

Author: Tom O'Flaherty at INPUT
Date: 1/28/97 11:11 AM
Priority: Normal
TO: Sylvie Benech at Internet
TO: hm@input.de at Internet
TO: mallegr@input.co.uk at Internet
TO: cbourne@input.co.uk at Internet
TO: John Willmot at Internet
CC: Peter Cunningham at INPUT
CC: Peter Lines at Internet
CC: plines@input.com at Internet
Subject: Vertex

----- Message Contents -----

Key issue: Is Vertex serious or are they looking for a few names and some free advice?

If they are serious, then we can help in at least two important ways:

1. Develop a strategy

- Assess their capabilities and offerings in current and potential markets
- Based on above assessment, help prioritize kinds of business/partners and geographies they will target
- Identify pluses and minuses of JVs vs acquisitions, given prioritization above
- Develop acquisition/partnering criteria

Fee range: \$50-75k*

2. Identify candidates

- Profile
- Assess against criteria
- Make approaches, as required
- Fee range: \$75-200k* (largely depending on how many geographic/market segments they go after at one time)

* These are ranges for internal information and assume a fixed fee. The actual fee may be a combination of a fixed professional fee, a monthly retainer and/or a success fee. Expenses are extra.

We have done this sort of work for a number of firms, including Amdahl (multiple engagements; work now being completed in Europe), GE Capital, Dun & Bradstreet, Moore Corporation, Citibank, General Motors.

We have worked with some interesting companies in the U.S. recently on call centers and purchasing services. We, of course, have an in-depth



understanding the outsourcing market

I strongly recommend not providing any names outside of a consulting contract:

- Names out of context are next to useless
- Qualified names are extremely valuable and should be paid for
- Without the step 1 work above, they are likely to go in circles (and on some level blame us for having received incomplete advice, even if free)

If they are serious, I will be more than happy to meet with them in Europe or North America at a mutually convenient time to discuss their needs and how INPUT can help them. This would be followed by a written proposal.



Author: "Chris Bourne" <cbourne@input.co.uk> at Internet
Date: 1/28/97 9:24 AM
Priority: Normal
TO: Tom O'Flaherty at Input
Subject: Vertex

----- Message Contents -----

>Message was resent -- Original recipients were:
To: sybe@input.fr, hm@input.de, mallegr@input.co.uk,
cbourne@input.co.uk-----

John Hillman

(cc) PAC, PL

I recently met Derek Lewis, Chairman of Vertex. Vertex is a subsidiary of =
United Utilities and is established as a separate company to target
businesses = s =
operations outsourcing. The company has =A3200m of outsourcing revenue (IT
= and =
business operations) from its parent company. The company specialises in =
Customer Care (billing etc using up-to-date call centre technology), =
purchasing services and supply chain management and, to a lesser extent,
IT=
=
outsourcing.

Vertex wishes to extend its presence outside the utilities sector and
outsid= de =
the UK. Accordingly with the backing of its =A35Bn parent, it is seeking =
acquisitions, or joint ventures, in both continental Europe and the U.S.
Th= e =

acquisition targets might at present be limited in terms of current
busine= ss =
operations capability but would at least possess a large-scale IT =
infrastructure that could be used as the basis for future business
operatio= ns =
activity.

Do you know of any organisations, probably vendors but large users would
al= so =
be of interest, that might be amenable to an acquisition or joint venture
o= f =
this type?

Regards
John



P.S. Chris, if PAC has any ideas, perhaps you could arrange for him to meet=
=
=

Derek Lewis in February to discuss possible merger targets.

PSS Chris, would you please also forward this email to Tom O'Flaherty to se= e =

if he has any ideas on how we might approach this. I don't have his address=
=

with me.

Sensory net

• Free ideas

• Dev strat / priorities

• Search for candidates

Vendors

IT org

25k-50

75-150k

• Cap

Assess • offerings

in cur/rew mkt

