

Magic Quadrant for Global Enterprise Desktops and Notebooks

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In the general PC market, price is often the main purchase criterion. However, buyers of global enterprise desktops and notebooks require platform stability (e.g., consistent system image), appropriate life cycle services, security/management, global support and fast turnaround on warranty repairs.

WHAT YOU NEED TO KNOW

This Magic Quadrant is designed to assist global enterprise customers in selecting vendors that supply a large number of PCs in multiple regions. The results of this analysis combine evaluations of the vendor attributes that matter most to large-enterprise customers when selecting PC suppliers. These attributes are product portfolio, global capability, financial health, service and support. For 2010, we have combined the separate global enterprise notebook and desktop Magic Quadrants into a single Magic Quadrant — the Magic Quadrant for Global Enterprise Desktops and Notebooks. In cases where a vendor does not provide desktop systems, we have called it out in the cautions and factored it into the vendor's position on the Magic Quadrant.

Each vendor's position is accurate for the factors included in this analysis, but we encourage buyers not to use these results as the sole criterion in RFPs or selection processes. Instead, clients should assess their priorities and apply these while performing due diligence as part of the vendor evaluation process. It is not uncommon for clients with unique requirements to find that a lesser-known vendor is best-suited to meet their needs.

The Magic Quadrant for Global Enterprise Desktops and Notebooks (see Figure 1) will be updated each year to reflect changes in market dynamics. We evaluate a vendor's position based on: (1) the quantitative parameters we obtain from vendors through a questionnaire response; (2) a qualitative analysis based on vendor interviews and a range of submitted case studies; and (3) subjective evaluations based on feedback from Gartner clients. These subjective evaluations are based on scores given by each of Gartner's user-facing client computing analysts against a range of criteria. For our 2010 update, we have used the same evaluation process that we used in 2009, with the one change being the consolidation of the two previous Magic Quadrants into a single vendor evaluation. As the global economic downturn has affected many vendors' financial conditions, it is likely that more consolidation will take place in the near term. As such, this Magic Quadrant puts more emphasis on vendors' financials. We have also increased the importance of a vendor's environmental and sustainability strategies, compared with last year's individual Magic Quadrants.

MAGIC QUADRANT

Market Overview

For large-enterprise customers, price is an important consideration, but not usually the primary purchase criterion. Instead, the purchase decision process considers various criteria, including the ability to provide appropriate services and support globally. Working with desktop and notebook vendors that can meet these requirements helps reduce the total cost of notebook ownership.

Gartner regards global presence as a significant criterion for evaluating potential PC suppliers. The Leaders in this Magic Quadrant are all international vendors that can provide consistent products and services across multiple regions. While smaller vendors can also play effectively in this market, lack of global capabilities for delivery and/or support would put them into a Niche Players or Challengers position. Such smaller vendors typically specialize in certain vertical markets.

Market Definition/Description

The market is defined by the following type products:

- The main products are corporate notebook PCs and corporate desktop PCs.
- Notebook PCs are defined as those with screen size over five inches in various form factors and configurations. Mobile thin-client terminals, netbooks, mobile phones and smartphones are not included in this Magic Quadrant.
- Desktop PCs include desk-based systems of various form factors and configurations. However, we do not include thin-client terminals or technical workstations in this Magic Quadrant.

The main customers in this market fall into three private-sector segments:

- Enterprises that operate globally
- Enterprises that operate regionally but have some global presence

Figure 1. Magic Quadrant for Global Enterprise Desktops and Notebooks



- Midmarket or large enterprises that operate in one or more countries and have more than 1,000 employees

Inclusion and Exclusion Criteria

This Magic Quadrant focuses on suppliers that work directly or indirectly with enterprise buyers. The set of vendor inclusion criteria covers up to 90% of the total desktop and notebook market for enterprises. To appear in this Magic Quadrant, vendors must satisfy the following criteria:

- Offer desktops and notebooks for professional users
- Operate business globally
- Hold more than 4% of the market share in enterprise markets in one of the major regions

Added

No vendors added

Dropped

No vendors dropped

Evaluation Criteria

Ability to Execute

This axis evaluates PC vendors on the quality and efficiency of the processes, systems, methods or procedures that enable their performance to be competitive, efficient and effective, and to positively impact revenue, retention and reputation (see Table 1). Ultimately, global enterprise desktop and notebook providers are judged on their ability and success in capitalizing on their visions. Ability to Execute consists of the following criteria:

- Product availability, which includes product portfolio and range
- Overall viability (business unit, financial, strategy, organization), which includes product quality and availability, service and support, as well as the vendor's financial strength
- Sales execution/pricing, which includes the availability of special sales teams
- Marketing execution, which includes the vendor's market share in the global enterprise market
- Customer experience, which includes the vendor's ability to provide support and services
- Operations
- Environmental performance and capabilities, including supply chain and products

Completeness of Vision

This axis evaluates desktop and notebook vendors on their ability to convincingly articulate logical statements about current and future market direction, innovation, customer needs and competitive forces, and how well they map to the Gartner position (see Table 2). Ultimately, global enterprise desktop and notebook providers are rated on their understanding of how market forces can be exploited to create opportunities for the provider. Completeness of Vision consists of the following criteria:

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	High
Overall Viability (Business Unit, Financial, Strategy, Organization)	High
Sales Execution/Pricing	High
Market Responsiveness and Track Record	Standard
Marketing Execution	Standard
Customer Experience	High
Operations	High
Source: Gartner (November 2010)	

- Market understanding, which includes mechanisms for customer feedback
- Marketing strategy, which includes the vendor's ability to provide various professional services
- Sales strategy, which includes the vendor's capability to work with customers through its sales force and sales tools
- Offering (product) strategy, which includes the vendor's strength of R&D and capability of product design, and the vendor's ability to offer image stability
- Vertical/industry strategy, which includes the capability of providing vertical-specific services
- Innovation, which includes product innovation, an approach to providing alternative application delivery models and green IT solutions
- Geographic strategy, which includes the capability of providing product and services globally
- Environmental programs, including sustainability goals and processes

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	High
Marketing Strategy	Standard
Sales Strategy	Standard
Offering (Product) Strategy	High
Business Model	No Rating
Vertical/Industry Strategy	Standard
Innovation	High
Geographic Strategy	Standard
Source: Gartner (November 2010)	

Leaders

PC vendors in the Leaders quadrant register the highest scores on Ability to Execute and Completeness of Vision. These vendors have wider geographic coverage, comprehensive sales organizations, financial stability, comprehensive customer support, broader product portfolios, longer product availability and larger market presence.

Challengers

Challengers have high scores in Ability to Execute, but their Completeness of Vision scores are not as high as those of the Leaders. Challengers often have a good market presence and financial stability, but they may have less geographic coverage, or they lack an innovative view of the products.

Visionaries

Visionaries have high scores in Completeness of Vision; however, their Ability to Execute scores are not as high as the scores of vendors in the Leaders quadrant. Their market presence may be less than that of the Leaders, and their financial stability may not be as solid. Also, their sales organization and customer support mechanism may not be as comprehensive as those of the Leaders.

Niche Players

Vendors in the Niche Players quadrant do not have high scores on both axes. They have a low market share, and their market coverage of different regions is limited. It is important to note that a PC vendor's position in this quadrant is not a value judgment on suitability, because that vendor may specialize in particular areas in a vertical-market segment or have product portfolios in which Leaders may not have much focus.

Vendor Strengths and Cautions

Acer

Strengths

- Ongoing organizational stability.
- Growing market visibility.
- Global product offerings, with a highly efficient supply chain and a strong market presence across many regions, but limited to transactional business.

Cautions

- Lack of a large-enterprise-level product offering. Commercial systems are targeted at transactional-focused (small business and retail) markets.
- Lack of global service and support capabilities, as well as account management.
- Limited capabilities for delivering standardized products across multiple regions.
- Customers requiring high levels of service and support for PCs should expect inconsistent execution, especially if operating in multiple countries. Users may need to make separate deals for each region.

Apple

Strengths

- Excellent product design and innovation.
- Ongoing financial and organizational stability.
- Strength in selected vertical sectors in which high-end media creation tools are necessary.

Cautions

- Lack of consistent global service and support capability.
- Lack of enterprise-focused global sales organization and account management capability.
- Lack of enterprise-focused product offering.
- Organizations that have multiple-country operations should consider Apple only for tactical implementation, or if the organizations have decentralized IT management.

Dell

Strengths

- Good-quality products, programs and services targeted to global enterprise customers in mature markets.
- Good levels of account management for global enterprise customers.
- Viable supplier for all business PC requirements, particularly for global and large-enterprise organizations.

Cautions

- Overall execution for large global accounts has been weakening, with customers noting poorer responsiveness and less-competitive pricing.
- Smaller enterprises that do not achieve “global account status” with Dell may experience inconsistent service and support levels.
- Uneven service and support levels in some regions, especially some countries in emerging markets.
- While channel partners are playing a more important role in enterprise business compared with the past, Dell’s overall channel to market is still limited.

Fujitsu

Strengths

- A range of high-quality, enterprise-class products with improved global consistency; in particular, pen-tablet products designed for vertical markets.
- Integrated customer feedback mechanisms and an appropriate service offering.
- Global coverage has improved as a result of Fujitsu buying out Siemens’ share of the joint venture (previously known as Fujitsu Siemens Computers) in Europe.
- For pen-tablet-based solutions, Fujitsu is a viable supplier.

Cautions

- Slipping market share could put future investment in products, programs and services at risk.
- While improving, uneven global presence (particularly in North America) remains a concern for enterprises requiring global delivery.
- Organizations with high numbers of U.S.-based users should consider Fujitsu as a potential supplier only if leveraging Fujitsu’s unique offerings (e.g., pen-tablet solutions) or as part of a broader portfolio purchase with leveraged discounts.

HP

Strengths

- Good understanding of market and execution of market strategy.
- Excellent account management for largest global enterprise customers.
- Broad product offering, with a variety of form factors.
- Best in class for efforts to understand changing user requirements and levels of customer satisfaction.
- Viable supplier for global enterprise customers, regardless of size of the business.

Cautions

- Complexity of contracts when channel partners are used, particularly with complex multilocation requirements, still creates confusion for some customers.
- HP may be hard-pressed to find further ways to reduce the internal costs of its products and services, and may offer less-aggressive discounts to large enterprises.
- While current executive changes may have a long-term impact, PC operations are unlikely to be affected in the next year.

Lenovo

Strengths

- Strong product design, with continued investment in development capabilities.
- Established, well-known ThinkPad brand.
- Good level of targeted innovation, including well-regarded ThinkVantage technologies and tools.
- Continuous improvements in sales strategy, channel and supply chain.
- Viable supplier for all business notebook and desktop requirements.

Cautions

- While the strategy is improving, there remains a lack of coherency between business strategies inside and outside China.
- Although the emerging market position is improving, growth has been concentrated on the IdeaPad line more than the ThinkPad.
- Differentiation provided by the ThinkVantage software tools is eroding as alternative, and often free, capabilities from Microsoft and third parties improve.

Panasonic

Strengths

- Excellent engineering capabilities.
- Strong understanding of selected vertical markets.
- Viable supplier of ruggedized and semiruggedized products with a long history of being in the leading supplier position.
- Strong understanding of mobile broadband and other wireless integration.
- Ongoing improvement of global account management capability, although it is a much more rudimentary offering than those of the leading companies.
- Investments in global operation expansion; however, the coverage is not yet to the level of the leading vendors' global coverage.

Cautions

- Lacks consistent global presence.
- Can provide global service and support, but levels of service are limited and dependent on partners.
- Limited experience with mainstream users outside of vertical solutions.

Toshiba

Strengths

- Good product design and development capabilities, with highly regarded engineering.
- Strong corporate capabilities in select regions, including Canada and Australia.

Cautions

- Lack of desktop offerings makes Toshiba inappropriate if a sole notebook vendor is desired.
- Company focus is shifting toward the nonenterprise notebook market.
- Inconsistent operations among regional subsidiaries.
- Customers requiring high levels of service and support for their notebooks may experience inconsistent execution, especially if operating in multiple countries.

Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets and skills, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.