

Magic Quadrant for Global Enterprise Notebook PCs

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Unlike the general notebook market, in which price is often the main purchase criterion, the global enterprise notebook market requires image stability (consistent hardware configurations), 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 notebooks in multiple regions. The results of this analysis combine evaluations of the vendor attributes that matter most to large-enterprise customers when selecting notebook suppliers: product portfolio, global capability, financial health, service and support.

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

The Magic Quadrant for global enterprise notebook PCs (see Figure 1) is updated each year to reflect changes in market dynamics. Since the 2006 update, we have added two evaluation approaches to the quantitative parameters we obtain from vendors through a questionnaire response: a qualitative analysis based on vendor interviews and a range of submitted case studies, as well as 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 2008 update, we have used the same evaluation process as in 2007, with an exception of adding the subsegment "approach to providing alternative application delivery models" under the innovation segment.

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 notebook vendors that can meet these requirements helps reduce the total cost of notebook ownership.

Gartner regards global presence as significant criteria for evaluating potential notebook 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, a lack of global capabilities for delivery and/or support would put them into a niche or challenger's position. Such smaller vendors are typically specialized in certain vertical markets.

Market Definition/Description

The market is defined by the following descriptions:

- The main products in this market are notebook PCs in various form factors and configurations. Mobile thin-client terminals and PDAs are not included 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
 - 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 notebook PC suppliers that work directly or indirectly with enterprise buyers.

Added

Apple has been added.

Dropped

Gateway has been dropped.

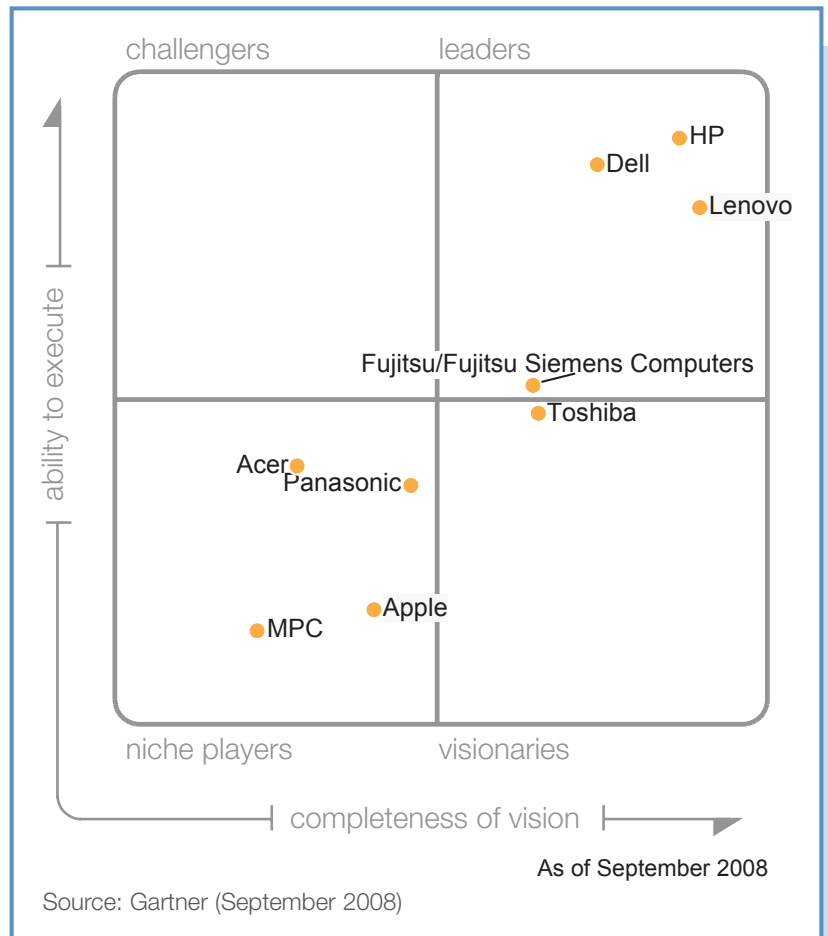
Evaluation Criteria

Ability to Execute

This axis evaluates notebook 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. Ultimately, global enterprise notebook providers are judged on their ability and success in capitalizing on their vision. The ability to execute consists of the following criteria:

- Product availability, which includes product portfolio and range
- Overall viability, which includes product quality and availability, service, and support, as well as the vendor's financial strength
- Sales execution, which includes the availability of special sales teams
- Market 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

Figure 1. Magic Quadrant for Global Enterprise Notebook PCs



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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	standard
Source: Gartner	

Completeness of Vision

This axis evaluates 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. Ultimately, global enterprise notebook providers are rated on their understanding of how market forces can be exploited to create opportunity for the provider. The completeness of vision consists of the following criteria:

- Market understanding, which includes mechanisms for customer feedback
- Marketing organization, 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
- Product strategy, which includes the vendor's strength of R&D and capability of product design and the ability of the vendor to offer image stability
- Vertical/industry strategy, which includes the capability of providing vertical-specific services
- Innovation, which includes product innovation and an approach to providing alternative application delivery models
- Geographic strategy, which includes the capability of providing product and services globally

Leaders

Notebook 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

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	

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 in both axes. They have a low market share, and their market coverage of different regions is limited. It is important to note that a notebook 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 financial and organizational stability
- Growing market visibility
- Global product offerings, with highly efficient supply chain and a strong market presence across many regions

Cautions

- Lack of large-enterprise focus – more transactional focus (small business and retail).
- Global service and support capabilities, as well as account management, are far below those offered by the market leaders.

- Limited capabilities for delivering standardized products across multiple regions.
- Customers requiring high levels of service and support with their notebooks should expect inconsistent execution, especially if operating in multiple countries.

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.
- 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 and high levels of customer support for global enterprise customers in mature markets
- Very high levels of account management for global enterprise customers
- Viable supplier for all business notebook requirements, particularly for global and large-enterprise organizations
- Improvement of organization stability compared with 2007

Cautions

- Improvement of financial strength compared with 2007. However, it should be monitored closely because of more pressure for cost reductions.
- For smaller enterprises that do not achieve “global account status” with Dell, the vendor’s service and support levels may not be consistent.
- Uneven service and support levels in some regions, especially emerging countries.
- Software and service offerings are developing but not yet mature.

Fujitsu/Fujitsu Siemens Computers Strengths

- Broad range of high-quality, enterprise-class notebooks.
- Established and well-regarded pen-tablet products for vertical solutions.
- Integrated customer feedback mechanisms and an appropriate service offering.
- For pen-tablet-based solutions, Fujitsu/Fujitsu Siemens is a viable supplier, regardless of customer location.

Cautions

- Inconsistent global presence (particularly an issue in the North American region with a lack of desktop business), which leads to inconsistent levels of services between regions.
- Organizations with high numbers of U.S.-based users should consider it only as a potential supplier if they have a compelling reason to do so (such as a broader portfolio purchase with leveraged discounts).
- Uncertainty related to Fujitsu Siemens joint venture contract, which will be up for renewal in 2009.

HP Strengths

- Continuous financial and organizational stability
- Good understanding of market
- Improved 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 still creates confusion for some customers.
- Users with complex, multilocation requirements that involve use of third parties should expect complex contracts.

Lenovo Strengths

- Strong product design, with continued investment in development capabilities
- Established, well-known ThinkPad brand
- High level of meaningful innovation, including well-regarded ThinkVantage technology for PC deployments
- Continuous improvements in sales strategy, with a completion of separation of sales organization from IBM
- ThinkVantage utilities, which can be extended to non-Lenovo PCs
- Viable supplier for all business notebook requirements

Cautions

- Lack of coherency between business strategies inside and outside of China.
- Lack of established global channel program.
- Slow penetration into several emerging economies with ThinkPad brand.
- Separation of IBM sales organization could mean less leverage from IBM Global Services.

MPC

Strengths

- Products and support capabilities are well-regarded by customers, especially in the U.S. government sector.
- High-quality product portfolio.
- Well-organized mechanisms for customer feedback, with “high touch” for its limited customer base.
- Opened a Canadian sales office since 2006.
- Now a U.S. public company, resulting in more-transparent financial and organizational reporting.
- Viable as a prospective supplier for U.S.-only (especially government) markets, midvolume notebook contracts or as a second source.

Cautions

- Lack of global presence.
- Focus continues to be mainly in the United States
- Concern for capacity to deliver on high-volume deployments over short intervals

Panasonic

Strengths

- Strong history for delivering “ruggedized” notebooks to vertical markets, such as law enforcement and insurance
- Excellent engineering capabilities
- Strong understanding of selected vertical markets
- Viable supplier of ruggedized and semiruggedized products in North America
- Strong understanding of cellular integration
- Adding global account management capability, although it is a much more rudimentary offering than those of the leading companies

Cautions

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

Toshiba

Strengths

- Good product design and development capabilities, with highly regarded engineering
- Good customer support and service capabilities
- Viable supplier of pen-tablet-based vertical solutions, regardless of customer location

Cautions

- Company has more focus onto nonenterprise notebook business.
- 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 of the individual business unit to continue investing in the product, to continue offering the product and to 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 in order 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, 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 and service-level agreements.

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 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 Web site, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling product 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 set 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 verticals.

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.