Communications	81



Table of Figures

Figure 1 Distribution of Branches By Company Size..... 8

Figure 2 Average Branch Offices Versus Employee Size 9

Figure 3 Branch Office Distribution By Segment 10

Figure 4 Branch Office Distribution By Segment – Firms with Greater than 10K employees 11

Figure 5 Branch Office Distribution By Segment – Firms with 5K – 10K Employees 11

Figure 6 Branch Office Distribution By Segment – Firms with 1K – 5K employees..... 12

Figure 7 Branch Office Distribution By Industry – Firms with more than 10K employees..... 13

Figure 8 Branch Office Distribution By Industry – Firms with 5K - 10K employees 14

Figure 9 Industry Rankings (Fortune 500 Analysis) 16

Figure 10 Retail IT Spending as a Percent of Sales 19

Figure 11 Where Retailers are Advancing in Network and Infrastructure..... 21

Figure 12 Distribution of Retail Outlets by Category..... 24

Figure 13 Hospitality Industry IT Spending as a Percent of Sales..... 30

Figure 14 Hospitality Industry IT Priorities 31

Figure 15 Hospitality Industry Adoption of Specific Technologies 32

Figure 16 Food Service IT Spending as a Percent of Revenue 37

Figure 17 Major IT Trends in the Restaurant Business 38

Figure 18 Total Spend by the Top 100 Global FIs on New Core Banking Solutions 47

Figure 19 Banking IT Spending Outlook 48

Figure 20 Bank Branch Automation Plans 48

Figure 21 Offices of FDIC Insured Institutions 51

Figure 22 IT Spending in US Securities Industry 54

Figure 23 US Broker-Dealer IT Spending 2003..... 55

Figure 24 Insurance IT Spending Outlook 59

Figure 25 Information Industry IT Spending..... 64

Figure 26 Healthcare Industry IT Spending 72

Figure 27 Healthcare Industry Projected IT Priorities 74

Figure 28 Healthcare Industry Technology Adoption..... 75

Figure 29 Healthcare Industry Security Tools 76



Table of Tables

Table 1 Top Branch Office Segments	16
Table 2 Distribution of Workforce of Fortune 500	18
Table 3 Retail Industry Performance.....	19
Table 4 Retail IT Spending Summary.....	21
Table 5 Retail Industry IT Branch Office Application Differentiation	23
Table 6 Retail Industry IT Branch Office Application Differentiation	24
Table 7 Top US Retailers Ranked by Number of Stores	28
Table 8 Retail Industry Marketing Communications.....	29
Table 9 Accommodation and Food Service Industry Performance.....	30
Table 10 Hospitality and Food Services IT Spending Summary	31
Table 11 Hospitality Industry IT Branch Office Application Differentiation.....	33
Table 12 Hospitality Industry IT Branch Office Cost Savings.....	34
Table 13 Top Fifty Hotel Operators.....	37
Table 14 Food Service Industry IT Branch Office Applications.....	39
Table 15 Food Service Industry IT Branch Office Application Differentiation	40
Table 16 Top Quick Serve Restaurants.....	41
Table 17 Top Restaurants By Number of Locations	42
Table 18 Top Full Service Restaurant Chains	43
Table 19 Hospitality and Food Service Industry Marketing Communications	44
Table 20 Financial Services Industry Performance	45
Table 21 Financial Services Industry IT Spending.....	46
Table 22 Financial Services Industry IT Spending Summary	47
Table 23 Banking Industry IT Branch Office Application Differentiation	51
Table 24 Banking IT Branch Office Cost Savings	51
Table 25 Top 50 Commercial Banks and Savings Institutions	54
Table 26 Securities Industry IT Branch Office Application Differentiation	57
Table 27 Securities Industry IT Branch Office Cost Savings.....	57
Table 28 Overall Securities Firms Branch Office Totals	58
Table 29 Top Securities Firms Ranked By Number of Branch Offices.....	59
Table 30 Insurance Industry IT Branch Office Application Differentiation.....	61



Table 31 Insurance Industry Branch Office Cost Savings	62
Table 32 Top Insurers	62
Table 33 Financial Industry Marketing Communications.....	64
Table 34 Information Industry Performance	64
Table 35 Information Industry IT Spending Summary.....	66
Table 36 Information Industry IT Branch Office Application Differentiation.....	67
Table 37 Information Industry Potential for Cost Savings	67
Table 38 Top Copmuter Industry Companies	68
Table 39 Top Software Industry Companies	68
Table 40 Top Networking Industry Companies	69
Table 41 Top Semiconductor Industry Companies.....	69
Table 42 Information Industry Marketing Communications	71
Table 43 Healthcare Industry Performance.....	72
Table 44 Healthcare Industry IT Spending	73
Table 45 Healthcare Industry IT Application Differentiation	77
Table 46 Healthcare Industry Potential For Cost Savings	78
Table 47 Top Healthcare Managed Services Providers.....	79
Table 48 Most Wired Hospitals	80
Table 49 Healthcare Industry Marketing Communications.....	81

