

THE CIO INSIGHT RESEARCH STUDY

VENDOR VALUE

Have Your Old Vendors Learned New Tricks?

SPECIAL REPORT

IT'S AMAZING HOW MUCH BETTER A VENDOR can get when new competitors turn up the heat. In previous vendor value surveys, outsourcers and telecom companies have been the lowest-scoring industries. Both industries are under attack—the U.S. outsourcing and consulting firms by Indian competitors, and telecom companies by cable and VoIP providers. Yet Accenture, Deloitte, Sprint Nextel and BellSouth have significantly improved their scores for business value and reliability.

That's just one of the key findings from our third annual vendor value survey. This year, nearly 900 executives rated their most important vendors on how well they delivered business value and reliability. We added two new categories—business intelligence systems and PDAs—and ten new vendors, and compared Indian offshore outsourcers to their American competitors.


Red Hat, Apple, Cisco and Dell top the list once

more, but readers who look closer will identify other winners. Security vendor VeriSign made the top-ten list in its first time in our survey, joining McAfee and Symantec. Research in Motion came in eighth for providing value, while Symbol Technologies placed third for customer loyalty. Those Indian outsourcers? En masse, they offer better value and reliability than their U.S. counterparts.

Our study also identifies who is losing ground. Three vendors that have recently digested high-profile acquisitions—Symantec (which acquired Veritas), Oracle (which absorbed PeopleSoft) and AT&T (the new name

for the combined SBC and AT&T)—saw their scores drop substantially. In total, thirteen companies saw their scores decline.

While this year's average score is 65.3 percent, two points higher than last year, that's hardly a rousing endorsement of the performance of the IT sector. —Allan Alter



RANK		SCORE
1	Red Hat	84.2%
2	Apple Computer	82.6
3	Cisco Systems	81.4
4	Dell	79.0
4	McAfee	79.0
6	VeriSign	75.8
7	Citrix Systems	73.2
8	Symantec	72.7
9	Hewlett-Packard	71.7
10	IBM	71.2

Percentage of IT executives rating vendor as excellent or good.

The Big Picture

RANK 2005	RANK 2004	RANK 2003	Vendor	OVERALL	VALUE							
				Overall rating (combined value and reli- ability ratings)*	Meets expectations for increasing revenues*†		Meets expectations for lowering costs*		Solves the business problem paid to solve*		Meets ROI expectations*	
						RANK		RANK		RANK		RANK
1	1	N/A	Red Hat	84.2%	80.0%	3	86.3%	1	89.6%	3	84.3%	1
2	5	9	Apple Computer	82.6	84.4	1	72.6	4	91.6	1	80.0	3
3	4	3	Cisco Systems	81.4	81.4	2	69.5	7	90.1	2	78.1	4
4	3	4	Dell	79.0	77.1	4	77.2	2	82.0	9	80.7	2
4	9	20	McAfee	79.0	76.6	5	73.0	3	85.9	5	77.1	5
6	N/A	N/A	VeriSign	75.8	74.8	6	70.3	6	83.9	6	74.8	6
7	6	N/A	Citrix Systems	73.2	70.6	8	72.0	5	83.3	7	70.2	10
8	2	1	Symantec (including Veritas)	72.7	67.8	13	65.6	10	81.9	10	72.8	7
9	8	6	Hewlett-Packard	71.7	64.5	16	67.0	8	78.4	12	70.9	9
10	13	8	IBM	71.2	68.5	10	61.2	13	78.7	11	70.1	11
11	N/A	N/A	Research in Motion	71.1	69.7	9	63.5	11	86.4	4	71.4	8
12	16	23	EMC	70.2	66.7	14	61.1	14	78.1	13	65.3	13
13	21	7	SAS Institute	67.7	68.3	11	56.5	24	82.6	8	62.8	16
14	22	26	BEA Systems	67.4	72.5	7	58.7	17	72.3	21	62.8	16
15	19	18	Sun Microsystems	66.9	64.3	17	58.1	19	75.8	15	62.7	18
16	11	5	Motorola	66.6	63.9	18	58.2	18	67.1	30	62.3	19
17	N/A	N/A	Symbol Technologies	66.3	68.3	11	65.9	9	77.3	14	61.9	20
18	31	N/A	Sprint Nextel	64.6	63.4	20	57.9	20	75.3	16	63.3	15
19	25	21	Siemens	63.9	65.2	15	57.7	22	70.0	25	58.5	26
20	N/A	N/A	Business Objects	63.7	62.0	24	56.5	24	74.3	18	60.3	24
21	N/A	N/A	Sybase	63.4	59.1	29	62.3	12	67.2	29	61.1	21
22	40	32	Deloitte	63.3	62.8	21	54.5	29	66.0	32	57.4	28
22	17	24	Novell	63.3	62.1	23	60.0	15	67.8	26	56.2	31
24	43	39	Accenture	62.5	63.6	19	57.8	21	70.2	24	59.2	25
25	38	N/A	BellSouth	61.9	57.5	32	59.8	16	67.0	30	65.5	12
26	24	27	SAP	61.7	60.7	26	56.2	26	71.0	23	55.6	32
27	23	31	Avaya	60.9	56.2	33	51.7	33	75.0	17	53.5	37
28	34	40	Siebel Systems	60.5	60.0	28	47.8	38	71.4	22	54.5	33
29	N/A	N/A	MCI	60.1	60.3	27	57.5	23	60.5	41	61.1	21
30	N/A	N/A	Hyperion Solutions	60.0	61.0	25	51.1	34	72.5	20	54.2	34
31	36	33	Microsoft	59.7	62.2	22	49.3	35	73.7	19	58.4	27
32	N/A	N/A	Nortel Networks	59.5	53.9	37	55.4	28	67.5	28	57.3	29
32	12	19	Intuit	59.5	58.3	30	55.9	27	65.7	33	60.9	23
34	N/A	10	Palm	57.6	55.8	34	53.7	30	61.1	40	63.5	14
35	26	25	Lucent Technologies	57.1	54.9	35	52.5	32	63.8	35	56.9	30
36	N/A	N/A	Cognos	56.3	54.8	36	48.1	37	64.7	34	51.2	40
37	37	N/A	Qwest Communications	55.9	42.6	41	53.0	31	63.2	36	53.6	36
38	44	41	Computer Associates	55.5	52.3	39	48.5	36	61.8	38	53.5	37
39	28	30	Oracle (including PeopleSoft)	55.3	58.3	30	45.5	40	67.6	27	51.1	41
40	41	N/A	Verizon Communications	53.9	53.9	37	47.8	38	62.9	37	52.1	39
41	29	N/A	AT&T (including SBC Communications)	52.0	50.4	40	43.5	41	61.6	39	54.2	34
MEAN				65.3	63.7		59.0		73.3		63.0	

*Percentage of IT executives rating vendor as excellent or good. †Meets expectations for achieving mission (for not-for-profit organizations).

THE CIO INSIGHT RESEARCH STUDY **VENDOR VALUE**

RELIABILITY							LOYALTY		NATURE OF RELATIONSHIP**					Worked with during the past 12 months	No. of respondents	RANK 2005
Meets commitments on time and on budget*	RANK	Is flexible and responsive*	RANK	Meets quality expectations*	RANK	If had a choice, would continue to do business (% yes)	RANK	Consultant	Outsourcer	Hardware	Software	Telecom				
84.3%	1	79.1%	2	85.6%	3	97.0%	1				■		22.8% <div><div></div></div>	186	1	
83.3	3	80.0	1	86.5	2	84.9	15	■		■	■		15.7% <div><div></div></div>	128	2	
83.7	2	77.6	3	89.7	1	95.8	2	■		■	■	■	67.4% <div><div></div></div>	549	3	
80.8	4	73.8	5	81.5	6	88.7	10	■		■	■		71.0% <div><div></div></div>	579	4	
80.2	5	74.6	4	85.5	4	90.0	6				■		33.4% <div><div></div></div>	272	4	
75.0	7	69.3	8	82.8	5	90.9	5				■		29.4% <div><div></div></div>	240	6	
72.2	9	66.3	14	77.7	11	87.2	12	■		■	■		34.4% <div><div></div></div>	280	7	
75.4	6	66.8	13	78.5	10	91.9	4				■		46.3% <div><div></div></div>	377	8	
74.4	8	67.0	12	79.6	7	89.4	9	■		■	■		59.9% <div><div></div></div>	488	9	
71.8	10	68.6	9	79.6	7	89.8	7	■	■	■	■	■	58.9% <div><div></div></div>	480	10	
70.7	12	59.2	27	76.8	14	89.8	7			■	■	■	24.1% <div><div></div></div>	196	11	
71.3	11	69.8	7	79.1	9	84.4	16	■	■	■	■		24.5% <div><div></div></div>	200	12	
58.7	32	68.2	10	77.1	13	85.7	13	■			■		9.2% <div><div></div></div>	75	13	
66.0	17	64.6	17	75.0	15	83.6	20	■			■		11.0% <div><div></div></div>	90	14	
67.8	15	62.7	20	77.3	12	84.0	18	■		■	■		30.7% <div><div></div></div>	250	15	
70.5	13	72.8	6	71.4	16	87.6	11			■	■	■	15.3% <div><div></div></div>	125	16	
61.0	26	62.8	19	66.7	23	93.8	3	■		■	■		7.4% <div><div></div></div>	60	17	
62.5	22	63.6	18	66.2	26	82.6	21			■	■	■	25.9% <div><div></div></div>	211	18	
64.3	20	64.9	15	66.7	23	73.4	34	■	■	■	■	■	10.7% <div><div></div></div>	87	19	
64.5	19	58.6	28	69.6	18	85.3	14	■			■		14.0% <div><div></div></div>	114	20	
64.8	18	64.7	16	64.9	30	81.8	23				■		12.0% <div><div></div></div>	98	21	
66.7	16	67.3	11	68.6	20	81.0	25	■					10.4% <div><div></div></div>	85	22	
67.9	14	62.5	21	66.4	25	68.3	40	■		■	■		20.9% <div><div></div></div>	170	22	
59.2	31	60.4	25	67.3	2	70.4	39	■	■				11.0% <div><div></div></div>	90	24	
57.3	36	62.2	22	63.7	35	75.5	30	■				■	15.1% <div><div></div></div>	123	25	
58.7	32	60.6	24	69.1	19	81.3	24	■	■		■		12.9% <div><div></div></div>	105	26	
60.5	27	59.3	26	69.9	17	84.4	16	■		■	■	■	20.6% <div><div></div></div>	168	27	
62.2	23	61.4	23	66.0	27	67.3	41	■	■		■		10.6% <div><div></div></div>	86	28	
60.5	27	55.1	33	65.8	28	72.3	36					■	15.1% <div><div></div></div>	123	29	
61.2	25	56.0	31	64.0	34	79.3	26	■			■		10.2% <div><div></div></div>	83	30	
60.0	29	49.8	38	64.7	31	82.0	22	■		■	■		83.2% <div><div></div></div>	678	31	
58.1	34	57.0	30	67.5	21	77.8	28	■		■	■	■	21.0% <div><div></div></div>	171	32	
63.5	21	55.6	32	56.3	41	79.2	27				■		12.6% <div><div></div></div>	103	32	
54.4	37	49.4	39	65.2	29	83.8	19			■	■		16.9% <div><div></div></div>	138	34	
54.2	38	58.3	29	59.0	39	77.3	29	■	■	■	■	■	11.8% <div><div></div></div>	96	35	
58.0	35	52.4	35	64.7	31	73.4	34	■			■		17.4% <div><div></div></div>	142	36	
62.0	24	53.5	34	63.0	36	74.7	31					■	13.7% <div><div></div></div>	112	37	
59.6	30	50.4	36	62.2	38	71.4	37	■			■		26.7% <div><div></div></div>	218	38	
52.2	40	47.9	40	64.2	33	74.1	33	■			■		41.0% <div><div></div></div>	334	39	
53.2	39	44.7	41	62.8	37	71.4	37			■	■	■	36.8% <div><div></div></div>	300	40	
46.6	41	50.0	37	57.7	40	74.5	32	■				■	25.5% <div><div></div></div>	208	41	
65.4		62.2		70.9		81.9										

**Respondents identified all the ways they work with each vendor.

THE CIO INSIGHT RESEARCH STUDY **VENDOR VALUE**

Top of the Hill

As in our past two surveys, the same companies score highest for both business value and reliability. Red Hat sets a new record for value, and Cisco Systems does the same for reliability, but Apple's scores increased the most, by 8.3 and 6.7 points, respectively. Newcomers VeriSign and Research in Motion crack the list in their first time on our survey.

Value: Average of ratings for increasing revenues and lowering costs as expected, solving the business problem paid to solve, and meeting ROI expectations.

Reliability: Average of ratings for meeting commitments on time and budget, being flexible and responsive, and meeting respondents' quality expectations.

VALUE TOP TEN*

RANK		SCORE
1	Red Hat	85.0
2	Apple Computer	82.2
3	Cisco Systems	79.8
4	Dell	79.2
5	McAfee	78.1
6	VeriSign [†]	75.9
7	Citrix Systems	74.0
8	Research in Motion [†]	72.8
9	Symantec (including Veritas)	72.0
10	Hewlett-Packard	70.2

RELIABILITY TOP TEN*

RANK		SCORE
1	Cisco Systems	83.7
2	Apple Computer	83.3
3	Red Hat	83.0
4	McAfee	80.1
5	Dell	78.7
6	VeriSign [†]	75.7
7	Hewlett-Packard	73.7
8	Symantec (including Veritas)	73.6
9	EMC	73.4
10	IBM	73.3

*Percentage of IT executives rating vendor as excellent or good.

Angels and Demons

SAS and SAP join top-ranked Red Hat, Cisco, Dell and Apple in receiving "excellent" ratings for both value and reliability by at least 25 percent of respondents. However, SAP is also among the companies that received the most "poor" ratings, a group dominated by SBC and other telecoms but also including many companies that did not appear on these lists in 2004. Accenture, the company which received more "poor" ratings than any other in 2004, escaped that fate this year.

COMPANIES WITH HIGHEST PERCENTAGE OF EXCELLENT RATINGS

OVERALL			VALUE			RELIABILITY		
RANK		SCORE	RANK		SCORE	RANK		SCORE
1	Red Hat	30.4	1	Red Hat	33.0	1	Cisco Systems	31.3
2	Cisco Systems	28.8	2	Dell	27.4	2	Dell	30.0
3	Dell	28.5	3	Cisco Systems	26.9	3	Apple Computer	27.8
4	Apple Computer	26.7	4	Research in Motion [†]	26.5	4	Red Hat	26.9
5	SAS Institute	25.3	5	Apple Computer	25.8	5	EMC	26.3
6	SAP	25.2	6	SAP	25.6	6	SAS Institute	26.0
7	Research in Motion [†]	25.1	7	SAS Institute	24.9	7	SAP	24.8
8	BEA Systems	23.4	8	BEA Systems	22.6	8	BEA Systems	24.5
9	McAfee	22.8	9	McAfee	22.2	9	IBM	24.4
10	IBM	22.0	10	Motorola	22.2	10	Siemens	23.7

COMPANIES WITH HIGHEST PERCENTAGE OF POOR RATINGS

OVERALL			VALUE			RELIABILITY		
RANK		SCORE	RANK		SCORE	RANK		SCORE
1	AT&T (incl. SBC Comm.)	20.6	1	AT&T (incl. SBC Comm.)	19.0	1	AT&T (incl. SBC Comm.)	22.8
2	Oracle (incl. PeopleSoft)	16.9	2	Deloitte	18.4	2	Verizon Comm.	19.8
3	Verizon Comm.	16.9	3	Oracle (incl. PeopleSoft)	17.0	3	BellSouth	18.2
4	Deloitte	16.8	4	Lucent Technologies	16.9	4	Siemens	16.8
5	SAP	15.8	5	SAP	16.5	5	Oracle (incl. PeopleSoft)	16.7
6	Lucent Technologies	15.6	6	Computer Associates	15.2	6	MCI [†]	16.0
7	BellSouth	15.6	7	MCI [†]	15.1	7	SAP	14.8
8	MCI [†]	15.5	8	Verizon Comm.	14.7	8	Deloitte	14.5
9	Siemens	14.9	9	Cognos [†]	14.2	9	Microsoft	14.0
10	Computer Associates	14.4	10	BellSouth	13.7	10	Lucent Technologies	13.9

Stand by Your Vendor

As in past years, only a half-dozen companies can count 90 percent of their customers as loyal; all, except Symbol Technologies, are also among the top-ranked companies for value and reliability. Red Hat's list-topping scores bode well for the future of Linux. The companies that scored worst on our loyalty test didn't fare as badly as last year's losers: Siebel's score would have placed it sixth on last year's top-ten "No" list. Still, Siebel's score can't be encouraging to acquirer Oracle, another low-scoring company.

WOULD CONTINUE TO DO BUSINESS IF HAD A CHOICE

% YES			% NO		
RANK		SCORE	RANK		SCORE
1	Red Hat	97.0	1	Siebel Systems	32.7
2	Cisco Systems	95.8	2	Novell	31.7
3	Symbol Technologies [†]	93.8	3	Accenture	29.6
4	Symantec (including Veritas)	91.9	4	Verizon Comm.	28.6
5	VeriSign [†]	90.9	5	Computer Associates	28.6
6	McAfee	90.0	6	MCI [†]	27.7
7	Research in Motion [†]	89.8	7	Cognos [†]	26.6
8	IBM	89.8	8	Siemens	26.6
9	Hewlett-Packard	89.4	9	Oracle (including PeopleSoft)	25.9
10	Dell	88.7	10	AT&T (including SBC Comm.)	25.5

The Competition

ENTERPRISE APPLICATIONS

SAP retains the top ranking for the third year. SAP is a company that inspires strong feelings among its customers—it's on the top-ten list for most often receiving excellent grades as well as poor ones. Still, it consistently scores five to seven points higher than its main rival, Oracle. While SAP's scores have improved by several points from 2004, Oracle's have dropped following the acquisition of last year's enterprise application cellar dweller, PeopleSoft. At 51.1 percent, Oracle's score for meeting ROI expectations is the lowest of any vendor in our survey; it also comes in next to last among all vendors in three other categories, including flexibility, meeting commitments on time and on budget, and lowering costs.

RANK 2005	RANK 2004	RANK 2003	Vendor	Overall rating 2005	Value	Reliability	Would continue to do business (% yes)
1	1	1	SAP	61.7%	60.9%	62.8%	81.3%
2	3	4	Siebel Systems	60.5	58.5	63.2	67.3
3	2	2	Oracle (including PeopleSoft)	55.3	55.7	54.8	74.1

SECURITY

Security vendors keep delivering value and reliability. McAfee is the vendor with the most-improved scores since 2003, and has overtaken Symantec for first place in the category. Symantec is no longer a pure-play security vendor; its acquisition of Veritas is the likely reason its ratings have declined. But at 91.9 percent, Symantec is still the security company with the highest customer loyalty. VeriSign, this year's new addition to the category, fared very well in its first survey. Given the severity of today's IT security threats, CIOs are fortunate to have found vendors that have earned so much trust.

RANK 2005	RANK 2004	RANK 2003	Vendor	Overall rating 2005	Value	Reliability	Would continue to do business (% yes)
1	2	2	McAfee	79.0%	78.1%	80.1%	90.0%
2	N/A	N/A	VeriSign	75.8	75.9	75.7	90.9
3	1	1	Symantec (including Veritas)	72.7	72.0	73.6	91.9

BUSINESS INTELLIGENCE

BI vendor performance varies widely. The headline from our October 2004 survey on business intelligence holds here too: These tools still have unmet potential, especially when it comes to delivering value. SAS Institute, the only BI vendor surveyed in previous years, is the clear leader, although Business Objects runs neck and neck for customer loyalty, and SAS is the eighth-ranked company overall for solving business problems. Hyperion and Cognos fall between 55 percent and 60 percent in every rating category, while Cognos ranks in the bottom quartile in every category.

RANK 2005	RANK 2004	RANK 2003	Vendors	Overall rating 2005	Value	Reliability	Would continue to do business (% yes)
1	N/A	N/A	SAS Institute	67.7%	67.6%	68.0%	85.7%
2	N/A	N/A	Business Objects	63.7	63.3	64.2	85.3
3	N/A	N/A	Hyperion Solutions	60.0	59.7	60.4	79.3
4	N/A	N/A	Cognos	56.3	54.7	58.4	73.4

NOTE: Unless noted, numbers represent the percentage of IT executives rating vendor as excellent or good.

To see how a vendor scored on individual ratings such as "meeting expectations for lowering costs" or "meeting ROI expectations," see "The Big Picture" chart on pages 58–59.

The Competition [CONTINUED]

NETWORKING

An improved Cisco Systems dominates the field. Cisco improved its ratings after dipping two points last year, thanks in large part to its higher reliability scores. Motorola remains No. 2, but it's no longer close: Its overall rating trails by nearly 15 points. Other vendors, including survey newcomer Nortel Networks, follow even farther behind. Lucent may have been a top performer at the old AT&T, but it's a distant laggard today. Lucent's poor score for quality—just 59 percent—is especially troubling when Cisco beats all vendors at 89.7 percent.

RANK 2005	RANK 2004	RANK 2003	Vendor	Overall rating 2005	Value	Reliability	Would continue to do business (% yes)
1	1	1	Cisco Systems	81.4%	79.8%	83.7%	95.8%
2	2	2	Motorola	66.6	62.9	71.6	87.6
3	4	3	Siemens	63.9	62.9	65.3	73.4
4	3	5	Avaya	60.9	59.1	63.3	84.4
5	N/A	N/A	Nortel Networks	59.5	58.5	60.9	77.8
6	5	4	Lucent Technologies	57.1	57.0	57.2	77.3

TELECOMMUNICATIONS

Sprint Nextel leaps to the top in a vendor value shake-up. Last year, SBC and AT&T came in first and second in the category; this year, the combined company not only dropped to the bottom of the telecom list, but earned the lowest scores of any vendor in the survey. AT&T bottomed out with a 43.5 percent rating for lowering costs. Meanwhile, Sprint Nextel and BellSouth improved their ratings by 8 points this year, enough to leap to the top of the telecom heap. In Sprint's case, it's the first time that a telecom vendor made it to the top half of our overall rankings. Overall, this sector's scores improved—but it will need to improve even more to fend off competition from VoIP service vendors.

RANK 2005	RANK 2004	RANK 2003	Vendor	Overall rating 2005	Value	Reliability	Would continue to do business (% yes)
1	3	N/A	Sprint Nextel	64.6%	65.0%	64.1%	82.6%
2	5	N/A	BellSouth	61.9	62.5	61.1	75.5
3	N/A	N/A	MCI	60.1	59.9	60.5	72.3
4	4	N/A	Qwest Comm.	55.9	53.1	59.5	74.7
5	6	N/A	Verizon Comm.	53.9	54.2	53.6	71.4
6	1	N/A	AT&T (including SBC Comm.)	52.0	52.4	51.4	74.5

OUTSOURCING

Indian offshore firms prove their mettle. Respondents were asked to rank four Indian offshore outsourcing companies—Infosys Technologies, Satyam Computer Services, Tata Group and Wipro. And while not enough replied to list the results individually, in aggregate the scores compare favorably to their U.S. competitors. While these results must be regarded as tentative, they suggest that India's Big 4 are competitive in both value and reliability.

Vendor	Overall rating 2005	Value	Reliability	Would continue to do business (% yes)
Indian outsourcers/consultants* (NUMBER OF RESPONDENTS=102)	67.7%	68.7%	66.5%	76.1%
U.S. outsourcers/consultants† (N=338)	58.7	58.8	58.5	70.2
All outsourcers/consultants (N=440)	63.2	63.8	62.5	73.2

*Indian firms include Infosys Technologies, Satyam Computer Services, Tata Group and Wipro. †U.S. outsourcers/consultants include Accenture, BearingPoint, Computer Sciences Corp., Deloitte and EDS. BearingPoint, CSC and EDS did not receive enough responses to be listed separately in this year's survey.

Changing Places

In past surveys, consulting, outsourcing and telecom firms fared poorly. But this year, Accenture and Deloitte dramatically improved their scores, by 14.1 and 11.9 percentage points respectively, while two telecoms—BellSouth and Sprint Nextel—broke away from the telecom pack. Intuit suffered the biggest fall: Its overall rating dropped to 59.5 percent, causing its rank to free fall from 12th place among all vendors to 33rd. Oracle, AT&T and Symantec's rankings also dropped by double digits, following acquisitions.

Vendor	Overall rating 2005	Change from 2004	Overall rating 2004
▲ Accenture	62.5%	14.1%	48.4%
▲ Apple Computer	82.6	7.2	75.4
▼ AT&T (including SBC Comm.)	52.0	-4.9	56.9
▼ Avaya	60.9	-2.7	63.6
▲ BEA Systems	67.4	3.0	64.4
▲ BellSouth	61.9	8.6	53.3
Business Objects	63.7	N/A	N/A
▲ Cisco Systems	81.4	2.0	79.4
▼ Citrix Systems	73.2	-2.0	75.2
Cognos	56.3	N/A	N/A
▲ Computer Associates	55.5	8.0	47.5
▼ Dell	79.0	-1.8	80.8
▲ Deloitte	63.3	11.9	51.4
▲ EMC	70.2	1.6	68.6
▼ Hewlett-Packard	71.7	-2.5	74.2
Hyperion Solutions	60.0	N/A	N/A
▼ IBM	71.2	-0.7	71.9
▼ Intuit	59.5	-12.7	72.2
▼ Lucent Technologies	57.1	-5.1	62.2
▲ McAfee	79.0	5.3	73.7
MCI	60.1	N/A	N/A
▲ Microsoft	59.7	5.8	53.9
▼ Motorola	66.6	-6.3	72.9
Nortel Networks	59.5	N/A	N/A
▼ Novell	63.3	-5.1	68.4
▼ Oracle (including PeopleSoft)	55.3	-2.6	57.9
Palm	57.6	N/A	N/A
▲ Qwest Communications	55.9	2.5	53.4
▲ Red Hat	84.2	2.9	81.3
Research in Motion	71.1	N/A	N/A
▼ SAP	61.7	-0.8	62.5
▲ SAS Institute	67.7	3.2	64.5
▲ Siebel Systems	60.5	6.1	54.4
▲ Siemens	63.9	1.5	62.4
▲ Sprint Nextel	64.6	8.4	56.2
▲ Sun Microsystems	66.9	1.2	65.7
Sybase	63.4	N/A	N/A
▼ Symantec (including Veritas)	72.7	-8.4	81.1
Symbol Technologies	66.3	N/A	N/A
VeriSign	75.8	N/A	N/A
▲ Verizon Communications	53.9	2.8	51.1

How the Survey Was Done

What does the survey measure? *CIO Insight's* 2005 Vendor Value Survey measures how U.S.-based IT executives generally perceive the value of their vendors' product and service offerings, and those executives' overall satisfaction with the support these vendors provide.

How were the vendors selected? The published results include only vendors that received 40 or more qualified responses on all ratings, and were used by at least 60 respondents. To create our list of the most widely used U.S. computer hardware, software, telecommunications, IT consulting and outsourcing companies, we relied on several sources for revenue and market share data: Gartner (which provided *CIO Insight* with lists of market share leaders), the *Fortune* 1000 list, the *Forbes* Private 500 list, the *Software Magazine* Software 500 list, *Consultant News*, Hoover's Online and annual and financial reports of individual companies. Most of the companies in the 2004 Vendor Value survey were included in this year's survey; deletions were due to insufficient qualified responses.

How was the survey conducted? *CIO Insight* editors designed the 2005 Vendor Value and Satisfaction Survey together with Equation Research, LLC (www.equation-research.com), an Estes Park, Colo.-based supplier of custom research services. IT executives gathered from Ziff Davis Media publication lists were invited to participate in the study by e-mail. The questions were posted on a password-protected Web site, and 884 qualified respondents (459 from companies with between \$5 million and \$1 billion in revenues, and 425 from companies with over \$1 billion in

revenues) replied from October 4 to October 24, 2005. Of the respondents, 57 percent were the top IT executives at their companies, and the rest held titles of director of IT or higher. Respondents were only considered qualified if they described themselves as very knowledgeable or knowledgeable about the IT vendors and consultants their company uses, and the value it has received from them.

How were vendors rated? After identifying the vendors they have had a business relationship with in the past 12 months, respondents were asked to rate vendors as "excellent," "good," "fair" and "poor" on seven key criteria. Four of the criteria concerned value: 1) how well they have met their company's expectations for increasing revenues (or achieving mission, if not-for-profit), and 2) for lowering business or IT costs; 3) how well they have solved the business problem their products or services were purchased or engaged to solve, and 4) have met their company's ROI (business value) expectations. The other three criteria focussed on reliability: 5) how well they met commitments on time and on budget; 6) how flexible and responsive they have been to the company's needs, and 7) how well they met the company's quality expectations for their products and services. The "overall" rating is the mean of respondents answering "excellent" or "good" for these seven criteria. In addition, respondents were asked whether they would continue to do business with each individual vendor. Unless otherwise noted, percentages given are the percentage of respondents who answered either "excellent" or "good."

For more information about the *CIO Insight* Vendor Value survey, please go to our Web site: www.cioinsight.com.