SEPTEMBER 1994

Professional Services Pricing

—

A Report for Hewlett Packard

INPUT®

Frankfurt • London • New York • Paris • San Francisco • Tokyo • Washington, D.C.

Prepared by
INPUT
17 Hill Street
London W1X 7FB
England

Professional Services Pricing

YNHP •519 • 1994

Table of Contents

I	Introduction	I-1
	A. Purpose	I-1
	B. Scope and Methodology	I-1
II	Executive Overview	II-1
III	Vendor Pricing	III-1
	A. Professional Services and Pricing by Country	III-1
	1. Fee Rates in Local Currency	III-1
	2. Fee Rates in US Dollars	III-6
	B. Professional Services Pricing by Vendor	III-10
	C. Discounting Practice	III-19
	D. Comparative Professional Services Pricing Tables	III-21
	E. Comparative Professional Services Pricing Tables	III-34
IV	Employee Revenue and Gross Margins	IV-1

Exhibits

I	-1	Scope of Research	I-2
	-2	Professional Services Pricing for Named Vendors Grades and their Experience Levels	I-3
	-3	Exchange Rates Used	I-4
II	-1	Fee Rates - European Average by Vendor	II-1
	-2	Fee Rates - European Average By Vendor Type	II-2
	-3	Fee Rates by Country	II-2
	-4	Revenues per Employee and Gross Margin by Vendor Type	II-3
III	-1	Fee Rates (FFs) - in France	III-2
	-2	Fee Rates (DMs) - Germany	III-3
	-3	Fee Rates (£'s) - United Kingdom	III-4
	-4	Fee Rates (Lire Thousands) - Italy	III-5
	-5	Fee Rates ($) - France	III-6
	-6	Fee Rates ($) - Germany	III-7
	-7	Fee Rates ($) - United Kingdom	III-8
	-8	Fee Rates ($) - Italy	III-9
	-9	Fee Rates - IBM	III-10
	-10	Fee Rates - Digital	III-11
	-11	Fee Rates - Bull	III-11
	-12	Fee Rates - SNI	III-12
	-13	Fee Rates - Olivetti	III-12
	-14	Fee Rates - ICL	III-12
	-15	Fee Rates - Andersen Consulting	III-13
	-16	Fee Rates - CGI	III-14
	-17	Fee Rates - Cap Gemini Sogeti	III-14
	-18	Fee Rates - CSC	III-15

III	-19	Fee Rates - debis Systemhaus	III-15
	-20	Fee Rates - EDS	III-16
	-21	Fee Rates - Finsiel	III-16
	-22	Fee Rates - Oracle	III-17
	-23	Fee Rates - Ploenzke	III-17
	-24	Fee Rates - SAG	III-18
	-25	Fee Rates - SAP	III-18
	-26	Fee Rates - Sligos	III-18
	-27	France—Daily Rate (FF)	III-21
	-28	Germany—Daily Rates (DM)	III-24
	-29	U.K.—Daily Rates (£'s)	III-28
	-30	Italy—Daily Rates (Lire thousands)	III-31
	-31	Fee Rates ($)—France	III-34
	-32	Fee Rates ($)—Germany	III-37
	-33	Fee Rate ($)—United Kingdom	III-41
	-34	Fee Rate ($)—Italy	III-44
IV	-1	Revenues per Employee and Gross Margin	IV-2
	-2	Profit per Employee	IV-3
	-3	Revenues per Employee and Gross Margins	IV-4
	-4	Profit per Employee	IV-4

I

Introduction

A
Purpose

The purpose of this report is to provide Hewlett Packard with professional services pricing data for a number of its principal European competitors in the four major European country markets. It is provided in an almost identical format to a previous study provided to Hewlett Packard by INPUT in December 1992. The report is thus able to provide comparative information for Hewlett Packard concerning the degree to which professional services pricing rates have altered in the 20 month period spanning these two research studies.

In addition to covering all the vendors studied previously this new report also included research on four additional vendors, namely CSC, debis Systemhaus and SAG in Germany and Sligos in France.

In addition to providing information on daily charge-out rates, revenue per employee and gross margin figures are also provided.

B
Scope and Methodology

The report covers the professional services activities of six systems vendors and twelve professional services/software product vendors across France, Germany, Italy and the United Kingdom.

The specific coverage by country for each vendor included in this survey is as shown in Exhibit I-1.

Exhibit I-1

Scope of Research

	Country			
Company	**France**	**Germany**	**Italy**	**UK.**
Systems Vendors				
IBM	●	●	●	●
Digital	●	●	●	●
Bull	●			
SNI		●		
Olivetti			●	
ICL				●
Professional Services & Software Product Vendors				
Andersen Consulting	●	●	●	●
CGI	●			
CGS	●	●	●	●
CSC	●	●	●	●
debis systemhaus		●		
EDS	●	●	●	●
Finsiel			●	
Oracle				●
Ploenzke		●		
SAG		●		
SAP		●		
Sligos	●			

Source: INPUT

For each vendor, the daily sales rate used in proposals/quotations are provided by country for each of the four levels of staff shown in Exhibit I-2. The original 1992 report only covered three grades of staff corresponding to the three lower grades shown here i.e. lower, middle and upper. To this has been added the Executive grade to incorporate additional information collected relating to the *partner* level personnel and very senior project management executives that are placed on significant projects or management consulting related assignments.

Exhibit I-2

Professional Services Pricing for Named Vendors Grades and their Experience Levels

Personnel Groups	Grade	Experience Level
Programmer/Junior analyst	Lower	1-5+ years
Senior Analyst/Programmer	Middle	5-7+ years
Project Manager/Senior Consultant	Upper	7-10+ years
Executive /Partner	High level	10+ years

Source: INPUT

The lower grade covers junior programmers and analysts.

The middle grade will include quality managers , systems designers, team leaders (typically for teams of up to 8 - 10 people) and consultants.

The upper grade will comprise both senior and principal consultants and project managers.

The high level grade will comprise project directors, technology directors and executive directors and will be peopled by individuals who have partner or executive status in their firms.

Revenues per employee and margins per employee are also provided. The data is based on information collected from vendors by INPUT. Further desk research was used to interpret information concerning each vendor's revenues per employee and gross margins.

Fee rates are shown in both local currency and US dollars. The exchange rates used are shown in Exhibit I-3.

II

Executive Overview

Chapter III of this report provides detailed comparisons of individual vendor professional services pricing and Chapter IV provides margin and profitability data. This chapter provides the following summaries of this data:

- European average daily rates for the equipment vendors included in the survey, shown in Exhibit II-1
- Average daily rates by vendor type, shown in Exhibit II-2
- Average daily rates by country, shown in Exhibit II-3
- Average revenues per employee and gross margin data by vendor type, shown in Exhibit II-4.

Exhibit II-1

Fee Rates - European Average by Vendor

	Daily Fee Rates ($)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	680	1040	1040	1440	1440	1700	2100	-
Digital	730	950	1120	1320	1495	1710	2250	-
Andersen Consulting	590	830	1120	1620	1650	2360	2600	3980
CGS	540	800	850	1190	1180	1560	2360	-
CSC	420	610	900	1180	1370	1500	2200	2100
EDS	450	730	710	1170	1080	1490	-	-

Source: INPUT

Exhibit I-3

Exchange Rates Used

Country	Currency	US Dollar Exchange Rate
France	FF	5.67
Germany	DM	1.67
Italy	Lire '000s	1,633
UK	£	0.67

Source: INPUT

Exhibit II-2

Fee Rates - European Average By Vendor Type

Vendor Type	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Equipment Vendor	700	1000	1100	1400	1500	1700	2200	-
Professional Services Vendor	500	750	900	1300	1350	1750	2400	3000

Source: INPUT

Exhibit II-3

Fee Rates by Country

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	560	820	920	1260	1360	1640	2080	2800
Germany	650	840	1030	1260	1370	1710	2040	2040
United Kingdom	630	920	980	1450	1360	1780	2460	3750
Italy	360	630	740	1050	1160	1560	1990	-
Average (rounded)	555	820	940	1290	1350	1900	2140	2860

Source: INPUT

Exhibit II-4

Revenues per Employee and Gross Margin by Vendor Type

Vendor Type	Revenues per Employee ($K)	Average Employee Cost ($K)	Gross Margin (%)
Equipment vendor (Prof. Services)	182	78	57
Professional services vendor	119	63	47
Software product vendor	125	58	54

Source: INPUT

III

Vendor Pricing

A
Professional Services and Pricing by Country

This chapter contains the vendor fee rates organised by country, in both local currency and in US dollars for comparative purposes, and by vendor.

The four countries covered are France, Germany, the United Kingdom and Italy. The exchange rates used for conversion from local currency to US dollars are as shown in Chapter I.

The fee rates quoted are daily rates. Where vendors provided hourly rate information it was converted to daily rates assuming a seven-hour working day. The rates shown exclude VAT and any additional expenses such as travel costs.

A range of charging rates is provided for each grade resulting in two rates, one for the lowest rate known to be charged for the category by the vendor, the other the highest charge-out rate. The rates shown are basic rates and are therefore the rates used prior to any quantity or time related discounts. Where available this information is noted separately.

The principal reason for the variation in the range is that vendors use more classifications than analysed here in some cases.

1. Fee Rates in Local Currency

Exhibits III-1 through III-4 show vendor's professional services fee rates currently being used in France, Germany, the United Kingdom and Italy in local currency.

Exhibit III-1

Fee Rates (FFs) - in France

Vendor	Daily Fee Rates (FFs)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	3500	5000	5000	8000	8000	-	12000	-
Digital	4050	5400	6200	7000	9800	-	-	-
Bull	3300	4300	5150	6700	7500	8600	10300	11800
Andersen Consulting	3000	5000	7000	10000	10000	15000	16000	24000
CGI	4000	5500	6000	8000	8000	-	14000	-
CGS	4000	6500	7000	9000	8500	14000	14000	-
CSC	1800	3500	3500	5000	6000	8500	8500	12000
EDS	2750	4000	4000	6000	6000	8000	-	-
Sligos	2000	2800	3200	4500	5500	6500	8000	-
Average (rounded)	3200	4670	5230	7130	7700	10100	11830	15930

Source: INPUT

Exhibit III-2

Fee Rates (DMs) - Germany

	Daily Fee Rates (DMs)							
Vendor	**Lower Grade**		**Middle Grade**		**Upper Grade**		**Executive Grade**	
	From	To	From	To	From	To	From	To
IBM	1500	2000	2000	2700	2700	-	3500	-
Digital	1350	1500	2000	2400	2500	-	-	-
SNI	1000	1200	1500	2000	2000	2400	-	-
Andersen Consulting	1200	1500	2300	2800	3000	4000	-	-
CGS	800	1300	1500	1600	2000	3000	-	-
CSC	850	1100	1600	2250	2500	-	3500	-
debis systemhaus	-	-	1700	1900	2500	-	3200	3400
EDS	800	1200	1200	1800	1800	2600	-	-
Ploenzke	1100	1300	1400	1800	1800	2600	-	-
SAG	-	-	1700	1900	2100	2500	-	-
SAP	1180	1460	1820	2000	2150	-		
Average (rounded)	1090	1400	1700	2050	2160	2850	3400	3400

Source: INPUT

Exhibit III-3

Fee Rates (£'s) - United Kingdom

	Daily Fee Rates (£s)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	400	775	775	1000	1000	1250	-	-
Digital	600	800	900	1100	1100	1300	1500	-
ICL	400	600	500	700	750	1000	-	-
Andersen Consulting	500	700	700	1200	1000	1700	1700	2500
CGS (Hoskyns)	425	570	470	680	850	1050	1500	-
CSC	350	400	800	1000	1000	-	2000	-
EDS	300	500	450	1000	800	1000	-	-
Oracle	350	650	650	1000	800	-	1500	-
Average (rounded)	400	625	660	960	940	1220	1640	2500

Source: INPUT

Exhibit III-4

Fee Rates (Lire Thousands) - Italy

	Daily Fee Rates (Lire Thousands)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	1000	1500	1500	2000	2000	2500	-	-
Digital	800	1200	1350	1550	1800	2400	-	-
Olivetti	600	800	900	1500	1600	2400	-	-
Andersen Consulting	600	800	1300	2000	2500	3000	4000	-
CGS	550	720	900	-	1200	-	-	-
CSC	550	900	1300	1600	2300	-	-	-
EDS	600	1200	1200	1700	1600	2400	-	-
Finsiel	600	800	1000	1600	2000	-	2500	-
Average (rounded)	660	990	1180	1700	1880	2500	3250	-

Source: INPUT

2. Fee Rates in US Dollars

Exhibits III-5 through III-8 show vendor's fee rates for France, Germany, the United Kingdom and Italy in US dollars for comparative purposes.

Exhibit III-5

Fee Rates ($) - France

	Daily Fee Rates ($)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	620	880	880	1410	1410	-	2100	-
Digital	720	950	1090	1240	1730	-	-	-
Bull	590	760	900	1200	1300	1500	1800	2100
Andersen Consulting	530	880	1240	1770	1770	2650	2820	4200
CGI	700	970	1060	1410	1410	-	2470	-
CGS	700	1150	1240	1590	1500	-	2470	-
CSC	320	620	620	900	1060	1500	1500	2100
EDS	490	700	700	1060	1060	1410	-	-
Sligos	350	500	560	800	1000	1150	1400	-
Average (rounded)	560	820	920	1260	1360	1640	2080	2800

Source: INPUT

Exhibit III-6

Fee Rates ($) - Germany

Vendor	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	900	1200	1200	1620	1620	-	2100	-
Digital	800	900	1200	1440	1500	-	-	-
SNI	600	720	900	1200	1200	1440	-	-
Andersen Consulting	720	900	1380	1680	1800	2400	-	-
CGS	480	720	900	960	1200	1800	-	-
CSC	500	660	960	1350	1500	-	2100	-
debis systemhaus	-	-	1000	1140	1500	-	1920	2040
EDS	480	720	720	1080	1080	1560	-	-
Ploenzke	660	780	840	1080	1080	1560	-	-
SAG	-	-	1020	1140	1260	1500	-	-
SAP	700	880	1100	1200	1290	-	-	-
Average (rounded)	650	840	1030	1260	1370	1710	2040	2040

Source: INPUT

Exhibit III-7

Fee Rates ($) - United Kingdom

Vendor	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	600	1160	1160	1500	1500	1880	-	-
Digital	900	1200	1350	1650	1650	1950	2250	-
ICL	600	750	750	1050	1130	1500	-	-
Andersen Consulting	750	1050	1050	1800	1500	2550	2550	3750
CGS (Hoskyns)	640	860	700	1020	1280	1310	2250	-
CSC	530	600	1200	1500	1500	-	3000	-
EDS	450	750	680	1500	1200	1500	-	-
Oracle	530	980	1000	1500	1200	-	2250	-
Average (rounded)	630	920	980	1450	1360	1780	2460	3750

Source: INPUT

Exhibit III-8

Fee Rates ($) - Italy

	Daily Fee Rates ($)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	600	920	920	1220	1220	1530	-	-
Digital	500	740	830	950	1100	1470	-	-
Olivetti	370	500	550	920	980	1470	-	-
Andersen Consulting	370	500	800	1220	1530	1840	2450	-
CGS	340	440	550	-	740	-	-	-
CSC	340	550	800	980	1400	-	-	-
EDS	370	750	750	1040	980	1470	-	-
Finsiel	400	640	750	1040	1200	-	1530	-
Average (rounded)	360	630	740	1050	1160	1560	1990	-

Source: INPUT

B
Professional Services Pricing by Vendor

Exhibits III-9 through III-26 summarise the professional services fee rates for all the vendors included in the survey, where appropriate comparing the fee rates in the four countries covered. The rates are all shown in US dollars for ease of comparison, using the exchange rates shown in Exhibit I-3 in Chapter I.

Exhibit III-9

Fee Rates - IBM

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	620	880	880	1410	1410	-	2100	-
Germany	900	1200	1200	1620	1620	-	2100	-
UK	600	1160	1160	1500	1500	1880	-	-
Italy	600	920	920	1220	1220	1530	-	-
Average (rounded)	680	1040	1040	1440	1440	1700	2100	-

Source: INPUT

Exhibit III-10

Fee Rates - Digital

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	715	950	1090	1235	1730	-	-	-
Germany	800	900	1200	1440	1500	-	-	-
UK	900	1200	1350	1650	1650	1950	2250	-
Italy	500	740	830	950	1100	1470	-	-
Average (rounded)	730	950	1120	1320	1495	1710	2250	-

Source: INPUT

Exhibit III-11

Fee Rates - Bull

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	590	760	900	1200	1300	1500	1800	2100

Source : INPUT

Exhibit III-12

Fee Rates - SNI

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	600	720	900	1200	1200	1440	-	-

Source: INPUT

Exhibit III-13

Fee Rates - Olivetti

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Italy	370	500	550	920	980	1470	-	-

Source : INPUT

Exhibit III-14

Fee Rates - ICL

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
UK	600	750	750	1050	1130	1500	-	-

Source : INPUT

Exhibit III-15

Fee Rates - Andersen Consulting

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	530	880	1240	1770	1770	2650	2820	4200
Germany	720	900	1380	1680	1800	2400	-	-
UK	750	1050	1050	1800	1500	2550	2550	3750
Italy	370	500	800	1220	1530	1840	2450	-
Average (rounded)	590	830	1120	1620	1650	2360	2600	3980

Source: INPUT

Exhibit III-16

Fee Rates - CGI

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	700	970	1060	1410	1410	-	2470	-

Source : INPUT

Exhibit III-17

Fee Rates - Cap Gemini Sogeti

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	700	1150	1240	1590	1500	-	2470	-
Germany	480	780	900	960	1200	1800	-	-
UK	640	860	700	1020	1280	1310	2250	-
Italy	340	440	550	-	740	-	-	-
Average (rounded)	540	800	850	1190	1180	1560	2360	-

Source : INPUT

Exhibit III-18

Fee Rates - CSC

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	320	620	620	900	1060	1500	1500	2100
Germany	500	660	960	1350	1500	-	2100	-
UK	530	600	1200	1500	1500	-	3000	-
Italy	340	550	800	980	1400	-		
Average (rounded)	420	610	900	1180	1370	1500	2200	2100

Source : INPUT

Exhibit III-19

Fee Rates - debis Systemhaus

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	-	-	1000	1140	1500	-	1920	2040

Source : INPUT

Exhibit III-20

Fee Rates - EDS

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	490	700	700	1060	1060	1410	-	-
Germany	480	720	720	1080	1080	1560	-	-
UK	450	750	680	1500	1200	1500	-	-
Italy	370	750	750	1040	980	1470	-	-
Average (rounded)	450	730	710	1170	1080	1490	-	-

Source: INPUT

Exhibit III-21

Fee Rates - Finsiel

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Italy	400	640	750	1040	1200	-	1530	-

Source : INPUT

Exhibit III-22

Fee Rates - Oracle

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
UK	530	980	1000	1500	1200	-	2250	-

Source : INPUT

Exhibit III-23

Fee Rates - Ploenzke

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	660	780	840	1080	1080	1560	-	-

Source : INPUT

Exhibit III-24

Fee Rates - SAG

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	-	-	1020	1140	1260	1500	-	-

Source : INPUT

Exhibit III-25

Fee Rates - SAP

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	700	880	1100	1200	1290	-	-	-

Source : INPUT

Exhibit III-26

Fee Rates - Sligos

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	350	500	560	800	1000	1150	1400	-

Source : INPUT

C
Discounting Practice

This section lists the discounting practices specifically referred to by vendors in the course of the research. Clearly all vendors will negotiate rates depending on the special conditions relating to the particular project or account.

Andersen Consulting would not generally be considered to be in the headcount discounting business since they are a leading example of an IT professional services firm pushing hard into business integration and process related contracts as manifested by their Business Process Management Practice. However, clearly some part of their business, particularly in France and Italy, does engage in body shopping type activity where quantity discounts are available. Andersen Consulting state that long-term discounts will apply on jobs of 1-2 years in duration and can be up to 30% of daily rates.

In France Bull reported using a formula, based on the number of site visits per year committed to, to calculate discounts for basic support delivered by professional services staff.

The formula is based on a daily rate to which additional hours can be added at a rate of one quarter the daily quoted rate. If a client commits to a certain fixed number of site visits per year in advance the following discounts apply:

- For 6 visits per year discounts of 16% on lower grades, no discounts on middle and upper grades.
- For 11 visits per year discounts of approximately 20% on lower and middle grades only. No discount for upper grades.
- For 22 visits per year discounts ranging from 21% on lower grades to 17% on upper grades.

Cap Gemini Sogeti units reported on a number of discounting practices. In Germany Cap/debis stated that they offered discounts of 10-15% for at least a commitment to 3-5 days work. Above this, rates were negotiable depending on special circumstances surrounding the project. debis systemhaus reported that all discounts were only by negotiation.

In the UK Hoskyns operates a *short term* and *long term* rate card. For the *long term* card discounts amount to the following in comparison to the *short term* card:

- Lower level - eight and a half percent

- Middle level - up to 20 %
- Upper level - up to 16%.

Digital operates a standard discounting system based on the metric of 5% discount for every 30 days of booked time. This operates up to a discount maximum of 30%. For example a 120 - 150 project will qualify for a 25% discount, a 150 to 180 day project for the maximum of 30%.

IBM also appears to operate a standard discount structure to be applied to its basic daily rate professional services fee card. This is structured around quarterly and annual commitment bases. These are calculated on the basis of 50 days as a quarter and 200 days as an annual figure. Some further discounting is given on the quarterly rates (believed to be around 10% of daily rates), this amounts only to 4% for senior people, no discount for junior grades. The annual rates, at about 20% below daily rates are not discounted further at all.

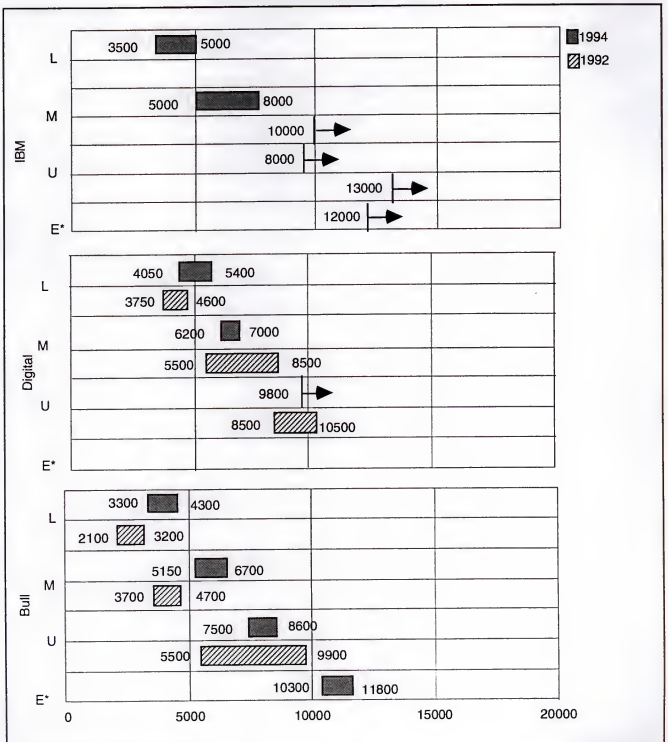
ICL in the UK reported using a daily and weekly rate card. The weekly rate represents a 9% discount over the daily rate. Further to this monthly discounts apply which will be calculated on the particular circumstances of the project but which will not exceed 15% over daily rates.

SAG in Germany reported using discounts for long term projects in the range of 5-10%.

D
Comparative Professional Services Pricing Tables

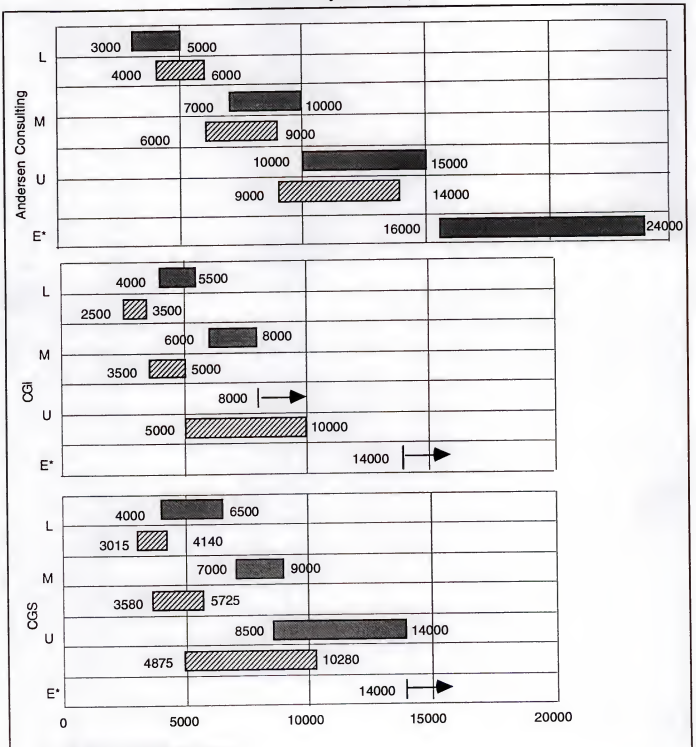
Exhibit III-27

France—Daily Rate (FF)



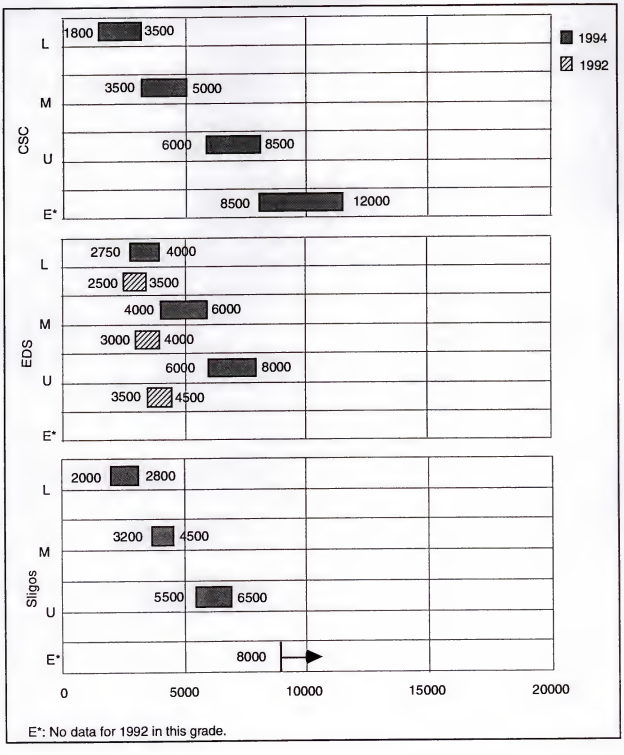
E*: No data for 1992 in this grade.

France—Daily Rates (FF)



E*: No data for 1992 in this grade.

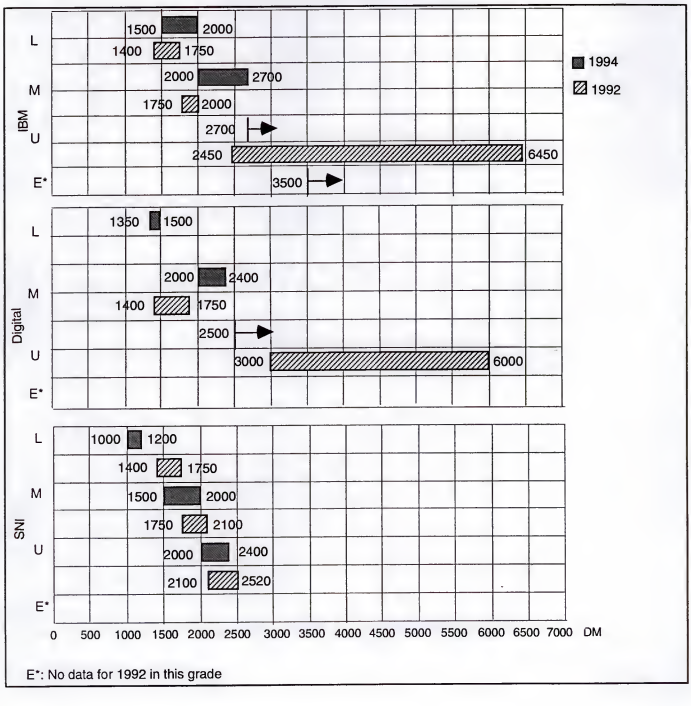
France—Daily Rates (FF)



E*: No data for 1992 in this grade.

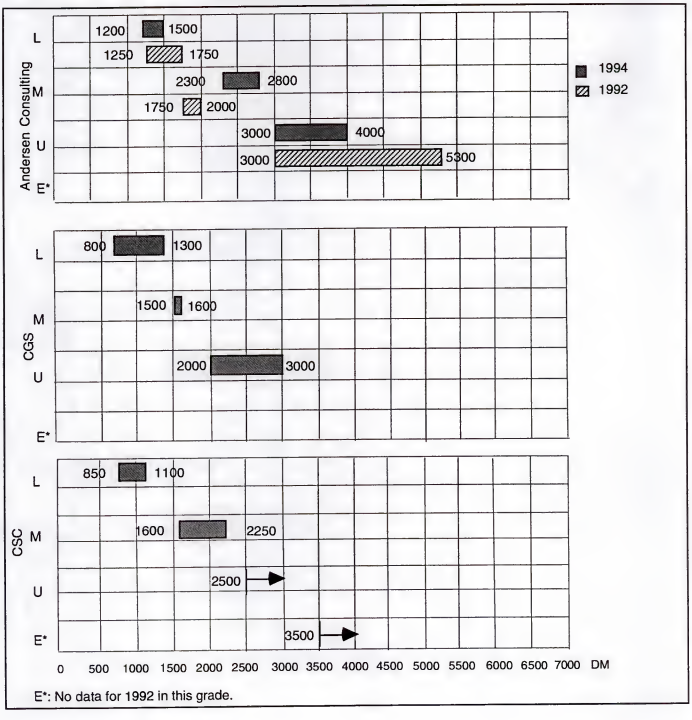
Exhibit III-28

Germany—Daily Rates (DM)



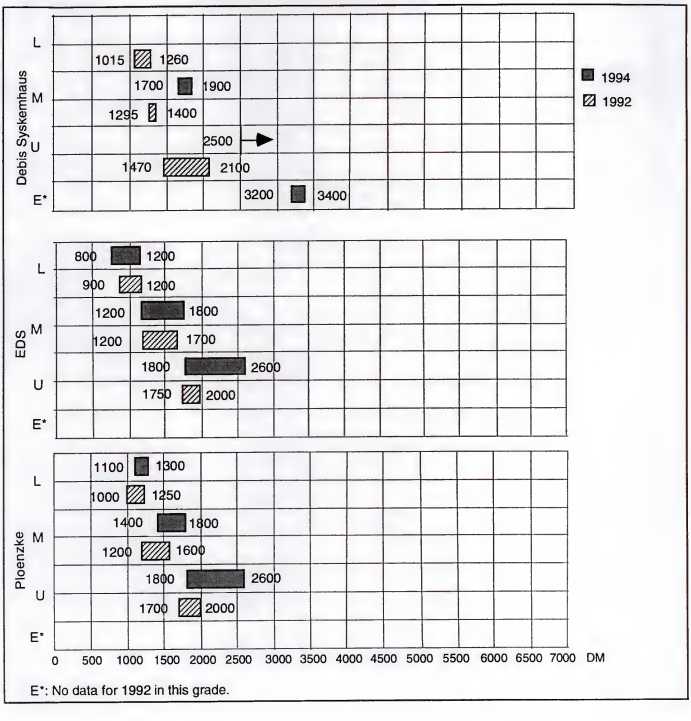
E*: No data for 1992 in this grade

Germany—Daily Rates (DM)



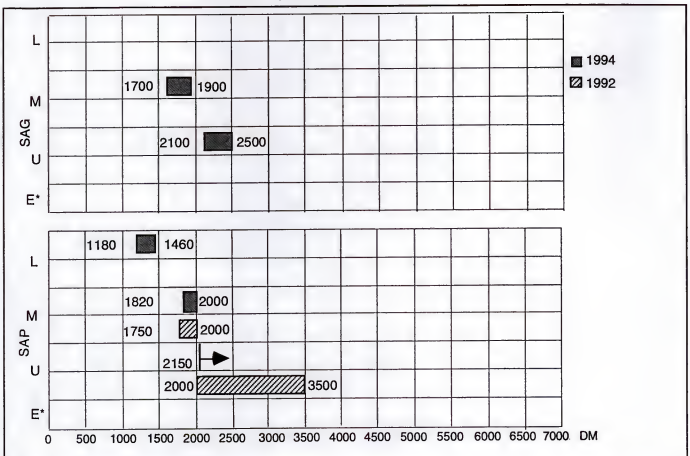
E*: No data for 1992 in this grade.

Germany—Daily Rates (DM)



E*: No data for 1992 in this grade.

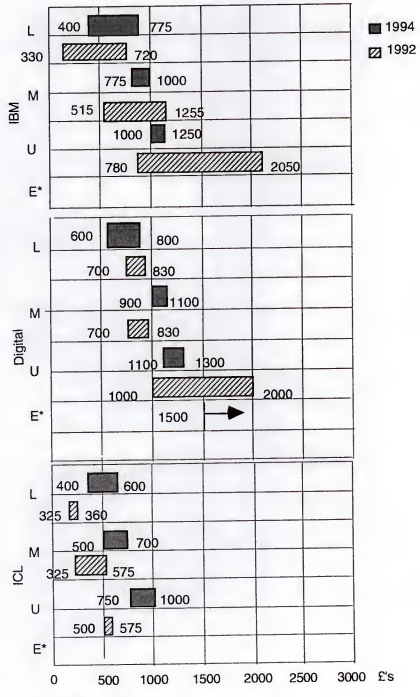
Germany—Daily Rates (DM)



E*: No data for 1992 in this grade.

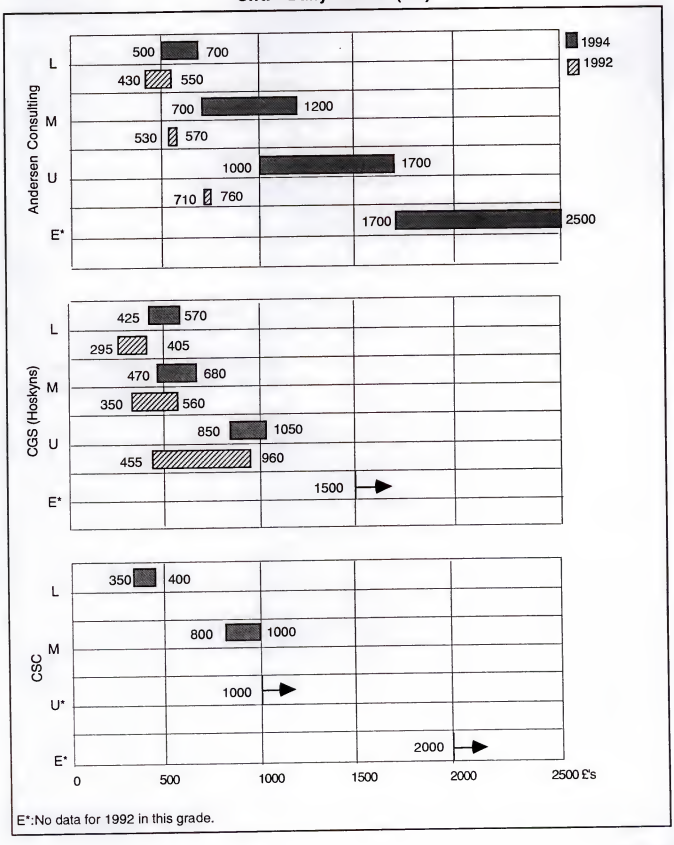
Exhibit III-29

U.K.—Daily Rates (£'s)



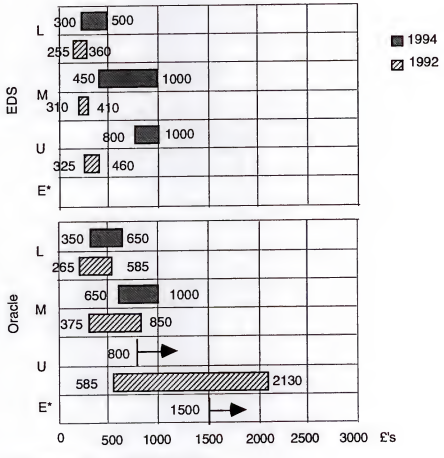
E*: No data for 1992 in this grade.

U.K.—Daily Rates (£'s)



E*:No data for 1992 in this grade.

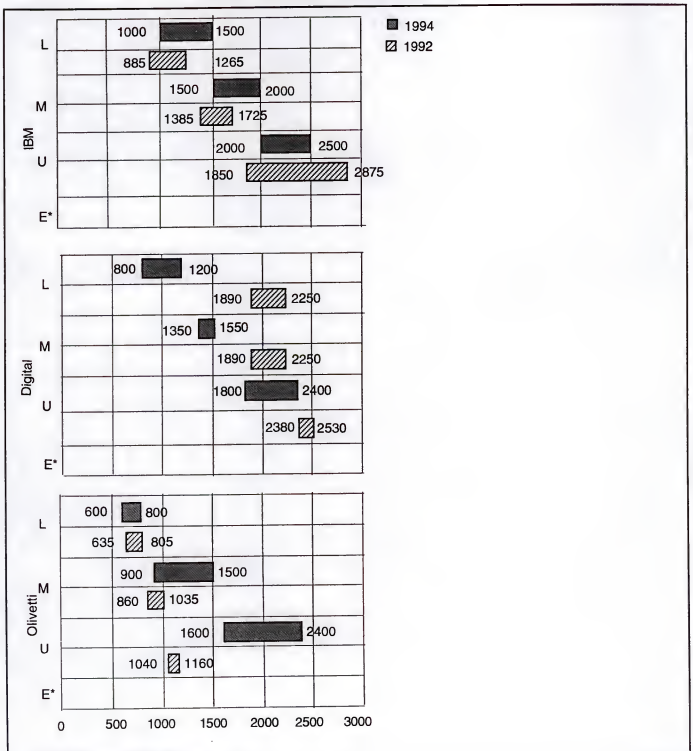
U.K.—Daily Rates (£'s)



E*: No data for 1992 in this grade.

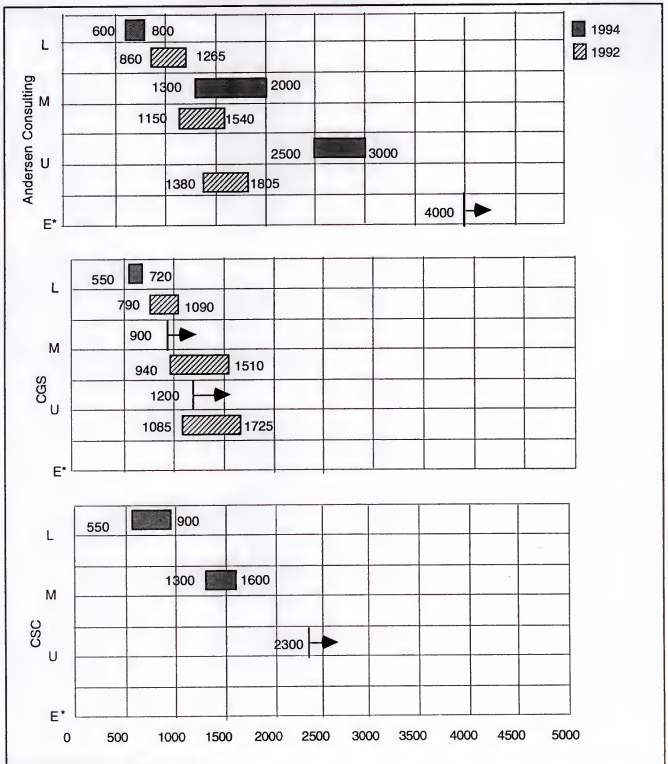
Exhibit III-30

Italy—Daily Rates (Lire thousands)



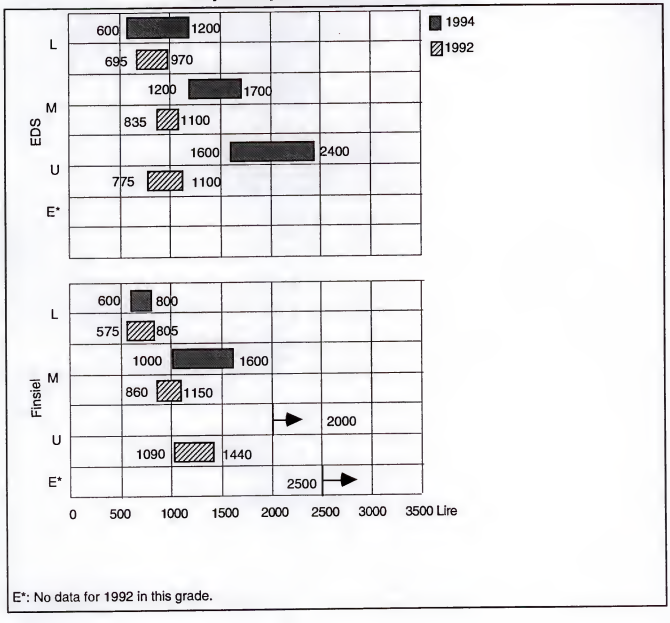
E*: No data for 1992 in this grade.

Italy—Daily Rates (Lire thousands)



E*: No data for 1992 in this grade.

Italy—Daily Rates (Lire thousands)



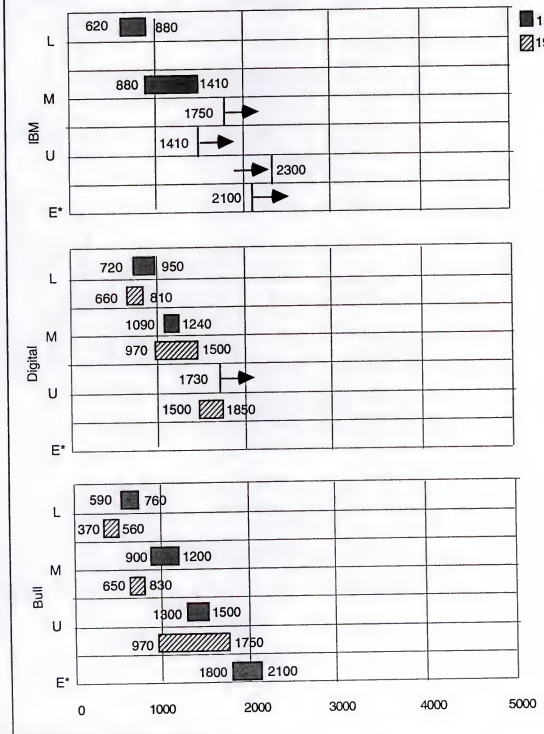
E*: No data for 1992 in this grade.

E
Comparative Professional Services Pricing Tables

This section contains comparative tabular data for all the vendors surveyed, converted to U.S. dollars. To ensure a valid comparison between 1992 and 1994 data the 1994 and exchange rate has been used for all conversions.

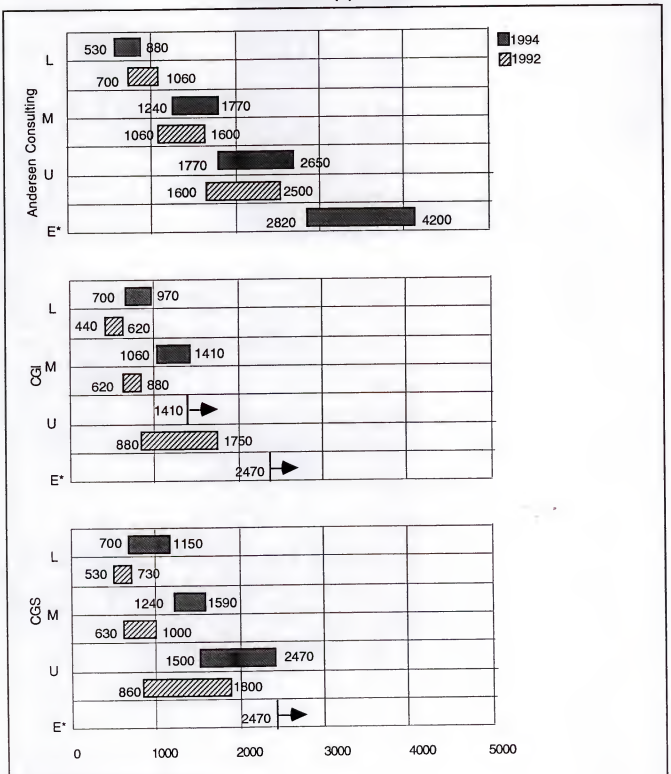
Exhibit III-31

Fee Rates ($)—France



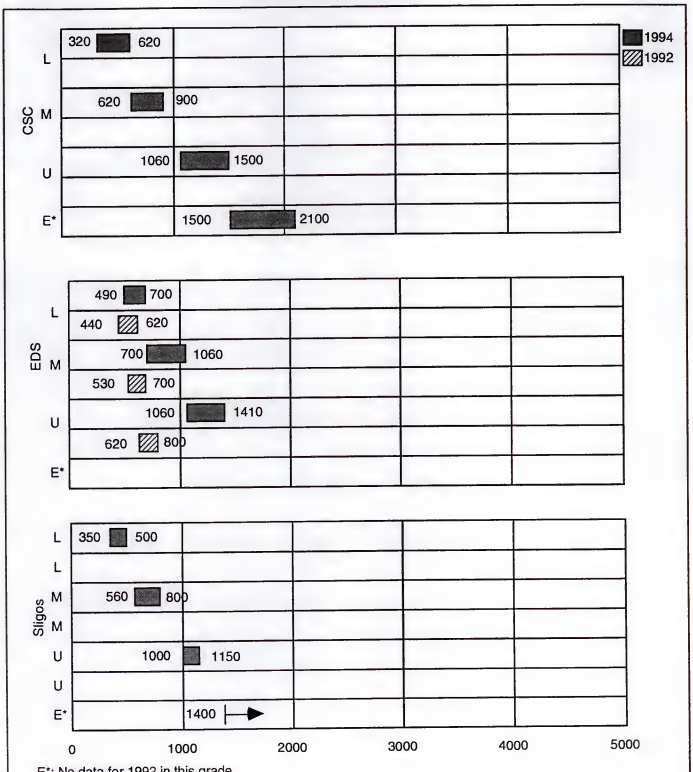
E*: No data for 1992 in this grade.

Fee Rates ($)—France



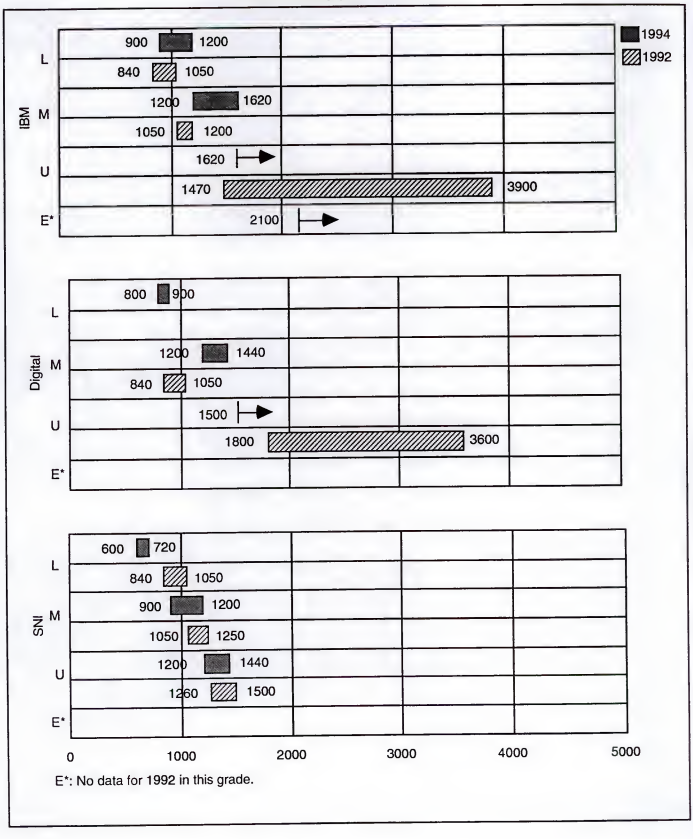
E*: No data for 1992 in this grade.

Fee Rates ($)—France



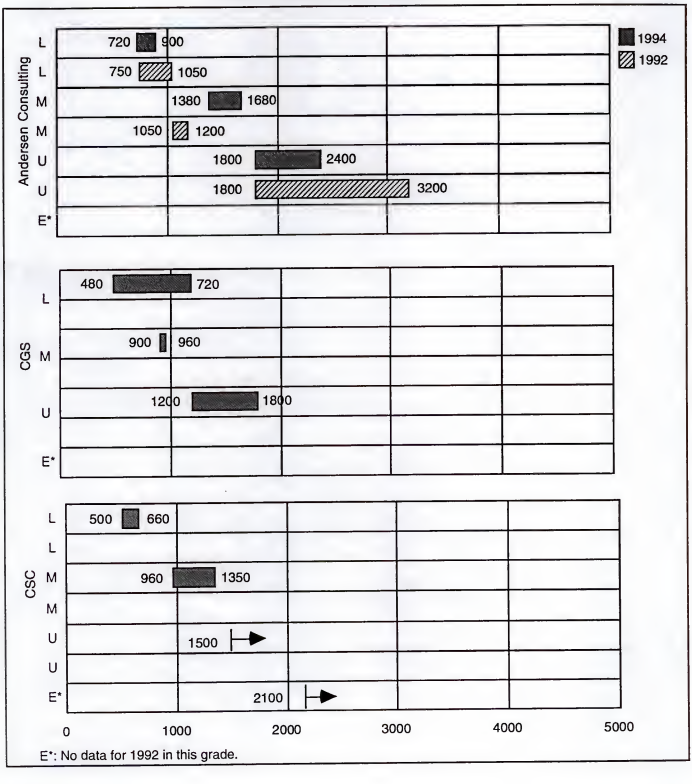
E*: No data for 1992 in this grade.

Fee Rates ($)—Germany



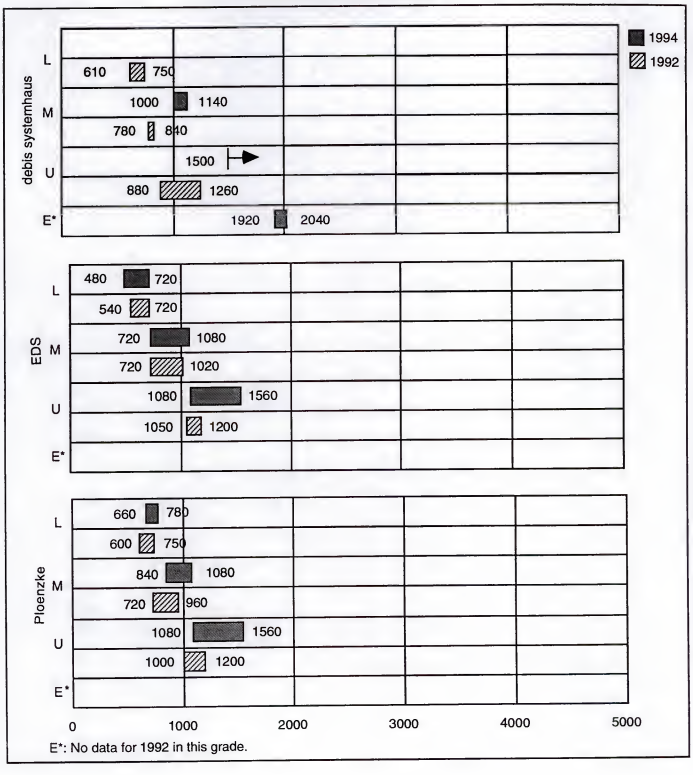
E*: No data for 1992 in this grade.

Fee Rates ($)—Germany



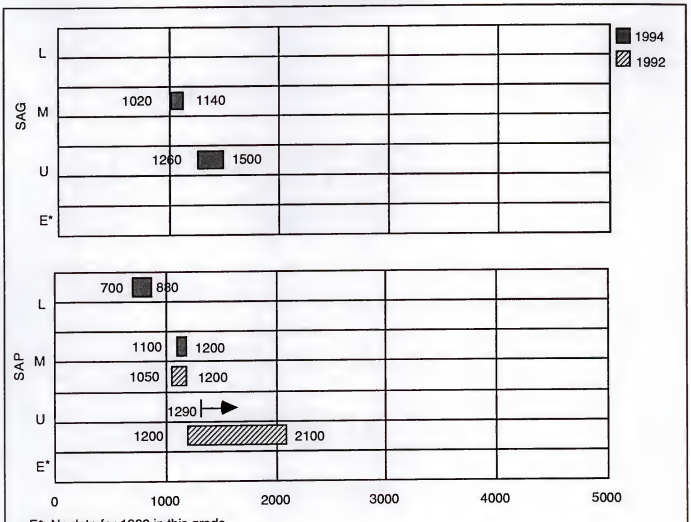
E*: No data for 1992 in this grade.

Fee Rates ($)—Germany



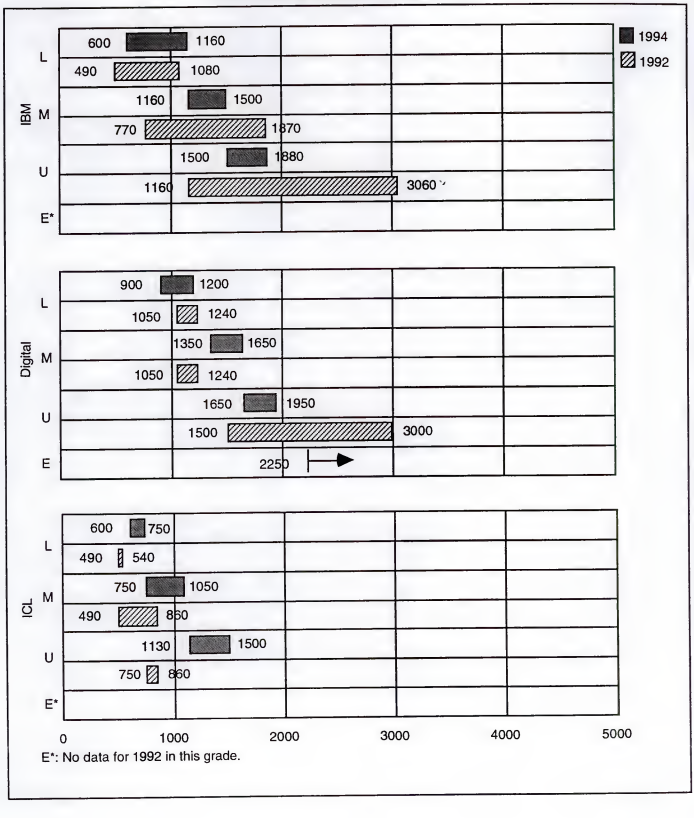
E*: No data for 1992 in this grade.

Fee Rates ($)—Germany



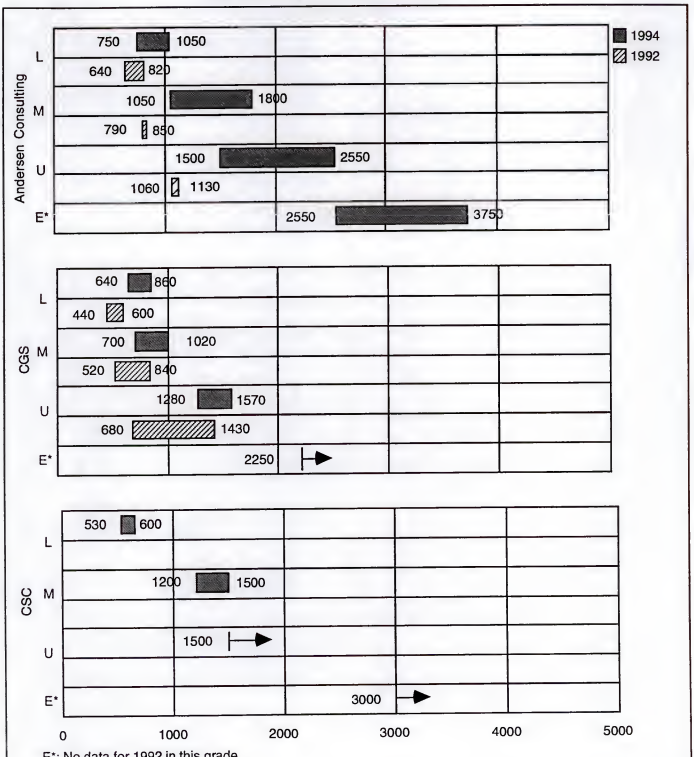
E*: No data for 1992 in this grade.

Fee Rate ($)—United Kingdom



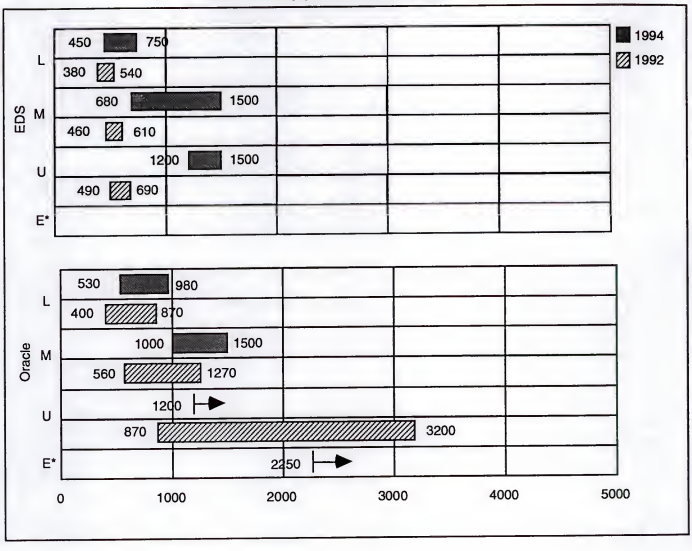
E*: No data for 1992 in this grade.

Fee Rate ($)—United Kingdom

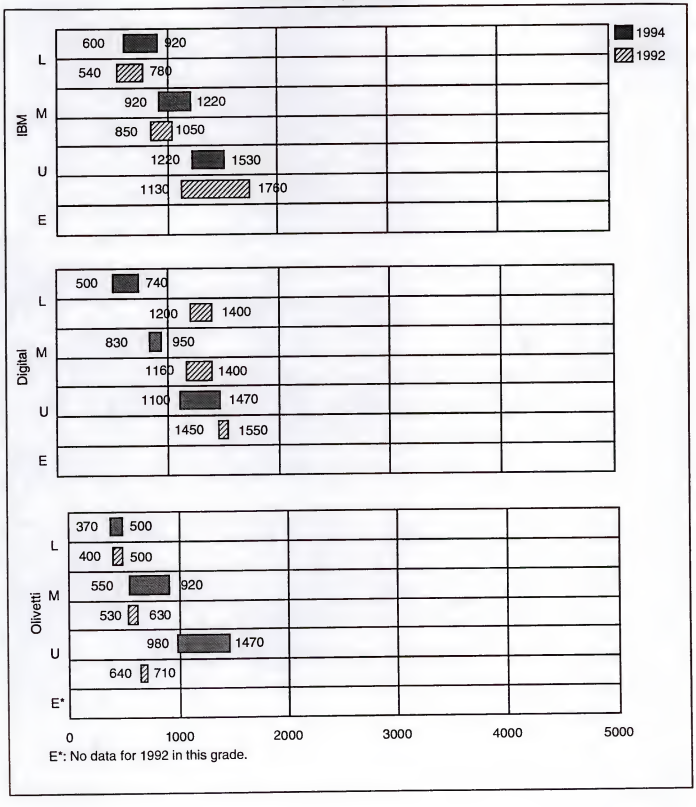


E*: No data for 1992 in this grade.

Fee Rate ($)—United Kingdom

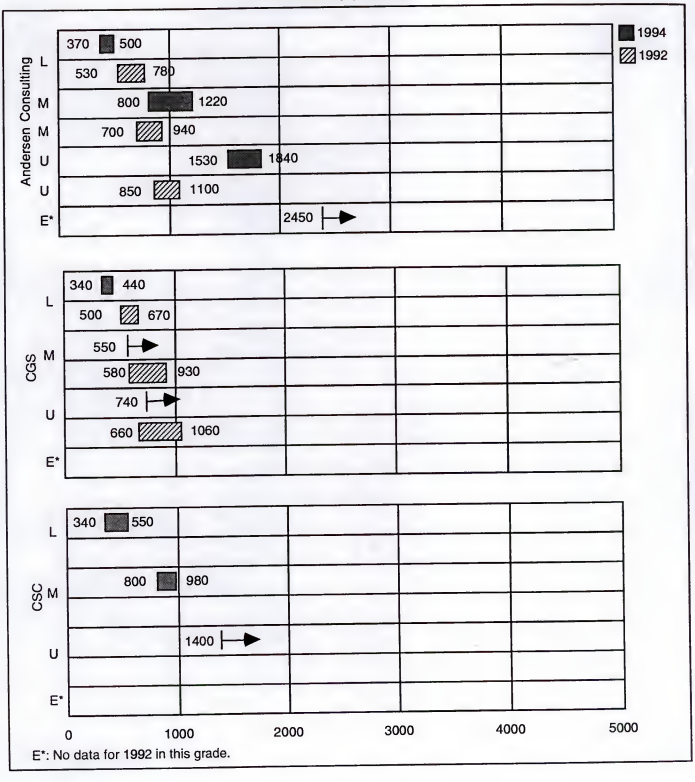


Fee Rate ($)—Italy



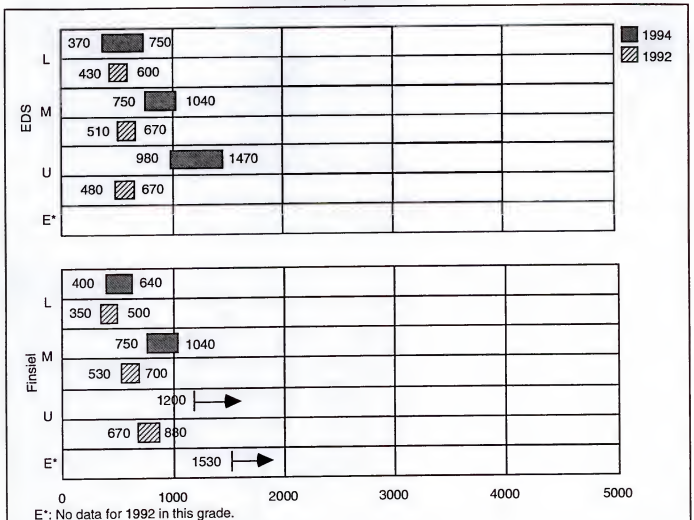
E*: No data for 1992 in this grade.

Fee Rate ($)—Italy



E*: No data for 1992 in this grade.

Fee Rate ($)—Italy



E*: No data for 1992 in this grade.

IV

Employee Revenue and Gross Margins

Exhibit IV-1 lists the revenues per employee and gross margin (after salary costs) for the professional services and software product vendors included in the study.

The revenue per employee and average employee cost have been calculated either for the organisation as a whole or for the professional services element of that organisation. The basis of the calculation is indicated in the Exhibits in each case.

Profit per employee data for the vendors covered in the survey is shown in Exhibit IV-2. This data provides Hewlett Packard with a measure of the profitability of each vendor when operating at the gross margins indicated in Exhibit IV-1.

Exhibit IV-1

Revenues per Employee and Gross Margin 1993
Software and Services Vendors

Company	Region	Revenues per employee $K	Average employee cost $K	Gross Margin %	Total Firm / Prof. Services
Andersen Consulting	Europe	112	60	46	TF
CGI	France	85	65	24	TF
CGS	W/W	104	65	38	TF
CSC	Europe	90	72	18	TF
debis systemhaus	Germany	159	66	58	TF
EDS	Europe	127	60	53	TF
Finsiel	Italy	142	65	54	TF
Oracle	W/W	145	65	55	TF
Ploenzke	Germany	109	67	39	TF
SAG	Germany	115	44	62	TF
SAP	Germany	154	58	40	TF
Sligos	France	108	47	56	TF
Average (rounded) Prof. Services	-	119	63	47	-
Average (rounded) Software Product Vendor	-	125	58	54	-

Source: INPUT

Exhibit IV-2

Profit per Employee 1993
Software and Services Vendors

Company	Profit per employee (before tax and interest)	Total Firm / Prof. Srvcs.
Andersen Consulting	11.0	TF
CGI	4.7	TF
CGS	(3.4)	TF
CSC	4.1	TF
EDS	16.1	TF
Finsiel	4.1 (after tax)	TF
SAG	7.5	TF
SAP	28.6	TF
Sligos	8.5	TF

Source: INPUT

These two tables reflect the revenues per employee, gross margins, and profit per employee for organisations operating primarily within the software product and professional services markets.

However, it should be noted that the software product vendors generally achieve much higher revenue per employee and gross margins than professional services vendors.

Exhibits IV-3 and IV-4 show comparable tables for the equipment vendors included in the sample. It can be seen in Exhibit IV-3 that there is a marked difference between the data provided for IBM. Digital and Bull in comparison to that of SNI, Olivetti and ICL. It would seem that the data provided is not directly comparable and that other business elements, e.g. software product revenues or subcontracted work is included in the former vendor group data.

Exhibit IV-3

Revenues per Employee and Gross Margins 1993
Equipment Manufacturers

Company	Region	Revenues per employees $K	Average employee cost $K	Gross Margin (%)	Total Firm / Prof. Svcs.
IBM	W/W	250	85	66	PS
Digital	W/W	231	80	65	PS
Bull	Europe	210	78	63	PS
SNI	Germany	112	75	33	PS
Olivetti	Italy	150	65	57	TF
ICL	UK	108	72	70 33%	PS
Average (rounded) (Excludes Olivetti)	-	182	78	57	-

Source: INPUT

Exhibit IV-4

Profit per Employee 1993
Equipment Manufacturers

Company	Profit per employee $K
IBM	(32.0)
Digital	(3.0)
Bull	(20)
SNI	(8)
Olivetti	(8)
ICL	1.6

Source: INPUT

INPUT

CONFIDENTIAL—Property of INPUT

CONTACT REPORT

Contact Date: / /

INPUT Staff: Init. PL Init. _____ ☐ INPUT office ☐ Client Office ☐ Other _____ Date Written: / /

	DISTRIBUTION:			Prog./Proj. ID _____
	Action	Info.	By When	Describe Action-F/U
Company C				
Name Gijsbert Nieuwland				
Title				
Address				
Phone: (010 - 41 -22-7808111				
Fax: ( ) -				

☐ Continued over

M&S 300/01 8/92 (R)

Mail List Change Order 1. ☐ Update ☐ Correction ☐ Deletion ☐ Addition* Serial Number_____

2. **Customer Type:** ☐ Vendor ☐ Others ☐ Media ☐ User

3. **Newsletters:** ☐ EDI ☐ Field Service ☐ Other

4. **Vendor:** Vendor Type— ☐ Client ☐ Former/Report Client ☐ Prospect

- Contact Level— ☐ Executive ☐ Acquisition ☐ International ☐ Other
- If Exec. or Other Contact Level— ☐ Maintenance ☐ Equipment ☐ Communications ☐ Others ☐ Info. Svc.
- If Info. Services— ☐ Turnkey & Software ☐ Network & Processing ☐ Systems Integration ☐ Professional Svc.

5. **If User:** User Type— ☐ Client ☐ Former/Report Client ☐ Prospect

- Comm. Contact Level— ☐ Executive ☐ IS Mgmt. ☐ Other
- Fed. Contact Level— ☐ Executive ☐ Acquisition ☐ Prog. ☐ Manager/Technical ☐ Other
- If Fed. Executive— ☐ Info. Resource Mgr. ☐ Asst. Secretary ☐ Commander (Military) ☐ Agency Head
- If Fed. Other— ☐ Laboratory ☐ NIS ☐ Users ☐ GSA

* No names will be added without a completed change order and program manager approval.

Program Manager Authorization _____

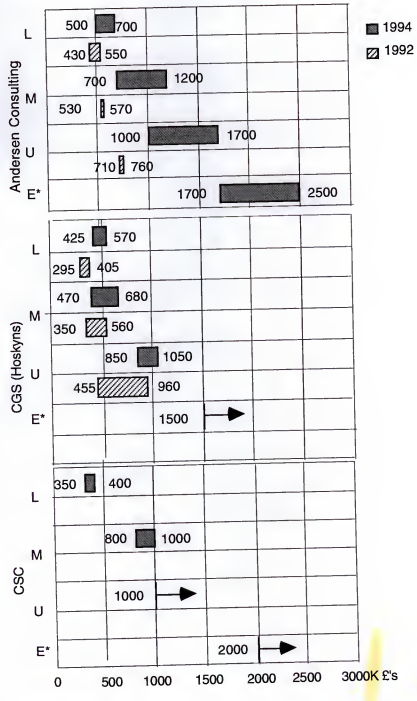
CONTACT REPORT
Continuation

Company _____

Name _____

M&S 310 11/90

U.K.—Daily Rates (£'s)



E*: No data for 1992 in this grade.

IV

Employee Revenue and Gross Margins

Exhibit IV-1 lists the revenues per employee and gross margin (after salary costs) for the professional services and software product vendors included in the study.

For each of these organisations, the revenues per employee and average employee cost have been calculated for the organisation as a whole. Profit per employee data for the vendors covered in the survey is shown in Exhibit IV-2. This data provides Hewlett Packard with a measure of the profitability of each vendor when operating at the gross margins indicated in Exhibit IV-1.

Exhibit IV-1

Revenues per Employee and Gross Margin
Software and Services Vendors

TFa PS

Company	Year	Region	Revenues per employee $K	Average employee cost $K	Gross Margin %	↓
Andersen Consulting	1993	Europe	112	60	46	TF
CGI	1993	France	85	65	24	TF
CGS	1993	W/W	104	65	38	TF
CSC	1993	Europe	90	72	18	TF
debis systemhaus	1993	Germany	159	66	58	TF
EDS	1993	Europe	127	60	53	TF
Finsiel	1993	Italy	142	65	54	TF
Oracle	1993	W/W	145	65	55	TF
Ploenzke	1993	Germany	109	67	39	TF
SAG	1992 3	Germany	~~106~~ 115	~~68~~ 44	~~36~~ 62	TF
SAP	1992 3	Germany	~~148~~ 154	~~72~~ 58	~~51~~ 40	TF
Sligos	1992	France	~~112~~ 108	~~65~~ 47	~~42~~ 56	TF
Average (rounded)	-	-	120	66	43	

Source: INPUT

PS $\frac{951}{8} = 119$ $\frac{502}{8} = 63$

S/W PRODUCTS $\frac{499}{4}$ 125 $\frac{232}{4}$ 58

FXR = 5.67

Exhibit IV-2

Profit per Employee
Software and Services Vendors

Company	Year	Profit per employee $k (before tax and interest)
Andersen Consulting	1992	12
CGI	1992	4.3
CGS	1992	0.4
CSC	1993	4.1
EDS	1992	19
Finsiel	1993	4.1 (after tax)
SAG	1992	2.6
SAP	1992	22.6 (after tax)
Sligos	1992	9.8

Source: INPUT

These two tables reflect the revenues per employee, gross margins, and profit per employee for organisations operating primarily within the software product and professional services markets.

However, it should be noted that the software product vendors generally achieve much higher revenue per employee and gross margins than professional services vendors.

Exhibits IV-3 and IV-4 show comparable tables for the equipment vendors included in the sample. The data shown reflect the overall profile of the vendor's business and so are strongly influenced by the equipment sales model.

Exhibit IV-3

Revenues per Employee and Gross Margins
Equipment Manufacturers

Company	Year	Region	Revenues per employees $K	Average employee cost $K	Gross Margin (%)	
IBM	1993	W/W	250	85	66	PS+S/W Prodtc
Digital	1993	W/W	231	80	65	PS
Bull	1993	Europe	210	78	63	PS
SNI	1993	Germany	112	75	33	PS
Olivetti	1993	Italy	150	65	57	TF
ICL	1993	UK	~~184~~ 108	~~54~~ 72	70	~~PS~~ PS)
Average (rounded)			~~190~~ 182	~~73~~ 78	~~59~~ 57	

Source: INPUT

Exhibit IV-4

Profit per Employee
Equipment Manufacturers

all TF

Company	Year	Profit per employee $K (before tax and interest)
IBM	1993	-32.0
Digital	1993	- 3.0
Bull	1993	-20
SNI	1993	-5.7 8
Olivetti	1993	-8.0
ICL	1993	1.6

Source: INPUT

INPUT®

Performance Mapping For IT Customer Services

"Mapping Performance, Creating Success"

This report will provide a detailed analysis of the performance of leading IT customer services organisations, highlighting comparative gaps in performance and identifying areas of best practice.

I Introduction

- Scope and Objectives
- Methodology
- Report Structure
- Related Reports

II Executive Overview

Contains key conclusions of the research.

III Positioning the Service Organisation

A comparison of competitive strategies, including:

- Market Orientation
- Service Infrastructure
- Scope of Service Offer
- Service Delivery Mechanisms
- Channel Orientation
- Personnel Profile
- Partners Profile

IV Mapping Service Performance

Analyses of service performance in areas including:

- Field Support Metrics (Response and Fault Resolution Times)
- Remote Diagnostics
- Inventory Metrics (Turnover, Value)
- Customer Metrics (Contractual Targets, Complaints)
- Call Management Metrics (Call Handling and Closure)

V Mapping Financial Performance

Analyses of financial performance, covering:

- Revenue Analysis by Service Type
- Service Margins
- Financial Analysis by Labour Type
- Productivity Analysis

Name	Title	Company		Phone	Fax	M	V	B	O	C	S
Stuart Senior	SI Partner	Coopers & Lybrand	United Kingdom	0171-583 5000	0171-212 8024			DM			
Ian Buckingham	IT Partner	Coopers & Lybrand	United Kingdom	0171-583 5000	0171-212 8024	DM	DM	DM	DM	DM	DM
Charles Hughes	Principal	Coopers & Lybrand	United Kingdom	0171-583 5000	0171-822 4652				DM		
Barry Kidson	Head of SI	Coopers & Lybrand	United Kingdom	0171-583 5000	0171-213 2485	DM	DM	DM			DM
Derrick Gibson c/o Jo	Management	Coopers & Lybrand	United Kingdom	01895-273 333	01895-256 413	DM		DM	DM	DM	DM
John Carroll	IT Services	Coopers & Lybrand	United Kingdom	0171-583 5000	0171-212 8024	DM		DM	DM		
Steve Downton	Principle	Coopers & Lybrand	United Kingdom	01895-273 333	01895-256 413	DM		DM	DM	DM	DM
Peter Chapman	IT Services Partner	Coopers & Lybrand	United Kingdom	0171-583 5000		DM	DM	DM	DM	DM	DM
John Thompson	IT Director	Coopers & Lybrand	United Kingdom	0171-583 5000		DM				DM	
Peter Hindle		Coopers & Lybrand	United Kingdom	0171-583 5000	0171-213 2451			DM	DM		
Steve Thompson		Coopers & Lybrand	United Kingdom	0171-583 5000	0171-213 2451			DM	DM		
Malcom Coster	Executive Director	Coopers & Lybrand Deloitte	United Kingdom	0171-583 5000	0171-212 8024				DM		
Adam Adams	Marketing Director	Coopers & Lybrand Deloitte	United Kingdom	0171-583 5000	0171-236 2367	DM					DM
Claire Durrant	Research Mgr.	Crédit Lyonnais Capital Markets Plc	United Kingdom	0171-214 5066	0171-214 5986	DM	DM				
Andrew Stimpson	Assistant Dir. Mergers	Crédit Lyonnais Capital Markets Plc	United Kingdom	0171-214 5066	0171-214 5986	DM	DM				
Charlie Enrock	Library & Information	Credit Suisse First Boston Ltd	United Kingdom	0171-516 1616	0171-516 3483	DM		DM	DM	DM	
Stephen Hester	Head of Mergers &	Credit Suisse First Boston Ltd	United Kingdom	0171-516 1616	0171-516 3503	DM	DM				
Alan Brooking	Operations Manager	CSF	United Kingdom	0171-490 2727				DM			DM
Mike Cohen	Marketing Director	CSF	United Kingdom	0171-490 2727				DM			DM
Bob Henderson	CEO	CST Lynxserv	United Kingdom	0113-234 2200		DM	DM			DM	DM
Mike Brierclliffe	Director	CST Lynxserv	United Kingdom	0113-342 200	0113-342 233	DM	DM			DM	DM
Eric Rainbow	Technical Director	CST Lynxserv	United Kingdom	0113-342 200	0532-342 233	DM	DM			DM	DM
Raymond Douse	Head of Mergers &	Daiwa Europe Ltd	United Kingdom	0171-548 8080	0171-548 7183	DM	DM				
Guy Armstrong	European Sales	Data Exchange Europe	Ireland	00353-1 848 6555	00353-1 848 6559			DM		DM	
Sue Hannay	Secretary	Data General	United Kingdom	01279 450088	01279 416836					DM	
Richard Naish	Business Development	Data General	United Kingdom	0181-758 6000	0181-758 6758	DM		DM	DM	DM	DM
Cliff Huckle	Business Development	Data General	United Kingdom	0181-758 6000	0181-758 6758	DM	DM	DM		DM	DM
Phil Brennan	Support Centre	Data General	United Kingdom	0181-758 6000	0181-758 6758	DM	DM			DM	DM
Brian Holden	Marketing A/c	Data General	United Kingdom	0181-758 6000	0181-758 6758	DM	DM	DM		DM	DM
Heather Furminger	Business Development	Data General	United Kingdom	0181-758 6000	0181-758 6758		DM	DM		DM	DM
John Mills	Marketing Director	Data General	United Kingdom	0181-758 6000	0181-758 6758	DM	DM	DM	DM	DM	DM
Gordon Wilkie	Senior Consultant	Data General	United Kingdom	0181-758 6000	0181-758 6758	DM	DM	DM	DM	DM	DM
Tony Peacock	Vice President SI &	Data General Ltd	United Kingdom	0181-758 6000	0181-758 6950	DM		DM		DM	DM
Geoffrey Scotts-Baker	Industry Marketing	Data General Ltd	United Kingdom	0181-758 6000	0181-758 6950				DM	DM	
Helen O'Doherty	Marketing Manager	Dataleet Computer Services Ltd	United Kingdom	0181-997 4404	0181-0912558	DM				DM	
Alfie Karmel	Sales Director	Dataleet Computer Services Ltd	United Kingdom	081-997 4404	081-0912558	DM				DM	
Peter Watts	Managing Director	Dataleet Computer Services Ltd	United Kingdom	081-997 4404	081-0912558	DM				DM	
Guy Dawson	Head of Mergers &	Deutsche/Morgan Grenfell plc	United Kingdom	0171-588 4545	0171-826 6180	DM	DM				
James Mcaughlin	Information Centre	Deutsche/Morgan Grenfell plc	United Kingdom	0171-588 4545	0171-588 5598	DM	DM				
Kath Osment	Marketing Manager	Digital Computer Services	United Kingdom	01895-274 141	01895-811 001				DM	DM	DM
Alan Blank	Director Digital MCS	Digital Equipment	United Kingdom	0171-831 8282	0171-412 5335					DM	DM
Mark Taylor	Systems Integration	Digital Equipment	United Kingdom	01925-815 050	01925-842 300			DM		DM	
Richard Jones	Sales & Marketing	Digital Equipment Co Limited	United Kingdom	01372-370 077	01372-386 984	DM		DM	DM	DM	DM
Guy Tarring	Marketing Manager	Digital Equipment Co Limited	United Kingdom	01734-868 711	01734-204 757	DM		DM	DM	DM	DM
Sanjay Bowry	Services Marketing	Digital Equipment Co. Ltd	United Kingdom	01734-868 711	01734-204 757	DM		DM	DM	DM	
Peter Brand	Solutions Architect	Digital Equipment Co. Ltd	United Kingdom	01734-868 711	01734-204 757	DM	DM	DM	DM	DM	DM
Jerry Dixon	MCS Marketing	Digital Equipment Co. Ltd	United Kingdom	01734-868 711	01734-201 443	DM		DM	DM	DM	
Margaret Lucas	Marketing Services	Digital Equipment Co. Ltd	United Kingdom	01734-868 711	01734-582 529	DM		DM	DM	DM	DM
John Maclean	Marketing Manager	Digital Equipment Co. Ltd	United Kingdom	01734-868 711	01734-204 757	DM	DM	DM	DM	DM	DM
Rupert March	Services Marketing	Digital Equipment Co. Ltd	United Kingdom	01734 868 711	01734 201 443	DM	DM	DM	DM	SUB	DM
Ricky Hudson	Consulting Bus.	Digital Equipment Co. Ltd	United Kingdom	01734-868 711	01734-204 757	DM	DM	DM	DM	DM	DM
Kate Clifford	MCS Marketing	Digital Equipment Co. Ltd	United Kingdom	01734-868 711	01734-201 443	DM	DM	DM	DM	DM	DM
Charles Ward	MCS Manager	Digital Equipment Co. Ltd	United Kingdom	01734-868 711	01734-201 443	DM	DM	DM	DM	DM	DM
Richard Newton	Windows NT Marketing	Digital Equipment Co. Ltd	United Kingdom	01734-868 711	01734-204 757						DM
Charles Woolmer	MCS Marketing	Digital Equipment Co. Ltd	United Kingdom	01734-868 711	01734-201 399	DM				DM	
David Allen	MCS Marketing	Digital Equipment Co. Ltd	United Kingdom	01734-868 711	01734-201 465	DM				DM	
David Lloyd	Operations Manager	Digital Equipment Co. Ltd	United Kingdom	01734-868 711		DM				DM	
Jim Lynch	Services Delivery Mgr	Digital Equipment Co. Ltd	United Kingdom	01734-868 711		DM				DM	
Mick Torpey	UK Service Delivery	Digital Equipment Co. Ltd	United Kingdom	01734-868 711		DM				DM	
Ms R. Roy		Digital Equipment Co. Ltd	United Kingdom	01734-868 711	01734-201 465	DM	DM	DM	DM	DM	DM
Orla Sheridan		Digital Equipment Company	Ireland	353-9175 7651	353-9175 4978	DM	DM				DM
Cathy Wilkey	Manager, Information	Digital Equipment Company Limited	United Kingdom	01734-868 711	01734-204 757	DM	SUB	DM		DM	DM
John Whitely	Software Marketing	Digital Equipment Company Limited	United Kingdom	01734-868 711	01734-204 757	DM					DM
Colin Lovell	Business Development	Digital Equipment Company Limited	United Kingdom	01734-868 711	01734-204 757			DM			
Patrick Abrahams	UK Software Product	Digital Equipment Company Limited	United Kingdom	01734-868 711	01734- 202 454	DM	DM			DM	DM
Rich Pullin	Business Development	Digital Equipment Company Limited	United Kingdom	01734-868 711				DM			
Sara Whaley	MCS Marketing	Digital Equipment Company Limited	United Kingdom	01734 868711	01734-201 443	DM	DM	DM	DM	DM	DM
Dennis Thomas	UK Outsourcing	Digital Equipment Company Limited	United Kingdom	01734-202 416	01734-202 213	DM			DM		
Carol Webb	Information Officer	Digital Equipment Company Limited	United Kingdom	01734-868 711	01734-204 517	DM	DM	DM	DM	DM	DM
Chris Tawton	OMS Development	Digital Equipment Company Limited	United Kingdom	01734-868 711	01753-577 311			DM	SUB	DM	
Mike Harding	Market Development	Digital Equipment Company Limited	United Kingdom	01734-868 711	01734-204 757	DM	DM	DM		DM	DM
Rowan O'Carroll	Software Marketing	Digital Equipment Company Limited	United Kingdom	01734-868 711	01734-204 757	DM					DM
Mike Faithful	Business Development	Digital Equipment Company Limited	United Kingdom	01734-868 711	01707-256 632 (call				DM	DM	DM
Diana McCloud	MCS Channels	Digital Equipment Corporation Ltd	United Kingdom	01256-370 000	01256-371 574	DM	DM	DM		DM	
Phil Everest	Business Development	DMR Group Ltd	United Kingdom	0181-754 1010		DM		DM	DM		DM
Paul Cooper		DMR Group Ltd	United Kingdom	0181-754 1010		DM		DM	DM		DM
Doug Smith		DMR Group Ltd	United Kingdom	0181-754 1010		DM		DM	DM		DM
Robert Harrison		Druid Systems	United Kingdom	01932-571 212	01932-571 552	DM		DM		DM	DM

Name	Title	Company		Phone	Fax	M	V	B	Q	C	S
Neil Williamson	Head of Mergers &	S Corporate Finance Plc	United Kingdom	0171-928 3131	0171-975 3399	DM	DM				
Graeme Ward	Director Strategy &	ACI Applied Communications Inc	United Kingdom	01923-816 393	01923- 816 133						DM
Nigel Bidmead		ACI Applied Communications Inc	United Kingdom	01923-816 393	01923- 816 133						DM
Ms. Conny Van Der	Marketing Manager	ACT Financial Systems Ltd	United Kingdom	0171-251 6666	0171-251 3832	DM		DM			DM
Frank Walter	Director Sales &	ACT Financial Systems Ltd	United Kingdom	0171-251 6666	0171-251 3832	DM					DM
David Wilson	Sales Director	ACTive	United Kingdom	01909-772 114	01909-515 119	DM		DM	DM		
Paul Sellars	Chief Executive	ACTive Business Services	United Kingdom	01909-772 114	01909-515 119	DM		DM	DM		
James Henderson	Research Manager	AIIT Ltd	United Kingdom	0181-335 3717	081 296 0068	DM	DM	DM	DM	DM	DM
Barry McAdem	Senior Advisor	AIIT Ltd	United Kingdom	0181-335 3717	081 296 0068	DM	DM	DM	DM	DM	DM
Howard Lowday	Senior Consultant	AIIT Ltd	United Kingdom	081 335 3717	081 296 0068	DM	DM	DM	DM	DM	DM
David Dawson	Consultant	AIIT Ltd.	United Kingdom	081-335 3717	081-296 0068	DM	DM				DM
Karl Kägler	Marketing Director AIM	AIM Holdings Group	United Kingdom	01482-328 971	01482-228 465	DM		DM	DM	DM	DM
Peter Hunt	Marketing Director AIM	AIM Holdings Group	United Kingdom	01482-328 971	01482-228 465	DM		DM	DM	DM	
Pia Cardoza	Marketing Director	Alten Ltd	United Kingdom	081 900 2220				DM			
Brian E. Dash	European CS Business	Amdahl	United Kingdom	01252-344 400	01252-334 211	DM	DM	SUB	DM	DM	DM
Ian Hyslop	Marketing Director	Amdahl	United Kingdom	081-572 7383		DM		DM			
John James	Product Manager	Amdahl	United Kingdom	0454-615 197	0454-613 994			DM	DM	DM	
Keith Cheshire	Product Marketing	Amdahl	United Kingdom	01252-344 400	01252-346 288	DM				DM	DM
Kerry Chapman	Marketing Co-ordinator	Amdahl	United Kingdom	01252-344 400	01252-334 211	DM		DM	DM	DM	DM
Alan Bell	Director	Amdahl International	United Kingdom	01252-344 400	01252-334 211	DM					
Kenneth Gorf	Director Open Systems	Amdahl International	United Kingdom	01252-344 400	01252-851 366	DM				DM	DM
John Dillon	Multi-Vendor Support	Amdahl International	United Kingdom	01256-302 000		DM					
David Long	Customer Services	Amdahl International Management	United Kingdom	01252-344 400						DM	
Duncan Hamilton	SI Delivery manager	Amdahl UK Limited	United Kingdom	0793 616985		DM	DM	DM			DM
Neal Gibson	Outsourcing	Amdahl UK Limited	United Kingdom	01619 27 7676	01619 41 4739			DM	DM	DM	
~~Paul Cooper~~	~~Services Director~~	~~Amdahl UK Limited~~	United Kingdom	0161 927 7676	0161 941 4739	DM				DM	
James Hall	Partner	Andersen Consulting	United Kingdom	071-438 5000				DM			
Phil Lobo		Andersen Consulting	United Kingdom	071-438 5000	0171-304 8692				DM		
Nick Andrews	Director	Andersen Consulting	United Kingdom	071-438 5000	071 831 1133	DM			DM		
Kay Baldwin-Evans		Andersen Consulting	United Kingdom	071-438 5000	0171-831 1133	DM		DM	DM	DM	
Julie Edwards	Head of Information	Andersen Consulting	United Kingdom	071-438 5000	0171-438 2844 / 831	DM	DM	DM	DM	DM	DM
Sarah McMahon		Andersen Consulting	United Kingdom	071-438 5000	071 831 1133				DM		DM
~~Tracy Murray~~	~~Senior Marketing~~	Andersen Consulting	United Kingdom	071-438 5000	0171-438 5757	DM		DM	DM		DM
Mark Otway	Partner	Andersen Consulting	United Kingdom	071-438 5000	071 831 1133				DM		
Vernon Ellis	Managing Partner,	Andersen Consulting	United Kingdom	071-438 5000	071 831 1133	DM	DM	DM			
Alistair Hirst	Utilities Marketing	Andersen Consulting	United Kingdom	071-438 5000	071 438 5757	DM	DM				
Mike Mann	Controller	Andersen Consulting	United Kingdom	071-438 5000	071 438 5757				DM		
~~Martin Geddes~~	~~SI Dir, Bus Dev Mgr~~	Andersen Consulting	United Kingdom	071-438 5000	0171 304 8300			DM	DM		
~~Bill Bentley~~	~~Partner~~	Andersen Consulting	United Kingdom	071-438 5000	071 438 5757	DM		DM	DM		DM
Aram Shishmanian	IT Partner	Andersen Consulting	United Kingdom	071-438 5000	071 304 8239			DM	DM	DM	DM
Matt Simester	Marketing, Finance	Andersen Consulting	United Kingdom	071-438 5000	071 304 8239			DM	DM	DM	DM
Mr Sherrie Chalaby	Partner, Banking &	Andersen Consulting	United Kingdom	071-438 5000	0171-304 8239	DM	DM	DM	DM	DM	DM
Paul Cantwell	Partner	Andersen Consulting	United Kingdom	071-438 5000	0171-438 5757	DM		DM	DM		
Hugh Morris	Partner Head of	Andersen Consulting	United Kingdom	071-438 5000	071-304 8300			DM			
Emma Hosking	Manager, Process	Andersen Consulting	United Kingdom	071-438 5000				DM			
Rod McEwan	Quality Manager EAMI	Andersen Consulting	United Kingdom	071-438 5000	071 438 5757	DM	DM	DM	DM		DM
William Stancar	Marketing Manager,	Andersen Consulting	United Kingdom	071-438 5000	0171-438 2844 / 831	DM	DM				
Rod Mills		Andersen Consulting	United Kingdom	071-438 5000	071-438 5757	DM		DM	DM	DM	
Cathy Gavin	EMCAI BPM	Andersen Consulting	United Kingdom	071-438 5000	0171-438 5757	DM		DM	DM	DM	
Katie Wells		Andersen Consulting	United Kingdom	071-438 5000	071-438 5757	DM	DM	DM	DM		
Chris Wray	Operational Consulting	Arthur Andersen	United Kingdom	081-228 2121	081-200 0364	DM	DM	DM			DM
John Standen	Head of Mergers &	Barclays de Zoete Wedd Holding sLtd	United Kingdom	071-623 2323	0171-956 4663	DM	DM				
Nancy Smith	Corporate Research	Barclays de Zoete Wedd Holding sLtd	United Kingdom	071-623 2323	0171-623 6075	DM	DM				
Charles Icby	Corporate Finance /	Baring Brothers Limited	United Kingdom	071-280 1000	071-767 7222	DM	DM				
Simon Borrows	Corporate Finance /	Baring Brothers Limited	United Kingdom	071-280 1000	071-767 7222	DM	DM				
Vladimir Kim	Information Services	Braxton Associates	United Kingdom	071-334 0088	071-334 0344	DM	DM	DM	DM	DM	DM
Mark Lewis	Manager	Braxton Associates	United Kingdom	071-334 0088	071-334 0344	DM	DM	DM	DM	DM	DM
Phil Davis	Manager,	Braxton Associates	United Kingdom	071-334 0088	071-334 0344	DM	DM	DM	DM	DM	DM
Barry D Hedley	Group Chairman	Braxton Associates	United Kingdom	071-334 0088	071-334 0344	DM	DM	DM	DM	DM	DM
Andrea Frank		Broadview Associates	United Kingdom	071-836 6081	071-497 0085	DM			DM		
Keith Harpham	Director	Broadview Associates	United Kingdom	071-836 6081	071-497 0085	DM		DM	DM		
Brian O'Neil	Marketing Manager	BSG Business Systems Group Ltd	United Kingdom	071-278 8888		DM	DM	DM			
Tim Vincent	Business Development	BSG Business Systems Group Ltd	United Kingdom	071-278 8888		DM	DM	DM			
Karina Mellinger	Marketing Director	CACI Ltd	United Kingdom	071-602 6000	071-603 5862	DM					DM
Steve Marquez	Information Systems	CACI Ltd	United Kingdom	071-602 6000	071-603 5862	DM	DM				DM
Mike Barker	Technical Services	CACI Ltd	United Kingdom	071-602 6000	071-603 5862	DM		DM		DM	DM
Morag Stewart	Marketing Manager	CACI Ltd	United Kingdom	071-602 6000	071-603 5862	DM					DM
John Fox	Products Marketing	Compass Computer Group	United Kingdom	01635-521 600	01635-521 268	DM			DM		DM
Joel Jervis	Managing Director	Compass Computer Group	United Kingdom	01635-521 600	01635-521 268	DM			DM	DM	DM
Steven Jean	Marketing	Compel Ltd	United Kingdom	0707-373 535	01707-274 251	DM	DM			DM	DM
Bill Joss		Compel Ltd	United Kingdom	0707-373 535	0707-373 438	DM	DM		DM	DM	DM
Gordon Towell		Compel Ltd	United Kingdom	0707-373 535	01707-270 407	DM	DM		DM	DM	DM
John Kemp		Compel Ltd	United Kingdom	0707-373 535	0707-373 438	DM	DM		DM	DM	DM
Paul Bean	National Support	Compel Maintenance Ltd	United Kingdom	0707-373 535	01707-274 251	DM	DM			DM	DM
Keith Price	IT Director	Compel Maintenance Ltd	United Kingdom	0707-373 535	0707-373 438	DM	DM	DM		DM	
Debra Fox	New Business	Compel Maintenance Ltd	United Kingdom	0707-373 535	01707-274 251	DM	DM			DM	DM
Anthony H. Reeves	Group Chief Executive	Computer People Group Plc	United Kingdom	071-510 2000	071-510 2297	DM		DM			DM
Richard Pinder	Group Finance Director	Computer People Group Plc	United Kingdom	071-510 2000	071-510 2297	DM		DM			DM
Paul Batchelor		Coopers & Lybrand	United Kingdom	0171-583 5000	0171-212 8024			DM			

Name	Title	Company		Phone	Fax	M	V	B	O	C	S
David Thompson	Managing Director	Druid Systems	United Kingdom	01932-571 212	01932-571 552	DM		DM		DM	DM
David Tebbs	Chairman	Druid Systems	United Kingdom	01932-571 212	01932-571 552	DM		DM		DM	DM
David Sherriff	Director	ECsoft Synapse	United Kingdom	01442-872 111	01442-875 176	DM	DM	DM		DM	DM
Geoff Tubb	Group Managing	ECsoft Synapse	United Kingdom	01442-872 111	01442-875 176	DM	DM	DM		DM	DM
Beth Bennett	Senior Marketing	Ernst & Young	United Kingdom	071 928 2000	071 928 1345	DM	DM	DM	DM	DM	DM
Charlotte Armah	Marketing Coordinator	Ernst & Young	United Kingdom	071 928 2000	071 928 1345	DM	DM	DM	DM		DM
Terry Lamb	Partner	Ernst & Young	United Kingdom	071 928 2000	071 928 1345	DM					
David Richards	IT Services Partner	Ernst & Young	United Kingdom	071 928 2000	071 928 1345			DM	DM	DM	
Bert Adams		Ernst & Young	United Kingdom		071-928 1345	DM		DM			DM
Jim Wilson		Ernst & Young	United Kingdom	071-931 3611	071-928 1345	DM		DM	DM		
Jas Virdee	Outsourcing Interest	Ernst & Young	United Kingdom	071 928 2000	071 928 1345	DM	DM	DM	DM	DM	DM
Lynn Currall	Business Manager	Ernst & Young	United Kingdom	071 928 2000	071 928 1345	DM	DM	DM	DM		DM
Keith MacDonald	Executive Consultant	Ernst & Young	United Kingdom	071 928 2000	071 928 1345	DM		DM	DM	DM	DM
Carolyn Draughn	Manager, Business	Ernst & Young Management	United Kingdom	071 928 2000	071 928 1345	DM					
Bob McCarley	Marketing Manager	Firstpoint Ltd	United Kingdom	0628 668500						DM	
Graham Johnson	Technical Director	Firstpoint Ltd	United Kingdom	0628 668500						DM	
Jim Stoddard	Managing Director	Firstpoint Ltd	United Kingdom	0628-668 500	0628-608 109	DM				DM	
Jane Andrews		Firstpoint Ltd	United Kingdom	01628 668500						DM	
Tom McCafferty	Chief Executive	Fraser Williams Group Ltd	United Kingdom	051-227 3371	051-236 1355	DM	DM	DM	DM	DM	DM
Rachel Fergus	Marketing Assistant	Fraser Williams Group Ltd	United Kingdom	051-227 3371	051-236 1355	DM	DM	DM	DM	DM	DM
Simon Chapman	Group Board Director	Fraser Williams Group Ltd	United Kingdom	051-227 3371	0151-236 1355	DM	DM	DM	DM	DM	DM
Phil Hartley		GE Information Services	United Kingdom	081-546 1077	081-549 8812	DM	DM	DM	DM		DM
Colin Billinge	Marketing Director	GE Information Services	United Kingdom	01932 776000		DM	DM	DM	DM		DM
John Jenkins	Corporate Affairs	GE Information Services	United Kingdom	01932 776000		DM		DM			
John Thorpe	Managing Director	GE Information Services	United Kingdom	01932 776000		DM		DM			DM
David Presnell	Marketing Director	GEAC Computers Ltd	United Kingdom	0117-9509 003	0272-590 718	DM					DM
Mike Heneghan	Managing Director	GEAC Computers Ltd	United Kingdom	0117-9509 003	0272-590 718	DM		DM		DM	DM
Wendy White	Customer Support	GEAC Computers Ltd	United Kingdom	0117-9509 003	44 0272-590 718	DM					DM
Phil Tonkin	Support and	GEAC Computers Ltd	United Kingdom	0117-9509 003	44 0272-590 718	DM		DM			DM
Mike Hayes	Manager, Software	GEAC Computers Ltd	United Kingdom	01454-617 020						DM	
Steve Payce	Marketing	General DataComm Ltd	United Kingdom	01734-774 868		DM	DM				
John Thornton	Head of Mergers &	Goldman Sachs International Ltd	United Kingdom	0171-774 1000	0171-774 4123	DM	DM				
Adrian Black	Executive Director	Goldman Sachs International Ltd	United Kingdom	0171-774 1000		DM					
Graham Wooley	UK Software &	Granada Computer Services	United Kingdom	01344-484 648	01344-545 38	DM		DM			
Debbie Sirs	Marketing	Granada Computer Services	United Kingdom	01344-484 648	01344-747 413	DM	DM			DM	
Joe Connolly	Sales Director	Granada Computer Services	United Kingdom	01344-484 648	01344-545 38	DM				DM	DM
Kevin Piggott	Product Operations	Granada Computer Services	United Kingdom	01344-484 648	01344-545 38	DM			DM	SUB	
Roger Bayley	Marketing Services	Granada Computer Services	United Kingdom	01344-484 648	01344-747 413	DM			DM	DM	
Russell Flower	Services Sales	Granada Computer Services	United Kingdom	01344-484 648	01344-545 38	DM			DM	SUB	
Richard Ferré	Managing Director	Granada Computer Services	United Kingdom	01344-484 648	01344-747 413	DM			DM	DM	
Martin Storey	Special Projects	Granada Computer Services	United Kingdom	01344-484 648	01344-545 38	DM					
Steve Boulton	UK Operations Director	Granada Computer Services	United Kingdom	01344-484 648	01344-545 38	DM				DM	
Keith Headland	UK Operations	Granada Computer Services	United Kingdom	01234-355 233		DM	DM		DM	DM	
Graham M. Wallace	Chairman	Granada Computer Services Int.	United Kingdom	0489-582 111	0489-885 920	DM		DM			DM
Edward Roberts	Marketing Manager	Gresham Telecomputing Ltd	United Kingdom	0171-480 5000	0171-702 9725	DM	DM				
Antony Beevor	Head of Mergers &	Hambros Bank Ltd	United Kingdom	0171-920 3803	0171-920 3801	DM	DM				
John Llewelyn Lloyd	Head of Mergers &	Hill Samuel Bank Ltd	United Kingdom	0171-920 3803	0171-920 3800	DM	DM				
Roger Graham	Director	Hill Samuel Bank Ltd	United Kingdom	0171-920 3803	0171-920 3801	DM	DM		DM	DM	DM
Michael Le Maire	Market Research	ICOM Solutions Ltd	United Kingdom	0121-356 6383	0121-356 0463	DM		DM			DM
Sharon Lloyd	Marketing Assistant	ICOM Solutions Ltd	United Kingdom	021 356 6383	021 356 0463	DM		DM			DM
Ray Davis	Marketing Director	ICOM Solutions Ltd	United Kingdom	021 356 6383	021 356 0463	DM		DM	DM	DM	DM
Kay Oliver	Marketing Manager	ICOM Solutions Ltd	United Kingdom	0121-356 6383	0121-356 0463	DM	DM	DM	DM	DM	DM
Irene Brown	Managing Director	ICS International Consulting Services	United Kingdom	0171-637 3434	0181-748 3308					DM	DM
Mike Bradbury	Principal	Inference	United Kingdom	01753-771 100	01753-771 101	DM	DM	DM		DM	DM
Heidi Daw	Field Marketing	Interchange Group Ltd	United Kingdom	01525-716-700	01525-716 789			DM		DM	DM
David Wade	Marketing Manager	Interchange Group Ltd	United Kingdom	01525-716 700	44 0525 716789			DM		DM	DM
Ian Franklin	Technical Director	Interchange Group Ltd	United Kingdom	01525-716 700	44 0525 716789	DM	DM	DM		DM	DM
Philip Jones	Managing Director	Interchange Group Ltd	United Kingdom	01525-716 700	01525-716 789	DM			DM		DM
Paul Lovett	Sales & Marketing	IPL Information Processing Ltd.	United Kingdom	0225-444 888	0225-444 400	DM					
David T. Embleton	Sales & Marketing	Irish Trade Board	Ireland	353 1 695 011	353 1 695 820	DM		DM	DM	DM	
Sandra King	Manager, Marketing	Irish Trade Board	Ireland	353 12 695 011	353 12 695 820	DM		DM	DM	DM	
Margaret Hogan	Manager, Marketing	Irish Trade Board	Ireland	353 12 695 011	353 12 695 820	DM	DM	DM		DM	DM
Pat O'Connor	Market Information	Kalamazoo Computer Group ltd	United Kingdom	021 411 2345	021 475 7566				DM	DM	DM
Jonathan Cooper-Bagnall	Networks Manager	Kalamazoo Computer Group ltd	United Kingdom	021 411 2345	021 475 7566				DM	DM	DM
Andy Peart	Marketing Director	Kalamazoo Computer Group ltd	United Kingdom	021 411 2345	021 475 7566	DM	DM	DM	DM	DM	DM
Clive Cranfield	CSR Lion Beck 5 '35	Kalamazoo Computer Group Plc	United Kingdom	0121-411 2345	0121-411 2424			DM	DM	DM	
Terry Handley	Commercial Director	Kalamazoo Computer Group Plc	United Kingdom	021-411 2345	021-411 1046	DM	DM	DM	DM	DM	DM
Mike Farley	Managing Director	Kalamazoo Computer Group Plc	United Kingdom	021-411 2345	021-411 1046	DM	DM	DM	DM	DM	DM
Bernadette O'Brian	Marketing Manager	Kalamazoo Computer Group Plc	United Kingdom	0121-411 2345	0121-411 2424	DM	DM	DM		DM	
Paul Heaven	Managing Director	Kalamazoo Software Services Ltd	United Kingdom	0121-411 2345	0121-411 2424	DM	DM	DM			
Mark Evans	Technical & Network	Kalamazoo Software Services Ltd	United Kingdom	0121-411 2345	0121-411 2424	DM	DM				DM
Steve Forrester	Project Management	Kalamazoo Software Services Ltd	United Kingdom	0121-411 2345	0121-411 2424	DM	DM			DM	DM
Ashley Green	Software Development	Kalamazoo Software Services Ltd	United Kingdom	01932-248 328	01932-221 662	DM	DM	DM			DM
Neil Whelan	Helpdesk Manager	Kewill Systems Plc	United Kingdom	01932-248 328	01932-221 662	DM	DM	DM			DM
Kevin Overstall	Chairman	Kewill Systems Plc	United Kingdom	01482-602 100		DM					
John Reader	Marketing Director	Kingston Communications	United Kingdom	0131-314 5200		DM		DM			
	Business Development	Kingston-SCL									
Martin Morgan	Group Manager										

Name	Title	Company		Phone	Fax	M	V	B	O	C	S
John Neal	IT Consultant	Kingswell Partnership	United Kingdom	(off) 01235-820 366		DM	DM	DM	DM	DM	DM
Rosalind Hedley Miller	Head of Mergers &	Kleinwort Benson Group pic	United Kingdom	0171-623 8000	0171-956 6210	DM	DM				
Adrian Curtis	Financial Sector Group	KPMG Management Consulting	United Kingdom	0171-311 1000	071 832 8299	DM					
Patrick Whale	Partner	KPMG Management Consulting	United Kingdom	0171-311 1000		DM	DM				
Jackie Marfleet		KPMG Management Consulting	United Kingdom	0171-311 1000					DM		
Sally Cantello	Executive Consultant	KPMG Management Consulting	United Kingdom	0171-311 1000	0171-311 2266	DM	DM	DM			DM
Bert Adams	Executive Consultant	KPMG Management Consulting	United Kingdom	0171-311 1000		DM	DM	DM			DM
Jane Gibson	IT Group	KPMG Management Consulting	United Kingdom	0171-311 1000	071-832 8380	DM	DM	DM			DM
Neale Whyatt	IT Consultancy Group	KPMG Management Consulting	United Kingdom	0171-311 1000	0171-832 8380	DM	DM	DM			DM
David Simner	IT Consultancy Group	KPMG Management Consulting	United Kingdom	0171-311 1000	0171-832 8380	DM	DM				DM
Bob Aylott	Head of Outsourcing	KPMG Management Consulting	United Kingdom	0171-311 1000	0171-832 8299	DM			DM		
Nigel Horne	Head of IT Consulting	KPMG Management Consulting	United Kingdom	0171-311 1000	071 832 8299	DM		DM	DM	DM	
David Walter	Marketing Director	KPMG Management Consulting	United Kingdom	0171-311 1000	071 832 8299	DM		DM	DM	DM	
Roger Lee	Head of IT Consulting	KPMG Management Consulting	United Kingdom	0171-311 1000	071 832 8299	DM		DM	DM	DM	
Maria Wingfield	Marketing Executive	Largotim Business Solutions Ltd	United Kingdom	0384-455 431	0384-253 390	DM		DM			DM
Pete Stone	Marketing Manager	LBMS	United Kingdom	071 636 4213	071 636 2708	DM	DM				DM
Neil Edwards	Head of IT	LBMS	United Kingdom	071 636 4213	071 636 2708	DM	DM				DM
Jim Brent	Sales Director	LCE Computer Services Ltd	United Kingdom	01628-530 501	01628-520 489				DM	DM	
Alberto Finali	Partner	Lehman Brothers Int. Ltd	United Kingdom	0171-601 0011	071 260 2312	DM					
Rebecca Hinzpeter	Corporate Analyst	Lehman Brothers Int. Ltd	United Kingdom	0171-601 0011	0171 260 2722	DM	DM	DM	DM	DM	
Satish Sachdev		Link Associates	United Kingdom						DM		
Philip Shopperlee		Link Associates	United Kingdom			DM			DM		DM
Philip Bull		Link Associates	United Kingdom	0494 792 792	0494 791 059	DM	DM	DM	DM		DM
Isabel Blyth	Marketing Manager	Link Associates Ltd	United Kingdom	01494-792 792	01492-791 059	DM			DM	DM	DM
Sally Hamilton	Marketing Associate	Link Associates Ltd	United Kingdom	0494-792 792	01492-791 059	DM			DM	DM	DM
Clive Petty	Marketing Manager	Man Group Ltd	United Kingdom	0191-402 0191	0191-402 1107	DM		DM			
Bernard Roth	Information Manager	McKinsey & Co	United Kingdom	071 873 9777	071 873 5642	DM			DM	DM	
Balinder Matoo		McKinsey & Co	United Kingdom	071 839 8040	071 873 5642	DM	DM	DM	DM	DM	DM
Susan Rice		McKinsey & Co	United Kingdom	0171-839 8040	0171-873 5893	DM	DM	DM			
Jim Abbotts	CS Director	MDIS	United Kingdom	0442 232424	0442-274 064					DM	DM
David Malaperman	Communications	MDIS	United Kingdom	0442 232424		DM	DM			DM	
Les Cumming	Marketing Manager	MDIS	United Kingdom	0442 232424	0442 256454	DM					
Huw Hampson-Jones	Regional Product	MDIS	United Kingdom	0442 231 590	0442 231 382	DM					
Peter Lusty	Director Commercial	MDIS	United Kingdom	0442 232 424	0442 234 443	DM					
Richard Branch	Marketing Manager	MDIS	United Kingdom	0442 232424							DM
Alan Gallant	Manager, Software &	MDIS	United Kingdom	01442 232424	01442 247806	DM				DM	DM
Peter Lombardelli	Business Manager	MDIS	United Kingdom	0442 232424	0442 273330			DM	DM	DM	
Peter Smith	Director of FM	MDIS	United Kingdom	0442 232424	0442 244 896				DM		
David Hogg	Professional Services	MDIS	United Kingdom	0442 232 023	0442 232024	DM	DM				DM
Graham Sherreston	General Manager	MDIS	United Kingdom	0442 232 023	0442 232 024	DM	DM				DM
Colin Perry	Branch Co-ordinator	MDIS	United Kingdom	0442-232 424	0442-274 064	DM				DM	
Jerry Causley	CEO	MDIS	United Kingdom	01442 232424					DM		
Bob Andrews	Sales Support Manager	MDIS	United Kingdom	0442 232424	0442 247806	DM	DM			DM	DM
Allen Spencer	CS Business Dev. Mgr.	MDIS	United Kingdom	44 1442 232 424	44 1442 234 443					DM	
Steve Cooper	CS Company Support	MDIS	United Kingdom	44 1442 232 424	44 1442 234 443					DM	
John Webber	Marketing Manager	MDIS	United Kingdom	0442 232424	0442-274 064	DM			DM	DM	
David Ince	Sales & Marketing	MDIS	United Kingdom	0171-638 7081		DM					DM
David H Morris	FM Service Assurance	MDIS	United Kingdom	01442 232424	01442 273330				DM		
David Alexander		MDIS	United Kingdom	01442 232424					DM		
Rod Holland	Head of Information	Merrill Lynch International Ltd	United Kingdom	0171-628 1000		DM	DM	DM	DM	DM	DM
Olivier Perraudin	VP Mergers &	Merrill Lynch International Ltd	United Kingdom	0171-628 1000	0171-867 4457	DM	DM	DM	DM	DM	DM
David Svendsen	Managing Director	Microsoft Ltd	United Kingdom	0734 270001	0734 270002	DM					
John Leftwich	Marketing Director	Microsoft Ltd	United Kingdom	0734 270001	0734 270002	DM	DM				DM
Shaun Orpen	Marketing Manager	Microsoft Ltd	United Kingdom	0734 270001	0734 270002	DM	DM				DM
Mark Spickett	Business Manager	Microsoft Ltd	United Kingdom	01734-270 001	01734-270 002	DM	NO				DM
Valerie Bennett	Market Research	Microsoft Ltd	United Kingdom	01734-270 001	01734-270 002	DM	DM				DM
Sian Evans	Support Programmes	Microsoft Ltd	United Kingdom	01734-270 001	01734-270 002						DM
Debbie Baker	General Manager,	Misys Financial Systems Ltd	United Kingdom	01905-754 455	01905-754 441	DM		DM			DM
Tim Boreham	Product Development	Misys Financial Systems Ltd	United Kingdom	0905-754 455	0905-754 441	DM		DM			DM
Nick Hayes	Product Portfolio	Misys Financial Systems Ltd	United Kingdom	0905-754 455	0905-754 441	DM		DM			DM
Christine May	Marketing Manager	Misys Financial Systems Ltd	United Kingdom	01905-754 455	01905-754 441	DM		DM			DM
Kevin Lomax	Chairman	Misys Plc	United Kingdom	01386-871 373	0386-871 045	DM	DM				DM
Mike O'Leary	Joint Chief Operating	Misys Plc	United Kingdom	0121 782 2702		DM	DM	DM	DM		DM
Ken Bridson	Divisional Chief	Misys Plc	United Kingdom	0121 782 2702		DM	DM	DM	DM		DM
Ken Carnichel	Account Executive	MMT Computing	United Kingdom	0171-278 6211	0171-833 8960			DM	DM	DM	
Michael Steb	Mergers & Acquisitions	Morgan Stanley International	United Kingdom	0171-513 8000	0171-425 5800	DM	DM				
Doug McCallum	Sales & Marketing	MVA Systematica	United Kingdom	01483-728 051	01483-755 207			DM			
John Perkins	Marketing Director	National Computing Centre Ltd	United Kingdom	0161-228 6333	0161-228 2579	DM		DM	DM	DM	DM
Alison Newell		Newell & Budge	United Kingdom						DM		
Dennis Holmes		Newell & Budge	United Kingdom						DM		
Tony Alt	Head of Mergers &	NM Rothchild & Sons Ltd	United Kingdom	0171-280 5000	0171-929 1643	DM	DM				
Naoya Nizeki	Executive Director	Nomura Research Institute	United Kingdom	071 489 8710	071 248 5989			DM	DM		
Megumi Koyima	Senior Advisor	Nomura Research Institute	United Kingdom	071 283 8811	071 489 0032	DM					
Kate Kemp	Systems Management	Nomura Research Institute	United Kingdom	0171-489 8710	0171-248 5989			DM	DM		
Masaki Murota	Manager	NTT Data	United Kingdom	0171-374 0040	0171-374 2275	DM		SUB	DM	DM	DM
Mr. Eiichi Nakamura	General Manager	NTT Data	United Kingdom	0171-374 0040	0171-374 2275	DM	DM	SUB	DM	DM	DM
Vivek Joshi		Nucleus Software Export Ltd	India	0181-572 0210	009111-462 0872	DM		DM	DM		DM
Mr. Jay Kwaaak	Managing Director	Océ (UK) Ltd	United Kingdom	0181-508 5544	0181-508 6689	DM		DM		DM	

Name	Title	Company		Phone	Fax	M	V	B	O	C	S
Richard Thompson	Sales & Marketing	Océ (UK) Ltd	United Kingdom	0181-508 5544	0181-508 6689	DM		DM		DM	
Wendy Rose	Marketing Director	OSL Open Systems Logistics	United Kingdom	0602-243 200			DM	DM			DM
John Buckley	Practice Head	PA Consulting Group	United Kingdom	0171-730 9000					DM		
Hugh Jostv	Managing Consultant	PA Consulting Group	United Kingdom	0171-730 9000		DM			DM		
John Little	Business Director	PA Consulting Group	United Kingdom	0171-730 9000		DM		DM	DM	DM	
Keith Machin	Marketing Director	PA Consulting Group	United Kingdom	0171-730 9000	071 333 5050	DM	DM	DM	DM		DM
Mathew Bloxham	Consultant	PA Consulting Group	United Kingdom	0171-730 9000	0171-333 5050	DM	DM	DM	DM	DM	
Gary Shepherd	Principle Consultant	PA Consulting Group	United Kingdom	0171-730 9000		DM		DM	DM	DM	
Toby Stevens	Consultant Analyst	PA Consulting Group	United Kingdom	0171-730 9000		DM		DM	DM	DM	
Sam Deutsch	Practice Head	PA Consulting Group	United Kingdom	0171-730 9000	0171-333 5050				DM		
Christina Barth	Consultant Analyst	Phoenix Fund Managers	United Kingdom	0171-919 6812	0171-638 3487	DM		DM	DM	DM	DM
Robert Banner	Managing Director	Pi Holdings plc	United Kingdom	0171-730 2167	0171-730 2164			DM		DM	DM
Neil Macfadyen	Technical Director	Pinacl PCSL	United Kingdom	0745-584 545		DM	DM	DM		DM	
John Oliver	Marketing Director	Pinacl PCSL	United Kingdom	0174S-584 545	01745-584 780	DM	DM	DM		DM	
Catherine Abraham	Marketing Executive	Pinacl Systems	United Kingdom	01745-584 545	01745-584 780	DM	DM	DM		DM	
Alan Colvin	Customer Services	Pinnacle Computer Systems	United Kingdom	01923-249 810	01923-230 196			DM		DM	
David Evans	Group Marketing	Praxis Plc	United Kingdom	0225 444700	0225 465205	DM		DM			DM
Colin Washbourn	Director	Praxis Plc	United Kingdom	0344 54445	0344 306515	DM	DM	DM			DM
David Allen	Sales Director	Praxis Plc	United Kingdom	0225-444 700	0225-465 205	DM					DM
Mike Hewson		Praxis Plc	United Kingdom	01225-444 700	01225-465 205	DM			DM		
David Bean	Managing Director	Praxis Systems Plc	United Kingdom	0225 444700	0225 465205	DM		DM			DM
Sandra Thompson	Consultant	Price Waterhouse	United Kingdom	0171-939 3000	071 334 5655			DM			
John Hedges	Partner	Price Waterhouse	United Kingdom	0171-939 3000	071 638 1358	DM					
Andrew J. Davies	Partner	Price Waterhouse	United Kingdom	0171-939 3000	071-638 1358	DM		DM	DM	DM	DM
Martin Tilling	Research Manager	Price Waterhouse	United Kingdom	0171-939 3000	0171-939 4475	DM	DM	DM	DM	DM	DM
George Fyffe	Professional Services	Protek	United Kingdom	01628 75959	01628 73013	DM		DM			DM
Geoffrey Evans	Managing Director	Protek	United Kingdom	01628 75959	01628 73013	DM		DM			DM
Trevor North	Director	Radius Computer Maintenance Ltd	United Kingdom	021-526 3663	021-526 3817	DM				DM	
Mike Hensman	Managing Director	Radius Computer Services Ltd	United Kingdom	081-844 2141	081-751 4386	DM	DM			DM	DM
Julie Templeton	Marketing Manager	Radius Computer Services Ltd	United Kingdom	081-844 2141	081-751 4386	DM	DM			DM	DM
	Information Officer	ROCC Computers Ltd	United Kingdom	01233-531 211	0233 511166					DM	
Alan Page	Customer Services	ROCC Computers Ltd	United Kingdom	01233-531 211	0233-511 166	DM				DM	
Luke Aldrich	Marketing Manager	ROCC Computers Ltd	United Kingdom	01233-531 211	0233-511 166	DM				DM	
Keith Banks	Director Customer	ROCC Computers Ltd	United Kingdom	01233-531 211	44 0233-511 166	DM				DM	DM
Barry Woodburn	Maintenance Contract	ROCC Computers Ltd	United Kingdom	01233-531 211	0233-511 166	DM				DM	DM
Stephen Murphy	Head of Margars &	Salomon Brothers International Ltd	United Kingdom	0171-721 2000	0171-721 2823/2717	DM	DM				
Garry Glynn		Shannon Development	Ireland	353 61 361 555		DM	DM				
Andrew Grant	Business Development	SHL Systemhouse	United Kingdom	0171-928 9800		DM	DM	DM	DM		
Dean Lilly	Business Development	SHL Systemhouse	United Kingdom	0171-928 9800		DM	DM	DM	DM	DM	
Tony Geater	Business Development	SHL Systemhouse	United Kingdom	0121-742 0781		DM	DM	DM	DM	DM	DM
Tony Galfrey	VP Network Systems	SHL Systemhouse	United Kingdom	0171-928 9800	0171-928 1296	DM	DM	DM	SUB		
Ben Salama	Vice President SI	SHL Systemhouse	United Kingdom	0171-928 9800		DM	DM	DM	DM		
Charles Pangrazi		SHL Systemhouse	United Kingdom	0171-928 9800	0171-928 1296	DM	DM	DM	DM		
Ken Hawes	Marketing Director	SHL Systemhouse Europe	United Kingdom	061-877 4759	061 877 8705	DM		DM	DM	DM	DM
Greg Swindells	Marketing Manager	SHL Systemhouse Europe	United Kingdom	0171-928 9800	44 071 928 1296			DM	DM	DM	DM
Ed Lukes	President	SHL Systemhouse Europe	United Kingdom	0171-928 9800	071 928 1296	DM	DM	DM	SUB		DM
Rob Stephens	Outsourcing Tech. Dir.	SHL Systemhouse Europe	United Kingdom	0161-877 4759	0161-877 8706	DM	DM	DM	DM		
Jim Gilroy	Managing Director	SHL Systemhouse Europe Limited	United Kingdom	01276-691 122		DM		DM	DM	DM	DM
Bob Woodland	MD, SHL Learning	SHL Systemhouse Europe Limited	United Kingdom	01276-691 122		DM		DM	DM		
Marc Bird	Services A/c Mgr	SHL Systemhouse Europe Limited	United Kingdom	01276-691 122		DM		DM	DM	DM	DM
Richard Armstrong	Director	Smith System Engineering Ltd	United Kingdom	01483-442 000	01483-442 304	DM			DM	DM	
John Houghton	Technical Services	SMS Computer Maintenance Ltd	United Kingdom	0709-363 418	0709-378 892	DM				DM	
Brian Williams	Logistics Administrator	SMS Computer Maintenance Ltd	United Kingdom	0709-363 418	0709-378 892	DM				DM	
Brent Weary	IT Director	Software AG	United Kingdom	0332 372535	0332 389434	DM	DM	DM			DM
Susan Morgan	Sr. Marketing Manager	Software AG (UK) Ltd	United Kingdom	0727 844455	0727 40092	DM	DM	DM			DM
Mr. Roopinder Singh	Marketing	Software AG (UK) Ltd	United Kingdom	0727 844455	0727 40092	DM	DM	DM			DM
Pauline Dunne	Marketing	Software AG (UK) Ltd	United Kingdom	0727 844455	0727 40092	DM	DM	DM			DM
Bob Fowler	Marketing Manager	Software AG (UK) Ltd	United Kingdom	01727-844 455	01727-840 092				DM		
Jeff Graham	Marketing Manager	Software AG (UK) Ltd	United Kingdom	01727-844 455	01727-840 092				DM		
Jane Tozer	Vice Chairman	Softwright Systems	United Kingdom	01753 811833	01753 811834	DM			DM		DM
Gill Spatcher	Marketing Manager	Softwright Systems	United Kingdom	01753 811833	01753 811834	DM			DM		DM
Paul Baber		Softwright Systems	United Kingdom	01753 811833	01753 811834	DM			DM		DM
Simon Tindall	European Market	Sun Microsystems	United Kingdom	01276-451 440	01276-512 87	DM	DM	DM			DM
Martyn Lambert	Marketing Director	Sun Microsystems	United Kingdom	01276 451 440	01276-512 87	DM					
Ms. Pim Dale	UK Product Marketing	Sun Microsystems	United Kingdom	01276-451 440	0276 51287	DM					
Paul Gostick	Marketing Manager	Sun Microsystems Limited	United Kingdom	01276-20444	01276 692027				DM	DM	DM
Peter Cunningham	Managing Director,	Sun Microsystems Limited	United Kingdom	01276-451 440	44 0276 451509			DM			
Steven Morton	Customer Services	Sun Microsystems Limited	United Kingdom	01276-621 11	01276-681 519					SUB	DM
Dr. Alan F. Wilson	Operations Manager,	Sun Microsystems Limited	United Kingdom	01276-451 440	44 0276 451509			DM			
Ray Moore	Technical Support	Sun Microsystems Ltd	United Kingdom	01276-204 44		DM					
Ian White	Director, Northern	Sun Microsystems Ltd	United Kingdom	01276-204 44	0276 681519					DM	DM
Cindana Cornwell	Business Development	Sun Microsystems Ltd	United Kingdom	01276-451 40	0276 451509			DM			
Chris Ritchie	SI Marketing Manager	Sun Microsystems Ltd	United Kingdom			DM	DM	DM			
Geoff Flett	Corporate Purchasing	Sun Microsystems Ltd	United Kingdom	01276-451 440	01276-512 87	DM	DM				
Janet Davies	Marketing Manager	Sun Microsystems (UK) Ltd	United Kingdom	01494-472 900	01494-472 256		DM				DM
Paul Day	Managing Director	Systemdata	United Kingdom	01420-541 038	01420-541 438					DM	
Alison Rednedge	Marketing Manager	Systemdata	United Kingdom	01420-541 038	01420-541 438					DM	
Helen Child	Sales & Marketing	Systems Direct UK Ltd	United Kingdom	01625-548 339	01625-548 340	DM		DM			

Name	Title	Company		Phone	Fax	M	V	B	O	C	S
Geoff Slyfield	Managing Director	Tangent Computer Services Ltd	United Kingdom	01277-630 055	01277-633 133			DM		DM	DM
Graham Howard-Barker	Sales Manager	Tangent Techniques	United Kingdom	01865-883 377	01865-883 370					DM	
Jeremy Sammes	Advanced Technology	TI Information Engineering	United Kingdom	01784-245 058	01784-212 600	DM	DM			DM	DM
Mike Shanahan	Customer Support	TI Information Engineering	United Kingdom	0784 245058	0784 243003	DM	DM				DM
Lawrence Wilkes	European Marketing	TI Information Engineering	United Kingdom	0784 245058	0784 243003	DM	DM				DM
Mike Shea	Advanced Technology	TI Information Engineering	United Kingdom	01784-245 058	01784-243 003	DM	DM			DM	DM
Joe Alexander	Quality Manager	Time Computer Systems Ltd	United Kingdom	01282-777 111	01282-770 701			DM		DM	DM
Chris Sullivan	Partner, I.T.	Touche Ross	United Kingdom	0171-936 3000					DM		
Andrea Nichols	Business Information	Touche Ross	United Kingdom	0171-936 3000	071-353 2314	DM	DM	DM	DM	DM	DM
David Evans	Business Information	Touche Ross	United Kingdom	0171-936 3000	0171-353 2314	DM	DM	DM	DM	DM	DM
John Everett	Partner, I.T.	Touche Ross	United Kingdom	0171-936 3000				DM	DM		
Andrew Davies	IT Partner (IT	Touche Ross Management	United Kingdom	0171-936 3000	071 583 1198	DM	DM	DM	DM		DM
Rob Woodward	IT Partner	Touche Ross Management	United Kingdom	0171-936 3000	071 583 1198	DM	DM	DM	DM		DM
Kevin Fallows	Sales & Marketing	Trace MIS ltd	United Kingdom			DM	DM	DM			
Annelese Jones	Marketing Manager	Triad Special Systems	United Kingdom	01483-860 222	01483-860 198	DM	DM	DM			DM
Diane Westbrook		VAMP Health	United Kingdom	071-498 1330	071-978 2713	DM		DM			
Garrey Melville	Maketing Director	Walker International	United Kingdom	01296-432 951		DM	DM				DM
Brian Clancy	IT Division Director	WS Atkins Planning & Management	United Kingdom	01372-726 140	01372-740 055			DM	DM	DM	DM

12.10.94

YNHP Changes required:

- All changes included into a final report.
- Electronic format. MACINTOSH – PC ~ ACROBAT

✓ - Chapter II — changes in respect of av. ser./employee. (Exhibit II-4) + Page II-1 cost / employee

- Chapter III – D:

✓ • Exc III-27. Position of BULL in upper grade is wrong --- Page III-21.

✓ • Box around charts on Page III-23.

✓ • Exc III-29. Change scale 0-5 to 0-3. + can we also change to 000's on scale.

✓ • Exc III-30. Italy Not M lire but millions is right ?

- Chapter III – E:

Re-calculate: Exc III-31 1992 #s recalculated using 1994 x-rate. → Hey were + rounded

- p III-35
- p III-42
- p III-32 Section D
- p III-46

needs mention

Chapter IV:

93 data to replace 92.

- Need to show in each case whether just professional services or total company

∴ how calculated.

~~p111-25 Auditing~~

Exhibit III-28 — CGS D ~~= put in 92 data~~

see also pg III-38 (in $'s).

NOT DONE

CGS	~~92 data~~	in D	P III-25
	~~#~~	in $s	P III-38

III-21

~~III-25 no D data in 92.~~

III-29 back to old ord

33

35

FAX

Date 27/09/94

Number of pages including cover sheet 14

TO: Gijsbert Niewland
HP

Phone
Fax Phone 010 +41 22 780 8542

FROM: John Willmott
INPUT
17 Hill Street
London W1X 7FB

Phone 071 493 9335
Fax Phone 071 629 0179

CC:

REMARKS: ☒ Urgent ☐ For your review ☐ Reply ASAP ☐ Please Comment

Dear Gijsbert

Please find enclosed the local currency versions of the comparison tables. I shall forward the dollar versions this afternoon.

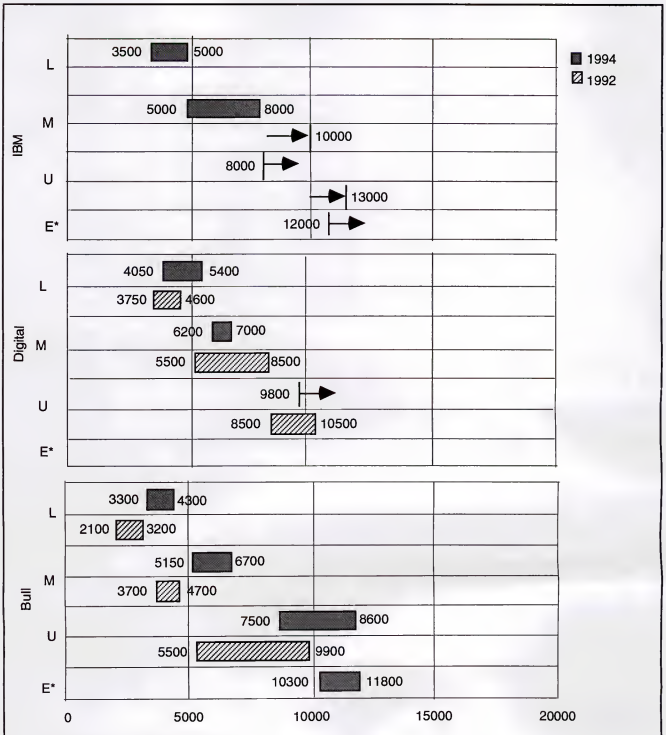
Regards,

John Willmott

D
Comparative Professional Services Pricing Tables

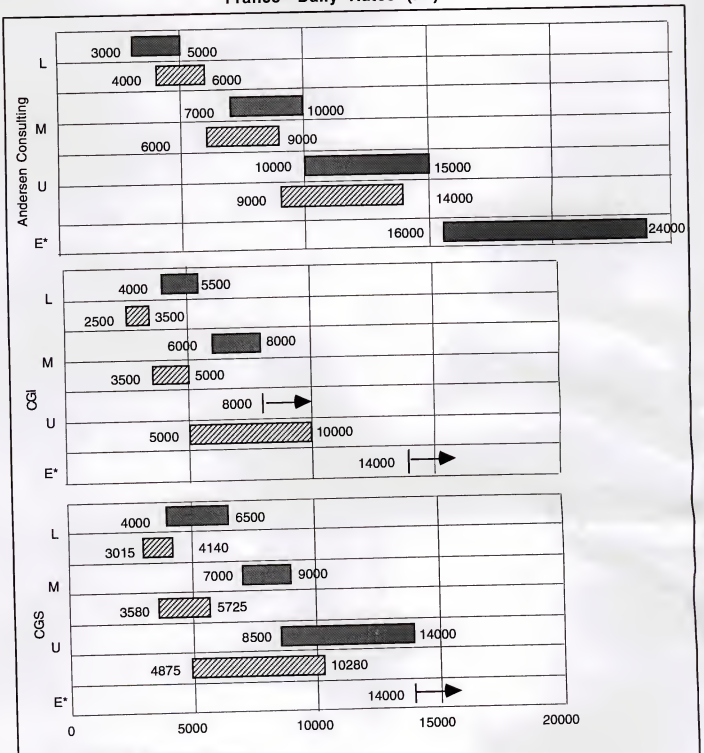
Exhibit III-27

France—Daily Rate (FF)



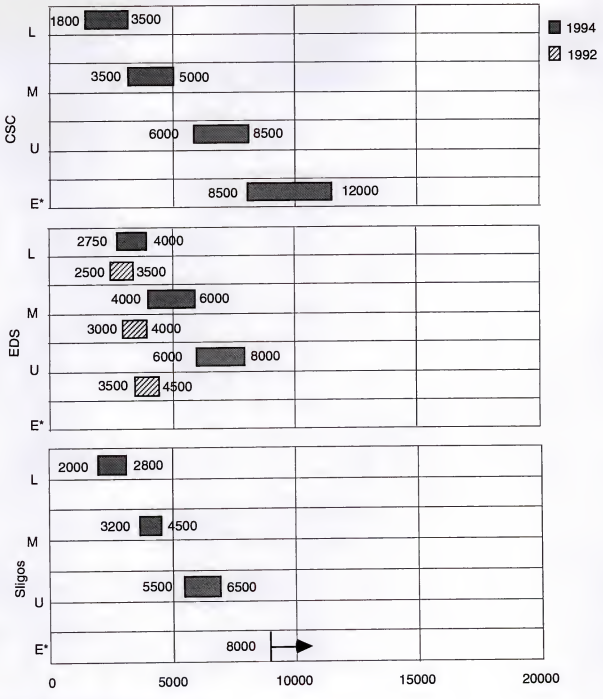
E* : No data for 1992 in this grade.

France—Daily Rates (FF)



E*: No data for 1992 in this grade.

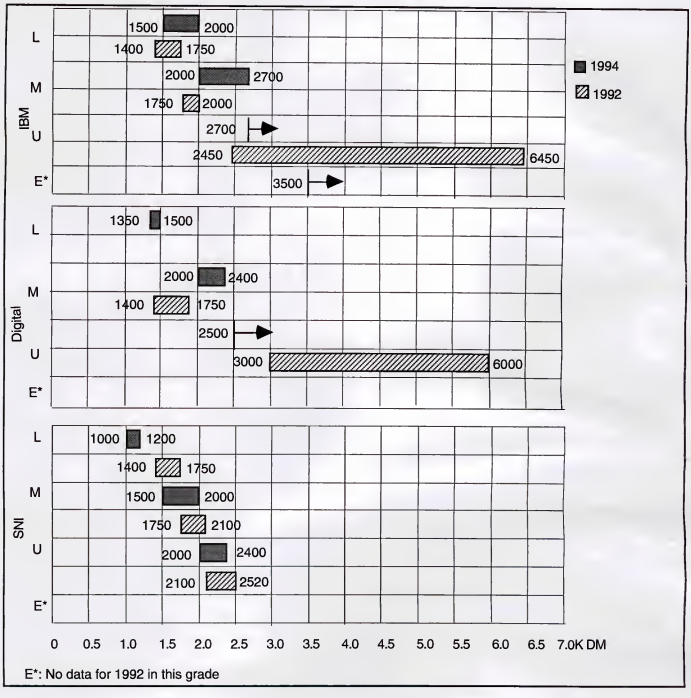
France—Daily Rates (FF)



E*: No data for 1992 in this grade.

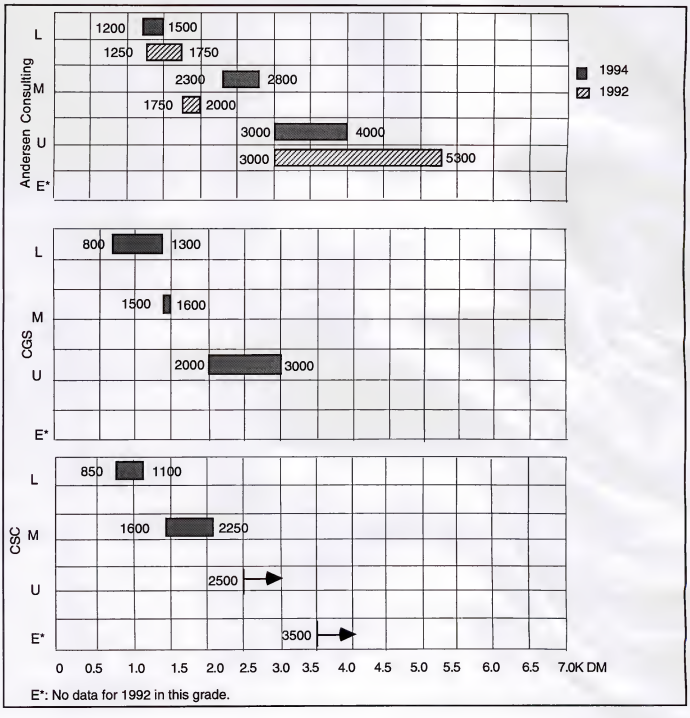
Exhibit III-28

Germany—Daily Rates (DM)



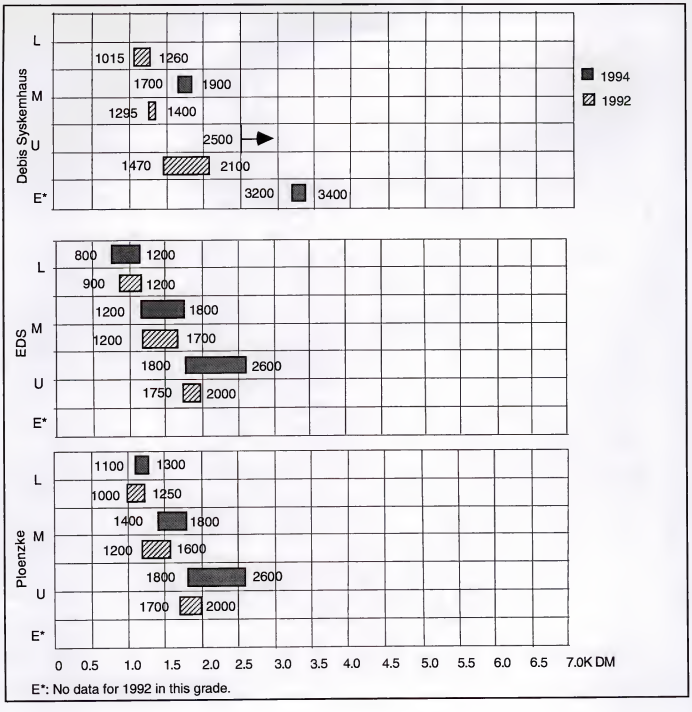
E*: No data for 1992 in this grade

Germany—Daily Rates (DM)



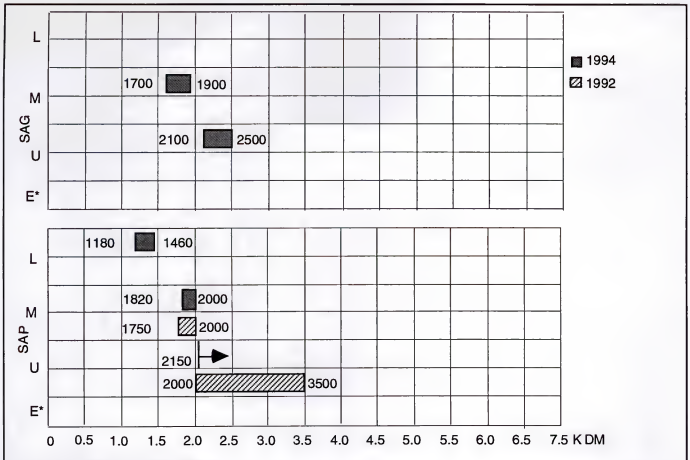
E*: No data for 1992 in this grade.

Germany—Daily Rates (DM)



E*: No data for 1992 in this grade.

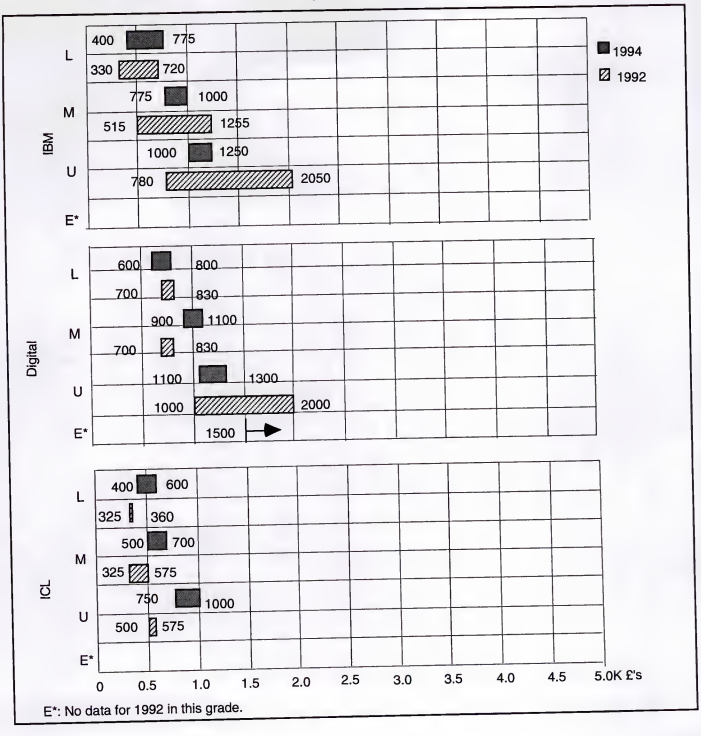
Germany—Daily Rates (DM)



E*: No data for 1992 in this grade.

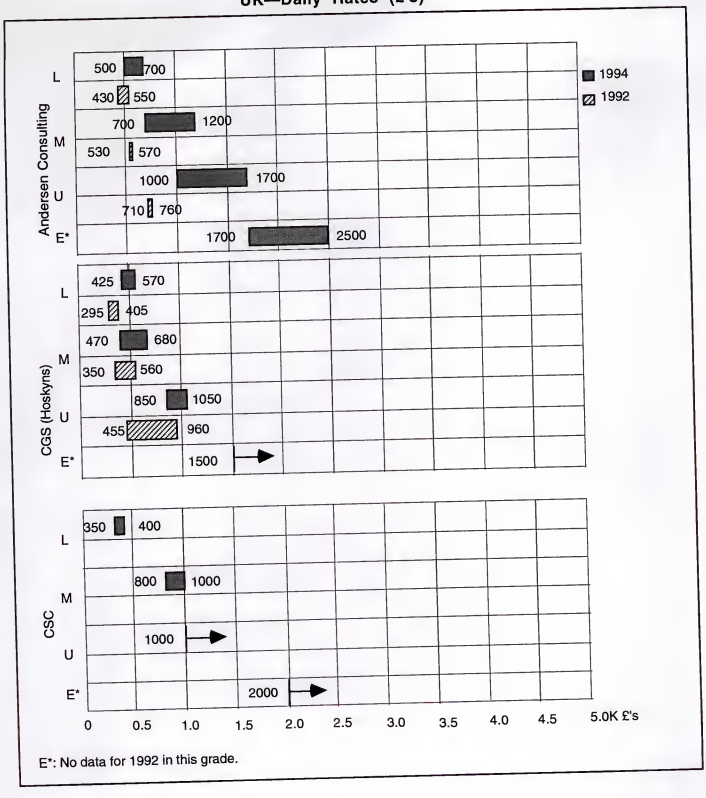
Exhibit III-29

UK—Daily Rates (£'s)



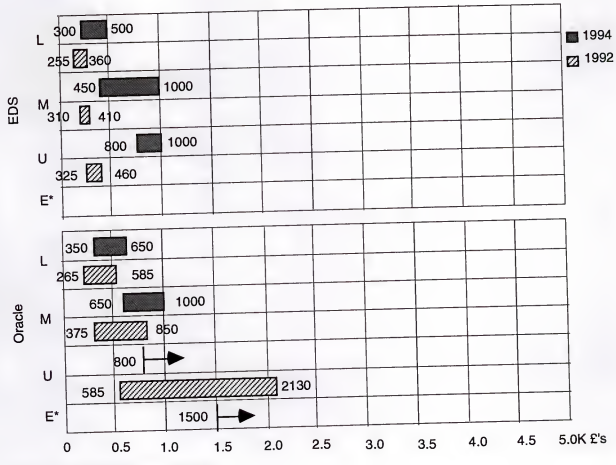
E*: No data for 1992 in this grade.

UK—Daily Rates (£'s)



E*: No data for 1992 in this grade.

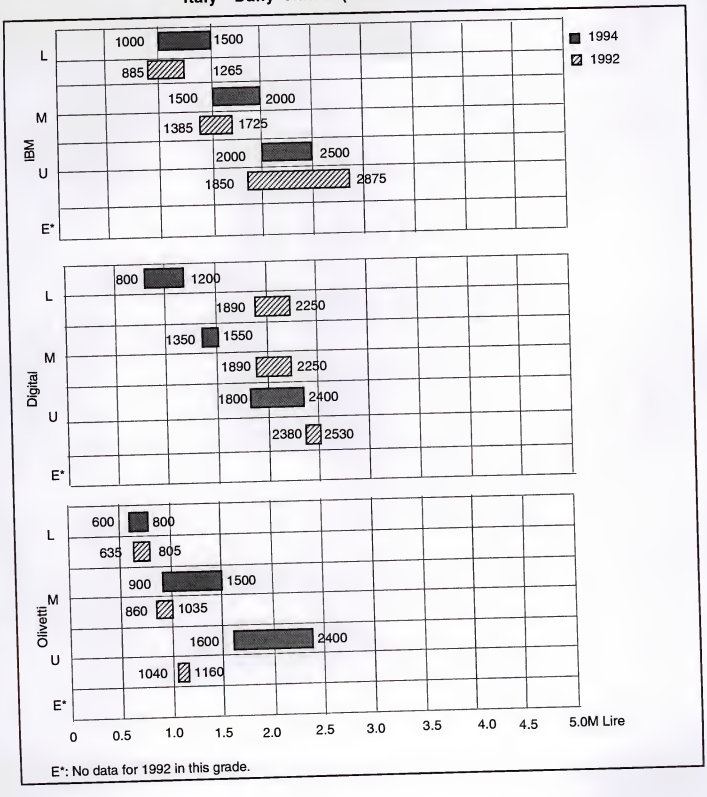
UK—Daily Rates (£'s)



E*: No data for 1992 in this grade.

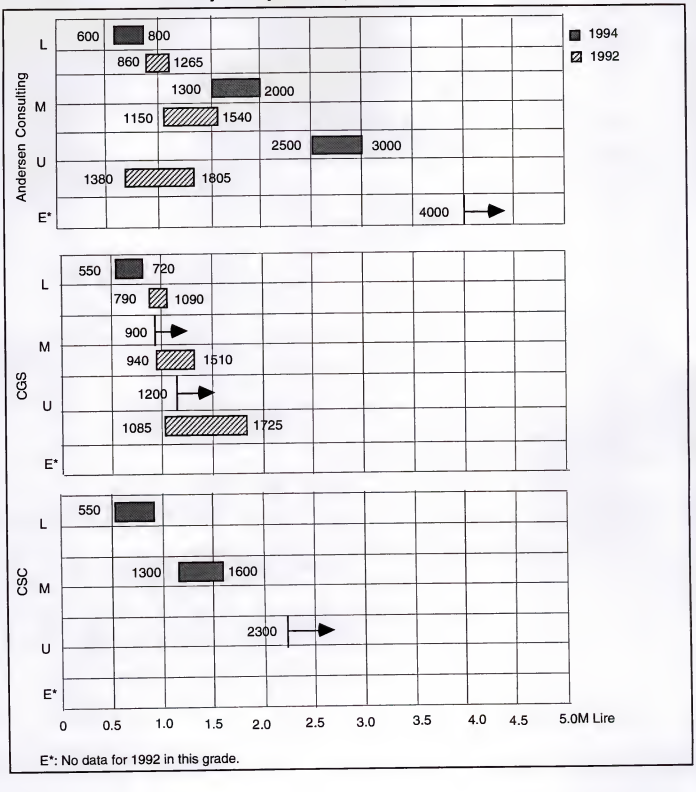
Exhibit III-30

Italy—Daily Rates (Lire thousands)



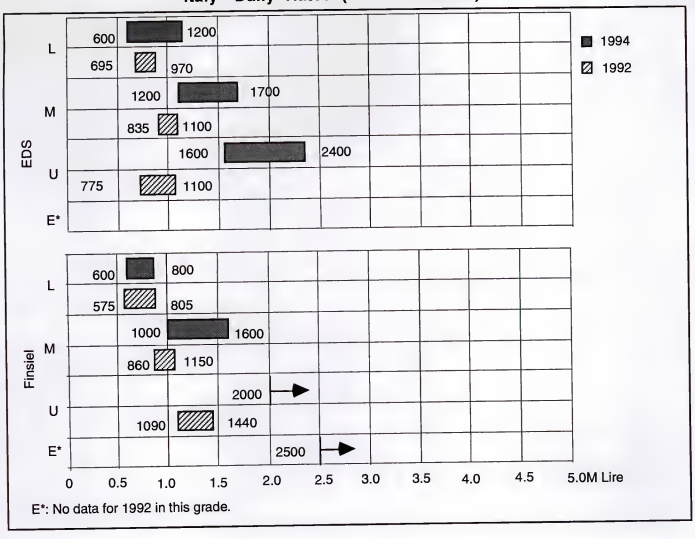
E*: No data for 1992 in this grade.

Italy—Daily Rates (Lire thousands)



E*: No data for 1992 in this grade.

Italy—Daily Rates (Lire thousands)

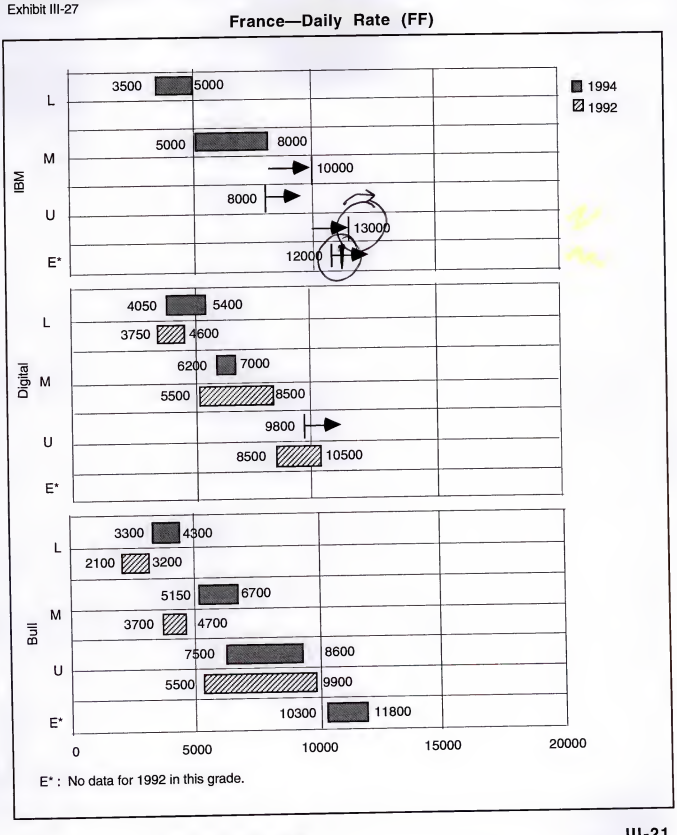


E*: No data for 1992 in this grade.

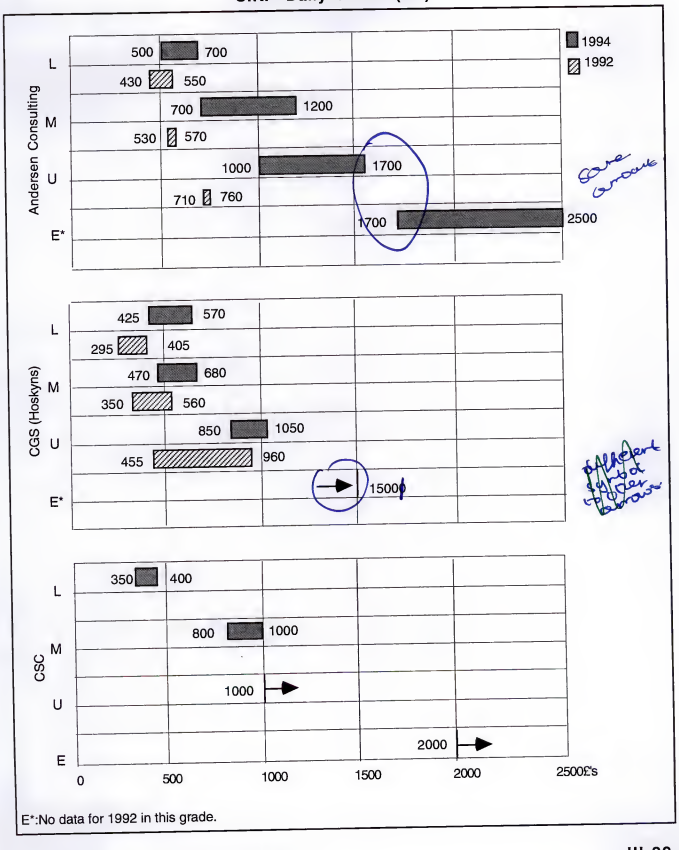
D

Comparative Professional Services Pricing Tables

Exhibit III-27

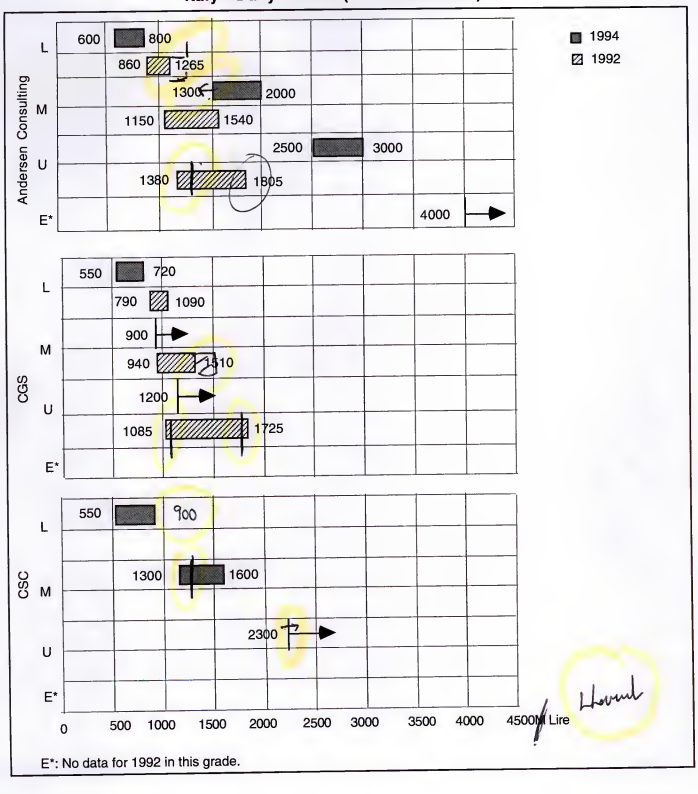


U.K.—Daily Rates (£'s)



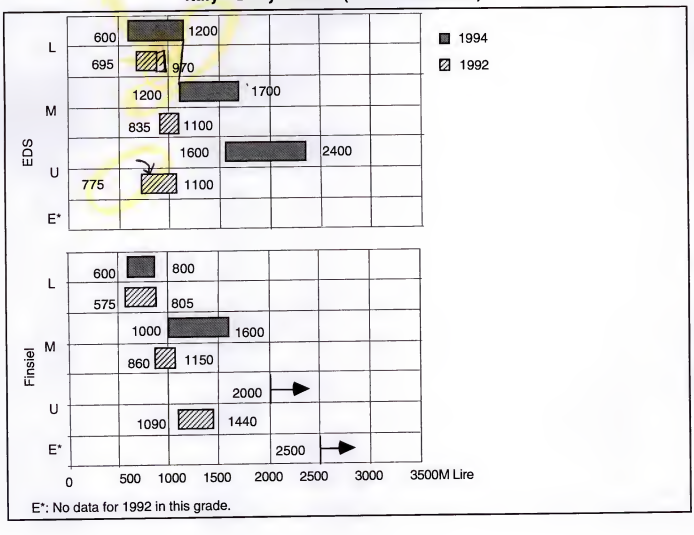
E*:No data for 1992 in this grade.

Italy—Daily Rates (Lire thousands)



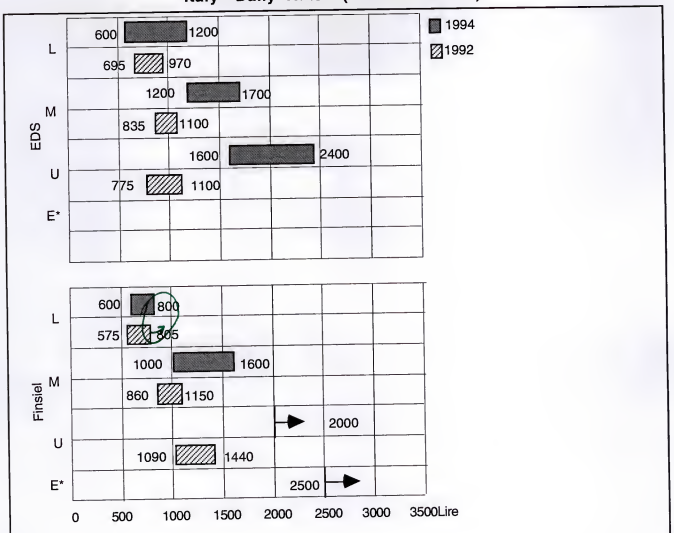
E*: No data for 1992 in this grade.

Italy—Daily Rates (Lire thousands)



E*: No data for 1992 in this grade.

Italy—Daily Rates (Lire thousands)



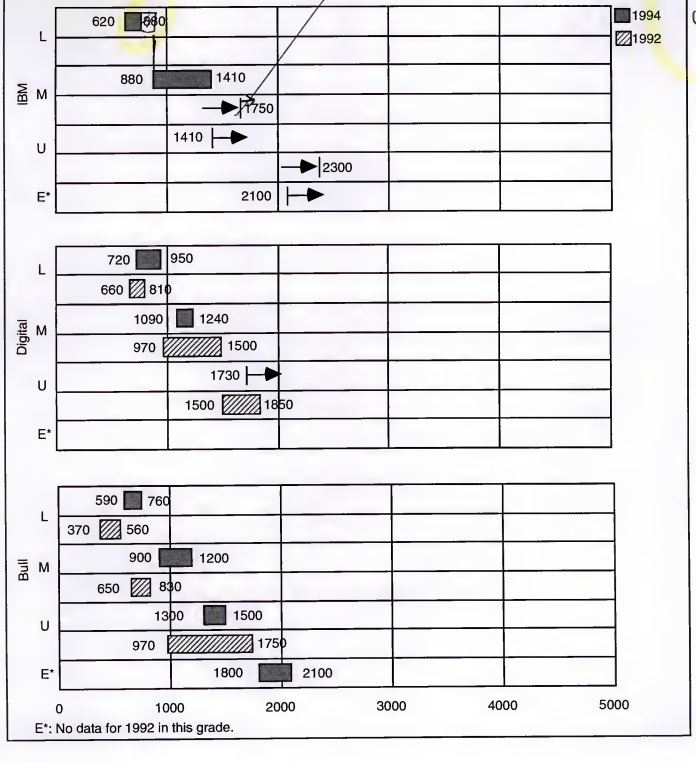
E*: No data for 1992 in this grade.

E

Comparative Professional Services Pricing Tables

Exhibit III-31

Fee Rates ($)—France

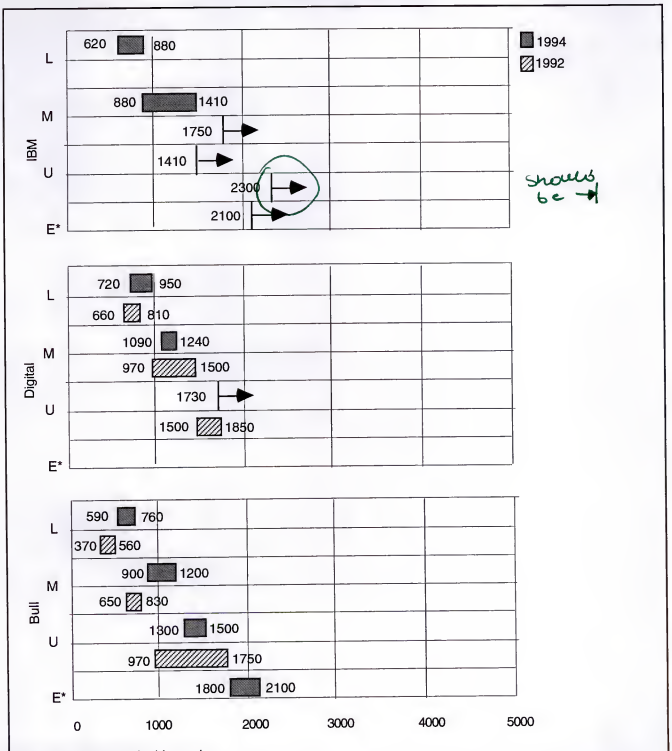


E*: No data for 1992 in this grade.

E
Comparative Professional Services Pricing Tables

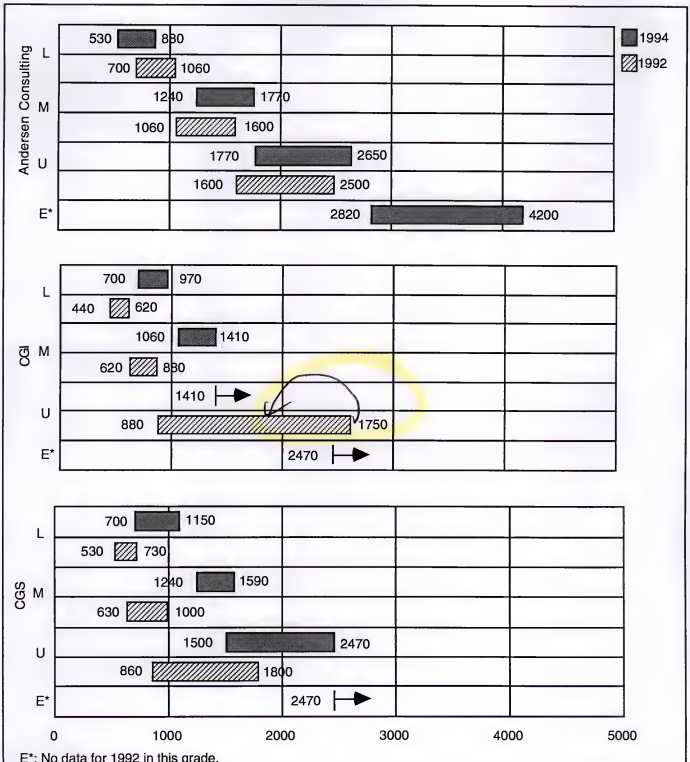
Exhibit III-31

Fee Rates ($)—France



E*: No data for 1992 in this grade.

Fee Rates ($)—France



E*: No data for 1992 in this grade.

SEPTEMBER 1994

Professional Services Pricing

A Report for Hewlett Packard

INPUT®

Frankfurt • London • New York • Paris • San Francisco • Tokyo • Washington, D.C.

I

Introduction

A
Purpose

The purpose of this report is to provide Hewlett Packard with professional services pricing data for a number of its principal European competitors in the four major European country markets. It is provided in an almost identical format to a previous study provided to Hewlett Packard by INPUT in December 1992. The report is thus able to provide comparative information for Hewlett Packard concerning the degree to which professional services pricing rates have altered in the 20 month period spanning these two research studies.

In addition to covering all the vendors studied previously this new report also included research on for additional vendors, namely CSC, debis Systemhaus and SAG in Germany and Sligos in France.

In addition to providing information on daily charge-out rates, revenue per employee and gross margin figures are also provided.

B
Scope and Methodology

The report covers the professional services activities of six systems vendors and twelve professional services/software product vendors across France, Germany, Italy and the United Kingdom.

The specific coverage by country for each vendor included in this survey is as shown in Exhibit I-1.

Exhibit I-1

Scope of Research

	Country			
Company	**France**	**Germany**	**Italy**	**U.K.**
Systems Vendors				
IBM	●	●	●	●
Digital	●	●	●	●
Bull	●			
SNI		●		
Olivetti			●	
ICL				●
Professional Services & Software Product Vendors				
Andersen Consulting	●	●	●	●
CGI	●			
CGS	●	●	●	●
CSC	●	●	●	●
debis systemhaus		●		
EDS	●	●	●	●
Finsiel			●	
Oracle				●
Ploenzke		●		
SAG		●		
SAP		●		
Sligos	●			

Source: INPUT

For each vendor, the daily sales rate used in proposals/quotations are provided by country; for each of the four levels of staff shown in Exhibit I-2. The original 1992 report only covered three grades of staff corresponding to the three lower grades shown here i.e. lower, middle and upper. To this has been added the Executive grade to incorporate additional information collected relating to the *partner* level personnel and very senior project management executives that are placed on significant projects or management consulting related assignments.

Exhibit I-2

Professional Services Pricing for Named Vendors Grades and their Experience Levels

Personnel Groups	Grade	Experience Level
Programmer/Junior analyst	Lower	1-5+ years
Senior Analyst/Programmer	Middle	5-7+ years
Project Manager/Senior Consultant	Upper	7-10+ years
Executive /Partner	High level	10+ years

Source: INPUT

The lower grade covers junior programmers and analysts.

The middle grade will include quality managers , systems designers, team leaders (typically for teams of up to 8 - 10 people) and consultants.

The upper grade will comprise both senior and principal consultants and project managers.

The high level grade will comprise project directors, technology directors and executive directors and will be peopled by individuals who have partner or executive status in their firms.

Revenues per employee and margins per employee are also provided. The data is based on information collected from vendors by INPUT. Further desk research was used to interpret information concerning each vendor's revenues per employee and gross margins.

Fee rates are shown in both local currency and US dollars. The exchange rates used are shown in Exhibit I-3.

Exhibit I-3

Exchange Rates Used

Country	Currency	US Dollar Exchange Rate
France	FF	5.67
Germany	DM	1.67
Italy	Lire '000s	1,633
U.K.	£	0.67

Source: INPUT

II

Executive Overview

Chapter III of this report provides detailed analysis of individual vendor professional services pricing and Chapter IV provides margin and profitability data. This chapter provides the following summaries of this data:

- European average daily rates for the equipment vendors included in the survey, shown in Exhibit II-1
- Average daily rates by vendor type, shown in Exhibit II-2
- Average daily rates by country, shown in Exhibit II-3
- Average revenues per employee and gross margin data by vendor type, shown in Exhibit II-4.

Exhibit II-1

Fee Rates - European Average by Vendor

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	680	1040	1040	1440	1440	1700	2100	-
Digital	730	950	1120	1320	1495	1710	2250	-
Andersen Consulting	590	830	1120	1620	1650	2360	2600	3980
CGS	540	800	850	1190	1180	1560	2360	-
CSC	420	610	900	1180	1370	1500	2200	2100
EDS	450	730	710	1170	1080	1490	-	-

Source: INPUT

Exhibit II-2

Fee Rates - European Average By Vendor Type

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Equipment Vendor	700	1000	1100	1400	1500	1700	2200	-
Professional Services Vendor	500	750	900	1300	1350	1750	2400	3000

Source: INPUT

Exhibit II-3

Fee Rates by Country

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	560	820	920	1260	1360	1640	2080	2800
Germany	650	840	1030	1260	1370	1710	2040	2040
United Kingdom	630	920	980	1450	1360	1780	2460	3750
Italy	360	630	740	1050	1160	1560	1990	-
Average (rounded)	555	820	940	1290	1350	1900	2140	2860

Source: INPUT

Exhibit II-4

Revenues per Employee and Gross Margin by Vendor Type

Vendor Type	Revenues per Employee ($K)	Average Employee Cost ($K)	Gross Margin (%)
Equipment vendor (PS)	~~91~~ 182	~~53~~ 78	~~72~~ 57
Professional services vendor	~~113~~ 119	~~70~~ 63	~~88~~ 47
Software product vendor	~~518~~ 125	~~75~~ 58	~~85~~ 54

Source: INPUT

III

Vendor Pricing

A
Professional Services and Pricing by Country

This chapter contains the vendor fee rates organised by country, in both local currency and in US dollars for comparative purposes, and by vendor.

The four countries covered are France, Germany, the United Kingdom and Italy. The exchange rates used for conversion from local currency to US dollars are as shown in Chapter I.

The fee rates quoted are daily rates. Where vendors provided hourly rate information it was converted to daily rates assuming a seven-hour working day. The rates shown exclude VAT and any additional expenses such as travel costs.

A range of charging rates is provided for each grade resulting in two rates, one for the lowest rate known to be charged for the category by the vendor, the other the highest charge-out rate. The rates shown are basic rates and are therefore the rates used prior to any quantity or time related discounts. Where available this information is noted separately.

The principal reason for the variation in the range is that vendors use more classifications than shown here in some cases.

1. Fee Rates in Local Currency

Exhibits III-1 through III-4 show vendor's professional services fee rates currently being used in France, Germany, and the United Kingdom and Italy in local currency.

Exhibit III-1

Fee Rates (FFs) - in France

Vendor	Daily Fee Rates (FFs)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	3500	5000	5000	8000	8000	-	12000	-
Digital	4050	5400	6200	7000	9800	-	-	-
Bull	3300	4300	5150	6700	7500	8600	10300	11800
Andersen Consulting	3000	5000	7000	10000	10000	15000	16000	24000
CGI	4000	5500	6000	8000	8000	-	14000	-
CGS	4000	6500	7000	9000	8500	14000	14000	-
CSC	1800	3500	3500	5000	6000	8500	8500	12000
EDS	2750	4000	4000	6000	6000	8000	-	-
Sligos	2000	2800	3200	4500	5500	6500	8000	-
Average (rounded)	3200	4670	5230	7130	7700	10100	11830	15930

Source: INPUT

Exhibit III-2

Fee Rates (DMs) - Germany

Vendor	Daily Fee Rates (DMs)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	1500	2000	2000	2700	2700	-	3500	-
Digital	1350	1500	2000	2400	2500	-	-	-
SNI	1000	1200	1500	2000	2000	2400	-	-
Andersen Consulting	1200	1500	2300	2800	3000	4000	-	-
CGS	800	1300	1500	1600	2000	3000	-	-
CSC	850	1100	1600	2250	2500	-	3500	-
debis systemhaus	-	-	1700	1900	2500	-	3200	3400
EDS	800	1200	1200	1800	1800	2600	-	-
Ploenzke	1100	1300	1400	1800	1800	2600	-	-
SAG	-	-	1700	1900	2100	2500	-	-
SAP	1180	1460	1820	2000	2150	-		
Average (rounded)	1090	1400	1700	2050	2160	2850	3400	3400

Source: INPUT

Exhibit III-3

Fee Rates (£'s) - United Kingdom

Vendor	Daily Fee Rates (£s)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	400	775	775	1000	1000	1250	-	-
Digital	600	800	900	1100	1100	1300	1500	-
ICL	400	600	500	700	750	1000	-	-
Andersen Consulting	500	700	700	1200	1000	1700	1700	2500
CGS (Hoskyns)	425	570	470	680	850	1050	1500	-
CSC	350	400	800	1000	1000	-	2000	-
EDS	300	500	450	1000	800	1000	-	-
Oracle	350	650	650	1000	800	-	1500	-
Average (rounded)	400	625	660	960	940	1220	1640	2500

Source: INPUT

Exhibit III-4

Fee Rates (Lire Thousands) - Italy

	Daily Fee Rates (Lire Thousands)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	1000	1500	1500	2000	2000	2500	-	-
Digital	800	1200	1350	1550	1800	2400	-	-
Olivetti	600	800	900	1500	1600	2400	-	-
Andersen Consulting	600	800	1300	2000	2500	3000	4000	-
CGS	550	720	900	-	1200	-	-	-
CSC	550	900	1300	1600	2300	-	-	-
EDS	600	1200	1200	1700	1600	2400	-	-
Finsiel	600	800	1000	1600	2000	-	2500	-
Average (rounded)	660	990	1180	1700	1880	2500	3250	-

Source: INPUT

2. Fee Rates in US Dollars

Exhibits III-5 through III-8 show vendor's fee rates for France, Germany, the United Kingdom and Italy in US dollars for comparative purposes.

Exhibit III-5

Fee Rates ($) - France

Vendor	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	620	880	880	1410	1410	-	2100	-
Digital	720	950	1090	1240	1730	-	-	-
Bull	590	760	900	1200	1300	1500	1800	2100
Andersen Consulting	530	880	1240	1770	1770	2650	2820	4200
CGI	700	970	1060	1410	1410	-	2470	-
CGS	700	1150	1240	1590	1500	-	2470	-
CSC	320	620	620	900	1060	1500	1500	2100
EDS	490	700	700	1060	1060	1410	-	-
Sligos	350	500	560	800	1000	1150	1400	-
Average (rounded)	560	820	920	1260	1360	1640	2080	2800

Source: INPUT

Exhibit III-6

Fee Rates ($) - Germany

	Daily Fee Rates ($)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	900	1200	1200	1620	1620	-	2100	-
Digital	800	900	1200	1440	1500	-	-	-
SNI	600	720	900	1200	1200	1440	-	-
Andersen Consulting	720	900	1380	1680	1800	2400	-	-
CGS	480	720	900	960	1200	1800	-	-
CSC	500	660	960	1350	1500	-	2100	-
debis systemhaus	-	-	1000	1140	1500	-	1920	2040
EDS	480	720	720	1080	1080	1560	-	-
Ploenzke	660	780	840	1080	1080	1560	-	-
SAG	-	-	1020	1140	1260	1500	-	-
SAP	700	880	1100	1200	1290	-	-	-
Average (rounded)	650	840	1030	1260	1370	1710	2040	2040

Source: INPUT

Exhibit III-7

Fee Rates ($) - United Kingdom

	Daily Fee Rates ($)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	600	1160	1160	1500	1500	1880	-	-
Digital	900	1200	1350	1650	1650	1950	2250	-
ICL	600	750	750	1050	1130	1500	-	-
Andersen Consulting	750	1050	1050	1800	1500	2550	2550	3750
CGS (Hoskyns)	640	860	700	1020	1280	1310	2250	-
CSC	530	600	1200	1500	1500	-	3000	-
EDS	450	750	680	1500	1200	1500	-	-
Oracle	530	980	1000	1500	1200	-	2250	-
Average (rounded)	630	920	980	1450	1360	1780	2460	3750

Source: INPUT

Exhibit III-8

Fee Rates ($) - Italy

	Daily Fee Rates ($)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	600	920	920	1220	1220	1530	-	-
Digital	500	740	830	950	1100	1470	-	-
Olivetti	370	500	550	920	980	1470	-	-
Andersen Consulting	370	500	800	1220	1530	1840	2450	-
CGS	340	440	550	-	740	-	-	-
CSC	340	550	800	980	1400	-	-	-
EDS	370	750	750	1040	980	1470	-	-
Finsiel	400	640	750	1040	1200	-	1530	-
Average (rounded)	360	630	740	1050	1160	1560	1990	-

Source: INPUT

B
Professional Services Pricing by Vendor

Exhibits III-9 through III-26 summarise the professional services fee rates for all the vendors included in the survey, where appropriate comparing the fee rates in the four countries covered. the rates are all shown in US dollars for ease of comparison, using the exchange rates shown in Exhibit I-3 in Chapter I.

Exhibit III-9

Fee Rates - IBM

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	620	880	880	1410	1410	-	2100	-
Germany	900	1200	1200	1620	1620	-	2100	-
U.K.	600	1160	1160	1500	1500	1880	-	-
Italy	600	920	920	1220	1220	1530	-	-
Average (rounded)	680	1040	1040	1440	1440	1700	2100	-

Source: INPUT

Exhibit III-10

Fee Rates - Digital

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	715	950	1090	1235	1730	-	-	-
Germany	800	900	1200	1440	1500	-	-	-
U.K.	900	1200	1350	1650	1650	1950	2250	-
Italy	500	740	830	950	1100	1470	-	-
Average (rounded)	730	950	1120	1320	1495	1710	2250	-

Source: INPUT

Exhibit III-11

Fee Rates - Bull

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	590	760	900	1200	1300	1500	1800	2100

Source : INPUT

Exhibit III-12

Fee Rates - SNI

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	600	720	900	1200	1200	1440	-	-

Source: INPUT

Exhibit III-13

Fee Rates - Olivetti

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Italy	370	500	550	920	980	1470	-	-

Source : INPUT

Exhibit III-14

Fee Rates - ICL

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
U.K.	600	750	750	1050	1130	1500	-	-

Source : INPUT

Exhibit III-15

Fee Rates - Andersen Consulting

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	530	880	1240	1770	1770	2650	2820	4200
Germany	720	900	1380	1680	1800	2400	-	-
U.K.	750	1050	1050	1800	1500	2550	2550	3750
Italy	370	500	800	1220	1530	1840	2450	-
Average (rounded)	590	830	1120	1620	1650	2360	2600	3980

Source: INPUT

Exhibit III-16

Fee Rates - CGI

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	700	970	1060	1410	1410	-	22470	-

Source : INPUT

Exhibit III-17

Fee Rates - Cap Gemini Sogeti

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	700	1150	1240	1590	1500	-	2470	-
Germany	480	780	900	960	1200	1800	-	-
U.K.	640	860	700	1020	1280	1310	2250	-
Italy	340	440	550	-	740	-	-	-
Average (rounded)	540	800	850	1190	1180	1560	2360	-

Source : INPUT

Exhibit III-18

Fee Rates - CSC

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	320	620	620	900	1060	1500	1500	2100
Germany	500	660	960	1350	1500	-	2100	-
U.K.	530	600	1200	1500	1500	-	3000	-
Italy	340	550	800	980	1400	-		
Average (rounded)	420	610	900	1180	1370	1500	2200	2100

Source : INPUT

Exhibit III-19

Fee Rates - debis Systemhaus

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	-	-	1000	1140	1500	-	1920	2040

Source : INPUT

Exhibit III-20

Fee Rates - EDS

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	490	700	700	1060	1060	1410	-	-
Germany	480	720	720	1080	1080	1560	-	-
U.K.	450	750	680	1500	1200	1500	-	-
Italy	370	750	750	1040	980	1470	-	-
Average (rounded)	450	730	710	1170	1080	1490	-	-

Source: INPUT

Exhibit III-21

Fee Rates - Finsiel

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Italy	400	640	750	1040	1200	-	1530	-

Source : INPUT

Exhibit III-22

Fee Rates - Oracle

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
U.K.	530	980	1000	1500	1200	-	2250	-

Source : INPUT

Exhibit III-23

Fee Rates - Ploenzke

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	660	780	840	1080	1080	1560	-	-

Source : INPUT

Exhibit III-24

Fee Rates - SAG

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	-	-	1020	1140	1260	1500	-	-

Source : INPUT

Exhibit III-25

Fee Rates - SAP

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	700	880	1100	1200	1290	-	-	-

Source : INPUT

Exhibit III-26

Fee Rates - Sligos

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	350	500	560	800	1000	1150	1400	-

Source : INPUT

C
Discounting Practice

This section lists the discounting practices specifically referred to by vendors in the course of the research. Clearly all vendors will negotiate rates depending on the special conditions relating to the particular project or account.

Andersen Consulting would not generally be considered to be in the headcount discounting business since they are a leading example of an IT professional services firm pushing hard into business related contracts as manifested by their Business Process Management Practice. However, clearly some part of their business, particularly in France and Italy, does engage in body shopping type activity where quantity discounts are available. Andersen Consulting state that long-term discounts will apply on jobs of 1-2 years in duration and can be up to 30% of daily rates.

In France Bull reported using a formula, based on the number of site visits per year committed to, to calculate discounts for basic support delivered by professional services staff.

The formula is based on a daily rate to which additional hours can be added at a rate of one quarter the daily quoted rate. If a client commits to a certain fixed number of site visits per year in advance the following discounts apply:

- For 6 visits per year discounts of 16% on lower grades, no discounts on middle and upper grades.
- For 11 visits per year discounts of approximately 20% on lower and middle grades only. No discount for upper grades.
- For 22 visits per year discounts ranging from 21% on lower grades to 17% on upper grades.

Cap Gemini Sogeti units reported on a number of discounting practices. In Germany Cap/debis stated that they offered discounts of 10-15% for at least a commitment to 3-5 days work. Above this rates were negotiable depending on special circumstances surrounding the project. debis systemhaus reported that all discounts were only by negotiation.

In the U.K. Hoskyns operates a *short term* and *long term* rate card. For the *long term* card discounts amount to the following in comparison to the *short term* card:

- Lower level - eight and a half percent

- Middle level - up to 20 %
- Upper level - up to 16%.

Digital operate a standard discounting system based on the metric of 5% discount for every 30 days of booked time. This operates up to a discount maximum of 30%. For example a 120 - 150 project will qualify for a 25% discount, a 150 to 180 day project for the maximum of 30%.

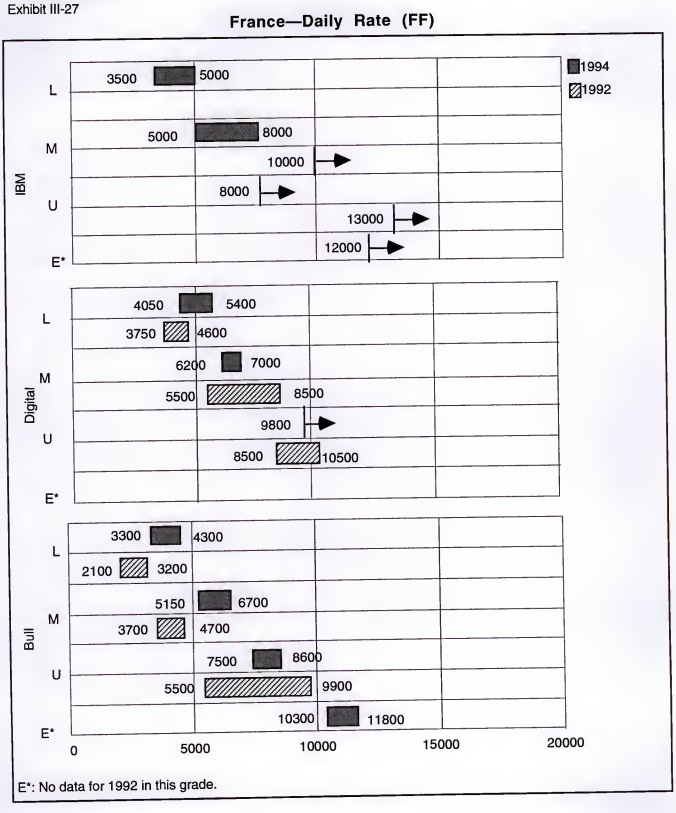
IBM also appears to operate a standard discount structure to be applied to its basic daily rate professional services fee card. This is structured around quarterly and annual commitment bases. These are calculated on the basis of 50 days as a quarter and 200 days as an annual figure. Some further discounting is given on the quarterly rates (believed to be around 10% of daily rates), this amounts only to 4% for senior people, no discount for junior grades. The annual rates, at about 20% below daily rates are not discounted further at all.

ICL in the U.K. reported using a daily and weekly rate card. The weekly rate represents a 9% discount over the daily rate. Further to this monthly discounts apply which will be calculated on the particular circumstances of the project but which will not exceed 15% over daily rates.

SAG in Germany reported using discounts for long term projects in the range of 5-10%.

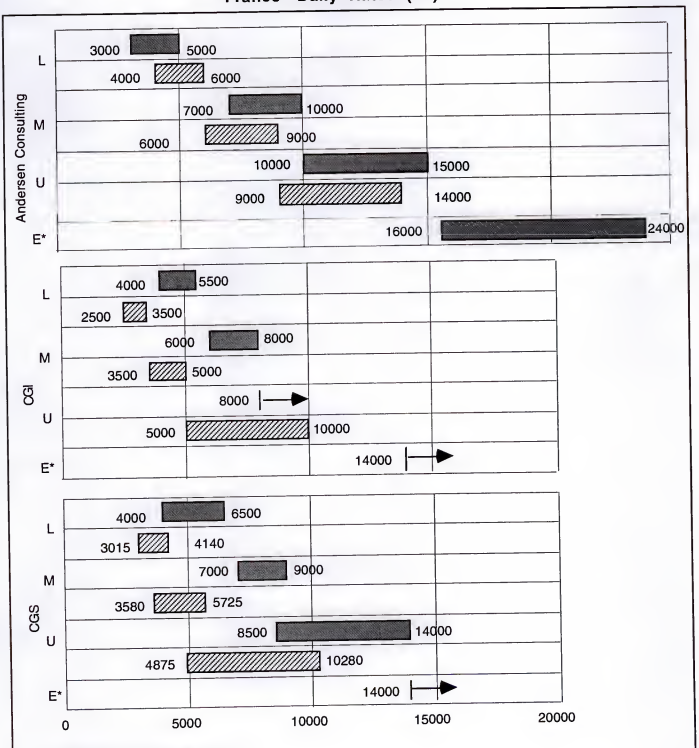
D
Comparative Professional Services Pricing Tables

Exhibit III-27



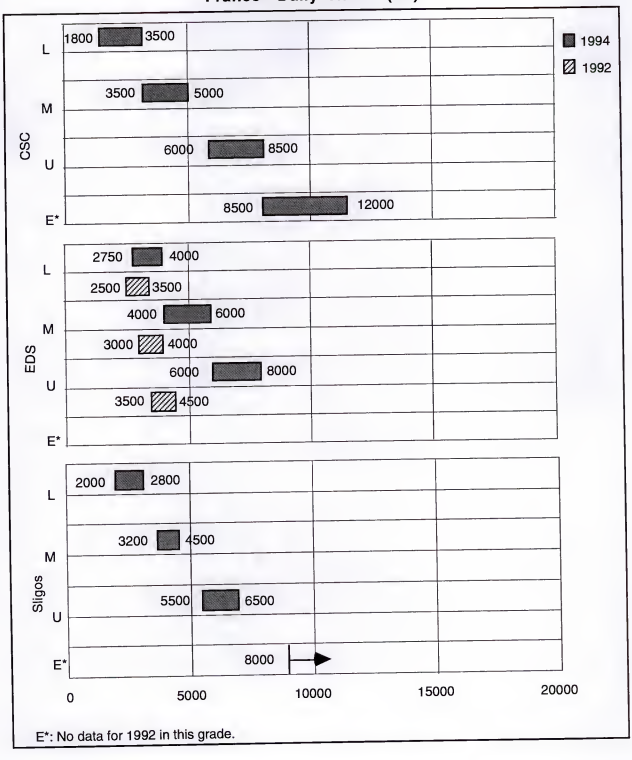
E*: No data for 1992 in this grade.

France—Daily Rates (FF)



E*: No data for 1992 in this grade.

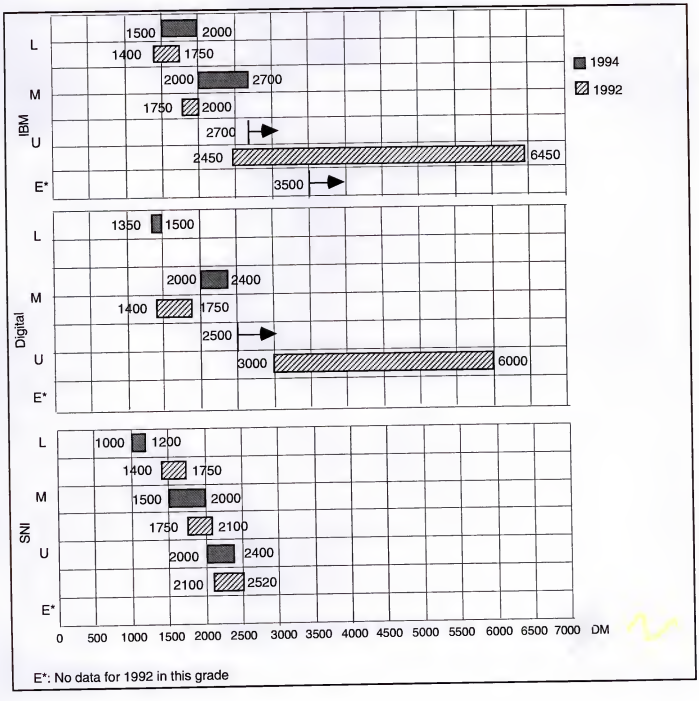
France—Daily Rates (FF)



E*: No data for 1992 in this grade.

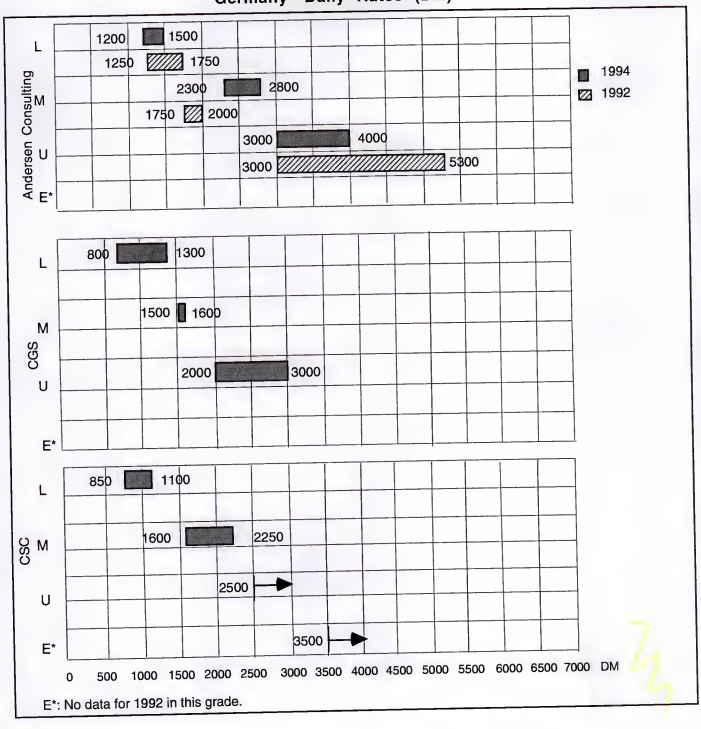
Exhibit III-28

Germany—Daily Rates (DM)



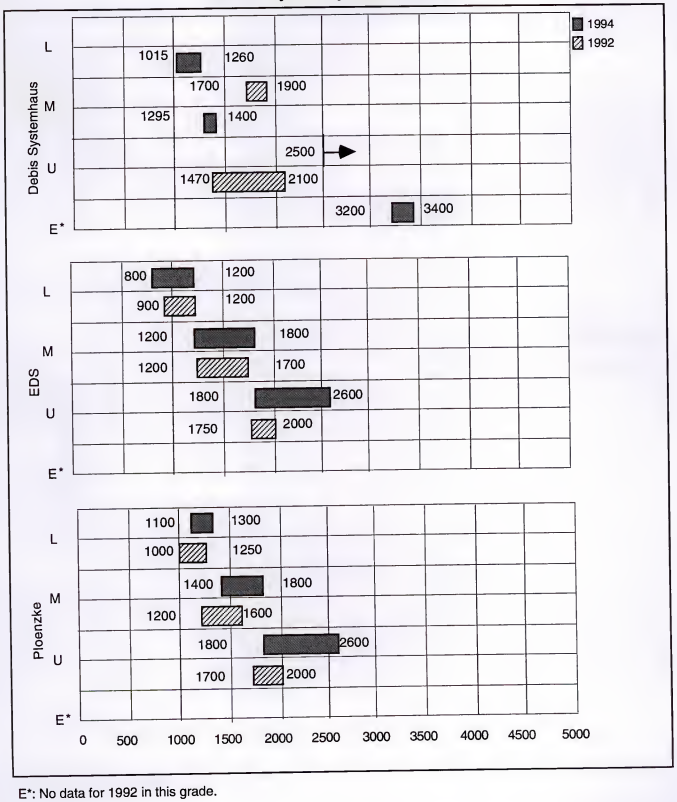
E*: No data for 1992 in this grade

Germany—Daily Rates (DM)



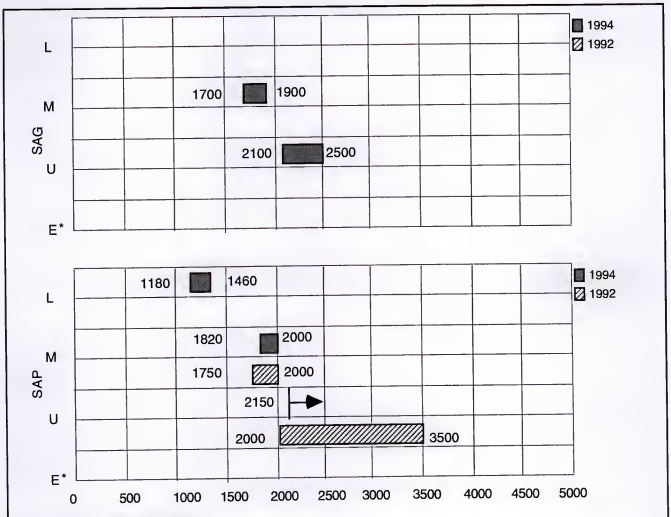
E*: No data for 1992 in this grade.

Germany—Daily Rates (DM)



E*: No data for 1992 in this grade.

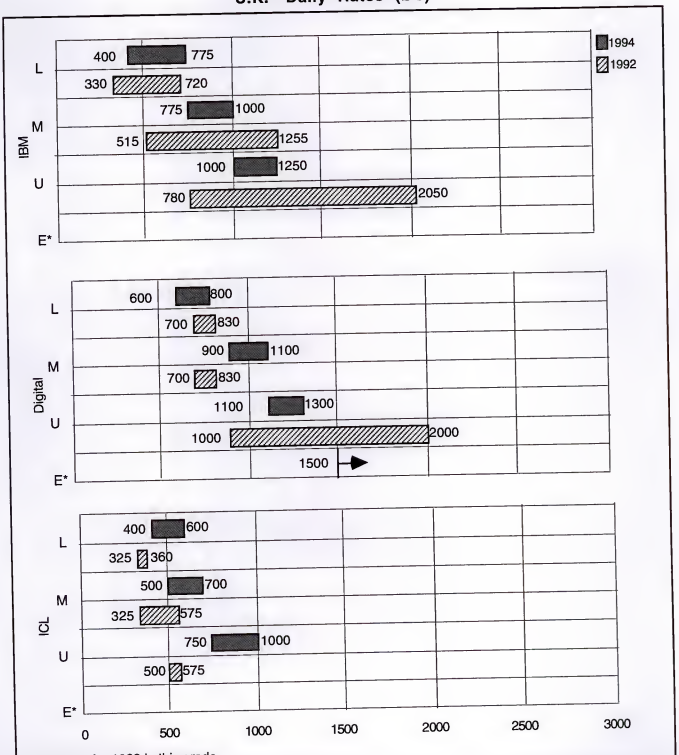
Germany—Daily Rates (DM)



E*: No data for 1992 in this grade.

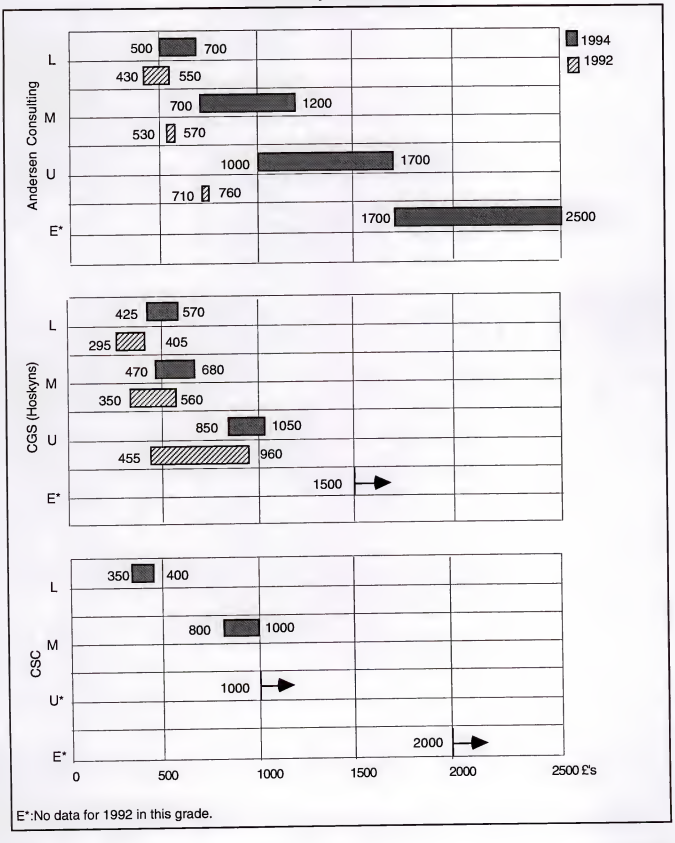
Exhibit III-29

U.K.—Daily Rates (£'s)



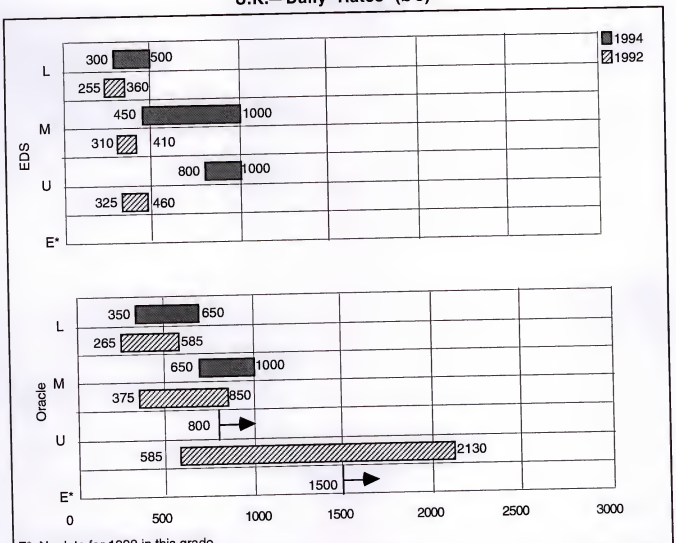
E*: No data for 1992 in this grade.

U.K.—Daily Rates (£'s)



E*:No data for 1992 in this grade.

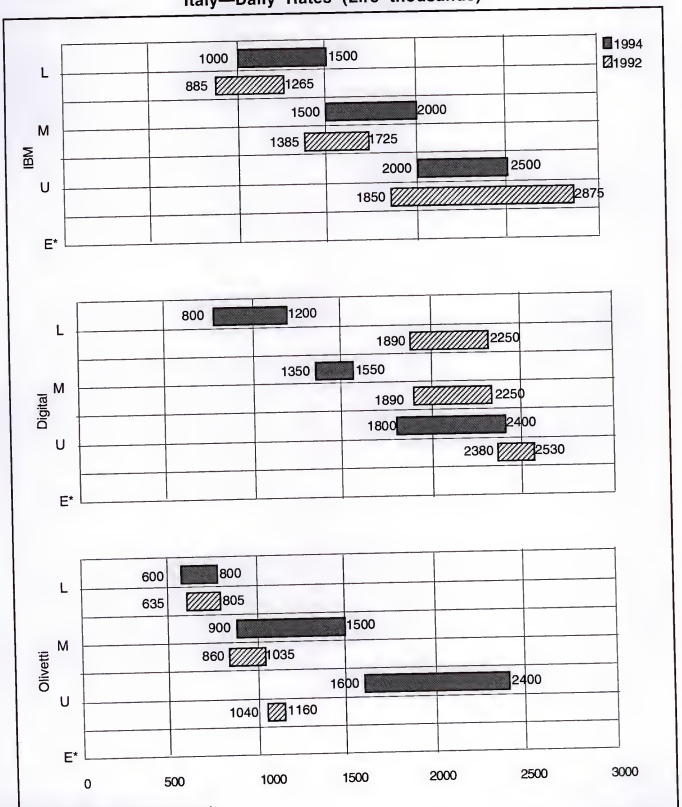
U.K.—Daily Rates (£'s)



E*: No data for 1992 in this grade.

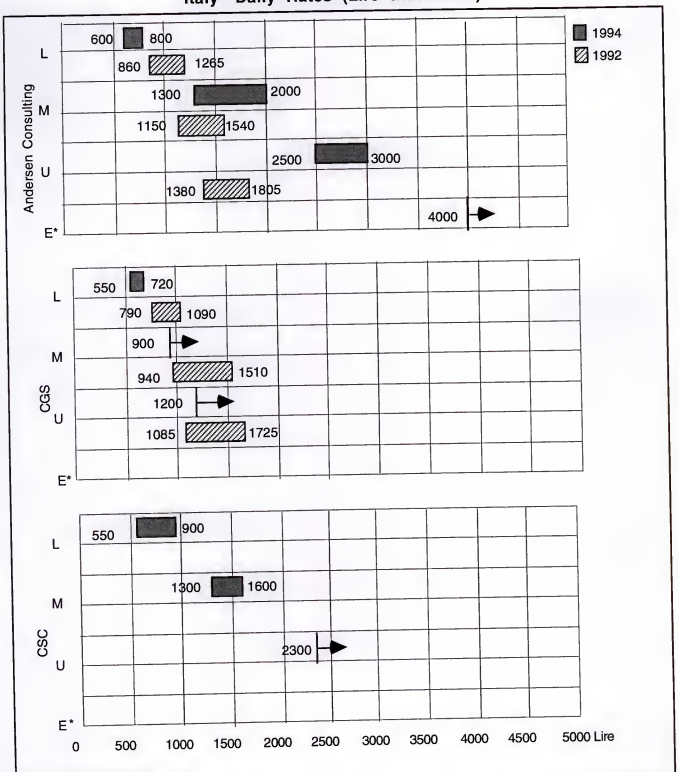
Exhibit III-30

Italy—Daily Rates (Lire thousands)



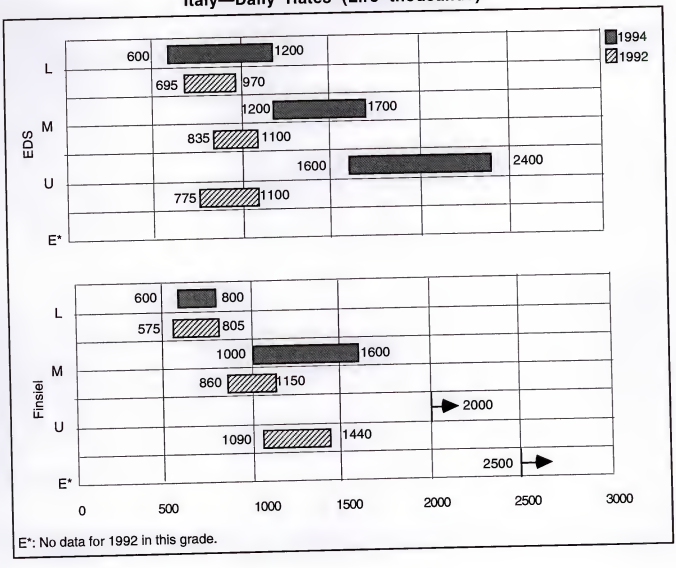
E*: No data for 1992 in this grade.

Italy—Daily Rates (Lire thousands)



E*: No data for 1992 in this grade.

Italy—Daily Rates (Lire thousands)



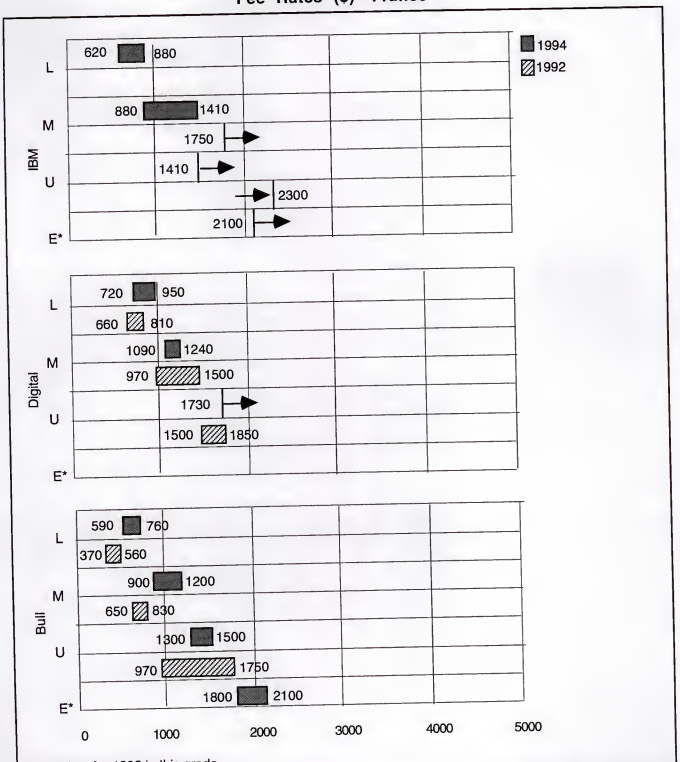
E*: No data for 1992 in this grade.

E
Comparative Professional Services Pricing Tables

This section contains comparative tabular data for all the vendors surveyed, converted to U.S. dollars. To ensure a valid comparison between 1992 and 1994 data the 1994 and exchange rate has been used for all conversions.

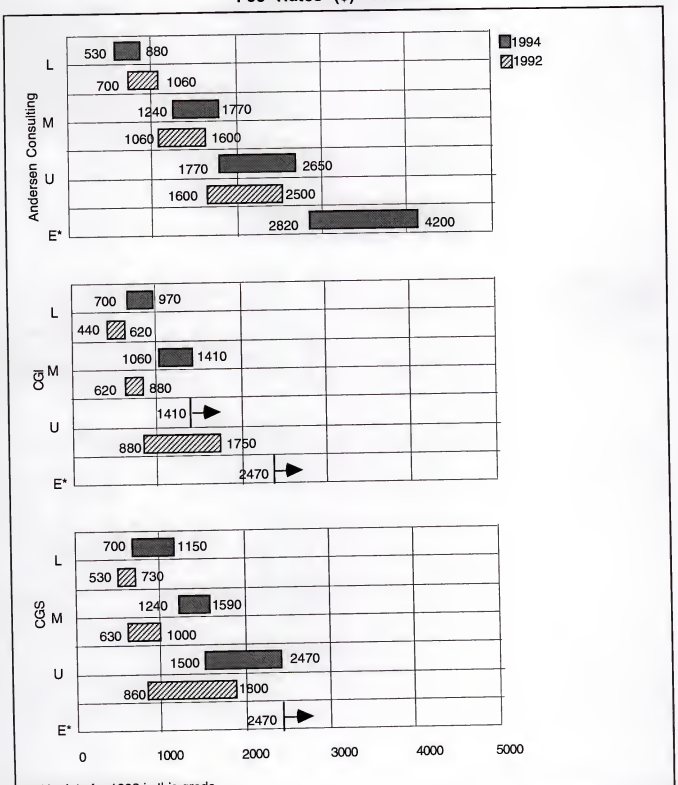
Exhibit III-31

Fee Rates ($)—France



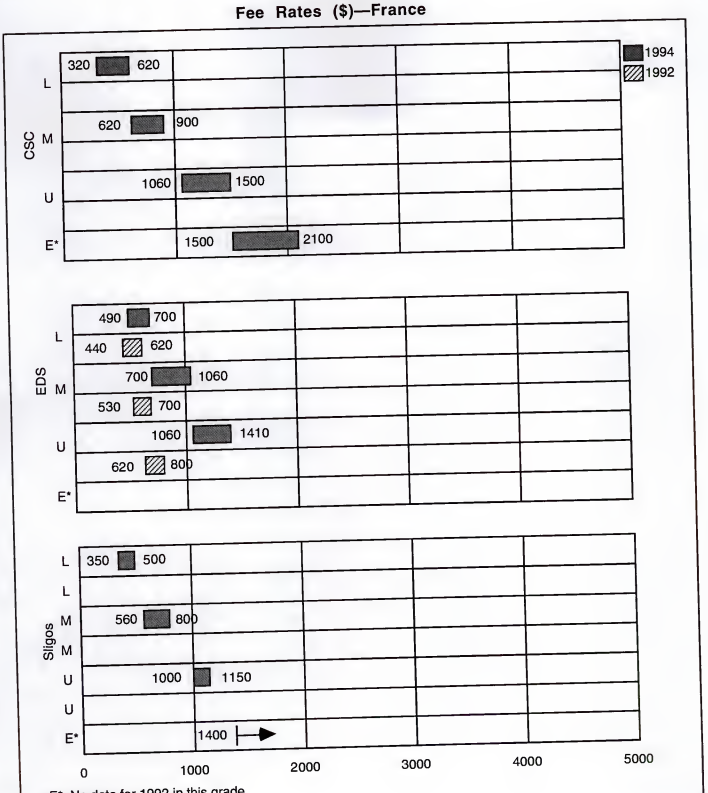
E*: No data for 1992 in this grade.

Fee Rates ($)—France



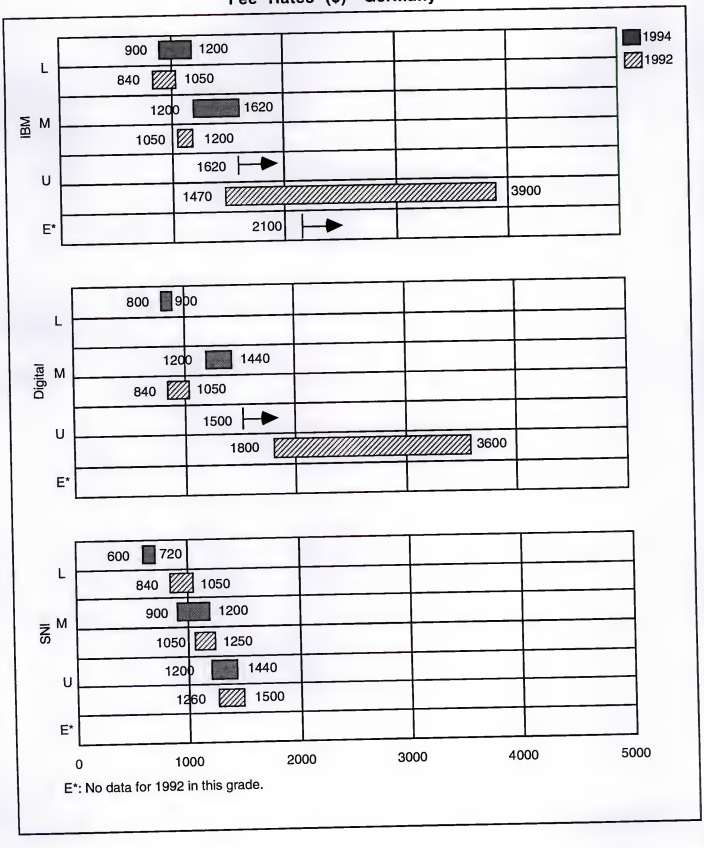
E*: No data for 1992 in this grade.

Fee Rates ($)—France



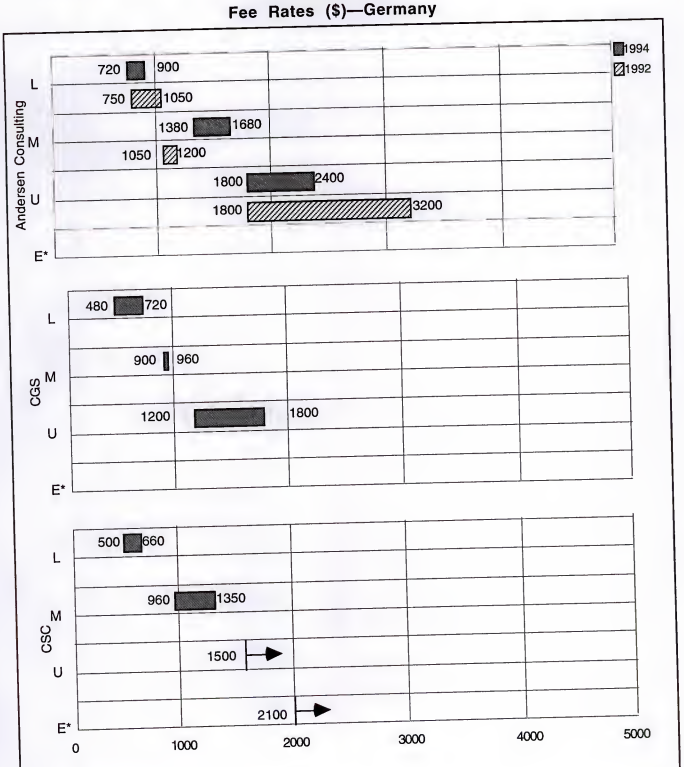
E*: No data for 1992 in this grade.

Fee Rates ($)—Germany



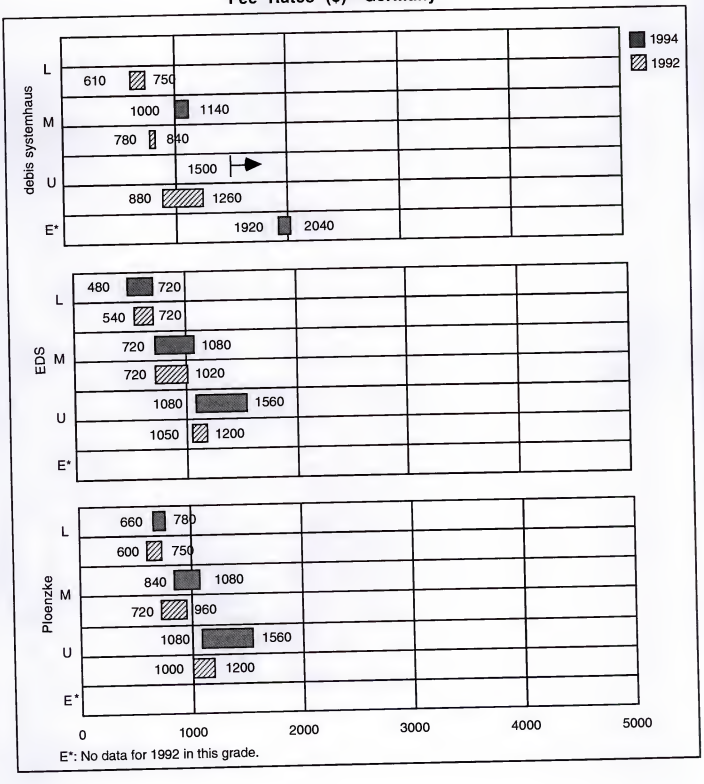
E*: No data for 1992 in this grade.

Fee Rates ($)—Germany



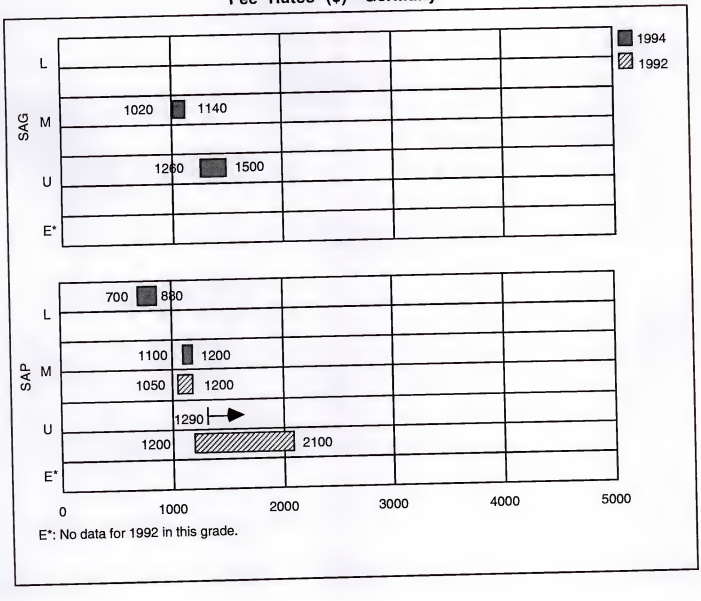
E*: No data for 1992 in this grade.

Fee Rates ($)—Germany



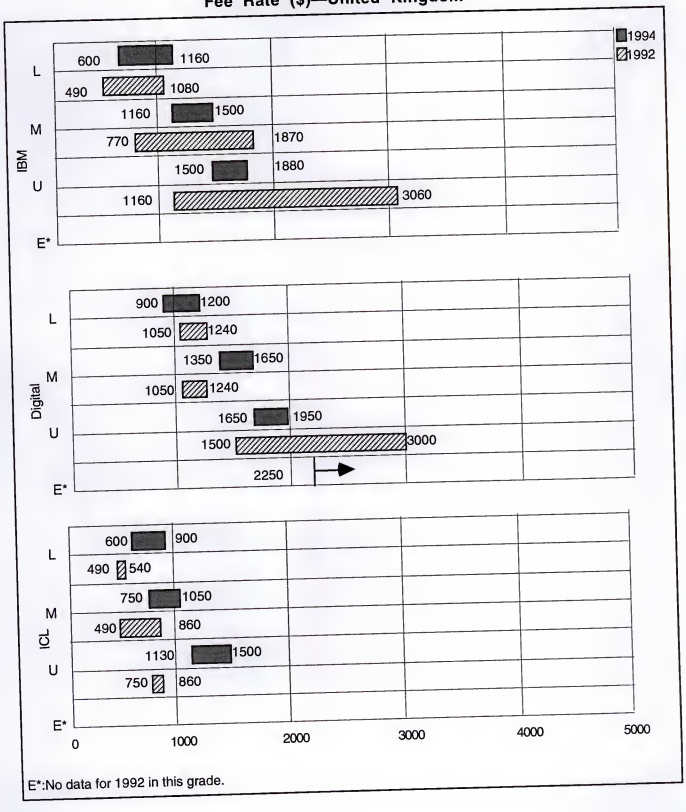
E*: No data for 1992 in this grade.

Fee Rates ($)—Germany



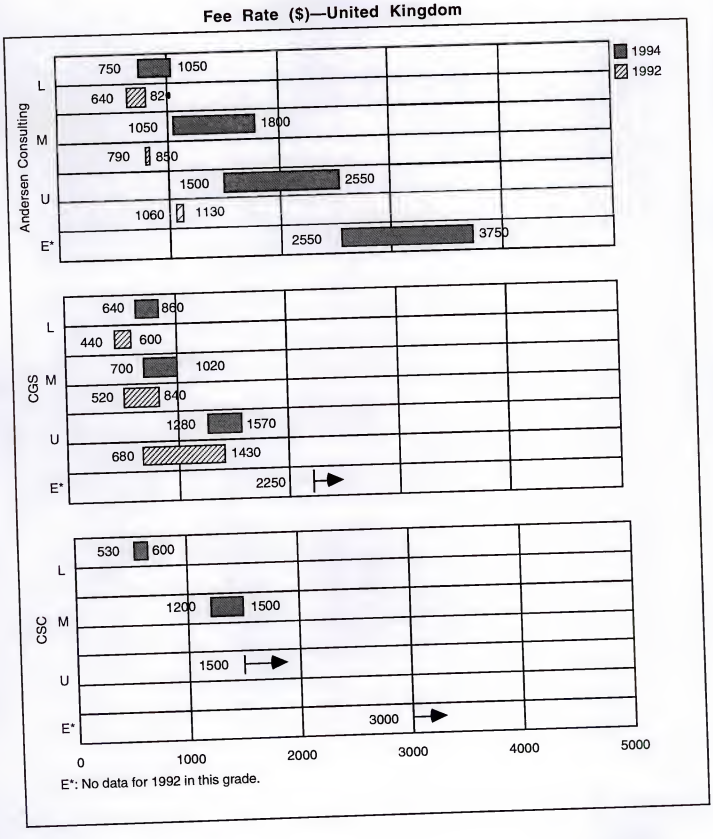
E*: No data for 1992 in this grade.

Fee Rate ($)—United Kingdom



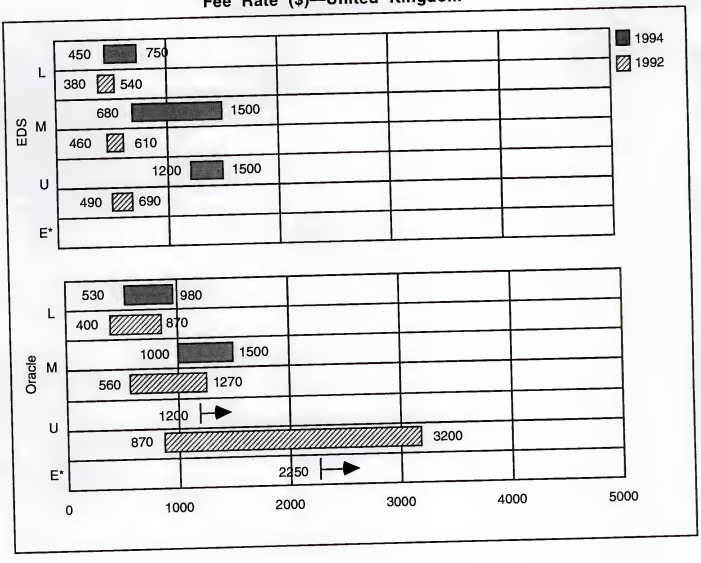
E*:No data for 1992 in this grade.

Fee Rate ($)—United Kingdom

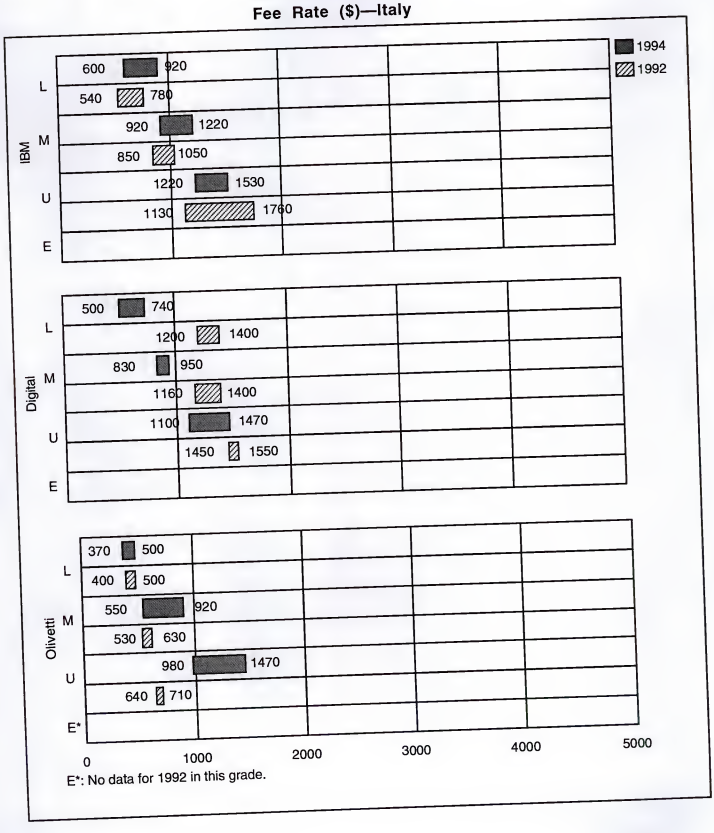


E*: No data for 1992 in this grade.

Fee Rate ($)—United Kingdom

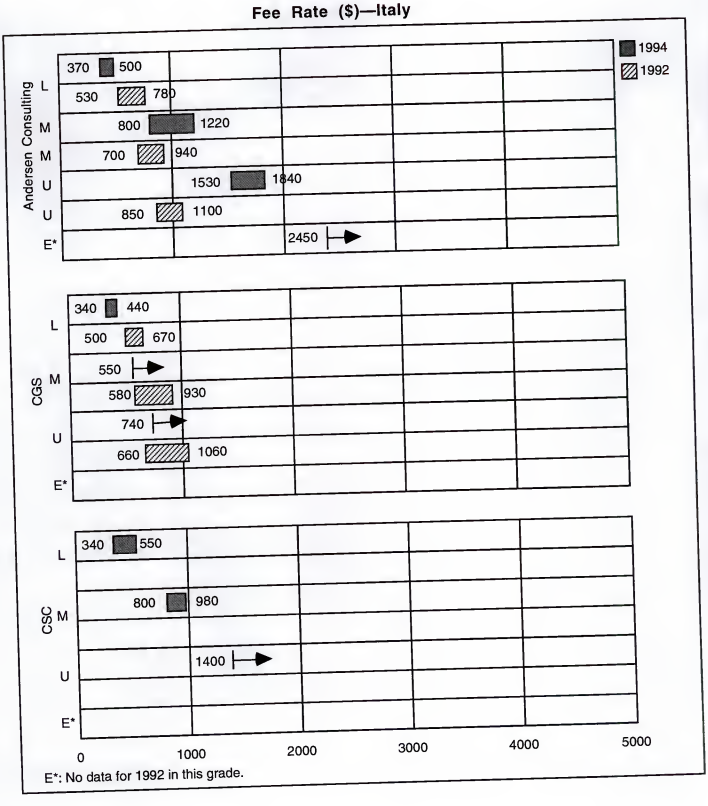


Fee Rate ($)—Italy



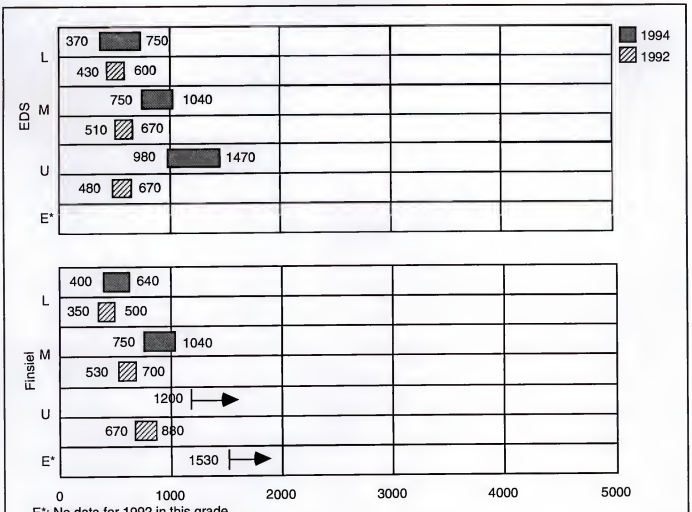
E*: No data for 1992 in this grade.

Fee Rate ($)—Italy



E*: No data for 1992 in this grade.

Fee Rate ($)—Italy



E*: No data for 1992 in this grade.

PLEASE COMPLETE THIS - CONT SEVERAL PAGES

I

Introduction

A
Purpose

The purpose of this report is to provide Hewlett Packard with professional services pricing data for a number of its principal European competitors in the four major European country markets. It is provided in an almost identical format to a previous study provided to Hewlett Packard by INPUT in December 1992. The report is thus able to provide comparative information for Hewlett Packard concerning the degree to which professional services pricing rates have altered in the 20 month period spanning these two research studies.

In addition to covering all the vendors studied previously this new report also included research on four additional vendors, namely CSC, debis Systemhaus and SAG in Germany and Sligos in France.

In addition to providing information on daily charge-out rates, revenue per employee and gross margin figures are also provided.

B
Scope and Methodology

The report covers the professional services activities of six systems vendors and twelve professional services/software product vendors across France, Germany, Italy and the United Kingdom.

The specific coverage by country for each vendor included in this survey is as shown in Exhibit I-1.

Exhibit I-1

Scope of Research

	Country			
Company	**France**	**Germany**	**Italy**	**UK.**
Systems Vendors				
IBM	●	●	●	●
Digital	●	●	●	●
Bull	●			
SNI		●		
Olivetti			●	
ICL				●
Professional Services & Software Product Vendors				
Andersen Consulting	●	●	●	●
CGI	●			
CGS	●	●	●	●
CSC	●	●	●	●
debis systemhaus		●		
EDS	●	●	●	●
Finsiel			●	
Oracle				●
Ploenzke		●		
SAG		●		
SAP		●		
Sligos	●			

Source: INPUT

For each vendor, the daily sales rate used in proposals/quotations are provided by country for each of the four levels of staff shown in Exhibit I-2. The original 1992 report only covered three grades of staff corresponding to the three lower grades shown here i.e. lower, middle and upper. To this has been added the Executive grade to incorporate additional information collected relating to the *partner* level personnel and very senior project management executives that are placed on significant projects or management consulting related assignments.

Exhibit I-2

Professional Services Pricing for Named Vendors Grades and their Experience Levels

Personnel Groups	Grade	Experience Level
Programmer/Junior analyst	Lower	1-5+ years
Senior Analyst/Programmer	Middle	5-7+ years
Project Manager/Senior Consultant	Upper	7-10+ years
Executive /Partner	High level	10+ years

Source: INPUT

The lower grade covers junior programmers and analysts.

The middle grade will include quality managers , systems designers, team leaders (typically for teams of up to 8 - 10 people) and consultants.

The upper grade will comprise both senior and principal consultants and project managers.

The high level grade will comprise project directors, technology directors and executive directors and will be peopled by individuals who have partner or executive status in their firms.

Revenues per employee and margins per employee are also provided. The data is based on information collected from vendors by INPUT. Further desk research was used to interpret information concerning each vendor's revenues per employee and gross margins.

Fee rates are shown in both local currency and US dollars. The exchange rates used are shown in Exhibit I-3.

Exhibit I-3

Exchange Rates Used

Country	Currency	US Dollar Exchange Rate
France	FF	5.67
Germany	DM	1.67
Italy	Lire '000s	1,633
UK	£	0.67

Source: INPUT

II

Executive Overview

Chapter III of this report provides detailed comparisons of individual vendor professional services pricing and Chapter IV provides margin and profitability data. This chapter provides the following summaries of this data:

- European average daily rates for the equipment vendors included in the survey, shown in Exhibit II-1
- Average daily rates by vendor type, shown in Exhibit II-2
- Average daily rates by country, shown in Exhibit II-3
- Average revenues per employee and gross margin data by vendor type, shown in Exhibit II-4.

Exhibit II-1

Fee Rates - European Average by Vendor

	Daily Fee Rates ($)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	680	1040	1040	1440	1440	1700	2100	-
Digital	730	950	1120	1320	1495	1710	2250	-
Andersen Consulting	590	830	1120	1620	1650	2360	2600	3980
CGS	540	800	850	1190	1180	1560	2360	-
CSC	420	610	900	1180	1370	1500	2200	2100
EDS	450	730	710	1170	1080	1490	-	-

Source: INPUT

Exhibit II-2

Fee Rates - European Average By Vendor Type

Vendor Type	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Equipment Vendor	700	1000	1100	1400	1500	1700	2200	-
Professional Services Vendor	500	750	900	1300	1350	1750	2400	3000

Source: INPUT

Exhibit II-3

Fee Rates by Country

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	560	820	920	1260	1360	1640	2080	2800
Germany	650	840	1030	1260	1370	1710	2040	2040
United Kingdom	630	920	980	1450	1360	1780	2460	3750
Italy	360	630	740	1050	1160	1560	1990	-
Average (rounded)	555	820	940	1290	1350	1900	2140	2860

Source: INPUT

Exhibit II-4

Revenues per Employee and Gross Margin by Vendor Type

Vendor Type	Revenues per Employee ($K)	Average Employee Cost ($K)	Gross Margin (%)
Equipment vendor (Prof. Services)	182	78	57
Professional services vendor	119	63	47
Software product vendor	125	58	54

Source: INPUT

III

Vendor Pricing

A
Professional Services and Pricing by Country

This chapter contains the vendor fee rates organised by country, in both local currency and in US dollars for comparative purposes, and by vendor.

The four countries covered are France, Germany, the United Kingdom and Italy. The exchange rates used for conversion from local currency to US dollars are as shown in Chapter I.

The fee rates quoted are daily rates. Where vendors provided hourly rate information it was converted to daily rates assuming a seven-hour working day. The rates shown exclude VAT and any additional expenses such as travel costs.

A range of charging rates is provided for each grade resulting in two rates, one for the lowest rate known to be charged for the category by the vendor, the other the highest charge-out rate. The rates shown are basic rates and are therefore the rates used prior to any quantity or time related discounts. Where available this information is noted separately.

The principal reason for the variation in the range is that vendors use more classifications than analysed here in some cases.

1. Fee Rates in Local Currency

Exhibits III-1 through III-4 show vendor's professional services fee rates currently being used in France, Germany, the United Kingdom and Italy in local currency.

Exhibit III-1

Fee Rates (FFs) - in France

Vendor	Daily Fee Rates (FFs)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	3500	5000	5000	8000	8000	-	12000	-
Digital	4050	5400	6200	7000	9800	-	-	-
Bull	3300	4300	5150	6700	7500	8600	10300	11800
Andersen Consulting	3000	5000	7000	10000	10000	15000	16000	24000
CGI	4000	5500	6000	8000	8000	-	14000	-
CGS	4000	6500	7000	9000	8500	14000	14000	-
CSC	1800	3500	3500	5000	6000	8500	8500	12000
EDS	2750	4000	4000	6000	6000	8000	-	-
Sligos	2000	2800	3200	4500	5500	6500	8000	-
Average (rounded)	3200	4670	5230	7130	7700	10100	11830	15930

Source: INPUT

Exhibit III-2

Fee Rates (DMs) - Germany

Vendor	Daily Fee Rates (DMs)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	1500	2000	2000	2700	2700	-	3500	-
Digital	1350	1500	2000	2400	2500	-	-	-
SNI	1000	1200	1500	2000	2000	2400	-	-
Andersen Consulting	1200	1500	2300	2800	3000	4000	-	-
CGS	800	1300	1500	1600	2000	3000	-	-
CSC	850	1100	1600	2250	2500	-	3500	-
debis systemhaus	-	-	1700	1900	2500	-	3200	3400
EDS	800	1200	1200	1800	1800	2600	-	-
Ploenzke	1100	1300	1400	1800	1800	2600	-	-
SAG	-	-	1700	1900	2100	2500	-	-
SAP	1180	1460	1820	2000	2150	-		
Average (rounded)	1090	1400	1700	2050	2160	2850	3400	3400

Source: INPUT

Exhibit III-3

Fee Rates (£'s) - United Kingdom

Vendor	Daily Fee Rates (£s)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	400	775	775	1000	1000	1250	-	-
Digital	600	800	900	1100	1100	1300	1500	-
ICL	400	600	500	700	750	1000	-	-
Andersen Consulting	500	700	700	1200	1000	1700	1700	2500
CGS (Hoskyns)	425	570	470	680	850	1050	1500	-
CSC	350	400	800	1000	1000	-	2000	-
EDS	300	500	450	1000	800	1000	-	-
Oracle	350	650	650	1000	800	-	1500	-
Average (rounded)	400	625	660	960	940	1220	1640	2500

Source: INPUT

Exhibit III-4

Fee Rates (Lire Thousands) - Italy

Vendor	Daily Fee Rates (Lire Thousands)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	1000	1500	1500	2000	2000	2500	-	-
Digital	800	1200	1350	1550	1800	2400	-	-
Olivetti	600	800	900	1500	1600	2400	-	-
Andersen Consulting	600	800	1300	2000	2500	3000	4000	-
CGS	550	720	900	-	1200	-	-	-
CSC	550	900	1300	1600	2300	-	-	-
EDS	600	1200	1200	1700	1600	2400	-	-
Finsiel	600	800	1000	1600	2000	-	2500	-
Average (rounded)	660	990	1180	1700	1880	2500	3250	-

Source: INPUT

2. Fee Rates in US Dollars

Exhibits III-5 through III-8 show vendor's fee rates for France, Germany, the United Kingdom and Italy in US dollars for comparative purposes.

Exhibit III-5

Fee Rates ($) - France

	Daily Fee Rates ($)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	620	880	880	1410	1410	-	2100	-
Digital	720	950	1090	1240	1730	-	-	-
Bull	590	760	900	1200	1300	1500	1800	2100
Andersen Consulting	530	880	1240	1770	1770	2650	2820	4200
CGI	700	970	1060	1410	1410	-	2470	-
CGS	700	1150	1240	1590	1500	-	2470	-
CSC	320	620	620	900	1060	1500	1500	2100
EDS	490	700	700	1060	1060	1410	-	-
Sligos	350	500	560	800	1000	1150	1400	-
Average (rounded)	560	820	920	1260	1360	1640	2080	2800

Source: INPUT

Exhibit III-6

Fee Rates ($) - Germany

Vendor	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	900	1200	1200	1620	1620	-	2100	-
Digital	800	900	1200	1440	1500	-	-	-
SNI	600	720	900	1200	1200	1440	-	-
Andersen Consulting	720	900	1380	1680	1800	2400	-	-
CGS	480	720	900	960	1200	1800	-	-
CSC	500	660	960	1350	1500	-	2100	-
debis systemhaus	-	-	1000	1140	1500	-	1920	2040
EDS	480	720	720	1080	1080	1560	-	-
Ploenzke	660	780	840	1080	1080	1560	-	-
SAG	-	-	1020	1140	1260	1500	-	-
SAP	700	880	1100	1200	1290	-	-	-
Average (rounded)	650	840	1030	1260	1370	1710	2040	2040

Source: INPUT

Exhibit III-7

Fee Rates ($) - United Kingdom

Vendor	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	600	1160	1160	1500	1500	1880	-	-
Digital	900	1200	1350	1650	1650	1950	2250	-
ICL	600	750	750	1050	1130	1500	-	-
Andersen Consulting	750	1050	1050	1800	1500	2550	2550	3750
CGS (Hoskyns)	640	860	700	1020	1280	1310	2250	-
CSC	530	600	1200	1500	1500	-	3000	-
EDS	450	750	680	1500	1200	1500	-	-
Oracle	530	980	1000	1500	1200	-	2250	-
Average (rounded)	630	920	980	1450	1360	1780	2460	3750

Source: INPUT

Exhibit III-8

Fee Rates ($) - Italy

Vendor	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	600	920	920	1220	1220	1530	-	-
Digital	500	740	830	950	1100	1470	-	-
Olivetti	370	500	550	920	980	1470	-	-
Andersen Consulting	370	500	800	1220	1530	1840	2450	-
CGS	340	440	550	-	740	-	-	-
CSC	340	550	800	980	1400	-	-	-
EDS	370	750	750	1040	980	1470	-	-
Finsiel	400	640	750	1040	1200	-	1530	-
Average (rounded)	360	630	740	1050	1160	1560	1990	-

Source: INPUT

B
Professional Services Pricing by Vendor

Exhibits III-9 through III-26 summarise the professional services fee rates for all the vendors included in the survey, where appropriate comparing the fee rates in the four countries covered. The rates are all shown in US dollars for ease of comparison, using the exchange rates shown in Exhibit I-3 in Chapter I.

Exhibit III-9

Fee Rates - IBM

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	620	880	880	1410	1410	-	2100	-
Germany	900	1200	1200	1620	1620	-	2100	-
UK	600	1160	1160	1500	1500	1880	-	-
Italy	600	920	920	1220	1220	1530	-	-
Average (rounded)	680	1040	1040	1440	1440	1700	2100	-

Source: INPUT

Exhibit III-10

Fee Rates - Digital

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	715	950	1090	1235	1730	-	-	-
Germany	800	900	1200	1440	1500	-	-	-
UK	900	1200	1350	1650	1650	1950	2250	-
Italy	500	740	830	950	1100	1470	-	-
Average (rounded)	730	950	1120	1320	1495	1710	2250	-

Source: INPUT

Exhibit III-11

Fee Rates - Bull

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	590	760	900	1200	1300	1500	1800	2100

Source : INPUT

Exhibit III-12

Fee Rates - SNI

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	600	720	900	1200	1200	1440	-	-

Source: INPUT

Exhibit III-13

Fee Rates - Olivetti

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Italy	370	500	550	920	980	1470	-	-

Source : INPUT

Exhibit III-14

Fee Rates - ICL

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
UK	600	750	750	1050	1130	1500	-	-

Source : INPUT

Exhibit III-15

Fee Rates - Andersen Consulting

Country	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	530	880	1240	1770	1770	2650	2820	4200
Germany	720	900	1380	1680	1800	2400	-	-
UK	750	1050	1050	1800	1500	2550	2550	3750
Italy	370	500	800	1220	1530	1840	2450	-
Average (rounded)	590	830	1120	1620	1650	2360	2600	3980

Source: INPUT

Exhibit III-16

Fee Rates - CGI

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	700	970	1060	1410	1410	-	2470	-

Source : INPUT

Exhibit III-17

Fee Rates - Cap Gemini Sogeti

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	700	1150	1240	1590	1500	-	2470	-
Germany	480	780	900	960	1200	1800	-	-
UK	640	860	700	1020	1280	1310	2250	-
Italy	340	440	550	-	740	-	-	-
Average (rounded)	540	800	850	1190	1180	1560	2360	-

Source : INPUT

Exhibit III-18

Fee Rates - CSC

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	320	620	620	900	1060	1500	1500	2100
Germany	500	660	960	1350	1500	-	2100	-
UK	530	600	1200	1500	1500	-	3000	-
Italy	340	550	800	980	1400	-		
Average (rounded)	420	610	900	1180	1370	1500	2200	2100

Source : INPUT

Exhibit III-19

Fee Rates - debis Systemhaus

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	-	-	1000	1140	1500	-	1920	2040

Source : INPUT

Exhibit III-20

Fee Rates - EDS

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	490	700	700	1060	1060	1410	-	-
Germany	480	720	720	1080	1080	1560	-	-
UK	450	750	680	1500	1200	1500	-	-
Italy	370	750	750	1040	980	1470	-	-
Average (rounded)	450	730	710	1170	1080	1490	-	-

Source: INPUT

Exhibit III-21

Fee Rates - Finsiel

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Italy	400	640	750	1040	1200	-	1530	-

Source : INPUT

Exhibit III-22

Fee Rates - Oracle

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
UK	530	980	1000	1500	1200	-	2250	-

Source : INPUT

Exhibit III-23

Fee Rates - Ploenzke

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	660	780	840	1080	1080	1560	-	-

Source : INPUT

Exhibit III-24

Fee Rates - SAG

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	-	-	1020	1140	1260	1500	-	-

Source : INPUT

Exhibit III-25

Fee Rates - SAP

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	700	880	1100	1200	1290	-	-	-

Source : INPUT

Exhibit III-26

Fee Rates - Sligos

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	350	500	560	800	1000	1150	1400	-

Source : INPUT

C
Discounting Practice

This section lists the discounting practices specifically referred to by vendors in the course of the research. Clearly all vendors will negotiate rates depending on the special conditions relating to the particular project or account.

Andersen Consulting would not generally be considered to be in the headcount discounting business since they are a leading example of an IT professional services firm pushing hard into business integration and process related contracts as manifested by their Business Process Management Practice. However, clearly some part of their business, particularly in France and Italy, does engage in body shopping type activity where quantity discounts are available. Andersen Consulting state that long-term discounts will apply on jobs of 1-2 years in duration and can be up to 30% of daily rates.

In France Bull reported using a formula, based on the number of site visits per year committed to, to calculate discounts for basic support delivered by professional services staff.

The formula is based on a daily rate to which additional hours can be added at a rate of one quarter the daily quoted rate. If a client commits to a certain fixed number of site visits per year in advance the following discounts apply:

- For 6 visits per year discounts of 16% on lower grades, no discounts on middle and upper grades.
- For 11 visits per year discounts of approximately 20% on lower and middle grades only. No discount for upper grades.
- For 22 visits per year discounts ranging from 21% on lower grades to 17% on upper grades.

Cap Gemini Sogeti units reported on a number of discounting practices. In Germany Cap/debis stated that they offered discounts of 10-15% for at least a commitment to 3-5 days work. Above this, rates were negotiable depending on special circumstances surrounding the project. debis systemhaus reported that all discounts were only by negotiation.

In the UK Hoskyns operates a *short term* and *long term* rate card. For the *long term* card discounts amount to the following in comparison to the *short term* card:

- Lower level - eight and a half percent

- Middle level - up to 20 %
- Upper level - up to 16%.

Digital operates a standard discounting system based on the metric of 5% discount for every 30 days of booked time. This operates up to a discount maximum of 30%. For example a 120 - 150 project will qualify for a 25% discount, a 150 to 180 day project for the maximum of 30%.

IBM also appears to operate a standard discount structure to be applied to its basic daily rate professional services fee card. This is structured around quarterly and annual commitment bases. These are calculated on the basis of 50 days as a quarter and 200 days as an annual figure. Some further discounting is given on the quarterly rates (believed to be around 10% of daily rates), this amounts only to 4% for senior people, no discount for junior grades. The annual rates, at about 20% below daily rates are not discounted further at all.

ICL in the UK reported using a daily and weekly rate card. The weekly rate represents a 9% discount over the daily rate. Further to this monthly discounts apply which will be calculated on the particular circumstances of the project but which will not exceed 15% over daily rates.

SAG in Germany reported using discounts for long term projects in the range of 5-10%.

Exhibit IV-3

Revenues per Employee and Gross Margins 1993
Equipment Manufacturers

Company	Region	Revenues per employees $K	Average employee cost $K	Gross Margin (%)	Total Firm / Prof. Svcs.
IBM	W/W	250	85	66	PS
Digital	W/W	231	80	65	PS
Bull	Europe	210	78	63	PS
SNI	Germany	112	75	33	PS
Olivetti	Italy	150	65	57	TF
ICL	UK	108	72	70	PS
Average (rounded) (Excludes Olivetti)	-	182	78	57	-

Source: INPUT

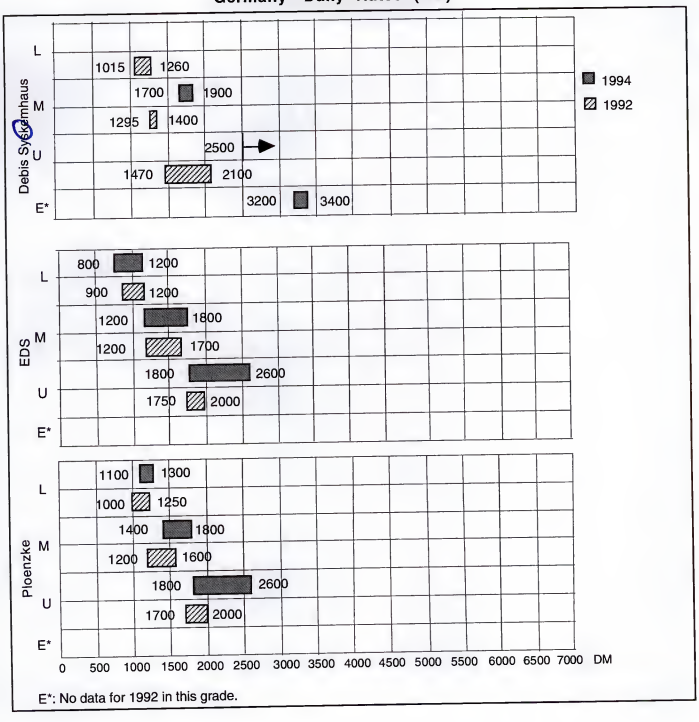
Exhibit IV-4

Profit per Employee 1993
Equipment Manufacturers

Company	Profit per employee $K
IBM	–32.0
Digital	–3.0
Bull	–20.0
SNI	–8.0
Olivetti	–8.0
ICL	1.6

Source: INPUT

Germany—Daily Rates (DM)



E*: No data for 1992 in this grade.

IV

Employee Revenue and Gross Margins

Exhibit IV-1 lists the revenues per employee and gross margin (after salary costs) for the professional services and software product vendors included in the study.

The revenue per employee and average employee cost have been calculated either for the organisation as a whole or for the professional services element of that organisation. The basis of the calculation is indicated in the Exhibits in each case.

Profit per employee data for the vendors covered in the survey is shown in Exhibit IV-2. This data provides Hewlett Packard with a measure of the profitability of each vendor when operating at the gross margins indicated in Exhibit IV-1.

Exhibit IV-1

Revenues per Employee and Gross Margin 1993
Software and Services Vendors

Company	Region	Revenues per employee $K	Average employee cost $K	Gross Margin %	Total Firm / Prof. Services
Andersen Consulting	Europe	112	60	46	TF
CGI	France	85	65	24	TF
CGS	W/W	104	65	38	TF
CSC	Europe	90	72	18	TF
debis systemhaus	Germany	159	66	58	TF
EDS	Europe	127	60	53	TF
Finsiel	Italy	142	65	54	TF
Oracle	W/W	145	65	55	TF
Ploenzke	Germany	109	67	39	TF
SAG	Germany	115	44	62	TF
SAP	Germany	154	58	40	TF
Sligos	France	108	47	56	TF
Average (rounded) Prof. Services	-	119	63	47	-
Average (rounded) Software Product Vendor	-	125	58	54	-

Source: INPUT

IV

Exhibit IV-2

Profit per Employee 1993
Software and Services Vendors

Company	Profit per employee (before tax and interest)	Total Firm / Prof. Srvcs.
Andersen Consulting	11.0	TF
CGI	4.7	TF
CGS	(3.4)	TF
CSC	4.1	TF
EDS	16.1	TF
Finsiel	4.1 (after tax)	TF
SAG	7.5	TF
SAP	28.6	TF
Sligos	8.5	TF

are minus note ( ) please for Gwo

Source: INPUT

These two tables reflect the revenues per employee, gross margins, and profit per employee for organisations operating primarily within the software product and professional services markets.

However, it should be noted that the software product vendors generally achieve much higher revenue per employee and gross margins than professional services vendors.

Exhibits IV-3 and IV-4 show comparable tables for the equipment vendors included in the sample. It can be seen in Exhibit IV-3 that there is a marked difference between the data provided for IBM. Digital and Bull in comparison to that of SNI, Olivetti and ICL. It would seem that the data provided is not directly comparable and that other business elements, e.g. software product revenues or subcontracted work is included in the former vendor group data.

Exhibit IV-3

Revenues per Employee and Gross Margins 1993
Equipment Manufacturers

Company	Region	Revenues per employees $K	Average employee cost $K	Gross Margin (%)	Total Firm / Prof. Svcs.
IBM	W/W	250	85	66	PS
Digital	W/W	231	80	65	PS
Bull	Europe	210	78	63	PS
SNI	Germany	112	75	33	PS
Olivetti	Italy	150	65	57	TF
ICL	UK	108	72	70	PS
Average (rounded) (Excludes Olivetti)	-	182	78	57	-

Source: INPUT

Exhibit IV-4

Profit per Employee 1993
Equipment Manufacturers

Company	Profit per employee $K
IBM	(32.0)
Digital	(3.0)
Bull	(20)
SNI	(8)
Olivetti	(8)
ICL	1.6

use – not ( ) for loss.

Source: INPUT

INPUT

CONFIDENTIAL—Property of INPUT

CONTACT REPORT

INPUT Staff: Init. BF Init. _____ ☐ INPUT office ☐ Client Office ☐ Other _____

Contact Date: 21,10,94
Date Written:

		DISTRIBUTION:			Prog./Proj. ID _____
Company	HP	Action	Info.	By When	Describe Action-F/U
Name	GISBERT.	PL			
Title					
Address					
Phone: ( ) -					
Fax: ( ) -					

HE CALLED TODAY WITH A FEW CHANGES TO THE CUSTOM REPORT.

HE IS NOW ON VACATION FOR A WEEK.

HE MUST HAVE THIS IN GENEVA ON 31ST OCT.

CHANGES ARE MARKED IN BLUE IN ATTACHED COPY.

PLS SEE ME FOR CLARIFICATION IF NEEDED.

☐ Continued over

M&S 300/01 6/92 (R)

Mail List Change Order **1.** ☐ Update ☐ Correction ☐ Deletion ☐ Addition* Serial Number_____

2. Customer Type: ☐ Vendor ☐ Others ☐ Media ☐ User

3. Newsletters: ☐ EDI ☐ Field Service ☐ Other

4. Vendor: Vendor Type— ☐ Client ☐ Former/Report Client ☐ Prospect

- Contact Level— ☐ Executive ☐ Acquisition ☐ International ☐ Other
- If Exec. or Other Contact Level— ☐ Maintenance ☐ Equipment ☐ Communications ☐ Others ☐ Info. Svc.
- If Info. Services— ☐ Turnkey & Software ☐ Network & Processing ☐ Systems Integration ☐ Professional Svc.

5. If User: User Type— ☐ Client ☐ Former/Report Client ☐ Prospect

- Comm. Contact Level— ☐ Executive ☐ IS Mgmt. ☐ Other
- Fed. Contact Level— ☐ Executive ☐ Acquisition ☐ Prog. ☐ Manager/Technical ☐ Other
- If Fed. Executive— ☐ Info. Resource Mgr. ☐ Asst. Secretary ☐ Commander (Military) ☐ Agency Head
- If Fed. Other— ☐ Laboratory ☐ NIS ☐ Users ☐ GSA

* No names will be added without a completed change order and program manager approval.

Program Manager Authorization _____

CONTACT REPORT
Continuation

Company _____

Name _____

M&S 310 11/90

H.P. GISBERT

41 - 22 - 780 - 8322

need

on 3/1E in Geneva

on vac for all week.

INPUT

Client/Server Software Program Reports - 1994

Market Reports

Costs and Benefits of Client/Server Systems

Analyzes several case studies and estimates typical costs and benefits. Also analyzes client/server pricing.

Client/Server Market Analysis, 1994-1999

This annual report defines client/server computing. It examines major trends, issues, client/server environments, user buying patterns, leading vendors and their market shares, and provides five year forecasts for the U.S. client/server software market.

Strategic Perspective Reports

Object-Oriented Platforms

Examines three types of objects-oriented platforms: object-oriented environments, object-oriented databases and object-oriented developments environments. The report projects how companies are likely to evolve over the next five years and considers Microsoft, NeXT and Taliget as examples of object-oriented environment vendors.

Middleware

This report covers Open Software Foundation's Distributed Computing Environment (DCE) and transaction monitors such as Transarc's Encina. It reviews applications built on DCE.

Object Exchange

Discusses emerging standards for connecting applications using object-oriented technology. This includes a discussion of applications and systems software based on the COBRA standards.

Systems Management

This report considers vendors of system management, network management and data management products. Companies such as Open Vision, Computer Associates, Legent, Candle, IBM and Hewlett-Packard are reviewed.

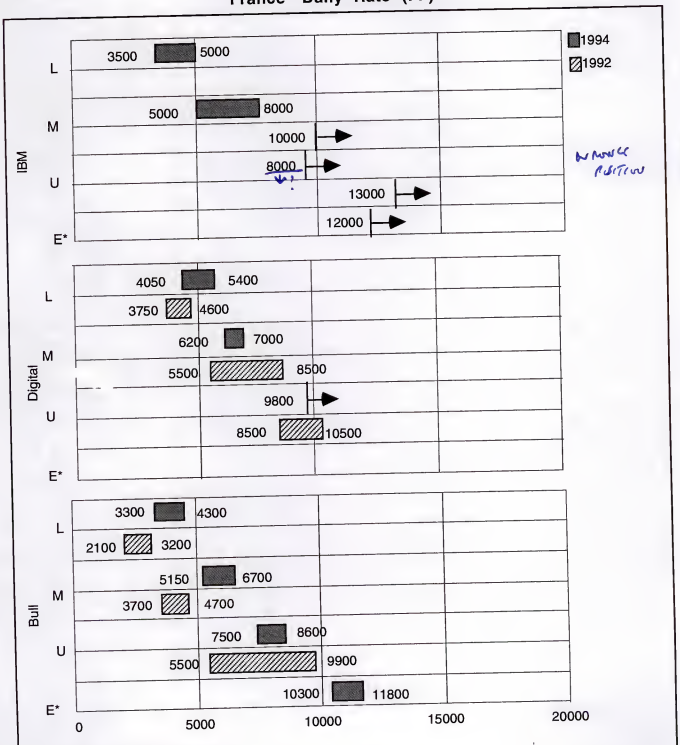
Vendor Profiles

Concise descriptions of the strategies and products of select/server vendors such as Anderson Consulting, Digital Equipment, EDS, Open Vision, Popkin Software and Powersoft.

D
Comparative Professional Services Pricing Tables

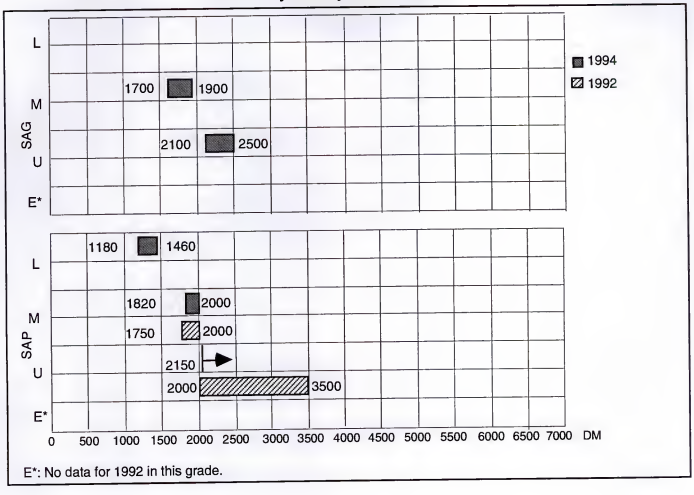
Exhibit III-27

France—Daily Rate (FF)



E*: No data for 1992 in this grade.

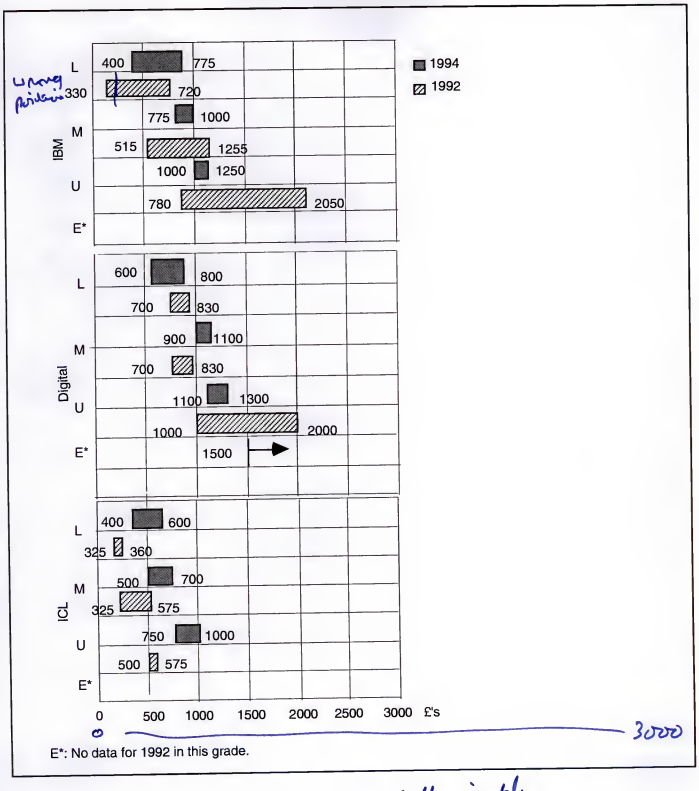
Germany—Daily Rates (DM)



E*: No data for 1992 in this grade.

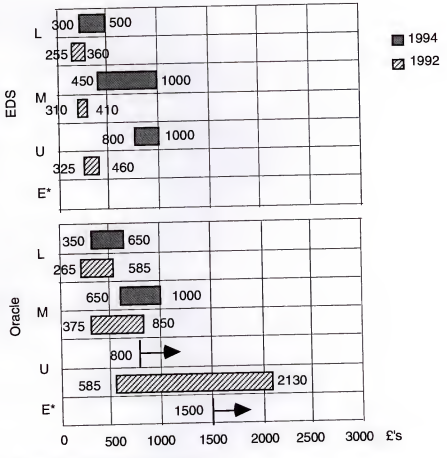
Exhibit III-29

U.K.—Daily Rates (£'s)



Use full width

U.K.—Daily Rates (£'s)



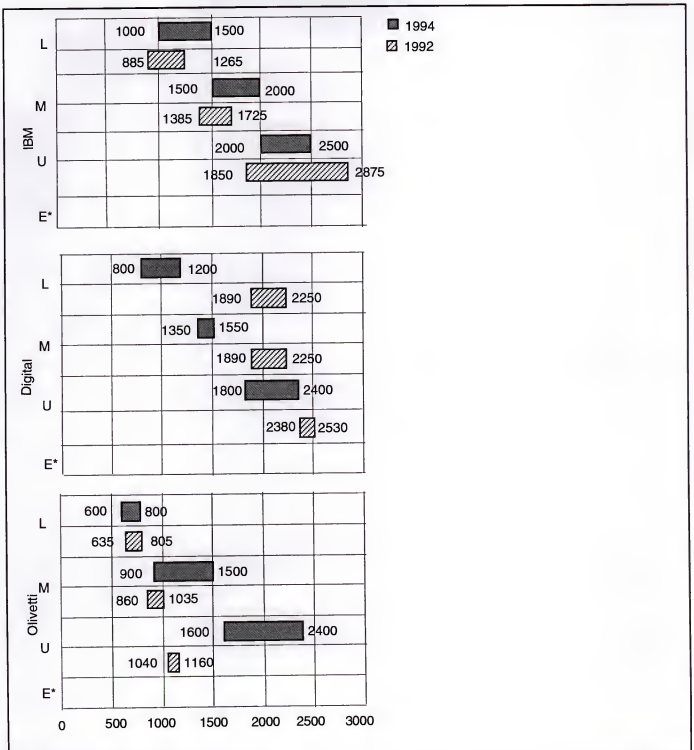
E*: No data for 1992 in this grade.

0 3000

use full width

Exhibit III-30

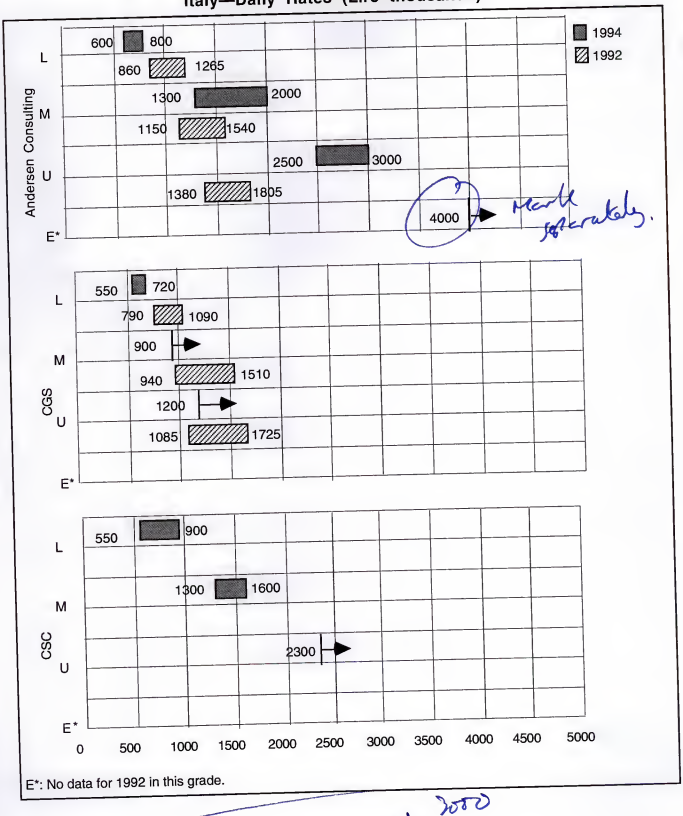
Italy—Daily Rates (Lire thousands)



E*: No data for 1992 in this grade.

0 ——— 3000

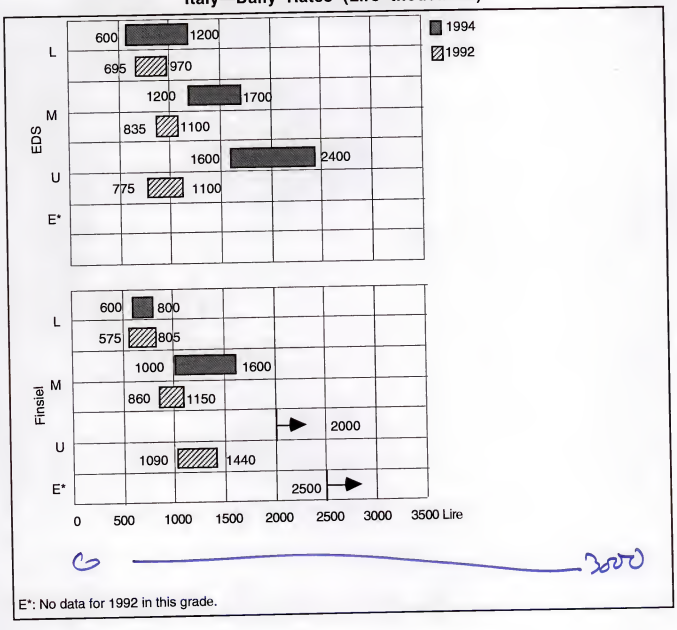
Italy—Daily Rates (Lire thousands)



E*: No data for 1992 in this grade.

0 Full width 2000

Italy—Daily Rates (Lire thousands)

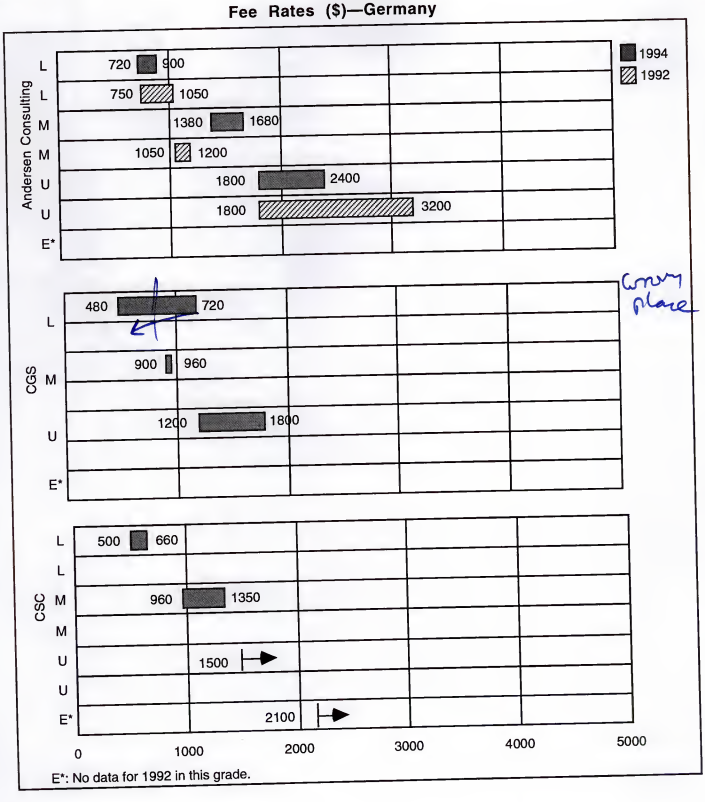


E*: No data for 1992 in this grade.

E
Comparative Professional Services Pricing Tables

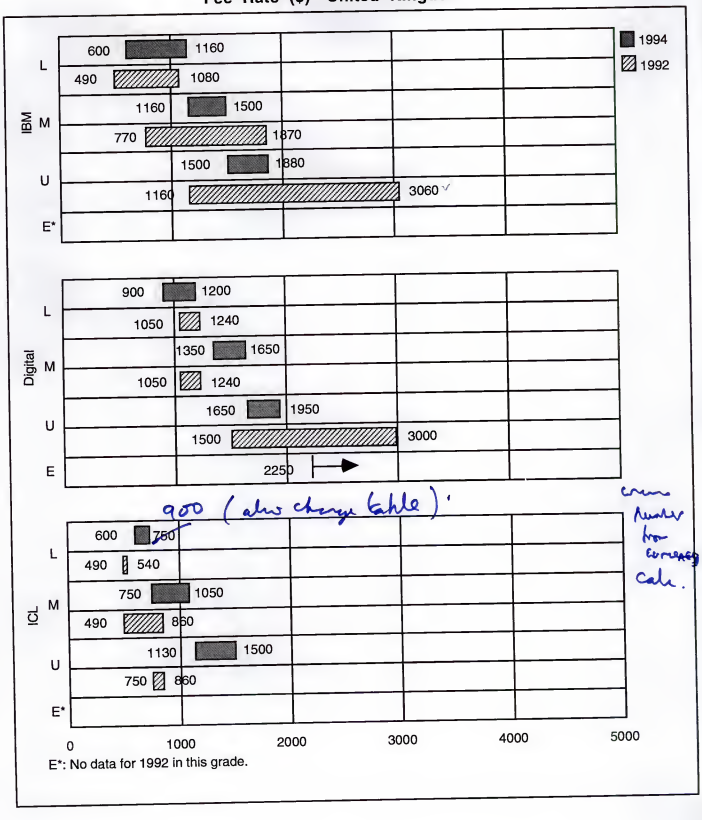
This section contains comparative tabular data for all the vendors surveyed, converted to U.S. dollars. To ensure a valid comparison between 1992 and 1994 data the 1994 and exchange rate has been used for all conversions.

Fee Rates ($)—Germany



E*: No data for 1992 in this grade.

Fee Rate ($)—United Kingdom



E*: No data for 1992 in this grade.

FAX

Date 13/07/94

Number of pages including cover sheet 16

TO: Gijsbert Niewland
Hewlett Packard

Phone
Fax Phone 010 41 22 780 8542

FROM: John Willmott
INPUT
17 Hill Street
London W1X 7FB

Phone 071 493 9335
Fax Phone 071 629 0179

CC:

REMARKS: ☒ Urgent ☐ For your review ☐ Reply ASAP ☐ Please Comment

Dear Gijsbert

Please find enclosed copies of the work already completed in 1994 evaluating professional services pricing and profitability.

Bulletin No.3 analyses the activities of leading professional services vendors from published sources. Bulletins Nos. 8&9 are the result of primary INPUT research, and tend to reflect the activities of the systems integration units of leading equipment vendors.

Regards,

John Willmott

Generic points
+
Chapter IV.

Research Bulletin

A Publication from INPUT's Business Integration Programme – E

Vol. V, No. 3 March 1994

Gross Margins for Professional Services Remain Under Pressure

Profitability in professional services depends on the charge out rate which can be achieved and the level of staff utilisation combined with the cost of employment for professional services personnel.

Charge out rates are facing competitive pressure in much of the project services market, and the slow down in growth in the European project services market has led many of the leading vendors to reduce their headcount. In addition, many vendors are endeavouring to replace expensive personnel with less costly staff.

It is possible to identify trends in revenues per head and gross margins for some of the leading European professional services organizations.

The results of such an analysis show that:

- Average revenue per head for European professional services is approximately $110K
- Growth in revenue per head between 1989 and 1992 averaged five percent per annum
- Gross margins after subtracting cost of employment are approximately 47 percent of revenues.

Revenue Per Head for European Professional Services $110K

Exhibit 1 shows the revenue per head figures for 1992 for a number of leading professional services organisations operating in Europe.

With the exception of Andersen Consulting, the bulk of the revenues of these organisations are derived in Europe. In the cases of Andersen Consulting and Logica, only European data has been used.

Exhibit 1

Revenue per Head, 1992

Company	1992 $(000's)
Finsiel	142
Ploenzke	123
Andersen Consulting*	112
Cap Gemini Sogeti	104
Hoskyns	98
Sema Group	95
Logica*	93
Average	112

*Note: * = Europe* *Source: INPUT*

All the figures in Exhibit 1, with the exception of those for Andersen Consulting, have been converted from various European currencies using the exchange rates shown in Exhibit 2.

Exhibit 2

Exchange Rates Used

Country	Currency	U.S. Dollar
France	FF	5.26
Germany	DM	1.55
U.K.	£	0.634
Italy	Lira	1,360

Source: INPUT

Because of these conversions, it is difficult to compare the precise performance of these companies solely using revenue per head as the criterion. Better measures of their recent performance may be growth in revenue per head and gross margin per head.

Growth in Revenue Per Head is Five Percent Per Annum

Exhibit 3 shows the growth in revenue per head which has been achieved by a number of these organisations between 1989 and 1992.

With the exception of Cap Gemini Sogeti, each of the organisations shown has consistently improved its revenue per capita in each succeeding year. Cap Gemini Sogeti has shown negligible improvement over this period. The most substantial improvement has been achieved by the Sema Group. Both Sema Group and Logica have largely closed the revenue per capita gap which existed between themselves and Hoskyns in 1989.

These performances are especially commendable since Sema Group and Logica derive lower proportions of their revenues from outsourcing than Hoskyns. Project services activities typically have lower revenue per capita than outsourcing operations.

This contrast is illustrated for Hoskyns in Exhibit 4.

Information systems management is Hoskyns' outsourcing activity, which along with consulting and education and training, had significantly higher revenue per capita than the project services activity.

Exhibit 3

Revenue per Head Growth

Company	'89-'92 CAGR (%)	1989	1990	1991	1992
Sema Group	10	71	79	87	95
Logica	6	78	82	87	94
Hoskyns	3	89	92	96	98
Cap Gemini Sogeti	-	103	106	106	104
Average	5	85	90	94	98

Source: INPUT

Exhibit 4

Hoskyns
Gross Margins by Service Line, 1992

Service Line	Revenue per head $(000's)	Cost per head $(000's)	Margin $(000's)	Percent
Information Systems Management	108	45*	63	58
Consulting, Education & Training	105	45*	60	57
Project Services & Software Products	88	45*	43	49
Overall	98	45	53	54

*Note: * taken from average cost per head for all activities*

Source: INPUT

Gross Margins are 47%

However revenues per head ignores the cost of employment. An even better measure of a company's success in project services may be the gross margin after deduction of cost of employment.

Such gross margins are shown for a group of leading European professional services organisations in Exhibit 5.

Exhibit 5

Gross Margin per Employee, 1992

Company	Gross Margin $(000's)	Gross Margin %	Revenue per head $(000's)	Cost per head $(000's)
Hoskyns	53	54	98	45
Logica	47	50	94	47
Sema Group	44	46	95	51
Cap Gemini Sogeti	39	38	104	65
Average	46	47	98	52

Source: INPUT

On this criterion Hoskyns is the most successful of the group because of its comparatively low employee costs. Conversely, Cap Gemini Sogeti has by far the worst margins because of its comparatively high cost of employment.

Changes in gross margin per employee for these organisations between 1991 and 1992 are listed in Exhibit 6.

Hoskyns maintained its high gross margin in both years, while Cap Gemini Sogeti's gross margin per employee declined further in 1992 from an already low level.

Exhibit 6

Gross Margin per Employee

Company	Margin (%)	
	1991	1992
Hoskyns	54	54
Logica	46	50
Sema Group	48	46
Cap Gemini Sogeti	41	38
Average	47	47

Source: INPUT

This Research Bulletin is issued as part of INPUT's Business Integration Programme—Europe. If you have questions or comments on this bulletin, please call your local INPUT organization or Peter Lines at INPUT, 17 Hill Street, London W1X 7FB, (+44) 71 493 9335.

INPUT

Research Bulletin

Publication from INPUT's Business Integration Programme

Vol. V, No. 8

May 1994

Project Personnel Average 150 Revenue Earning Days Per Annum

Benchmarking has become very fashionable in recent years as a mechanism for analysing organisations' relative effectiveness and efficiency and identifying areas where business processes need to be improved. Consequently, there has been much activity to endeavour to identify examples of world class business processes, regardless of the organisation's business sector. Indeed, the major IT vendors have themselves shown considerable interest in re-engineering their processes as their business environment has become increasingly competitive.

This research bulletin is the first of two, that endeavours to provide some basic benchmarking data for vendors operating in the systems integration and project services environments. The metrics shown below are based on the results of a questionnaire sent to the majority of major project services vendors, requesting highly confidential data. Seven responses were received, primarily from the systems integration units of leading equipment vendors in Germany and the U.K..

This bulletin considers two key areas: R&D expenditure and utilisation of personnel. On average:

- Vendors spend four per cent of revenues on methodology R&D
- Vendors achieve a seventy per cent utilisation rate.

Vendor Investment in Methodology R&D

As the focus of the major equipment vendors has shifted from products to services, so the profile of their R&D expenditure has begun to change accordingly. In order for these vendors to succeed within the systems integration market, they have had to develop their own proprietary project management methodologies. As some organisations, such as IBM Consulting, turn their attention to management consulting, so there is a corresponding need to develop methodologies that can be used to establish their credibility with potential clients and facilitate repeatability of assignments.

Exhibit 1

R&D Expenditure

Spend as Proportion of Revenues (%)	Quality	R&D Overall	Methodology R&D	Technology R&D
Average	3	8	4	4
Minimum	1	4	1	2.5
Maximum	5	15	10	5

Source: INPUT

In addition, the majority of vendors' professional services units in Europe are developing quality management procedures to achieve ISO 9000 accreditation. The major vendors active in the U.K. project services market have typically achieved accreditation, but many of their subsidiaries elsewhere in Europe are still in the final stages of working towards accreditation.

Exhibit 1 identifies the proportions of their revenues that organisations currently spend on quality - assurance, control, and management - and on R&D.

The proportion of revenues that the systems integration units of equipment vendors spend on establishing quality procedures varies between one and five per cent. The individual level of spending is probably affected by the stage the organisation has reached in implementing quality assurance procedures. One of the organisations that estimated its spending at one per cent of revenues is already accredited and another merely recognises quality as an area that will need to be tackled as a priority in the near future.

Interestingly, a professional services vendor interpreted quality more widely in terms of quality assurance within individual projects with the result that this organisation estimated that quality accounted for an amount equivalent to forty per cent of its revenues.

Overall, vendors estimated that their R&D expenditure was divided approximately equally between methodology R&D and technology R&D, with even the equipment vendors on average now spending more than forty per cent of their R&D budgets on methodology R&D.

Professional services vendors appear to spend a higher proportion of their revenues on R&D than the equipment vendors, with a greater share of this expenditure directed towards methodology R&D.

Project Personnel Utilisation Rates

Exhibit 2 analyses the number of days that project services personnel spend on training, holidays, and sickness.

Exhibit 2

Training, Holidays, and Sickness

Number of days per annum	Average	Maximum	Minimum
Training	13	15	10
Holidays	30	33	29
Sickness	6	8	5
Total	49	52	45

Source: INPUT

No distinction has been made between the various categories of project personnel, since in most instances these measures were identical for all project personnel within a given vendor. Indeed there is comparatively little deviation in these metrics between vendors regardless of the region of Europe covered by the figures provided.

On average these categories account for twenty per cent of the annual availability of project personnel - assuming a total initial availability of two hundred and fifty days per annum. In terms of opportunity cost of the staff involved, but excluding the cost of training provision, the training investment is approximately 8.5% of each person's annual billings.

Exhibit 3 identifies the number of days each category of personnel averages on pre-sales activity.

Exhibit 3

Number of Pre-Sales Days

Category of personnel	Average	Maximum	Minimum
Senior business consultant	75	85	65
Senior IT consultant	45	85	20
Junior consultants	40	85	20
Consultants overall	40	85	20
Project director	50	65	40
Project manager	40	65	20
Other project personnel	50	85	20
Project personnel overall	40	85	20

Source: INPUT

Exhibit 4

Project Personnel Descriptions

Project director	Responsible to client for project delivery on major projects
Project manager	Responsible for individual area within major project e.g. management of one or more subcontractors
Project personnel overall	Includes all project personnel including consultants
Senior business consultant	Includes management consultancy and high-level application-specific advice
Senior IT consultant	For example, includes IT strategy development and high-level technical infrastructure design

Source: INPUT

To provide guidance to respondents, the definitions of project personnel shown in Exhibit 4 were provided to respondents.

Naturally, the more senior the personnel, the more time they spend on pre-sales activity. Nonetheless, there was considerable variation between vendors on the number of days that consultants spend on pre-sales activity. While this may reflect definitional differences between vendors, this benchmarking exercise suggests that only senior business consultants should spend more than fifty days per annum on pre-sales activity. The vendor's success rates in winning new contracts would appear to be questionable in organisations where comparatively junior consultants are spending in excess of fifty days per annum on pre-sales activity. For junior consultants, a reasonable benchmark appears to be a target of less than thirty days pre-sales activity.

Exhibit 5 identifies the average number of revenue earning days by category of project personnel.

Exhibit 5

Number of Revenue Earning Days

Category of personnel	Average	Maximum	Minimum
Senior business consultant	100	150	50
Senior IT consultant	140	180	100
Junior consultants	150	180	100
Consultants overall	135	180	100
Project director	130	150	90
Project manager	140	180	120
Other project personnel	155	200	100
Project personnel overall	150	190	100

Source: INPUT

It is in vendors' immediate financial interests to maximise the number of revenue earning days for all categories of personnel. In practice, however senior business consultants need to spend a comparatively high proportion of their time on generating sales. In some instances, particularly where organisations use their senior directors as pre-sales business consultants, these personnel may spend a greater proportion of their time on pre-sales activity than on subsequent revenue earning activity.

For all other personnel, the figures collected suggest that vendors should aim for a minimum target of 140 revenue earning days per year. A number of vendors already achieve utilisation rates well in excess of this figure.

This Vendor Profile is issued as part of INPUT's European Business Integration Program.
If you have questions or comments on this bulletin, please call your local INPUT organization or Peter Lines at INPUT, 17 Hill Street, London W1X 7FB, (+44) 71 493 9335.

Research Bulletin

Bulletin from INPUT's Business Integration Programme - Eu

Vol. V, No. 9 May 1994

Average Gross Margin for Project Personnel Is 40%

The European project services market has been very competitive in the 1990's. Consequently many vendors have made project services personnel redundant and organisations have sought to reduce the per capita cost of employment of their project services personnel.

Vendors must benchmark their project services activities to ensure that these business units remain competitive. It is possible to estimate revenues and gross margins per capita for project personnel from some vendors' published financial information. However, there is a danger that administrative personnel, as well as project personnel, will be included in any published data. In addition, it is difficult to measure charge-out rates from published financial data.

This research bulletin is the second of two, that endeavour to provide some basic benchmarking data for vendors operating in the systems integration and project services environments. The metrics shown below are based on the results of a questionnaire sent to twenty major European project services vendors, requesting highly confidential data. Seven responses were received primarily from the systems integration units of leading equipment vendors in Germany and the U.K.

This bulletin analyses vendor charge-out rates, revenues per capita, and estimates the average gross margin for project services personnel. On average:

- The daily charge-out rate for project personnel is $900
- Project personnel achieve annual revenues of $135K per capita
- German clients pay higher rates for project personnel than customers in the U.K.

Average Daily Charge-Out Rate for Project Personnel is $900

Exhibit 1 shows the average daily charge-out rates achieved analysed by category of personnel.

Exhibit 1

Average Daily Charge-Out Rate ($)

Category of Personnel	Average	Maximum	Minimum
Senior business consultant	1,500	1,750	1,350
Senior IT consultant	1,100	1,580	750
Junior consultants	830	1,150	570
Consultants overall	930	1,325	600
Project director	1,350	1,750	900
Project manager	1,100	1,450	600
Other project personnel	875	1,200	450
Project personnel overall	900	1,270	480

Source: INPUT

To provide guidance to respondents, the following definitions of project personnel were provided:

- *Project director*—Responsible to client for project delivery on major projects
- *Project manager*—Responsible for individual area within major project e.g. management of one or more subcontractors
- *Project personnel overall*—Includes all project personnel including consultants
- *Senior business consultant*—Includes management consultancy and high-level application-specific advice
- *Senior IT consultant*—For example, includes IT strategy development and high-level technical infrastructure design

The exchange rates used are:

- $1 = DM1.66
- £1 = $1.5

Exhibit 2

Maximum Daily Charge-Out Rate ($)

Category of Personnel	Average	Maximum	Minimum
Senior business consultant	1,900	2,650	1,500
Senior IT consultant	1,700	2,650	1,125
Junior consultants	1,100	1,650	750
Consultants overall	1,700	2,650	1,275
Project director	1,750	2,450	1,500
Project manager	1,300	1,800	660
Other project personnel	1,250	1,550	825
Project personnel overall	1,600	2,450	1,060

Source: INPUT

The largest variation in average charge-out rate is between vendors' rates for junior project personnel. For this category of personnel, the variation between the lowest average rate and the highest average rate is a factor of 270%. There is no evidence to suggest that vendors' profit margins on these personnel vary accordingly. Accordingly, vendors will improve their price-competitiveness in project delivery if they use offshore development and home-working as techniques to reduce the cost of employment of junior development personnel.

Exhibits 3 and 4 identify the maximum and minimum daily charge-out rates by category of project personnel.

Exhibit 3

Minimum Daily Charge-Out Rate ($)

Category of Personnel	Average	Maximum	Minimum
Senior business consultant	1,300	1,750	815
Senior IT consultant	1,100	1,580	600
Junior consultants	750	1,150	375
Consultants overall	800	1,200	375
Project director	1,000	1,560	680
Project manager	900	1,350	570
Other project personnel	630	1,160	300
Project personnel overall	660	1,160	300

Source: INPUT

Project Personnel Achieve Average Annual Revenues of $135K Per Capita

Exhibit 4 identifies the average revenues per annum by category of personnel. This was derived by multiplying the average number of revenue earning days by the average charge-out rate for each category of personnel for each vendor.

Exhibit 4

Average Revenues per Annum: $(000's)

Category of Personnel	Average	Maximum	Minimum
Senior business consultant	170	225	135
Senior IT consultant	165	220	105
Junior consultants	120	150	80
Consultants overall	130	170	95
Project director	185	315	135
Project manager	160	260	110
Other project personnel	130	220	60
Project personnel overall	135	230	85

Source: INPUT

Overall the revenues per head derived from consultants and from other project personnel are comparable at approximately $130K per annum.

The lowest average revenue per head figures shown in the right hand column of Exhibit 4, are primarily the result of low utilisation rates, rather than low charge-out rates. The vendor with an average revenue per head of $60K per annum for *other project personnel* is not the vendor with the lowest average charge-out rate in this category.

However, margin per capita is a more important measure of success than revenue per capita, and so vendors' costs of employment need to be taken into account.

The average annual cost of employment is shown by category of personnel in Exhibit 5.

The volume of data is insufficient to provide meaningful gross margins by category of personnel. However, it is possible to estimate gross margins at the level of consultants and overall project personnel. On average, the gross margins across all project personnel are estimated to be approximately 40% with consultants averaging gross margins of 43%.

Germany Pays Higher Rates for Project Personnel than U.K.

The majority of responses came from vendors in Germany and the U.K.. While there appears to be no significant difference in utilisation rates of project personnel between Germany and the U.K., charge-out rates do appear to be higher in Germany.

Exhibit 5

Average Annual Cost of Employment: $(000's)

Category of Personnel	Average	Maximum	Minimum
Senior business consultant	120	137	108
Senior IT consultant	100	126	90
Junior consultants	75	98	60
Consultants overall	95	130	66
Project director	110	135	90
Project manager	90	128	68
Other project personnel	70	102	42
Project personnel overall	77	110	53

Source: INPUT

Exhibit 6

Contrasts between Germany and U.K.: Consultancy

Benchmark	Germany	U.K.
Minimum daily rate ($)	850	600
Maximum daily rate ($)	1,600	1,400
Average daily rate ($)	1,000	800
Revenues per annum ($000's)	130	110

Source: INPUT

The estimated differences between the two countries in charge-out rates and average revenues per capita are shown in Exhibits 6 and 7. However, it would be wrong to assume that the higher revenues per capita achieved in Germany necessarily result in higher margins. While it is difficult from the data available to generate precise gross margins by country it appears that the cost of employment differences between Germany and the U.K. cancel out any benefit from higher charge-out rates.

Overall there appears to be considerably more variation in margin between individual vendors than between country averages.

Exhibit 7

Contrasts between Germany and U.K.: Project Personnel

Benchmark	Germany	U.K.
Minimum daily rate ($)	850	400
Maximum daily rate ($)	1,500	1,350
Average daily rate ($)	1,000	700
Revenues per annum ($000's)	150	105

Source: INPUT

This Research Bulletin is issued as part of INPUT's Business Integration Program—Europe.
If you have questions or comments on this bulletin, please call your local INPUT organisation or Peter Lines at INPUT, 17 Hill Street, London, W1X 7FB, +44 (0)71 493 9335.

Exhibit IV-1

Revenues per Employee and Gross Margin
Software and Services Vendors

	Company	Year	Region	Revenues per employee $K	Average employee cost $K	Gross Margin %
TF ✓	Andersen Consulting	1993	Europe	112	60	46
TF ✓	CGI	1993	France	85	65	24
PS ✓	CGS	1993	W/W	104 * (3)	65 (3)	38 (3)
TF ✓	CSC	1993	Europe	90	72	18
TF	debis systemhaus	1993	Germany	159	66	58
TF ✓	EDS	1993	Europe	127	60	53
TF ✓	Finsiel	1993	Italy	142 * (1)	65	54
TF ✓	Oracle	1993	W/W	145	65	55
PS ✓	Ploenzke	1993	Germany	~~$137~~ 109 * (2)	67 $60.3	39
	SAG, no A/R	1992	Germany	106	68	36
TF	SAP	1992 93	Germany	~~148~~ 154	~~72~~ 58	~~57~~ 40
	Sligos French A/R	1992	France	112	65	42
	Average (rounded)	-	-	120	66	43

Source: INPUT

(1) RB – GM PRO SVS Remain under pressure ; a 92 figure ?

(2) " ; '92 = 123

(3) " ; a '92 figure ?

CGS Fox return = 187 days x $610 = $114,000

Exhibit IV-2

Profit per Employee
Software and Services Vendors

	Company	Year	Profit per employee $k (before tax and interest)
TF ✓	Andersen Consulting	1992 93	N/A 12
TF	CGI	1992 1993	4.3 4.7
TF ✓	CGS	1992 1993	0.4 (3.4)
TF ✓	CSC	1993	4.1
TF ✓	EDS	1992 1993	~~19~~ 16.1
TF ✓	Finsiel	1993	4.1 (after tax)
	SAG No A/R	1992	2.6
TF ✓	SAP	1992 1993	28.6 22.6 (after tax)
	Sligos FRENCH A/R	1992	9.3

Source: INPUT

These two tables reflect the revenues per employee, gross margins, and profit per employee for organisations operating primarily within the software product and professional services markets.

However, it should be noted that the software product vendors generally achieve much higher revenue per employee and gross margins than professional services vendors.

Exhibits IV-3 and IV-4 show comparable tables for the equipment vendors included in the sample. The data shown reflect the overall profile of the vendor's business and so are strongly influenced by the equipment sales model.

Exhibit IV-3

Revenues per Employee and Gross Margins
Equipment Manufacturers

	Company	Year	Region	Revenues per employees $K	Average employee cost $K	Gross Margin (%)
PS ✓	IBM	1993	W/W	250 $ 251	85	66
PS ✓	Digital	1993	W/W	231 $ 143	80 $130 PP overall	65 30 – for consultants overall (8% for project Revenues overall)
PS ✓	Bull	1993	Europe	210	78	63
PS ✓	SNI	1993	Germany	112 $108	75 $103 PS overall	33 9 core mean 1 PP overall
TF	Olivetti	1993	Italy	150	65	57
Red = PS ✓	ICL Black = TF ?	1993	UK	184 PP overall 450 × 150 = £72,000 $108	54 £48 = $72	70 % Project Revenue overall
	Average (rounded)			190	73	59

Source: INPUT

Exhibit IV-4

Profit per Employee
Equipment Manufacturers

Company	Year	Profit per employee $K (before tax and interest)
IBM	1993	-32.0 $(32.0)
Digital	1993	- 3.0
Bull	1993	-20
SNI No A/A	1992	-5.7
Olivetti	1993	-8.0
ICL	1993	1.6

Total firm as of calced on P.

Source: INPUT

IV

Employee Revenue and Gross Margins

Exhibit IV-1 lists the revenues per employee and gross margin (after salary costs) for the professional services and software product vendors included in the study.

For each of these organisations, the revenues per employee and average employee cost have been calculated for the organisation as a whole. Profit per employee data for the vendors covered in the survey is shown in Exhibit IV-2. This data provides Hewlett Packard with a measure of the profitability of each vendor when operating at the gross margins indicated in Exhibit IV-1.

INPUT

Sudetenstrasse 9, D-35428 Langgöns-Niederkleen (0) 6447-7229
Fax (0) 6447-7327

FAX TRANSMITTAL FORM

Date: 14.10.94

Confidential: Y / Nx
Urgent: xY / N

To: Name: Peter Lines

Tel./Location:

Co.: INPUT

Fax No:

Page: 1 of 2

From: Felix

File: CHRON
CONTACT
OTHER:

Subject: 1993 numbers

Software AG 1993 1.67

total revenue 843 Mio. DM

number of employees 4400

total ~~average~~ cost of employees 324.186.567 DM

profit 54.989.000 DM

SNI

page 2

Peter,
I found this in my tray, am I meant to have it?
Max.

Attachment

Siemens Nixdorf worldwide	Oct. 1, 1990 to Sept. 30, 1991	Oct. 1, 1991 to Sept. 30, 1992	Oct. 1, 1992 to Sept. 30, 1993	Percent increase (decrease) fiscal 1993 over 1992
Sales				
Germany	7.5	8.4	7.8	(6)*
International	4.6	4.6	4.1	(9)*
Worldwide	12.1	13.0	11.9	(7)*
New orders				
Germany	8.2	8.3	7.7	(6)*
International	4.7	4.6	4.3	(5)*
Worldwide	13.0	12.9	12.0	(5)*
Capital spending (DM million)	809	860	493	(43)
Research and development	1.7	1.6**	1.4**	(12)
Employees (in thousands) on Sept. 30				
Germany	37.6	35.3	31.8	(10)
International	14.0	13.1	11.4	(12)
Worldwide	51.6	48.4	43.3	(11)
Net loss (DM millions)	(781)	(513)	(419)	18

SLIGOS.

($ @ 5.67)

	1992	1993
TOTAL REVENUE	642.7 M	672.8 M
TOTAL # EMPLOYEES	5,718	6,230
REV/employee.	112 K	108 K
Employee Cost Total.	281.2 M	292.3 M
COST / employee.	49	47
PROFIT before TAXES	53.2	52.8
PROFIT/employee.	9.3	8.5

digital

DEC Digital Equipment Corporation
12, av. des Morgines
CH-1213 Petit-Lancy
Geneva
Switzerland

Fax : +41(22)709.4140

DATE: 14-OCT-1994 16:44:43.39

FROM: ANNIKA HJELM

TO : "Wendy Lewis, INPUT"

SUBJECT: Invitation to London briefing for analysts

NO. OF PAGES: 3 excluding cover page

In case of problem upon receiving this document, please call
+41(22)709.4617 or DTN 821-4617
Should you contact the sender of this fax, please call
+41(22)709.4111 or DTN 821-4111
This fax is sent electronically via DECfax Mail

HEWLETT PACKARD

TELEFAX

HEWLETT-PACKARD S.A.
European Headquarters
150, Route du Nant-d'Avril
1217 Meyrin/Geneva
Switzerland
Phone: 41 (22) 780.81.11
Telefax: 41 (22) 780.85.42

DATE: ..... TIME: .....

FROM: Gijsbert Nieuwland

TO : John Willmott

C.C. : .....

COMMENTS: As discussed

.....

.....

OF PAGES (FOLLOWING THIS PAGE) 18

Should you have any problems in transmission,

please contact: .....EXTENSION: .....

Exhibit III-1

Fee Rates (FFs) - in France

Vendor	Daily Fee Rates (FFs)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	3500	5000	5000	8000	8000	-	12000	-
Digital	4050	5400	6200	7000	9800	-	-	-
Bull	3300	4300	5150	6700	7500	8600	10300	11800
Andersen Consulting	3000	5000	7000	10000	10000	15000	16000	24000
CGI	4000	5500	6000	8000	8000	-	14000	-
CGS	4000	6500	7000	9000	8500	14000	14000	-
CSC	1800	3500	3500	5000	6000	8500	8500	12000
EDS	2750	4000	4000	6000	6000	8000	-	-
Sligos	2000	2800	3200	4500	5500	6500	8000	-
Average (rounded)	3200	4670	5230	7130	7700	10100	11830	15930

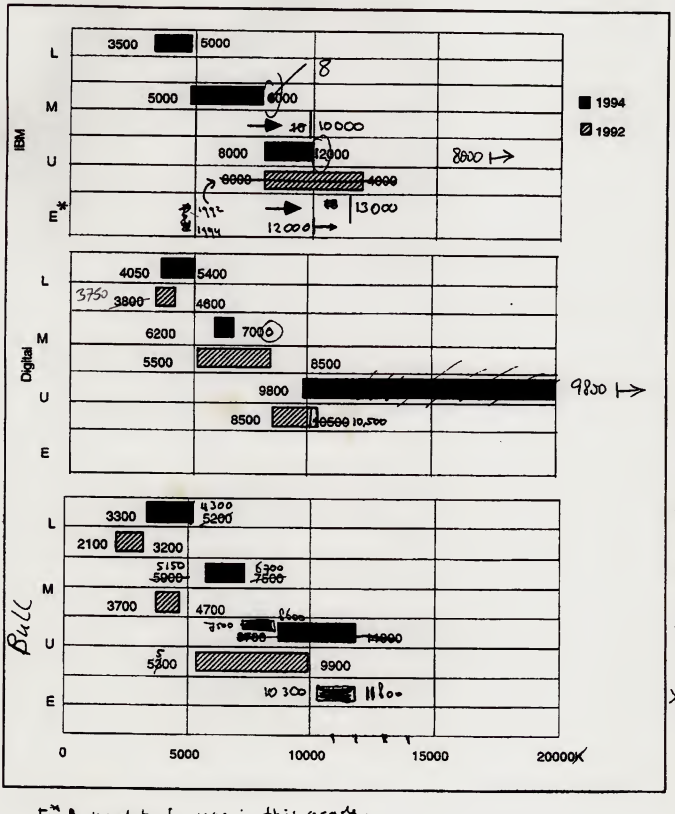
missing?

put in!

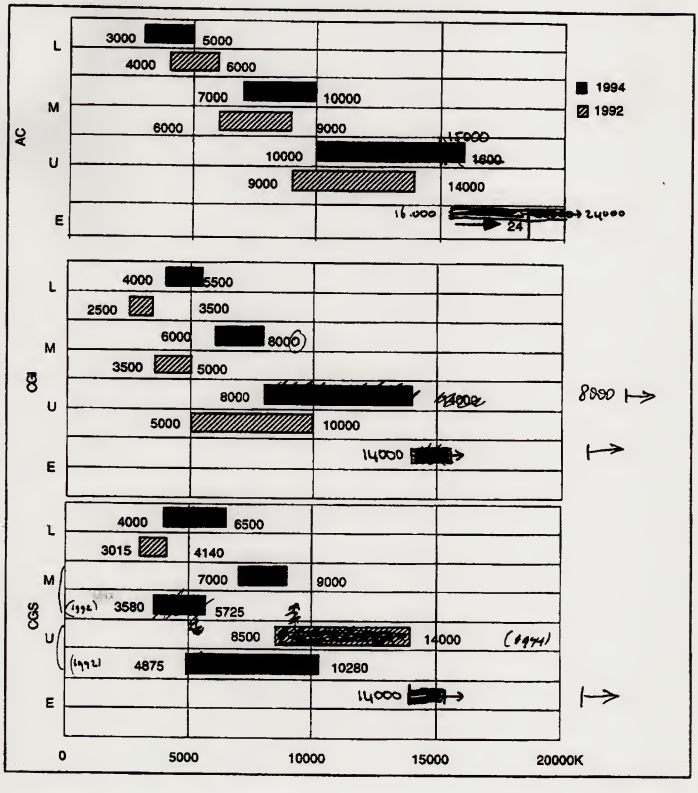
Source: INPUT

PROFESSIONAL SERVICES PRICING INPUT

France in (FF)



E* : no data for 1992 in this grade.


AC
L
3000
5000
4000
6000
M
7000
10000
6000
9000
U
10000
15000
1600
9000
14000
E
16.000
24
24000
1994
1992
CGI
L
4000
5500
2500
3500
M
6000
8000
3500
5000
U
8000
8890
5000
10000
E
14000
CGS
L
4000
6500
3015
4140
M
7000
9000
(1992) 3580
5725
U
8500
14000
(1994)
(1992) 4875
10280
E
14000
0
5000
10000
15000
20000K

PROFESSIONAL SERVICES PRICING **INPUT**

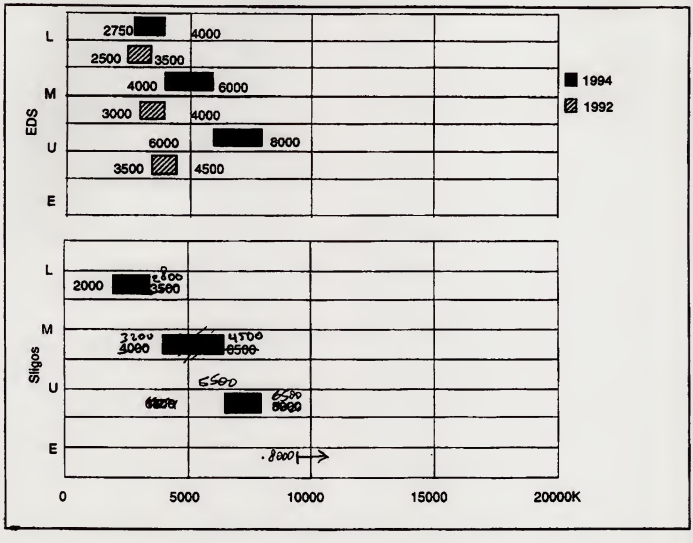


Exhibit III-2

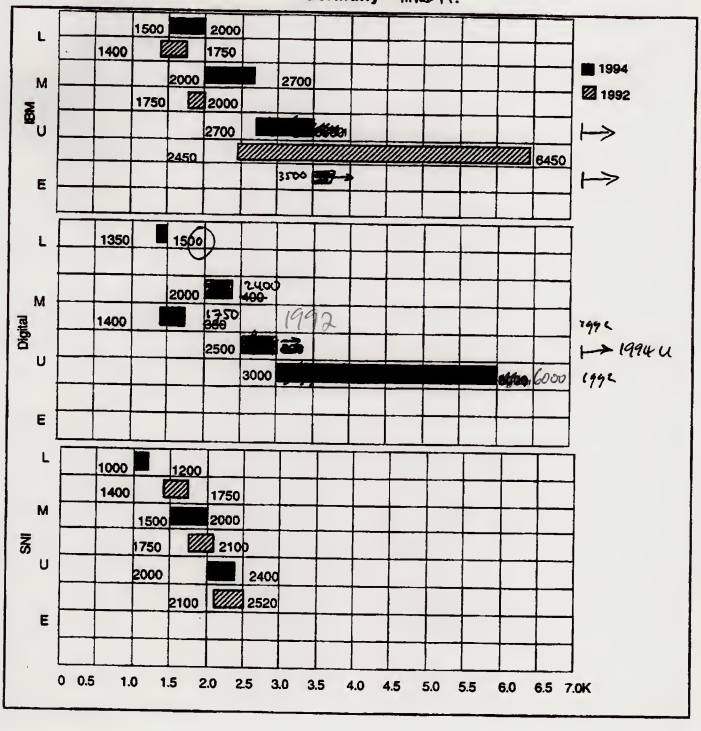
Fee Rates (DMs) - Germany

Vendor	Daily Fee Rates (DMs)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	1500	2000	2000	2700	2700	-	3500	-
Digital	1350	1500	2000	2400	2500	-	-	-
SNI	1000	1200	1500	2000	2000	2400	-	-
Andersen Consulting	1200	1500	2300	2800	3000	4000	-	-
CGS	800	1300	1500	1600	2000	3000	-	-
CSC	850	1100	1600	2250	2500	-	3500	-
debis systemhaus	-	-	1700	1900	2500	-	3200	3400
EDS	800	1200	1200	1800	1800	2600	-	-
Ploenzke	1100	1300	1400	1800	1800	2600	-	-
SAG	-	-	1700	1900	2100	2500	-	-
SAP	1180	1460	1820	2000	2150	-		
Average (rounded)	1090	1400	1700	2050	2160	2850	3400	3400

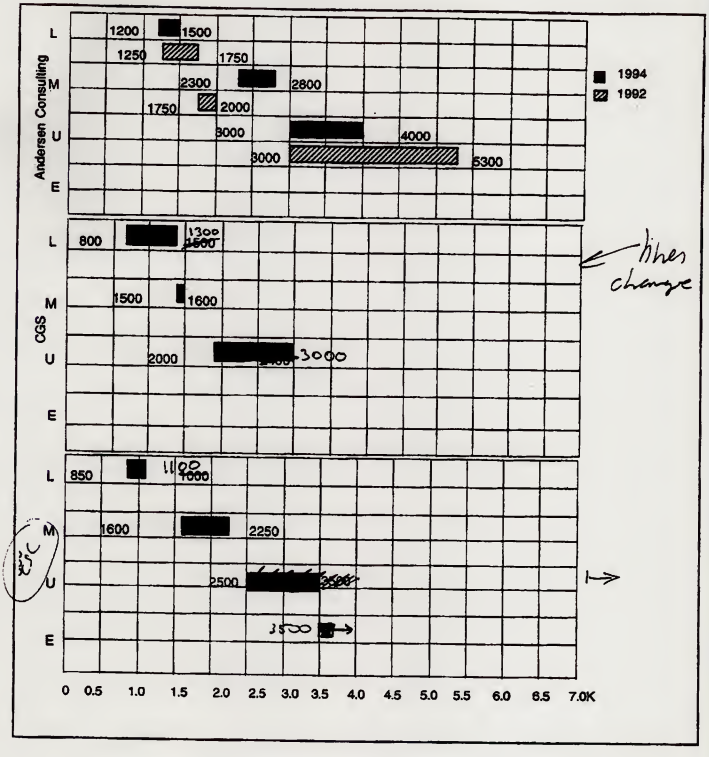
Source: INPUT

Exhibit III-28

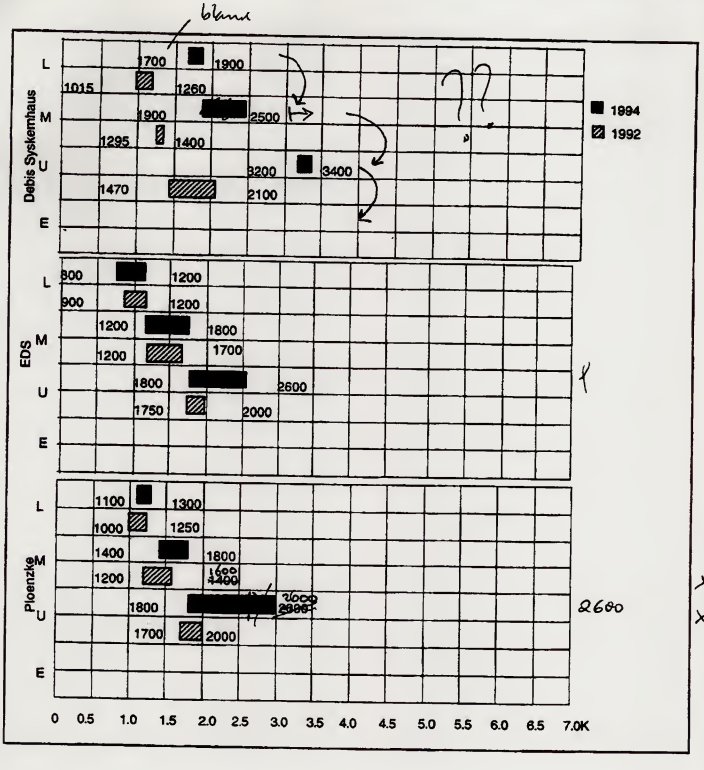
Germany in kDM.



PROFESSIONAL SERVICES PRICING **INPUT**



lines change


blank
Debis Syskemhaus
L
M
U
E
1700
1900
1015
1260
1900
2500
1295
1400
3200
3400
1470
2100
EDS
L
800
1200
900
1200
M
1200
1800
1200
1700
U
1800
2600
1750
2000
E
Ploenzke
L
1100
1300
1000
1250
M
1400
1800
1200
1600
1400
U
1800
2600
2000
1700
2000
E
0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 4.0 4.5 5.0 5.5 6.0 6.5 7.0K
1994
1992
2600

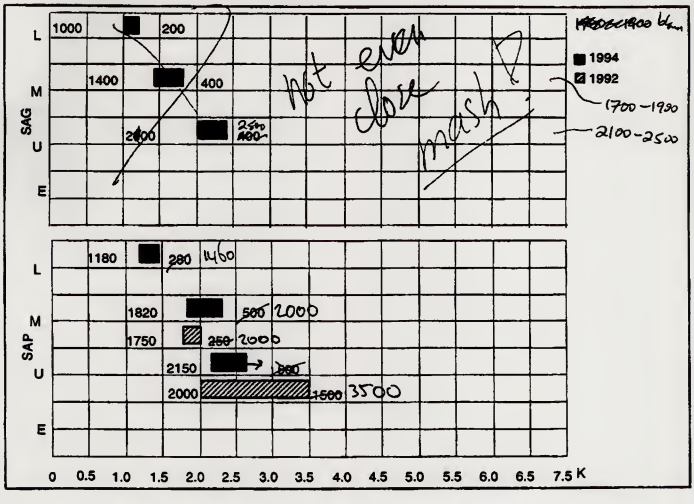

SAG
L
M
U
E
1000
200
1400
400
2600
2500
400
SAP
L
M
U
E
1180
280
1460
1820
500
2000
1750
250
2000
2150
350
2000
1500
3500
0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 4.0 4.5 5.0 5.5 6.0 6.5 7.5 K
1994
1992
1700 – 1930
2100 – 2500
Not even close
mark!

Exhibit III-3

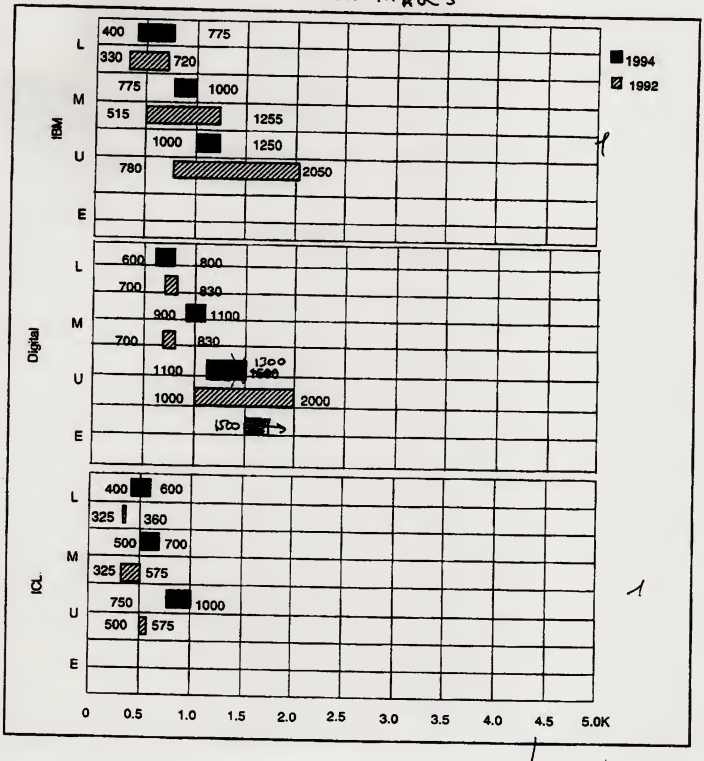
Fee Rates (£'s) - United Kingdom

Vendor	Daily Fee Rates (£s)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	400	775	775	1000	1000	1250	-	-
Digital	600	800	900	1100	1100	1300	1500	-
ICL	400	600	500	700	750	1000	-	-
Andersen Consulting	500	700	700	1200	1000	1700	1700	2500
CGS (Hoskyns)	425	570	470	680	850	1050	1500	-
CSC	350	400	800	1000	1000	-	2000	-
EDS	300	500	450	1000	800	1000	-	-
Oracle	350	650	650	1000	800	-	1500	-
Average (rounded)	400	625	660	960	940	1220	1640	2500

Source: INPUT

Exhibit III-29

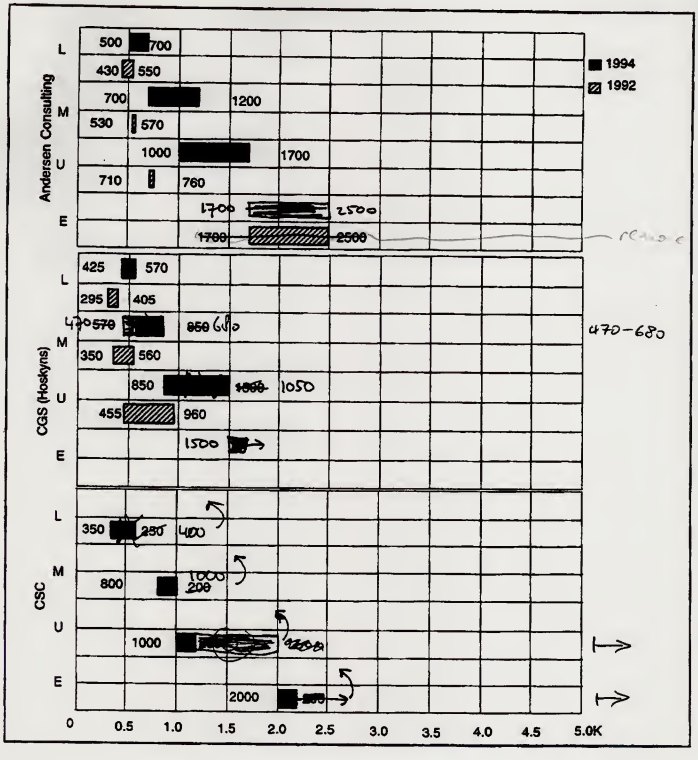
UK in £'s



wrong scale

PROFESSIONAL SERVICES PRICING

INPUT



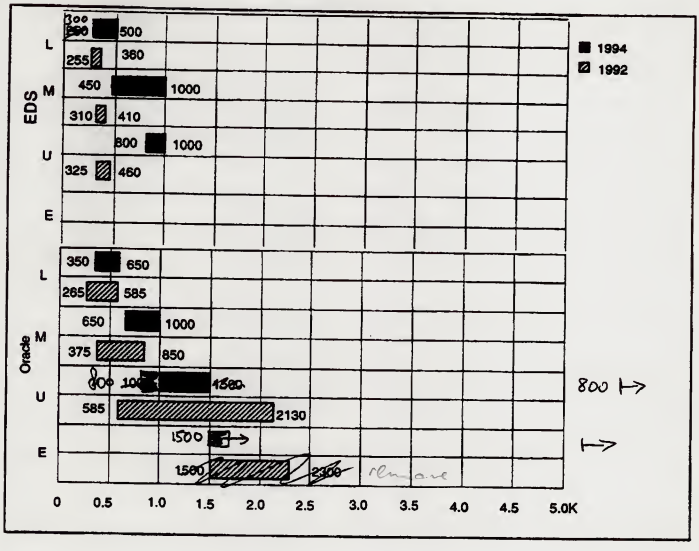

EDS
L
M
U
E
300
500
255
360
450
1000
310
410
800
1000
325
460
Oracle
L
350
650
265
585
M
650
1000
375
850
U
585
2130
E
1500
1500
remove
1994
1992
800
0
0.5
1.0
1.5
2.0
2.5
3.0
3.5
4.0
4.5
5.0K

Exhibit III-4

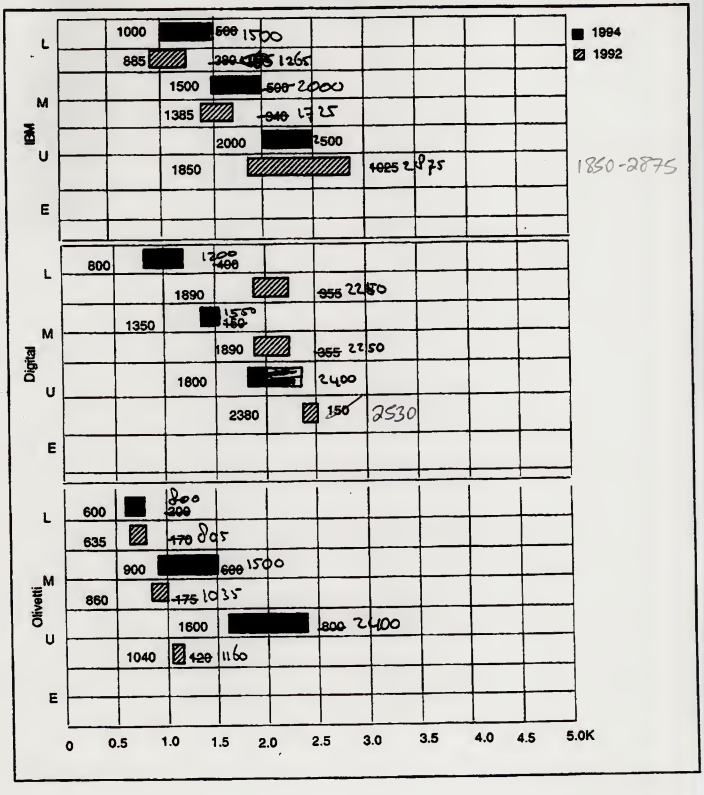
Fee Rates (Lire Thousands) - Italy

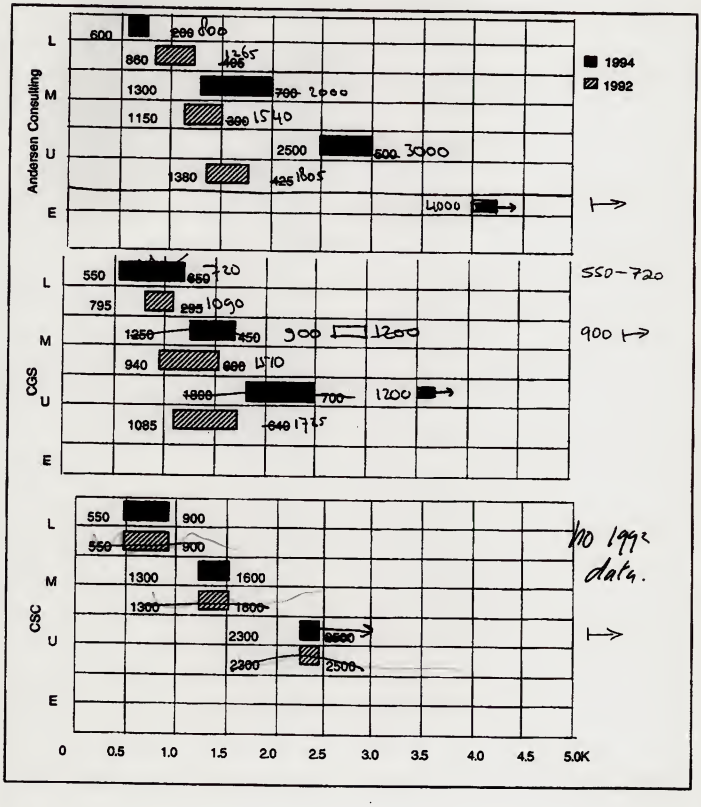
Vendor	Daily Fee Rates (Lire Thousands)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	1000	1500	1500	2000	2000	2500	-	-
Digital	800	1200	1350	1550	1800	2400	-	-
Olivetti	600	800	900	1500	1600	2400	-	-
Andersen Consulting	600	800	1300	2000	2500	3000	4000	-
CGS	550	720	900	-	1200	-	-	-
CSC	550	900	1300	1600	2300	-	-	-
EDS	600	1200	1200	1700	1600	2400	-	-
Finsiel	600	800	1000	1600	2000	-	2500	-
Average (rounded)	660	990	1180	1700	1880	2500	3250	-

Source: INPUT

Exhibit III-30

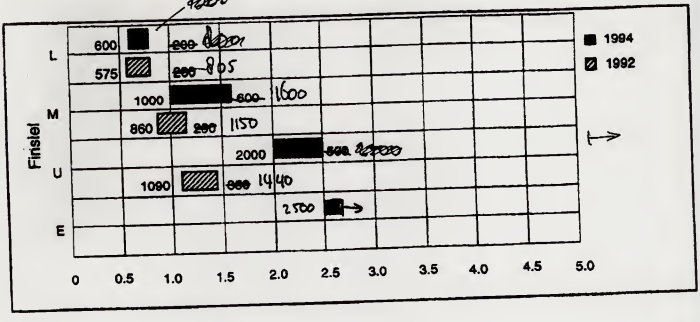
Italy inkLire




Andersen Consulting
CGS
CSC
L
M
U
E
1994
1992
600
~~200~~ 800
860
~~495~~ 1265
1300
~~700~~ 2000
1150
~~390~~ 1540
2500
~~500~~ 3000
1380
~~425~~ 1805
4000
550
~~650~~ 720
550-720
795
~~295~~ 1090
1250
~~450~~ 900
900
1200
940
~~880~~ 1510
~~1800~~
~~700~~ 1200
1085
~~640~~ 1725
550
900
550
900
1300
1600
1300
~~1600~~
2300
~~2600~~
2300
~~2500~~
no 1992 data.
0
0.5
1.0
1.5
2.0
2.5
3.0
3.5
4.0
4.5
5.0K

PROFESSIONAL SERVICES PRICING

INPUT



EDS

EDS
=missing.

L 1994 600 – 1200
1992 695 – 970

M 1994 1200 – 1700
1992 835 – 1100

U 1994 1600 – 2400
1992 775 – 1100

E 1994

2. Fee Rates in US Dollars

Exhibits III-5 through III-8 show vendor's fee rates for France, Germany, the United Kingdom and Italy in US dollars for comparative purposes.

Exhibit III-5

Fee Rates ($) - France

Vendor	Daily Fee Rates ($)							
	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	620	880	880	1410	1410	-	2100	-
Digital	720	950	1090	1240	1730	-	-	-
Bull	590	760	900	1200	1300	1500	1800	2100
Andersen Consulting	530	880	1240	1770	1770	2650	2820	4200
CGI	700	970	1060	1410	1410	-	2470	-
CGS	700	1150	1240	1590	1500	-	2470	-
CSC	320	620	620	900	1060	1500	1500	2100
EDS	490	700	700	1060	1060	1410	-	-
Sligos	350	500	560	800	1000	1150	1400	-
Average (rounded)	560	820	920	1260	1360	1640	2080	2800

Source: INPUT

→ no comparison charts 1992-1994 in $'s.

PL

EUROCOGNOS

LINGUISTIC AND RESEARCH SERVICES

01890 818929 (T)
818908 (F)

INPUT
IT Intelligence Services
17 Hill Street
London W1X 7FB

Dear Peter,

Please find enclosed my invoice as well as the signed contract with the telephone expense report. I trust this is satisfactory.

I am also sending the originals of the reports I already faxed to you earlier on, together with some more information which arrived in the post.

I hope that the work carried out by Eurocognos has met with your expectations. It has been a pleasure working with you on this project and I am looking forward to doing further business with you in the future.

Best Regards

Agnes

~~01499 500293~~
Drinlaith House ♦ Inveraray ♦ Argyll PA32 8XU
Telephone: ~~04995 293~~ ♦ Fax: 04995 295
Vat Registration No: 554 7024 46

INPUT

CONFIDENTIAL—Property of INPUT

CONTACT REPORT

Contact Date: 23 / 9 / 94

INPUT Staff: Init. JW Init. _____ ☐ INPUT office ☐ Client Office ☐ Other _____ Date Written: / /

	DISTRIBUTION:			Prog./Proj. ID _____
	Action	Info.	By When	Describe Action-F/U
Company HP - Geneva.....				
Name Gijsbert Niewland		PL		
Title				
Address				
Phone: ( ) -				
Fax: ( ) -				

* Comparison charts
  - final in local fees.....
  - mistakes on all of them.....

* Quality below acceptable.....
  - charts in dollars..... missing

* Contents..... important floppy.....

* Correct pictures.....

Monday....

- Corrected charts & sent them
- Still need to talk to Gijsbert about issuing final report & copy on disk.

☐ Continued over

M&S 300/01 6/92 (R)

Mail List Change Order **1.** ☐ Update ☐ Correction ☐ Deletion ☐ Addition* Serial Number_____

2. Customer Type: ☐ Vendor ☐ Others ☐ Media ☐ User

3. Newsletters: ☐ EDI ☐ Field Service ☐ Other

4. Vendor: Vendor Type— ☐ Client ☐ Former/Report Client ☐ Prospect

- Contact Level— ☐ Executive ☐ Acquisition ☐ International ☐ Other
- If Exec. or Other Contact Level— ☐ Maintenance ☐ Equipment ☐ Communications ☐ Others ☐ Info. Svc.
- If Info. Services— ☐ Turnkey & Software ☐ Network & Processing ☐ Systems Integration ☐ Professional Svc.

5. If User: User Type— ☐ Client ☐ Former/Report Client ☐ Prospect

- Comm. Contact Level— ☐ Executive ☐ IS Mgmt. ☐ Other
- Fed. Contact Level— ☐ Executive ☐ Acquisition ☐ Prog. ☐ Manager/Technical ☐ Other
- If Fed. Executive— ☐ Info. Resource Mgr. ☐ Asst. Secretary ☐ Commander (Military) ☐ Agency Head
- If Fed. Other— ☐ Laboratory ☐ NIS ☐ Users ☐ GSA

* No names will be added without a completed change order and program manager approval.

Program Manager Authorization _____

CONTACT REPORT
Continuation

Company _____

Name _____

M&S 310 11/90

26th April 1994

J Willmott
INPUT
17 Hill Street
London
W1X 7FB

ICL

Dear John

Please find enclosed the completed questionnaire for your "Metrics for Major Project Activity" research bulletin.

The information has been provided by the Enterprise Systems Projects and Consultancy Unit and Major Projects, so it represents real life rather than price books. We would be very interested to see the final report to benchmark our experience against others in the systems integration business.

Best regards.

Morcom.

pp.

Helene Hook
Marketing Manager

Enc.

Enterprise*Systems*
ICL
Eskdale Road
Winnersh
Wokingham
Berks RG11 5TT
Tel 0734 693131
Telex 847537 ICL WIN G
Fax 0734 697636

Metrics for Major Project Activity

I am trying to produce a research bulletin benchmarking charge-out rates and utilisation levels within the systems integration and project services environments. Because of the sensitivity of this information, any data supplied will be treated as completely **confidential**. The only information published, or disclosed to any third party, will be aggregated information such as averages and the proportion of organizations lying within a particular range of values. In return for your participation, I should be pleased to send you a summary of these results.

I should be grateful if you could complete , as far as possible, the following charts. You may find that, in some cases it is only possible to supply information at the *overall* or summary level.

Thank you very much for your assistance.

Consultants

Please specify currency used, where applicable. £

Benchmark	Senior Business Consultant	Senior IT Consultant	Junior Consultants	Consultants overall
Maximum charge-out rate per day		1000	500	1000
Minimum charge-out rate per day		400	250	250
Average charge-out rate per day		500	380	400
Average number of revenue earning days		180	180	180
Average number of pre-sales days		20	20	20
Average holiday entitlement (days per annum)		29	29	29
Average days sickness per annum		—	—	—
Average number of days training per annum		15	15	15
Average cost of employment		60,000	45,000	52,000

All Project Personnel

Please specify currency used where appropriate. £

Benchmark	Project Director	Project manager	Other project personnel	Project personnel overall
Maximum charge-out rate per day	1000	440	800	1000
Minimum charge-out rate per day	500	380	200	200
Average charge-out rate per day	600	400	300	320
Average number of revenue earning days	150	180	200	190
Average number of pre-sales days	50	20	—	—
Average holiday entitlement (days per annum)	29	29	29	29
Average days sickness per annum	—	—	—	—
Average number of days training per annum	15	15	15	15
Average cost of employment	60,000	45,000	28,000	

Overall Project Revenues

Proportion of overall project revenues spent on each of the following:	**Proportion (%)**
Quality (Assurance, Control and management)	1 - 4%
R&D overall	—
Methodology R&D	2%
Technology R&D	—

Other Details (Optional)

Name HELENE HOOK

Organisation ICL

Address ESKDALE ROAD, WINNERSH, WOKINGHAM, BERKS RG11 5TT

Phone number 0734 63 4595

Summary required Yes/~~No~~

Definitions

Project Director - Responsible to client for project delivery on major projects.

Project manager - Responsible for individual area within major project e.g. management of one or more sub-contractors.

Project personnel overall - Includes all project personnel including consultants.

Senior Business Consultant - Includes management consultancy and high-level application-specific advice.

Senior IT Consultant - For example, includes IT strategy development and high-level technical infrastructure design.

II

Executive Overview

Peter,
I have booked a first call on Monday for the eng to call. Also Andre is on the job.
I'm going home now to die quietly. ☺ Max.

ailed analysis of individual vendor
ter IV provides margin and of
s the following summaries this

or the equipment vendors included
II-1

ype, shown in Exhibit II-2

shown in Exhibit II-3

- Average revenues per employee and gross margin data by vendor type, shown in Exhibit II-4.

Exhibit II-1

Fee Rates - European Average by Vendor

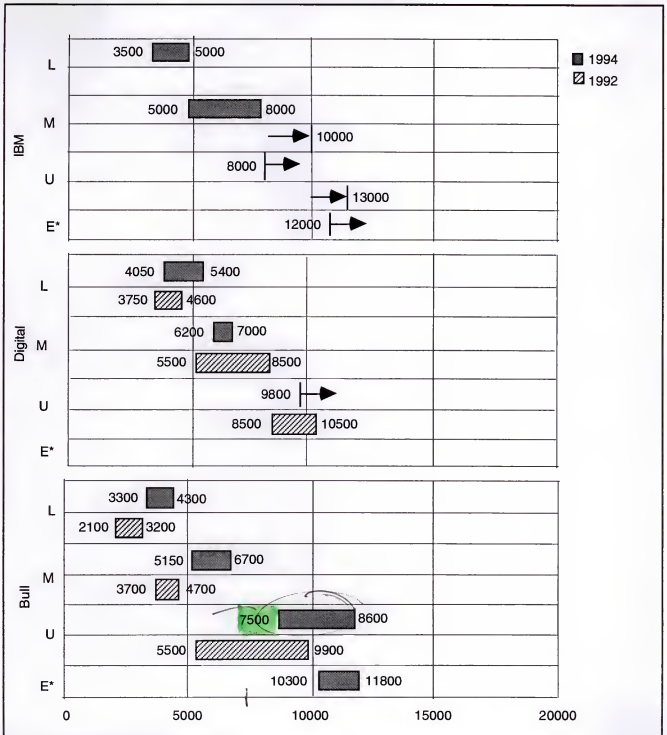
	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	680	1040	1040	1440	1440	1700	2100	-
Digital	730	950	1120	1320	1495	1710	2250	-
Andersen Consulting	590	830	1120	1620	1650	2360	2600	3980
CGS	540	800	850	1190	1180	1560	2360	-
CSC	420	610	900	1180	1370	1500	2200	2100
EDS	450	730	710	1170	1080	1490	-	-

Source: INPUT

D
Comparative Professional Services Pricing Tables

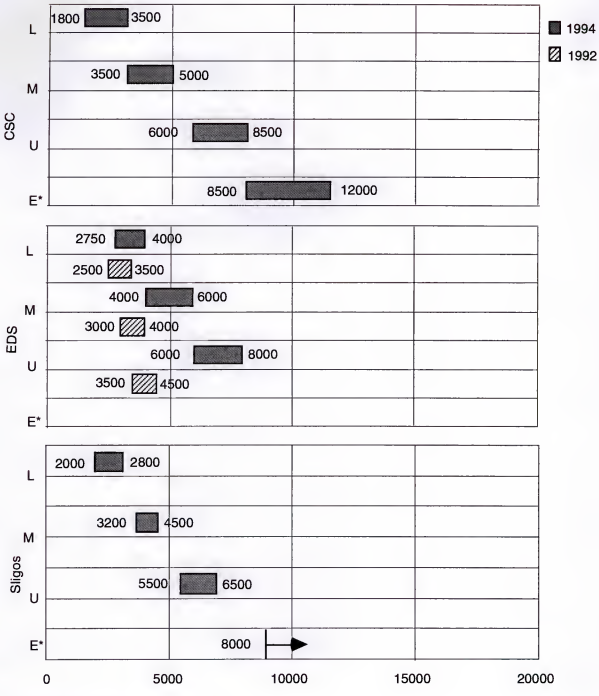
Exhibit III-27

France—Daily Rate (FF)



E* : No data for 1992 in this grade.

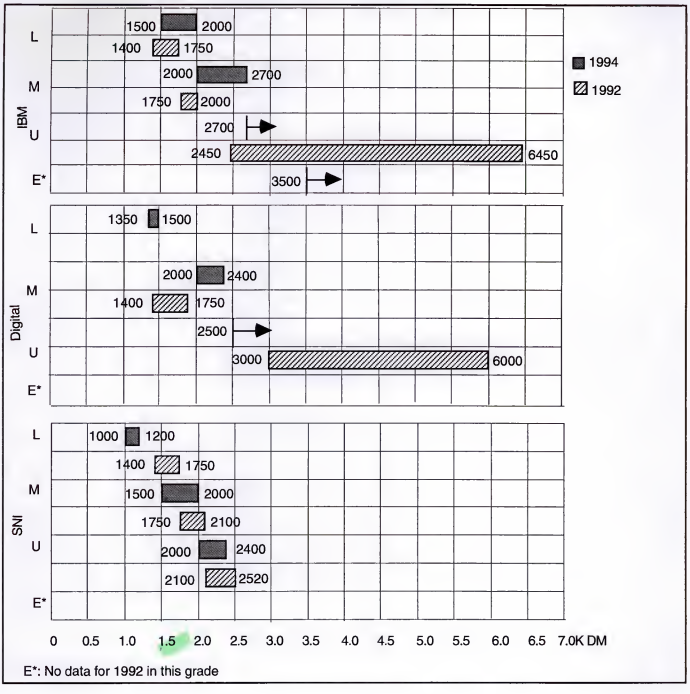
France—Daily Rates (FF)



E*: No data for 1992 in this grade.

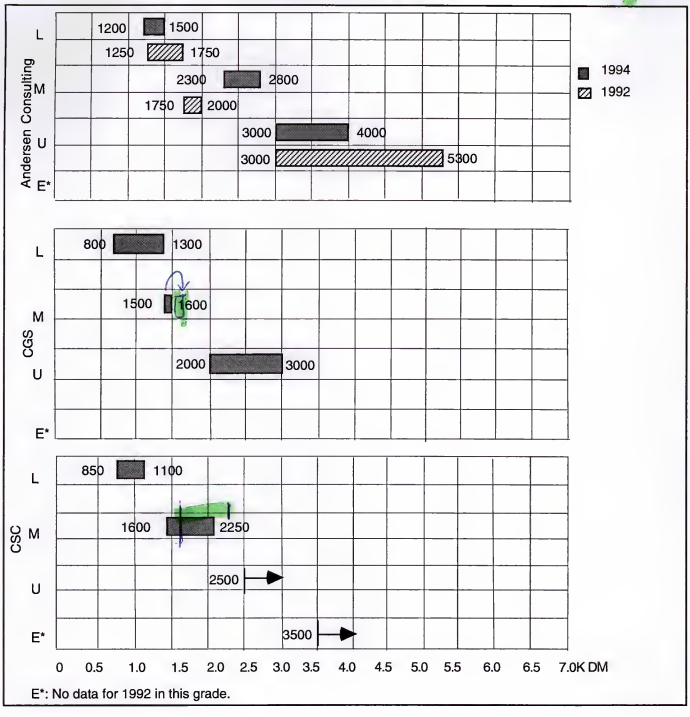
Exhibit III-28

Germany—Daily Rates (DM)



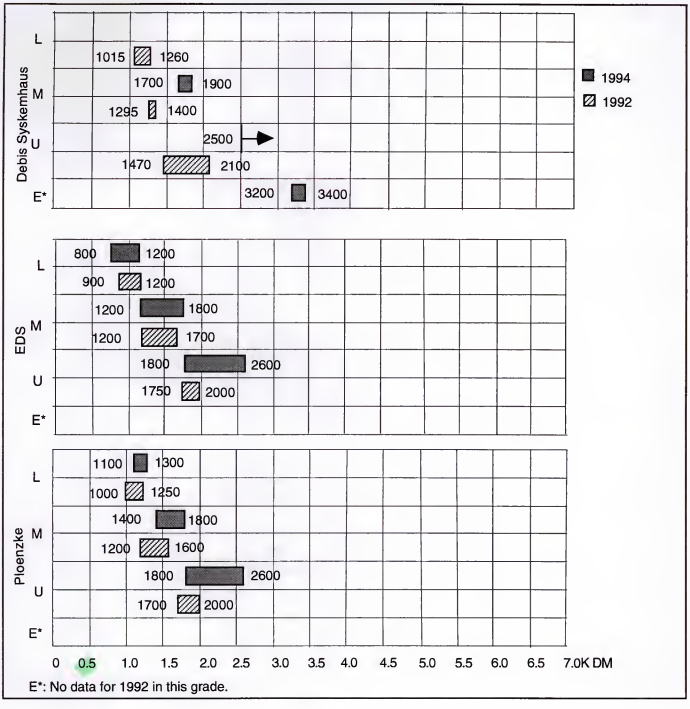
E*: No data for 1992 in this grade

Germany—Daily Rates (DM)



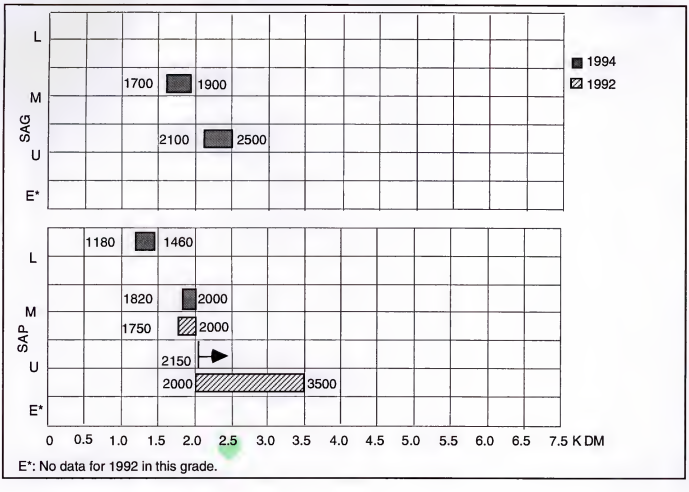
E*: No data for 1992 in this grade.

Germany—Daily Rates (DM)



E*: No data for 1992 in this grade.

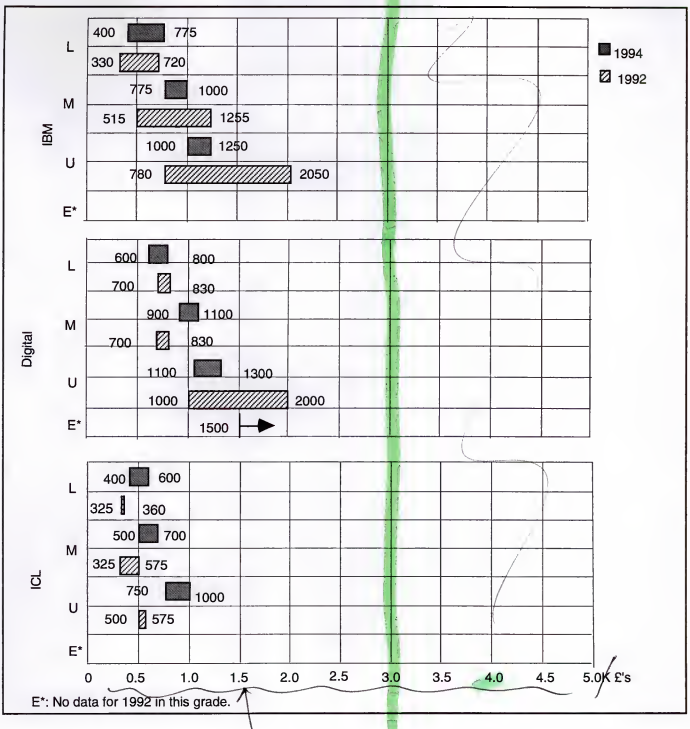
Germany—Daily Rates (DM)



E*: No data for 1992 in this grade.

Exhibit III-29

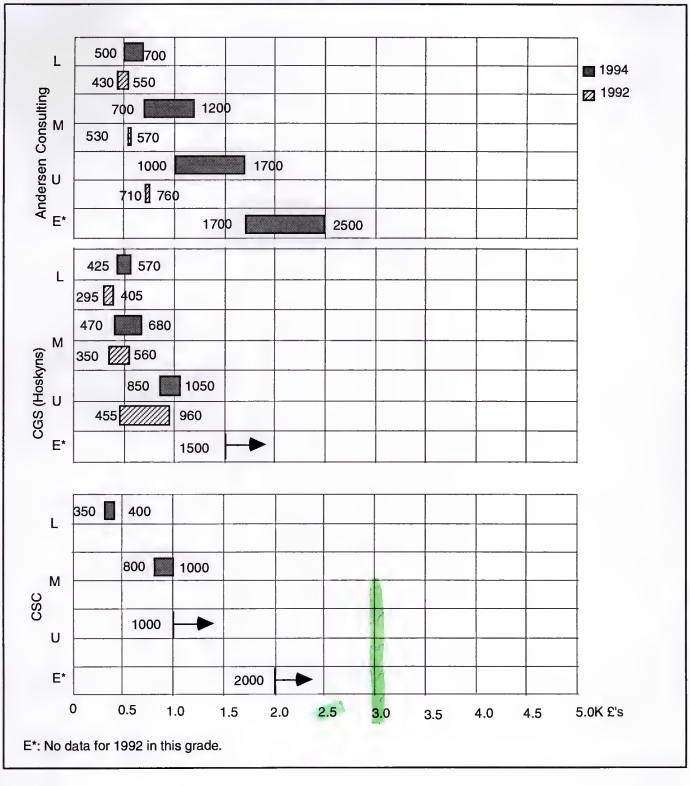
U.K.—Daily Rates (£'s)



E*: No data for 1992 in this grade.

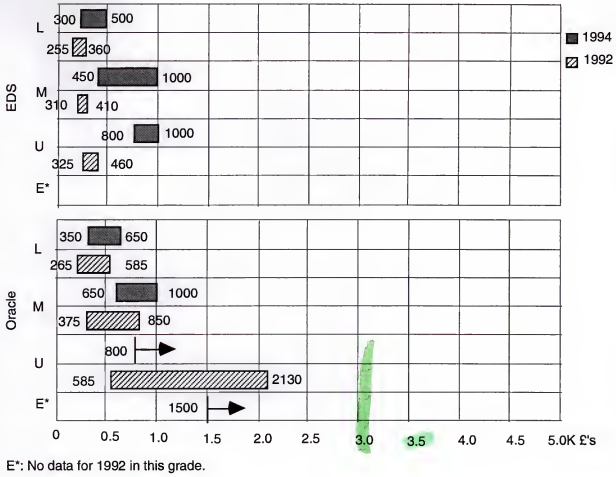
1500

U.K.—Daily Rates (£'s)



E*: No data for 1992 in this grade.

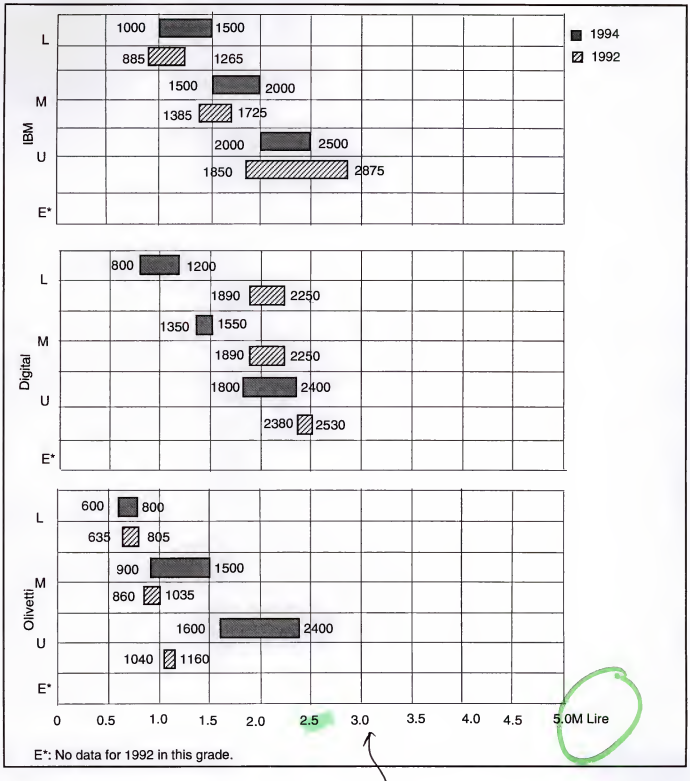
U.K.—Daily Rates (£'s)



E*: No data for 1992 in this grade.

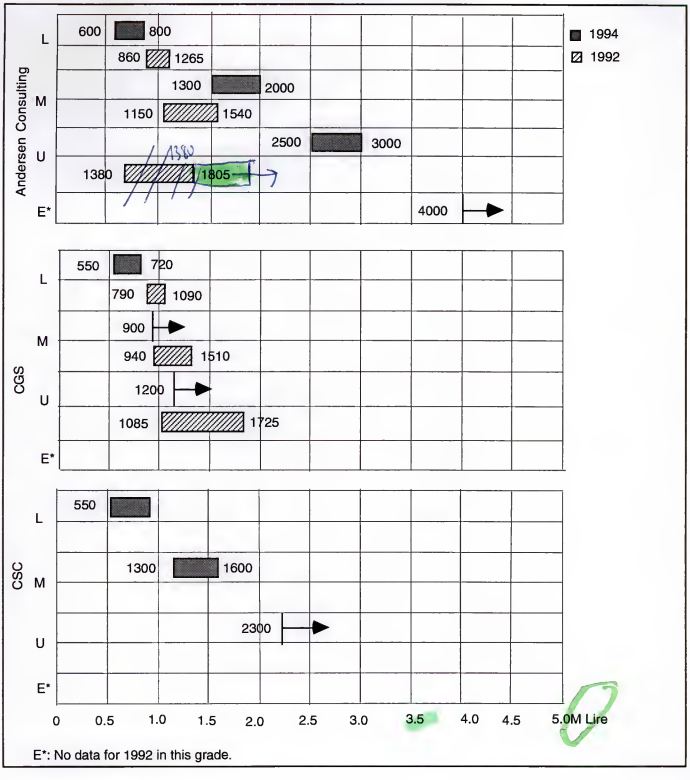
Exhibit III-30

Italy—Daily Rates (Lire thousands)



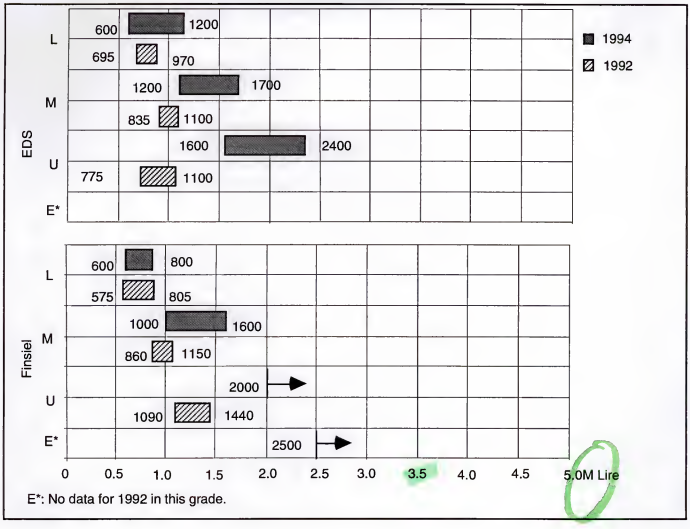
E*: No data for 1992 in this grade.

Italy—Daily Rates (Lire thousands)



E*: No data for 1992 in this grade.

Italy—Daily Rates (Lire thousands)

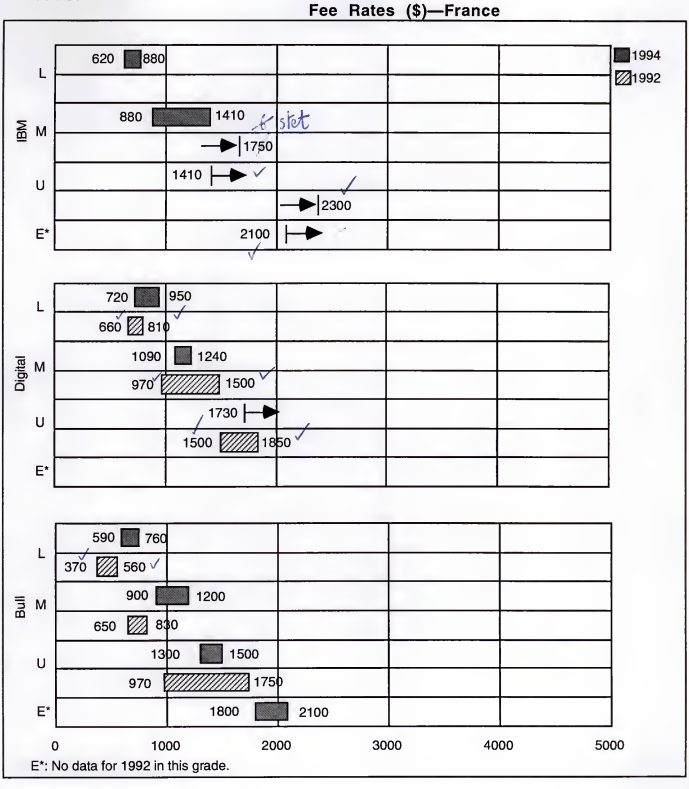


E*: No data for 1992 in this grade.

E

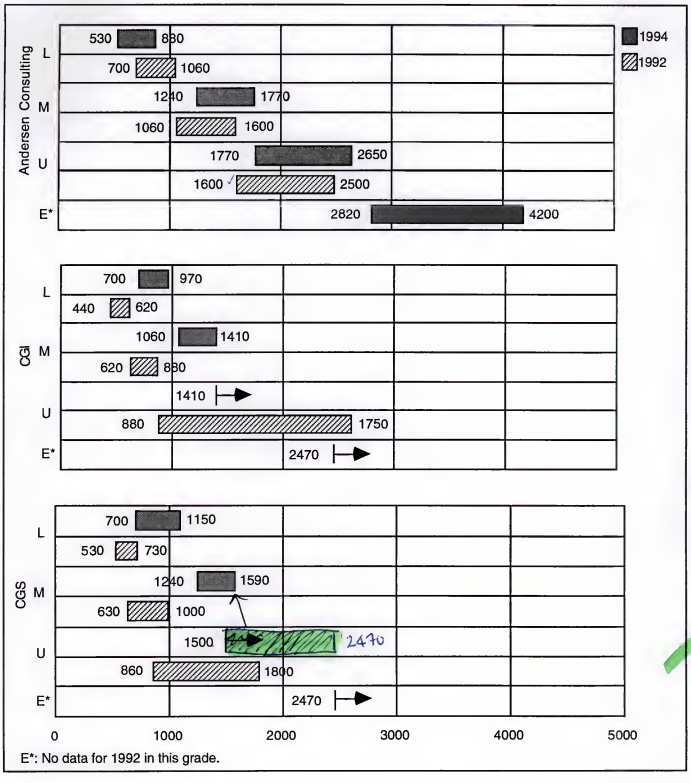
Comparative Professional Services Pricing Tables

Exhibit III-31



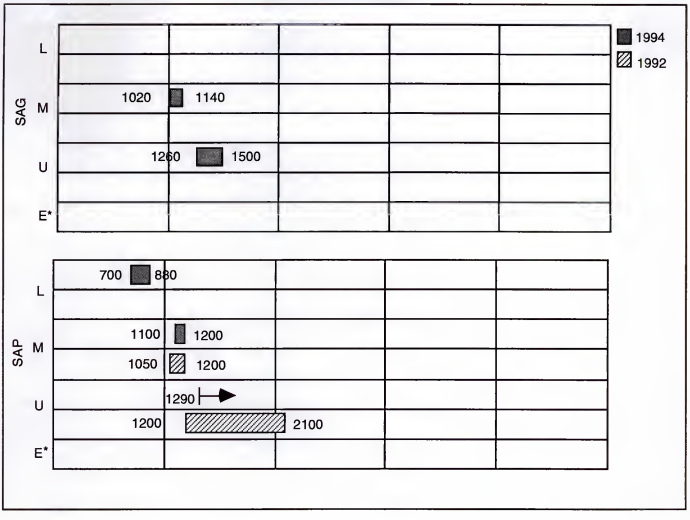
E*: No data for 1992 in this grade.

Fee Rates ($)—France

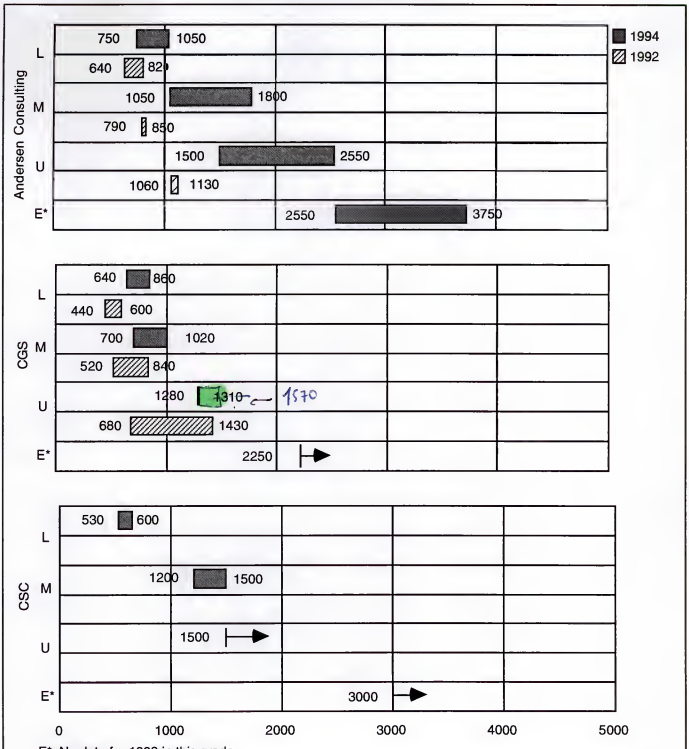


E*: No data for 1992 in this grade.

Fee Rates ($)—Germany

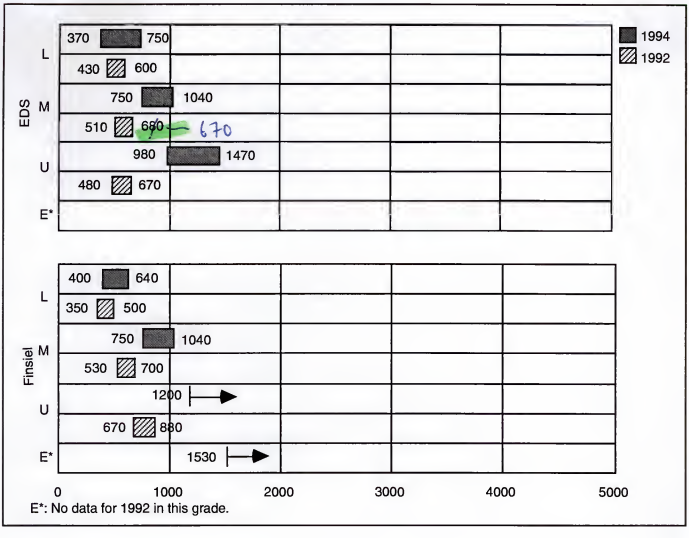


Fee Rate ($)—United Kingdom



E*: No data for 1992 in this grade.

Fee Rate ($)—Italy

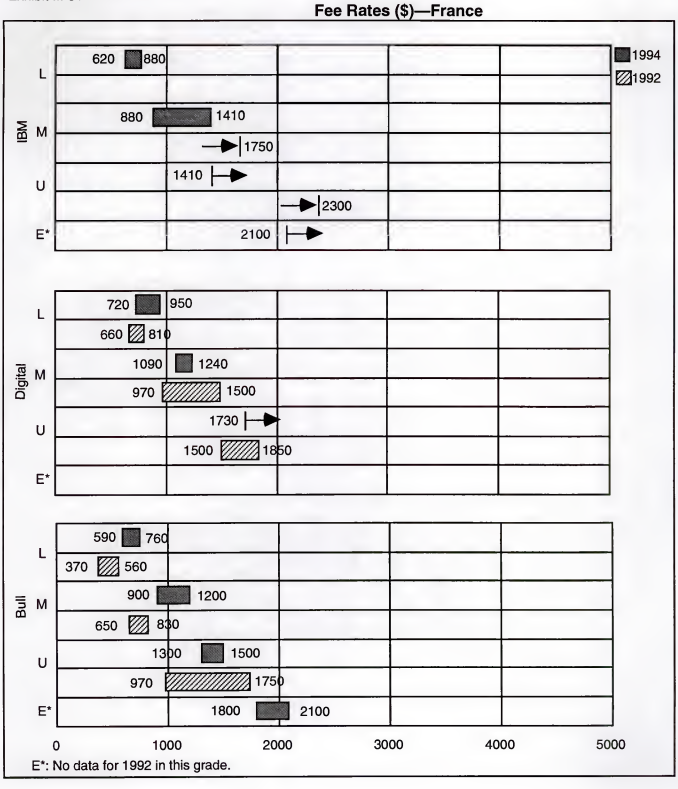


E*: No data for 1992 in this grade.

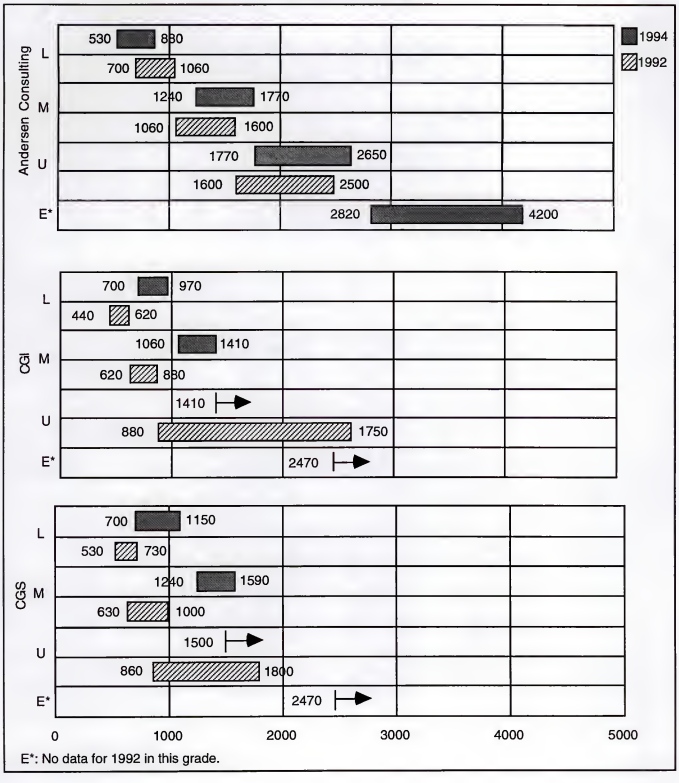
E

Comparative Professional Services Pricing Tables

Exhibit III-31

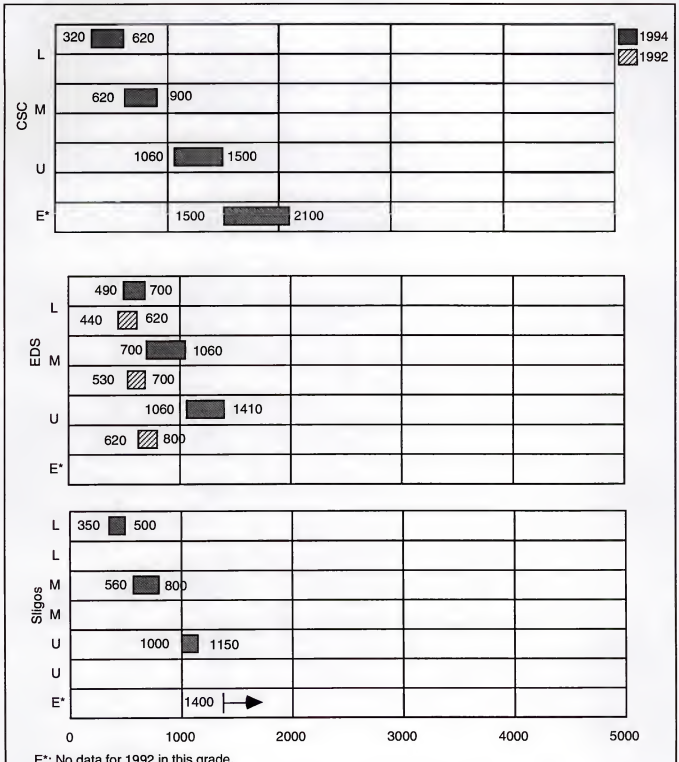


Fee Rates ($)—France



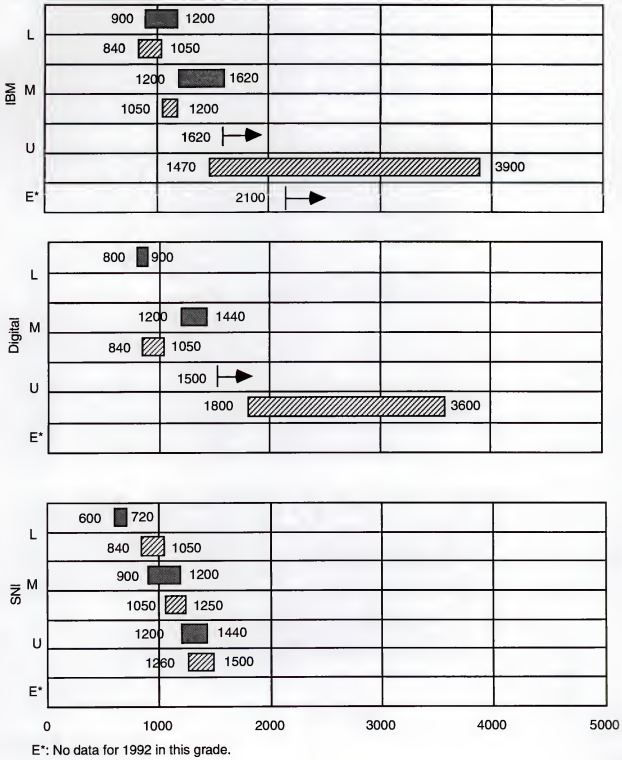
E*: No data for 1992 in this grade.

Fee Rates ($)—France



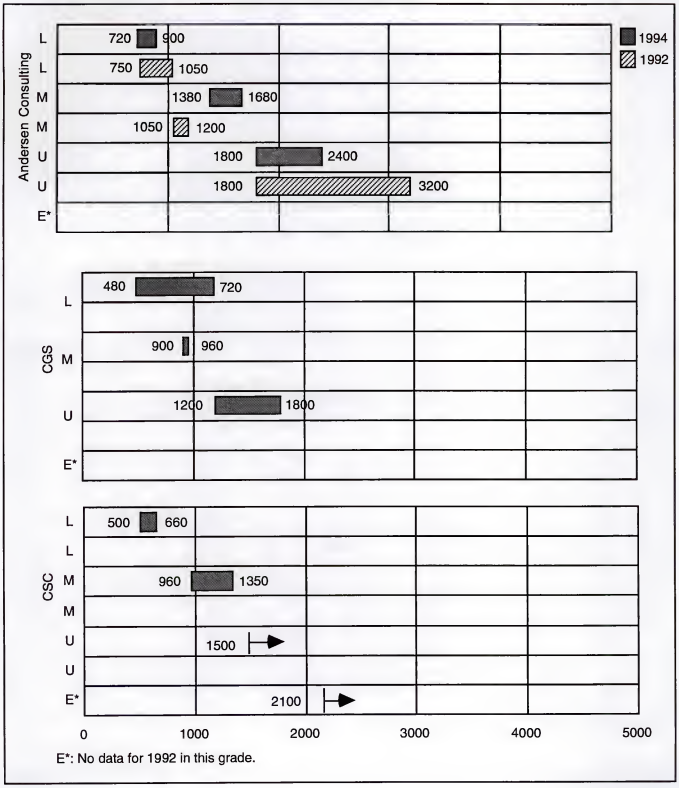
E*: No data for 1992 in this grade.

Fee Rates ($)—Germany



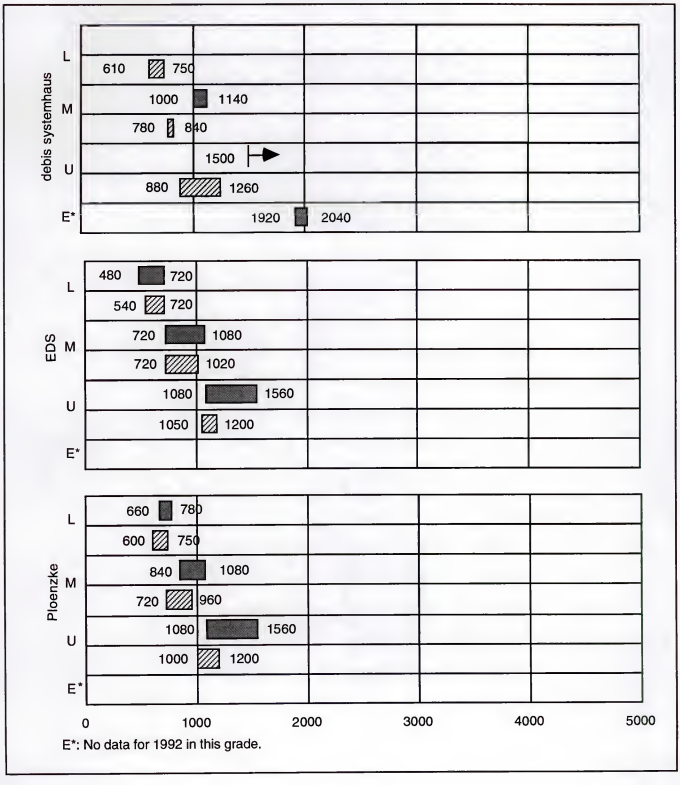
E*: No data for 1992 in this grade.

Fee Rates ($)—Germany



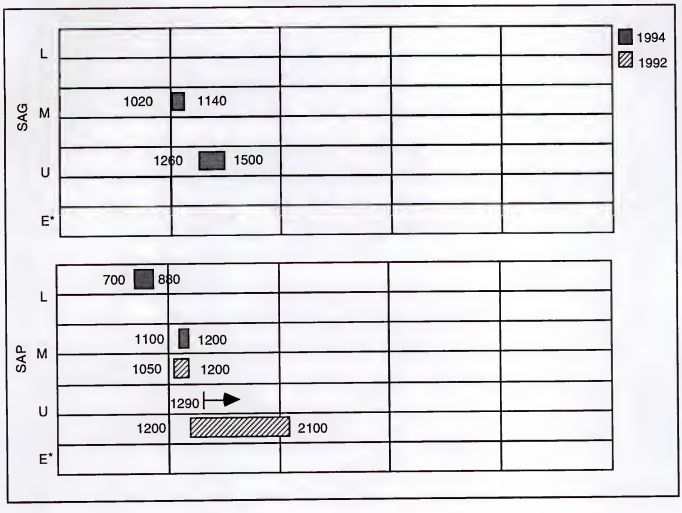
E*: No data for 1992 in this grade.

Fee Rates ($)—Germany



E*: No data for 1992 in this grade.

Fee Rates ($)—Germany



FAX

Date 28/09/94

Number of pages including cover sheet 4

TO: Gijsbert Niewland
HP

Phone
Fax Phone +41 22 780 8542

FROM: John Willmott
INPUT
17 Hill Street
London W1X 7FB

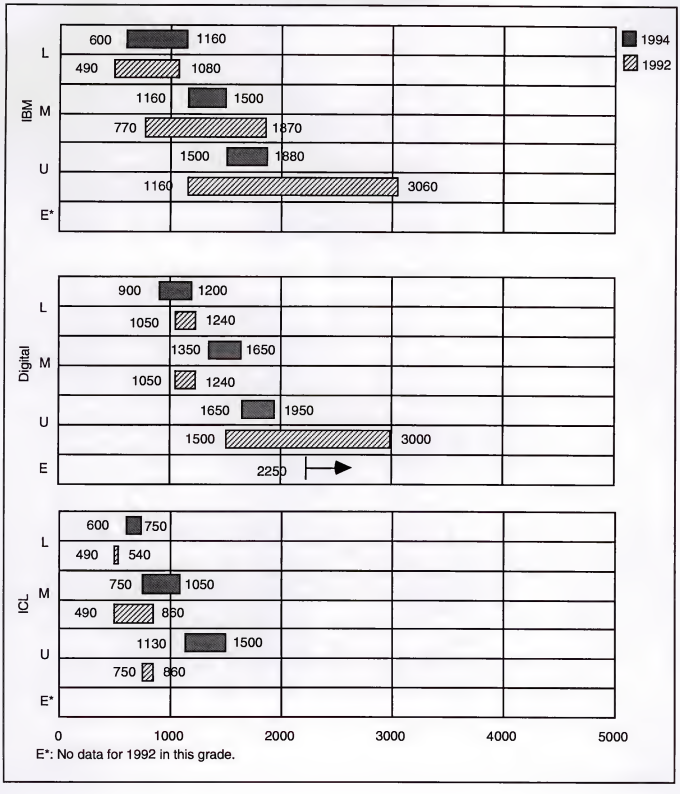
Phone 071 493 9335
Fax Phone 071 629 0179

CC:

REMARKS: ☒ Urgent ☐ For your review ☐ Reply ASAP ☐ Please Comment

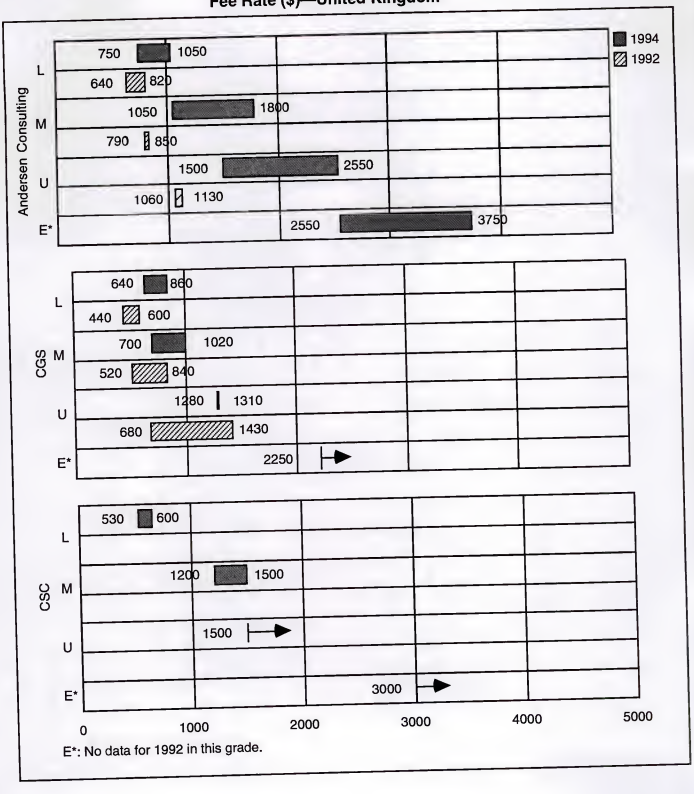
Dear Gijsbert,
Here are the tables in dollars for UK. Just Italy to go.
Regards,
John Willmott

Fee Rate ($)—United Kingdom



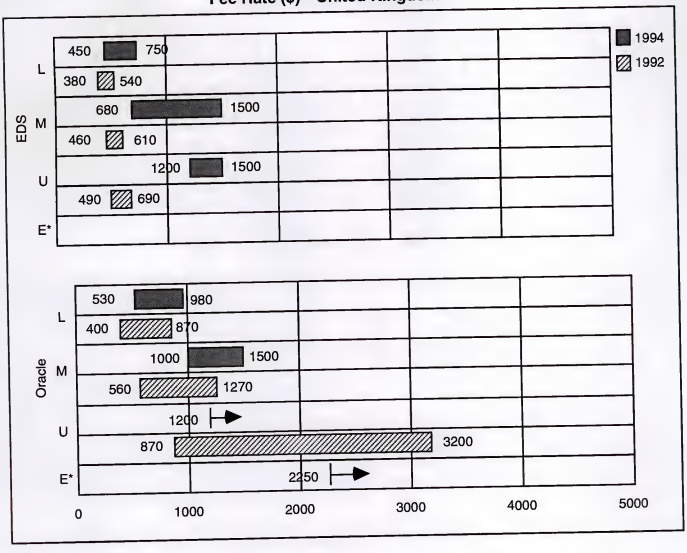
E*: No data for 1992 in this grade.

Fee Rate ($)—United Kingdom



E*: No data for 1992 in this grade.

Fee Rate ($)—United Kingdom



FAX

Date 28/09/94

Number of pages including cover sheet 4

TO: *Gijsbert Niewland*
HP

Phone
Fax Phone *+41 22 780 8542*

FROM: *John Willmott*
INPUT
17 Hill Street
London W1X 7FB

Phone *071 493 9335*
Fax Phone *071 629 0179*

CC:

REMARKS: ☒ *Urgent* ☐ *For your review* ☐ *Reply ASAP* ☐ *Please Comment*

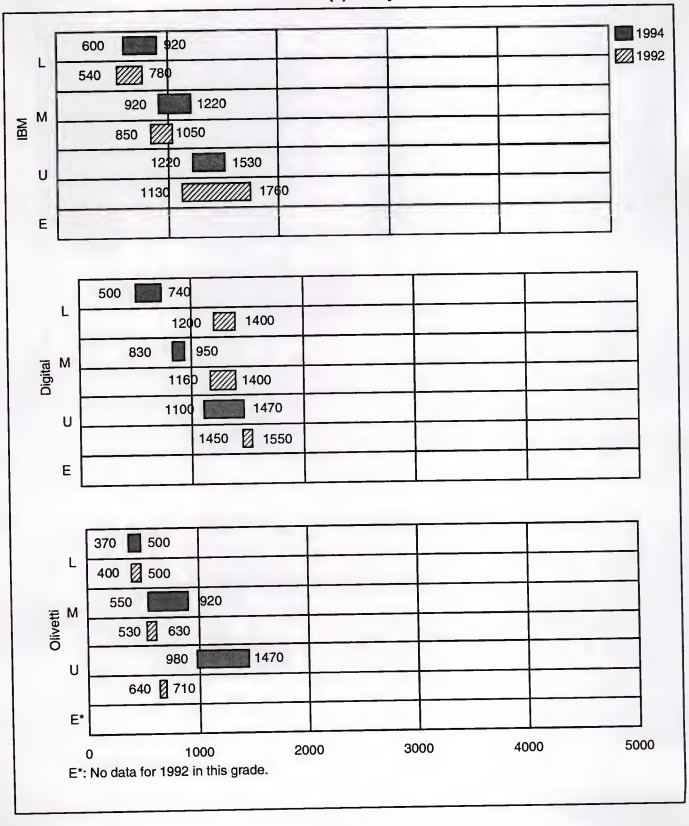
Dear Gijsbert,

Italy !

Regards,

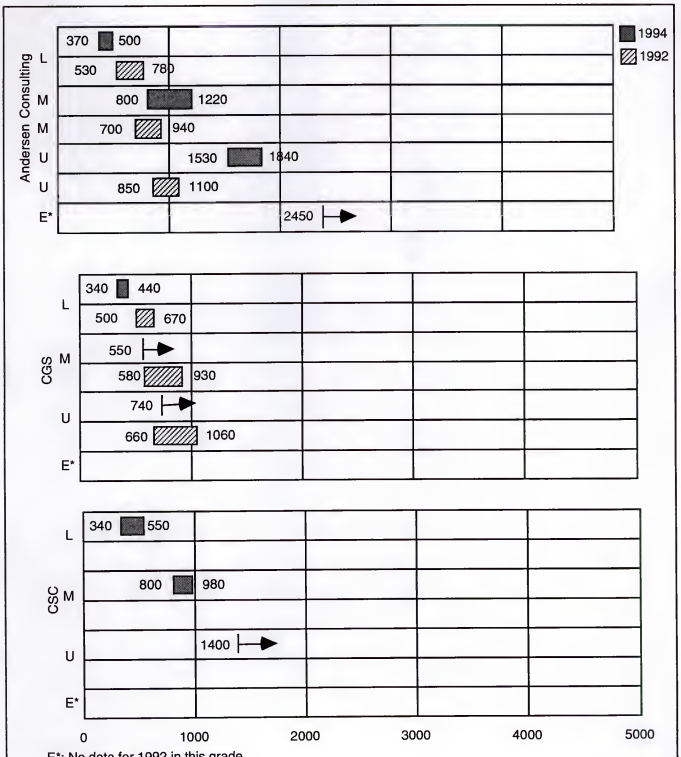
John Willmott

Fee Rate ($)—Italy



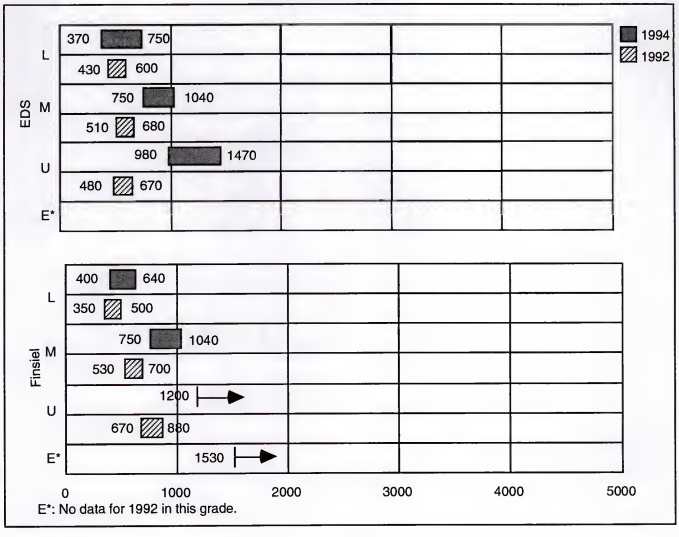
E*: No data for 1992 in this grade.

Fee Rate ($)—Italy



E*: No data for 1992 in this grade.

Fee Rate ($)—Italy



E*: No data for 1992 in this grade.

olivetti

Telefax

OLIVETTI SpA
Oliservice Corporate Marketing
Via G. Jervis 77
10015 Ivrea (TO) Italy
Multivendor Support Group

date 19 September, 1994

number of pages (including cover sheet) 1

To	P. Lines	Fax n° 00 44 71 629 0179
cc	F. Corso, T. Hannington, C. Montagner	
From	Ennio Venezia	Fax n° +39 (0)125 526127 - Tel. n°+39 (0)125 522148
In case of bad transmission please telephone:		+39 (0)125 522246

Peter,

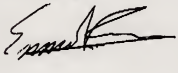
further to your fax dated 5th September 1994, I enclose the information you are looking for.

Professional rates for Olivetti Italia :

Programmer	600-800k	Lire/day
Senior Analyst/Programmer	800-1300k	Lire/day
Project leader/Consultant	1200-1800k	Lire/day
Senior Consultant	1500-2600k	Lire/day

Please contact me if you require more information, and we are looking forward to receive the results of your survey.

Kind regards,



INPUT®
IT Intelligence Services

17 Hill Street, London, W1X 7FB
Tel. +44 (0) 71 493-9335
Fax +44 (0) 71 629-0179

FAX TRANSMITTAL FORM

Date: September 5, 1994

To: Name: Enio Venezia
Tel./Location: 010-39-125-522660/2303
Co.: Olivetti
Fax No: 010-39-125-522166
From: Name: Peter Lines Peter
Subject: Professional Services Fee Rates

Page: 1 of 1
File: Chron
Contact
Other:

Enio, Following your request to drop you a fax on this subject, as discussed on the phone, I have defined the question as foollows:

We have available fee rate data for several leading systems and services firms operating in Italy. Naturally we would like to include Olivetti. On receipt ofyour data I can make available to you a comparison between yourselves and other vendors in the market.

The format of the data is as follows

Personnel Groups	Grade	Experience Level
Programmer	Lower	1-5+ years
Senior Analyst/Programmer	Middle	5-7+ years
Project Leader/Consultant	Upper	7-10+ years
Executive Partner		

Source: INPUT

To give you some reference points Finsiel ranges are respectively:

Programmer	600 - 800k lire/day
Senior	1000 - 1600k lire/day
Project Leader	2000k lire/day
Executive	2500k lire/day.

Let me know if you need any more information.
I look forward to your response.

YNHP

Project Work Statement

Prepared by (print): PETER LINES	Date: 22.07.94
Project Title: PROFESSIONAL SERVICES PRICING	Project Code: YNHP
Client Name*: HEWLETT PACKARD	Project Manager: PETER LINES
Project Source: ☐ Program ☐ Multi-Client ☑ Custom ☐ Other	
Project Type: ☑ Report ☐ Presentation ☐ Other	
Initiation Date: 22.07.94	Begin Production: ~~MID~~ AUGUST
Midpoint Review: AUGUST	Shipping Date: 01.09.94
First Draft Due: —	

Resources Required:

Level of Effort (number of days): Consultant ✓ R/A

Source—Internal/External (specify):

Contract Value: ~~$~~ 17,500 DM	Reimbursable Expenses: ☐ No ☑ Yes
Expense Budget: ~~$~~ £350-00	
To Cover: Travel:	Telephone: ✓
Report Preparation:	Other:

Project Description: TO PROVIDE AN UPDATED VERSION OF THE PS PRICING PREVIOUSLY PROVIDED TO HP IN 1992. ADDITIONAL VENDORS AS DEFINED IN ATTACHED ORDER LETTER.

* Attach list for Multi-Clients **For Custom and Multi-Client Projects

ACCOUNTING USE ONLY: Entered on current project list ☐

NIEUWLAND,GIJSBERT / HP1300/00 - HPDesk print.

Subject: INPUT
Creator: Gijsbert NIEUWLAND / HP1300/00 Dated: 13.07.94 at 1849.

TO: Peter Lines - INPUT, London. Geneva, 13th July 1994
CC: Peter Griffiths - HP, Boeblingen -Germany
FROM: Gijsbert Nieuwland - HP, Geneva
SUBJECT: Profesional Services Competitive Price study.

Hello Peter,

This message is to confirm the study by INPUT for HP on Competitive pricing of Professional Services in UK, France, Germany and Italy.

I have been talking today and yesterday with John Willmott to specify some more details.

The deliverables will include the following with 1994/1993 research data:
1. The scope of the research as mentioned on the report of December 1992, called 'Professional Services Pricing' made for HP-Geneva.
   The report will furthermore be based on the 'required data for each company as described in the letter of INPUT to Alois Hauk of November 2, 1992.
2. There will be information as well on the following companies:
   1. CSC - all 4 countries
   2. SAG - Germany
   3. Debis - Germany
   4. Sligos - France.
   This adittional research will cost 2.500 DM and has to be confirmed by Peter Griffiths later this week. I was unable to get hold of him today.
3. Following the 1992 delivery John agreed that HP gets 2 adittional studies.
   1. Business Integration study - executive attitude towards pricing (This study is currently in production)
   2. Market forecast for professional services in Europe and the countries.

confirmed 20.07.94 Peter Lines.

Planning: we agreed that Peter Griffiths will contact INPUT/Peter Lines next week to agree on the research methode.
If that is done the draft report can be presented an further discussed on August 23 in the INPUT office in London. Further logistics to be defined at the beginning of August.
The final report should than be at HP by September 1st.

Thank you and John for a very quick response and we look forward to the results.

Kind regards,

Gijsbert Nieuwland

Dated: 29.07.94 at 1342.

Message.
Subject: CONFIRMATION
Sender: Peter GRIFFITHS / HPGRMY/01
BCC: Britta METTLER / HPGRMY/01

Contents: 2.

Part 1.

FROM: Peter GRIFFITHS / HPGRMY/01

TO: Peter LINES (0044716290179) / FAX

CC: Lourdes DUPERTUIS / HP1300

BCC: Britta METTLER / HPGRMY/01

Part 2.

Peter,

Sincere apologies for getting back to you so late but I have been busy travelling during the past couple of weeks.

Please be advised that you herewith have my approval to include information for the four extra companies. I understand that it will cost DM 2'500.--.

Best regards,
Peter

P.S. Loulou, please make sure all necessary administrative details are taken care of. Thanks!

+49 7031 141456

H-P

11.07.94

Allow a time-scale of 1 month

Hire a consultant to make telephone calls

say 5 days / week X 200 = 1,000
X 3.5 = 3,500

+ INPUT 2-3 days to knock into shape

+ 1 day ~~per~~ spare or presentation

⟹ 9 days = 6,750

6,000 — 15,000 DM

ie 8 days

Availability of researchers . . .

YNHP

ORDER/INVOICE/FULFILLMENT

Acctg. ONLY

Inv. Comp.	By	Date	Client #	Order #	Inv. #	Total Invoicing $

CUSTOMER/INVOICE TO

ORIGINATOR (Signaure) _____ DATE 22.07.94

APPROVALS: Peter Ames, VP Sales/Res. 22.07.94 Date; Controller; Date

Company: Hewlett Packard S.A.
Name Mr./Ms.: Gijsbert Nieuwland
Position:
Address: Route du Nant-d'Avril 150
City: 1217 Meyrin 2
Province:
Phone: 0041/22/780 82 73

CA Tax Rate:
CT Tax 6%:
Salutation:
State:
Zip: CH
Country: Switzerland
Fax: /22/780 85 42
Tlx:

Special Instructions for Invoicing, progress billing, or delayed payments, etc.

ORDER

Contract Year Beg.:
End:

☒ New Order (N1) ☐ Prior Yr (N3)
☐ Renewal (N2) ☐ Cancel

Invoice Type: ☒ Fulfillment Only; ☐ W/Order (OR); ☐ Monthly (MO); ☐ Quarterly (QT); ☐ Pending

Employee # Sold by: (PL) 519 100 %; % ; %

Employee # ~~Commission to~~: 565 100 %; % ; %

CLIENT AUTH.

PO#:
Attach all authorizing documents to white (contract) copy.

INPUT Contract ☐ Letter ☒ Verbal ☐

SHIP TO

Company:
Name Mr./Ms.: see above
Position:
Address:
City:

Province:
Salutation:
State:
Zip:
Country:
Phone:

ITEM TYPE

- Subscription (SB)
- Custom (YC/ZC/KC)VC
- Multiclient (MC)
- Reports (RP)
- Copies (CP)
- Consult/Present (PR)
- Newsletter (NL)
- Reimbursed Costs (EX)
- Merger/Acq. (ME)
- Exec Overview (EO)
- Cont/Seminar (CN)

DETAIL

Indicate US, UK, FR, VA	Prod. ID/Year	Item Type Code	Item Description or Title	Quantity	Price	Shipped By	Date
UK	YNHP	YN	Professional Services	1	17.500 DM		
			Pricing, Updated Version				
					£7,000		

Fulfillment to be completed in: ☐ Corporate ☒ London ☐ Virginia ☐ France ☐ Other

• White - Contract • Green - Fulfillment • Yellow - Invoice • Pink - Originator • Goldenrod - Sales Manager

MAS180 11/90

INPUT

49 6447 7327 INPUT DEUTSCHLAND 838 P01 22.07.94 16:58

YNHP

INPUT®
IT Intelligence Services

17 Hill Street, London, W1X 7FB
Tel. +44 (0) 71 493-9335
Fax +44 (0) 71 629-0179

FAX TRANSMITTAL FORM

Date: July 11, 1994

To: Name: Gijsbert Niewland
Tel./Location: 010-41-22-780-8322
Co.: Hewlett Packard
Fax No: 010-41-22-780-8542
From: Name: Peter Lines
Subject: Professional Services Pricing

Page: 1 of 1
File: Chron
Contact
Other:

Dear Gijsbert,
Following our telephone conversation last Friday I now have pleasure in responding to your request for a quotation to repeat the professional services pricing study we conducted for you at the end of 1992.

The assumption I have made is that the objective would be to produce a replica of the previous study based on current research of the latest charging rates being used in the market for professional services.

The professional fee for this would be 15 000 DM (£6,000) excluding VAT and excluding any normal business expenses which are unlikely to be greater than 5% of the total project fee.

I think it would be wise to allow at least a month to execute the task since availability of people is currently an issue during the summer months.

Please let me know if you have any questions. In any event I look forward to being in touch again soon.

As I mentioned on the phone I am leaving for Italy for a couple of days. John Willmott, with whom you have already spoken, is authorised to deal with this matter in my absence.

Regards Peter Lines.

Bill Jones 4/11/92

YE - PP2

2 November 1992

Herr Aloys Hauk

Dear Herr Hauk

Professional Services Pricing for Named Vendors

INPUT would provide for Hewlett-Packard a set of tables containing basic pricing information concerning the professional services activities of specific major competitors. The scope of the information required covers four countries:

- France, Germany, Italy and U.K.

The companies to be researched (with the countries for which data is required shown in brackets) are:

- 4 IBM (France, Germany, Italy, U.K.)
- 4 Digital (France, Germany, Italy, U.K.)
- 1 SNI (Germany)
- 1 Bull (France)
- 1 ICL (U.K.)
- 4 CGS/Hoskyns/debis (France, Germany, Italy, U.K.)
- 4 Andersen (France, Germany, Italy, U.K.)
- 1 Finsiel (Italy)
- 1 SAP (Germany)

21

plus one or two other local providers or Big Six firms.

The following data is required for each company (and would be provided):

- The daily sales rates used in proposals/quotations for three levels of staff
  - Senior Consultant and Project Manager grades
  - Technical Consultants, Analysts, Team Leaders
  - Programming Grades
- Rates structure, and premium or discount structure in use e.g. long and short-term rates.
- Revenue per employee (calculated as Professional Services sales revenues for 1991 divided by Professional Services headcount at end 1991).
- Gross margin on Professional Services (calculated as an estimate of the Professional Services unit revenues less cost of sales of the unit and expressed as a percentage of these costs).

The work would be completed as desk research using information already in hand supplemented by targeted ad selective telephone research to establish latest positions on each vendor's tariffs. The draft set of tables would be presented to Herr Hauk on 13th November 1992 at INPUT's London office for his approval and retention. A formal report is to be completed within the following three weeks. An optional extra presentation of the findings could be made during the following two weeks after delivery of the report.

Our cost for this work would be DM29,300 including all expenses. The timetable of delivery of the results is: £11,720

- Draft report to Hewlett-Packard (in the person of Herr Hauk) on 13th November 1992.

- Final report to Hewlett-Packard by 1st December 1992.

This timetable assumes that INPUT receives the order or a letter of intent by the end of business on 30th October 1992 (faxed to our German office on +49 6447 7327), so that a formal start can be made on 2nd November 1992.

We look forward to working with you on this project.

Yours sincerely

Michael Longy
Principal Consultant
INPUT - Europe

P.S. Also included as deliverables to be presented to Hewlett-Packard on the 13th November meeting are two reports:

U.K. Software and Services - Manpower Pricing 1991
Pricing and Marketing Professional Services in the 1990's

13.7.94

HP Geneva - Guy Niewland 010 4122 780 8322

Phone: 10-11 a.m.

① Wants to finalise 13.7.94
- leaves for holiday 14.7.94
- returns August 8th

- draft by 22nd August
- final version 1/2nd September

|| agreed to these timescales

② Wants to add following vendors:
- CSC in all four countries
- SAP - Germany
- debis in Germany
- Sligos in France
- ~~also one or two of the big Six~~

|| agreed subject to price increase from DM15000 to DM17500

③ Concerned about completeness of info on profitability
- send (fax) BI research bulletins.... || Sent.

④ Also wanted to include in price
- copy of UK manpower pricing report || Unlikely to do. So agreed copy of BIFR & discussion of professional services growth forecast.

⑤ Wants to get our feelings for how pricing has changed of 1992 report.

Also: • set up meeting with PL for 23.8.94
• Peter Griffiths will be contact point while Niewland is on holiday
• Confirmation of order should be faxed 14.7.94

Interviews: 29 + 7 → 36 | up 25%

4,500

Jim	17 500

21 in quote.....

+ Olivetti (Italy)
+ EDS (all gone)
+ CGI
+ Oracle
+ Phoenze

INPUT®

PURCHASE ORDER
TEMPORARY STAFF REQUISITION

To: Personnel From: PETER LINES Date: 19.07.94

Location: ☐ CA ☐ NJ ☐ VA ☑ UK ☐ FR ☐ ____

Level of Temporary Employee: *Attach Exhibit A of Agreement prior to submission for approval.*

☐ Budgeted ☑ Not Budgeted/Justification: CUSTOM

☑ Consultant ☐ R.A. (Interviewer) ☐ Clerical

Agency/Company Name: EUROCOGNOS

Name: AGNES OWTRAM-TEMPER

Reporting to: PETER LINES Dept.: RESEARCH

Date Required: 19.07.94 to 31.08.94

Project Name: PROFESSIONAL SERVICES PRICING Code: YNHP

Work Description: CONDUCT INTERVIEWS WITH PROFESSIONAL SERVICES VENDORS TO UPDATE FEE RATES FOR NAMED VENDORS IN ~~DE~~ SPECIFIC COUNTRIES.

Payment:

CONSULTANT: ☐ Temporary Professional Services Agreement ☐ Independent Contractor Agreement

Total ESDs: 7 Total Fixed Price $/£ 1,500

Payable by no. COMPLETED TASK tasks. Estimated expenses $/£ 250

CLERICAL/RA: ☐ Temporary Employment Agreement/Letter ☐ Agency

Total Days/Hours: ____ Rate: $/£ ____ per ____

Total Cost: $/£ ____ to maximum of: $/£ ____

☐ Open Contract for anticipated additional projects/Exhibit As (not to extend beyond December 31)

☐ Additional Exhibit A attached for current Contract

Requisition Approvals:

Unit Manager: Peter Lines Date: 19.07.94

V.P. Admin.: ____ Date: ____

President: ____ Date: ____

☐ Personnel/Admin. ☐ Accounting ☐ Branch: ____

PER 180/01
2/92

IV. REVIEW OF PROGRESS:

List task numbers and/or dates review of progress will be performed.

WEEKLY

V. DELIVERABLES/DUE DATES/FEES:

List task numbers, date due and fees for each task.

ALL WORK TO BE COMPLETED BY THE END OF AUGUST.
FIXED FEE FOR COMPLETE TASK £1,500.

INDEPENDENT CONSULTING SERVICES AGREEMENT

EXHIBIT A

I. CONSULTANT INFORMATION

Name: AGNES OUTRAM-TEMPER

Address: DRINLIATH HOUSE, INVERARAY
ARGYLL PA32 8XU

Telephone: (04995) 293 Tax ID#: _____
FAX -295

II. PROJECT INFORMATION

Project Manager: PETER LINES

Project Name: PROFESSIONAL SERVICES PRICING Code: YNHP

Agreement Date: From: 17.07.94 To: 31.08.94

Exhibit A Date: From: // To: //

Replaces Exhibit A: (*If Applicable*) Code: _____ Date: _____

III. TASK DESCRIPTION

List and number project tasks and specify in detail the exact scope of the tasks. Attach project specifications, interview forms, etc.

COLLECT DATA (BY TELEPHONE/FAX/MAIL) ON THE FOLLOWING VENDORS + FOR THE FOLLOWING COUNTRIES.
UP TO 20 VENDOR CONTACTS (MINIMUM 15) TO BE CONDUCTED TO ENABLE UPDATE OF EXISTING MATERIAL AS SUPPLIED.

VI. PAYMENT SCHEDULE:

List task numbers, invoice due date, and scheduled invoice payment date.

PAYMENT ON COMPLETION OF
COMPLETE TASK

VII. REIMBURSABLE EXPENSES

List type of expenses and maximum amount to be reimbursed. INPUT Travel Authorisation and Expense Report forms to be attached.

NORMAL TELEPHONE + POSTAGE
EXPENSES.

VIII. AUTHORISATIONS

Signed: Peter Lines

INPUT PETER LINES
(Print Name)

Date 19.07.94

Signed: _____

Contractor _____
(Print Name)

Date _____

PLEASE REMIT INVOICES TO: INPUT, ATTENTION: (ABOVE NAMED PROJECT MANAGER)

INPUT®
IT Intelligence Services

17 Hill Street, London, W1X 7FB
Tel. +44 (0) 71 493-9335
Fax +44 (0) 71 629-0179

FAX TRANSMITTAL FORM

Date: July 19, 1994

To: Name: Agnes 500
Tel./Location: 04995-293
Co.: Eurocognos
Fax No: 04995-295
From: Name: Peter Lines
Subject:

Page: 1 of 1
File: Chron
Contact
Other:

Agnes, I now have pleasure in confirming the agreement we reached earlier in the afternoon concerning the professional services pricing study.

You will proceed to collect as much data as possible on the specified vendors and countries as defined in my previous communication. (I will need to subsequently confirm the requirement to research the last four vendors on that list, namely CSC, SAG, debis and Sligos.)

The minimum level of data required is as defined in the table already sent to you. I now enclose similar tables for the other three countries.

Although the full coverage of vendors/countries would involve some 28 interviewing points, the nature of the research is not expected to be fully comprehensive for budgetary reasons. For the full set of vendors, not yet confirmed, I envisage 15-20 contact points as being sufficient.

The professional fee for this study is £1,500 excluding normal business expenses and VAT.

Agnes, I look forward to working with you on this project . I will send you the full contract by mail. Please call me if you have any questions.

Regards
Peter.

957

INPUT®
IT Intelligence Services

17 Hill Street, London, W1X 7FB
Tel. +44 (0) 71 493-9335
Fax +44 (0) 71 629-0179

FAX TRANSMITTAL FORM

13 X 150 /vendor
= £1,950

Date: July 15, 1994

To: Name: Agnes
Tel./Location:
Co.:
Fax No: 04995-295
From: Name: Peter Lines
Subject:

Page: 1 of 4
File: Chron
Contact
Other:

Agnes, Following our conversation this morning I can now elaborate on our requirement.

The following data would be required for each company:

The daily sales rates used in proposals/quotations for three levels of staff
- Senior Consultant and Project Manager Grades
- Technical Consultants, Analysts, Team Leaders
- Programming Grades

In practice I do not expect the full range of Vendors/Country to be interviewed since we already have some base data to work from and there is room for some interpolation of newly researched data. See attached table for France as an example. We have these tables for each of the countries being covered in this survey.

For each company any intelligence on their rate structure regarding long and short-term discounts, total number of professional staff for hire, gross margin and total professional services revenues would be useful. See the fax form used for a previous study like this in Belgium - attached.

The vendors/countries are defined on the attached list.

I propose a professional fee of £1,000 £1,500 excluding expenses and excluding VAT for this task. I am assuming that the bulk of the work could be actioned in the next weeks before you go on holiday, and any finalisation required at the end of August.

Please let me know if this is acceptable to you.

Regards Peter Lines.

1 IBM (France, Germany, Italy, UK.)
2 Digital(France, Germany, Italy, UK.)
3 SNI (Germany)
4 Bull (France)
5 ICL (UK)
6 CGS/Hoskyns/debis (France, Germany, Italy, UK.)
7 Andersen Consulting(France, Germany, Italy, UK.)
8 Finsiel (Italy)
9 SAP (Germany)
10 CSC (France, Germany, Italy, UK.)
11 SAG (Germany)
12 debis (Germany)
13 Sligos (France)

INPUT®

17 Hill Street, London, W1X 7FB, England Tel. +71 493-9335
Fax +71 629-0179

FAX TRANSMITTAL FORM

Date: [redacted]

Confidential (Y) N
Urgent: (Y) N

To Name: [redacted]

Tel./Location: [redacted]

Co.: [redacted]

Page: 1 of 2

Fax No: [redacted]

File: Chron
Contact
Other:

From: [redacted]

Subject: [redacted]

Le centre de recherche d'INPUT à Londres conduit actuellement une étude sur le **PRICING DES PRESTATIONS INTELLECTUELLES en Europe.**

Pour la Belgique, nous avons besoin de vos "output" car nous souhaiterions connaître, le plus précisement possible, les taux moyens de facturation à la journée que vous pratiquez.
Aussi nous vous serions très reconnaissants de nous indiquer sur chacun des axes correspondants à une catégorie donnée de compétences, quels sont les taux de facturation par jour, minimum et maximum, demandés par votre société aujourd'hui dans le cadre de projets à court et moyen terme ne dépassant pas 2 millions de Francs belges.

Taux de facturation journalier en milliers de FB
Hors frais de déplacements

Consultant senior								
Chef de projet								
	Si <40 précisez....	40	45	50	55	60	65	*Si >65 précisez...*
Analyste senior								
Ingénieur consultant								
	Si <25 précisez....	25	30	35	40	45	50	*Si >50 précisez...*
Analyste								
Programmeur								
	Si <10 précisez....	10	12,5	15	17,5	20	22,5	*Si <22,5 précisez..*

Veuillez également nous confirmer pour 1991 votre chiffre d'affaires total en "prestations intellectuelles" (définition INPUT intégrant le conseil, la formation, le développement de logiciels) et le nombre de collaborateurs concernés en 1991.

CA 1991 professional services : ..... Francs Belges
Nombre de collaborateurs : .....

A titre de remerciement,
nous vous ferons parvenir les résultats aggrégés obtenus sur la Belgique.
MERCI de retourner votre réponse en refaxant ce document

SCHEDULE 1994 INPUT

August

Activity / Project				W30	31	32	33	34	35	36	37	38	39	40	41	42
RESEARCH (FIELD)			7	2	3	1	1									
PREPARE TABLES			2				½	½	½							
REVIEW			½					2								
FINAL REPORT:			½						½							
			10													

PLG 300/04 11/93 (R)

Name of Individual: Peter Lines Dept./Program: CUSTOM Date: 22.07.94

YNHP

SEPTEMBER 1994

Professional Services Pricing

—

A Report for Hewlett Packard

INPUT®

Frankfurt • London • New York • Paris • San Francisco • Tokyo • Washington, D.C.

Prepared by
INPUT
17 Hill Street
London W1X 7FB
England

Professional Services Pricing

YNHP •519 • 1994

I

Introduction

A
Purpose

The purpose of this report is to provide Hewlett Packard with professional services pricing data for a number of its principal European competitors in the four major European country markets. It is provided in an almost identical format to a previous study provided to Hewlett Packard by INPUT in December 1992. The report is thus able to provide comparative information for Hewlett Packard concerning the degree to which professional services pricing rates have altered in the 20 month period spanning these two research studies.

In addition to covering all the vendors studied previously this new report also included research on for additional vendors, namely CSC, debis Systemhaus and SAG in Germany and Sligos in France.

In addition to providing information on daily charge-out rates, revenue per employee and gross margin figures are also provided.

B
Scope and Methodology

The report covers the professional services activities of six systems vendors and twelve professional services/software product vendors across France, Germany, Italy and the United Kingdom.

The specific coverage by country for each vendor included in this survey is as shown in Exhibit I-1.

Exhibit I-1

Scope of Research

	Country			
Company	**France**	**Germany**	**Italy**	**U.K.**
Systems Vendors				
IBM	●	●	●	●
Digital	●	●	●	●
Bull	●			
SNI		●		
Olivetti			●	
ICL				●
Professional Services & Software Product Vendors				
Andersen Consulting	●	●	●	●
CGI	●			
CGS	●	●	●	●
CSC	●	●	●	●
debis systemhaus		●		
EDS	●	●	●	●
Finsiel			●	
Oracle				●
Ploenzke		●		
SAG		●		
SAP		●		
Sligos	●			

Source: INPUT

For each vendor, the daily sales rate used in proposals/quotations are provided by country; for each of the four levels of staff shown in Exhibit I-2. The original 1992 report only covered three grades of staff corresponding to the three lower grades shown here i.e. lower. middle and upper. To this has been added the Executive grade to incorporate additional information collected relating to the *partner* level personnel and very senior project management executives that are placed on significant projects or management consulting related assignments.

Exhibit I-2

Professional Services Pricing for Named Vendors Grades and their Experience Levels

Personnel Groups	Grade	Experience Level
Programmer/Junior analyst	Lower	1-5+ years
Senior Analyst/Programmer	Middle	5-7+ years
Project Manager/Senior Consultant	Upper	7-10+ years
Executive /Partner	High level	10+ years

Source: INPUT

The lower grade covers junior programmers and analysts.

The middle grade will include quality managers , systems designers, team leaders (typically for teams of up to 8 - 10 people) and consultants.

The upper grade will comprise both senior and principal consultants and project managers.

The high level grade will comprise project directors, technology directors and executive directors and will be peopled by individuals who have partner or executive status in their firms.

Revenues per employee and margins per employee are also provided. The data is based on information collected from vendors by INPUT. Further desk research was used to interpret information concerning each vendor's revenues per employee and gross margins.

Fee rates are shown in both local currency and US dollars. The exchange rates used are shown in Exhibit I-3.

Exhibit I-3

Exchange Rates Used

Country	Currency	US Dollar Exchange Rate
France	FF	5.67
Germany	DM	1.67
Italy	Lire '000s	1,633
UK	£	0.67

Source: INPUT

II

Executive Overview

Chapter III of this report provides detailed analysis of individual vendor professional services pricing and Chapter IV provides margin and profitability data. This chapter provides the following summaries this data:

- European average daily rates for the equipment vendors included in the survey, shown in Exhibit II-1
- Average daily rates by vendor type, shown in Exhibit II-2
- Average daily rates by country, shown in Exhibit II-3
- Average revenues per employee and gross margin data by vendor type, shown in Exhibit II-4.

Exhibit II-1

Fee Rates - European Average by Vendor

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	680	1040	1040	1440	1440	1700	2100	-
Digital	730	950	1120	1320	1495	1710	2250	-
Andersen Consulting	590	830	1120	1620	1650	2360	2600	3980
CGS	540	800	850	1190	1180	1560	2360	-
CSC	420	610	900	1180	1370	1500	2200	2100
EDS	450	730	710	1170	1080	1490	-	-

Source: INPUT

Exhibit II-2

Fee Rates - European Average By Vendor Type

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Equipment Vendor	700	1000	1100	1400	1500	1700	2200	-
Professional Services Vendor	500	750	900	1300	1350	1750	2400	3000

Source: INPUT

Exhibit II-3

Fee Rates by Country

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	560	820	920	1260	1360	1640	2080	2800
Germany	650	840	1030	1260	1370	1710	2040	2040
United Kingdom	630	920	980	1450	1360	1780	2460	3750
Italy	360	630	740	1050	1160	1560	1990	-
Average (rounded)	555	820	940	1290	1350	1900	2140	2860

Source: INPUT

Exhibit II-4

Revenues per Employee and Gross Margin by Vendor Type

Vendor Type	Revenues per Employee ($K)	Average Employee Cost ($K)	Gross Margin (%)
Equipment vendor	91	53	72
Professional services vendor	113	70	38
Software product vendor	515	75	85

Source: INPUT

III

Vendor Pricing

A
Professional Services and Pricing by Country

This chapter contains the vendor fee rates organised by country, in both local currency and in US dollars for comparative purposes, and by vendor.

The four countries covered are France, Germany, the United Kingdom and Italy. The exchange rates used for conversion from local currency to US dollars are as shown in Chapter I.

The fee rates quoted are daily rates. Where vendors provided hourly rate information it was converted to daily rates assuming a seven-hour working day. The rates shown exclude VAT and any additional expenses such as travel costs.

A range of charging rates is provided for each grade resulting in two rates, one for the lowest rate known to be charged for the category by the vendor, the other the highest charge-out rate. The rates shown are basic rates and are therefore the rates used prior to any quantity or time related discounts. Where available this information is noted separately.

The principal reason for the variation in the range is that vendors use more classifications than shown here in some cases.

1. Fee Rates in Local Currency

Exhibits III-1 through III-4 show vendor's professional services fee rates currently being used in France, Germany, and the United Kingdom and Italy in local currency.

Exhibit III-1

Fee Rates (FFs) - in France

	Daily Fee Rates (FFs)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	3500	5000	5000	8000	8000	-	12000	-
Digital	4050	5400	6200	7000	9800	-	-	-
Bull	3300	4300	5150	6700	7500	8600	10300	11800
Andersen Consulting	3000	5000	7000	10000	10000	15000	16000	24000
CGI	4000	5500	6000	8000	8000	-	14000	-
CGS	4000	6500	7000	9000	8500	14000	14000	-
CSC	1800	3500	3500	5000	6000	8500	8500	12000
EDS	2750	4000	4000	6000	6000	8000	-	-
Sligos	2000	2800	3200	4500	5500	6500	8000	-
Average (rounded)	3200	4670	5230	7130	7700	10100	11830	15930

Source: INPUT

Exhibit III-2

Fee Rates (DMs) - Germany

	Daily Fee Rates (DMs)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	1500	2000	2000	2700	2700	-	3500	-
Digital	1350	1500	2000	2400	2500	-	-	-
SNI	1000	1200	1500	2000	2000	2400	-	-
Andersen Consulting	1200	1500	2300	2800	3000	4000	-	-
CGS	800	1300	1500	1600	2000	3000	-	-
CSC	850	1100	1600	2250	2500	-	3500	-
debis systemhaus	-	-	1700	1900	2500	-	3200	3400
EDS	800	1200	1200	1800	1800	2600	-	-
Ploenzke	1100	1300	1400	1800	1800	2600	-	-
SAG	-	-	1700	1900	2100	2500	-	-
SAP	1180	1460	1820	2000	2150	-		
Average (rounded)	1090	1400	1700	2050	2160	2850	3400	3400

Source: INPUT

Exhibit III-3

Fee Rates (£'s) - United Kingdom

	Daily Fee Rates (£s)							
Vendor	**Lower Grade**		**Middle Grade**		**Upper Grade**		**Executive Grade**	
	From	To	From	To	From	To	From	To
IBM	400	775	775	1000	1000	1250	-	-
Digital	600	800	900	1100	1100	1300	1500	-
ICL	400	600	500	700	750	1000	-	-
Andersen Consulting	500	700	700	1200	1000	1700	1700	2500
CGS (Hoskyns)	425	570	470	680	850	1050	1500	-
CSC	350	400	800	1000	1000	-	2000	-
EDS	300	500	450	1000	800	1000	-	-
Oracle	350	650	650	1000	800	-	1500	-
Average (rounded)	400	625	660	960	940	1220	1640	2500

Source: INPUT

Exhibit III-4

Fee Rates (Lire Thousands) - Italy

	Daily Fee Rates (Lire Thousands)							
Vendor	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
IBM	1000	1500	1500	2000	2000	2500	-	-
Digital	800	1200	1350	1550	1800	2400	-	-
Olivetti	600	800	900	1500	1600	2400	-	-
Andersen Consulting	600	800	1300	2000	2500	3000	4000	-
CGS	550	720	900	-	1200	-	-	-
CSC	550	900	1300	1600	2300	-	-	-
EDS	600	1200	1200	1700	1600	2400	-	-
Finsiel	600	800	1000	1600	2000	-	2500	-
Average (rounded)	660	990	1180	1700	1880	2500	3250	-

Source: INPUT

B
Professional Services Pricing by Vendor

Exhibits III-9 through III-26 summarise the professional services fee rates for all the vendors included in the survey, where appropriate comparing the fee rates in the four countries covered. the rates are all shown in US dollars for ease of comparison, using the exchange rates shown in Exhibit I-3 in Chapter I.

Exhibit III-9

Fee Rates - IBM

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	620	880	880	1410	1410	-	2100	-
Germany	900	1200	1200	1620	1620	-	2100	-
UK	600	1160	1160	1500	1500	1880	-	-
Italy	600	920	920	1220	1220	1530	-	-
Average (rounded)	680	1040	1040	1440	1440	1700	2100	-

Source: INPUT

Exhibit III-10

Fee Rates - Digital

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	715	950	1090	1235	1730	-	-	-
Germany	800	900	1200	1440	1500	-	-	-
UK	900	1200	1350	1650	1650	1950	2250	-
Italy	500	740	830	950	1100	1470	-	-
Average (rounded)	730	950	1120	1320	1495	1710	2250	-

Source: INPUT

Exhibit III-11

Fee Rates - Bull

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	590	760	900	1200	1300	1500	1800	2100

Source : INPUT

Exhibit III-12

Fee Rates - SNI

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	600	720	900	1200	1200	1440	-	-

Source: INPUT

Exhibit III-13

Fee Rates - Olivetti

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Italy	370	500	550	920	980	1470	-	-

Source : INPUT

Exhibit III-14

Fee Rates - ICL

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
UK	600	750	750	1050	1130	1500	-	-

Source : INPUT

Exhibit III-15

Fee Rates - Andersen Consulting

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	530	880	1240	1770	1770	2650	2820	4200
Germany	720	900	1380	1680	1800	2400	-	-
UK	750	1050	1050	1800	1500	2550	2550	3750
Italy	370	500	800	1220	1530	1840	2450	-
Average (rounded)	590	830	1120	1620	1650	2360	2600	3980

Source: INPUT

Exhibit III-16

Fee Rates - CGI

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	700	970	1060	1410	1410	-	22470	-

Source : INPUT

Exhibit III-17

Fee Rates - Cap Gemini Sogeti

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	700	1150	1240	1590	1500	-	2470	-
Germany	480	780	900	960	1200	1800	-	-
UK	640	860	700	1020	1280	1310	2250	-
Italy	340	440	550	-	740	-	-	-
Average (rounded)	540	800	850	1190	1180	1560	2360	-

Source : INPUT

Exhibit III-18

Fee Rates - CSC

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To

France	320	620	620	900	1060	1500	1500	2100
Germany	500	660	960	1350	1500	-	2100	-
UK	530	600	1200	1500	1500	-	3000	-
Italy	340	550	800	980	1400	-		
Average (rounded)	420	610	900	1180	1370	1500	2200	2100

Source : INPUT

Exhibit III-19

Fee Rates - debis Systemhaus

	Daily Fee Rates ($)							
Country	**Lower Grade**		**Middle Grade**		**Upper Grade**		**Executive Grade**	
	From	To	From	To	From	To	From	To
Germany	-	-	1000	1140	1500	-	1920	2040

Source : INPUT

Exhibit III-20

Fee Rates - EDS

	Daily Fee Rates ($)							
Country	**Lower Grade**		**Middle Grade**		**Upper Grade**		**Executive Grade**	
	From	To	From	To	From	To	From	To
France	490	700	700	1060	1060	1410	-	-
Germany	480	720	720	1080	1080	1560	-	-
UK	450	750	680	1500	1200	1500	-	-
Italy	370	750	750	1040	980	1470	-	-
Average (rounded)	450	730	710	1170	1080	1490	-	-

Source: INPUT

Exhibit III-21

Fee Rates - Finsiel

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Italy	400	640	750	1040	1200	-	1530	-

Source : INPUT

Exhibit III-22

Fee Rates - Oracle

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
UK	530	980	1000	1500	1200	-	2250	-

Source : INPUT

Exhibit III-23

Fee Rates - Ploenzke

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	660	780	840	1080	1080	1560	-	-

Source : INPUT

Exhibit III-24

Fee Rates - SAG

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	-	-	1020	1140	1260	1500	-	-

Source : INPUT

Exhibit III-25

Fee Rates - SAP

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
Germany	700	880	1100	1200	1290	-	-	-

Source : INPUT

Exhibit III-26

Fee Rates - Sligos

	Daily Fee Rates ($)							
Country	Lower Grade		Middle Grade		Upper Grade		Executive Grade	
	From	To	From	To	From	To	From	To
France	350	500	560	800	1000	1150	1400	-

Source : INPUT

C
Discounting Practice

This section lists the discounting practices specifically referred to by vendors in the course of the research. Clearly all vendors will negotiate rates depending on the special conditions relating to the particular project or account.

Andersen Consulting would not generally be considered to be in the headcount discounting business since they are a leading example of an IT professional services firm pushing hard into business related contracts as manifested by their Business Process Management Practice. However, clearly some part of their business, particularly in France and Italy, does engage in body shopping type activity where quantity discounts are available. Andersen Consulting state that long-term discounts will apply on jobs of 1-2 years in duration and can be up to 30% of daily rates.

In France Bull reported using a formula, based on the number of site visits per year committed to, to calculate discounts for basic support delivered by professional services staff.

The formula is based on a daily rate to which additional hours can be added at a rate of one quarter the daily quoted rate. If a client commits to a certain fixed number of site visits per year in advance the following discounts apply:

- For 6 visits per year discounts of 16% on lower grades, no discounts on middle and upper grades.
- For 11 visits per year discounts of approximately 20% on lower and middle grades only. No discount for upper grades.
- For 22 visits per year discounts ranging from 21% on lower grades to 17% on upper grades.

Cap Gemini Sogeti units reported on a number of discounting practices. In Germany Cap/debis stated that they offered discounts of 10-15% for at least a commitment to 3-5 days work. Above this rates were negotiable depending on special circumstances surrounding the project. debis systemhaus reported that all discounts were only by negotiation.

In the UK Hoskyns operates a *short term* and *long term* rate card. For the *long term* card discounts amount to the following in comparison to the *short term* card:

- Lower level - eight and a half percent

- Middle level - up to 20 %
- Upper level - up to 16%.

Digital operate a standard discounting system based on the metric of 5% discount for every 30 days of booked time. This operates up to a discount maximum of 30%. For example a 120 - 150 project will qualify for a 25% discount, a 150 to 180 day project for the maximum of 30%.

IBM also appears to operate a standard discount structure to be applied to its basic daily rate professional services fee card. This is structured around quarterly and annual commitment bases. These are calculated on the basis of 50 days as a quarter and 200 days as an annual figure. Some further discounting is given on the quarterly rates (believed to be around 10% of daily rates), this amounts only to 4% for senior people, no discount for junior grades. The annual rates, at about 20% below daily rates are not discounted further at all.

ICL in the UK reported using a daily and weekly rate card. The weekly rate represents a 9% discount over the daily rate. Further to this monthly discounts apply which will be calculated on the particular circumstances of the project but which will not exceed 15% over daily rates.

SAG in Germany reported using discounts for long term projects in the range of 5-10%.

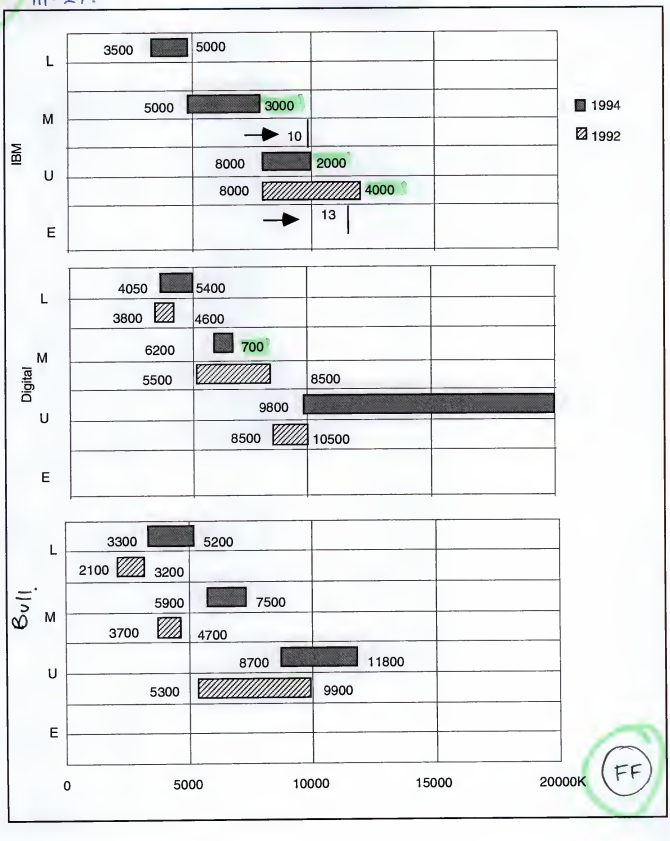
D
Comparative Professional Services Pricing Tables

Exhibit III-27

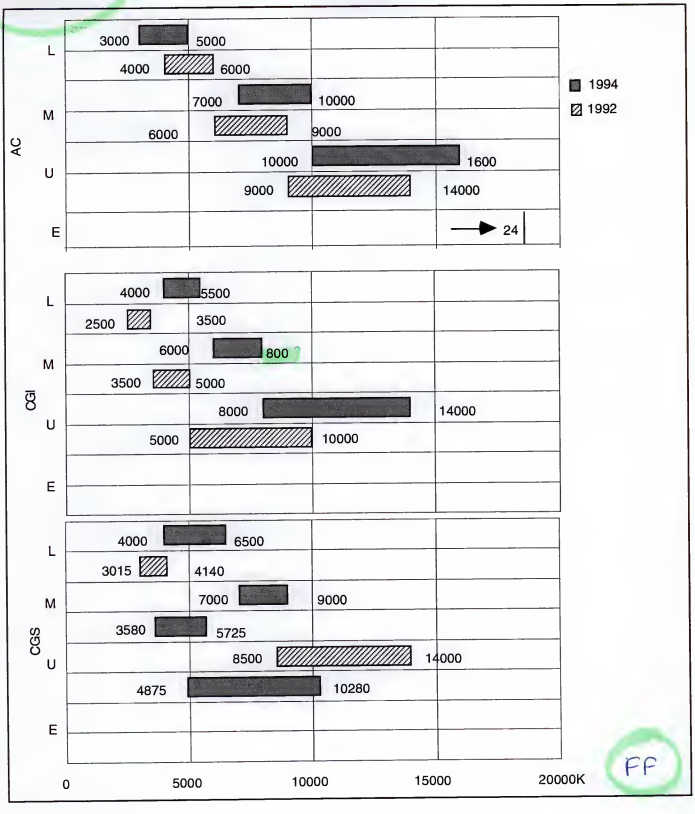
France

III-27.

Comparative Professional Services Pricing Table.

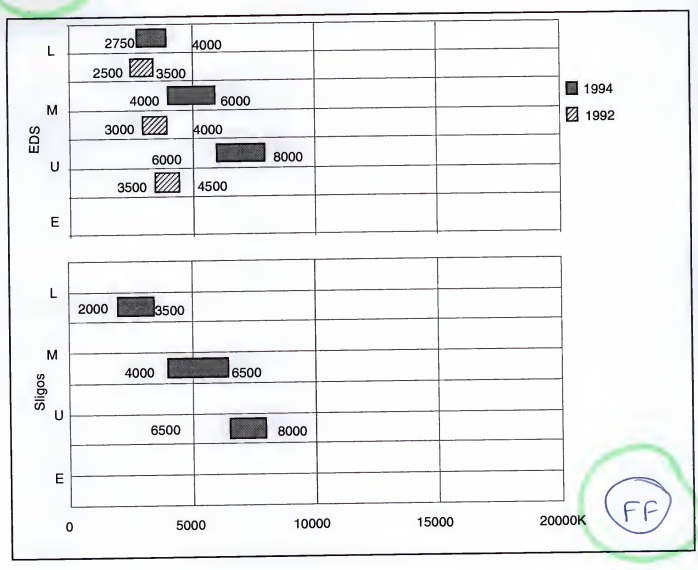


France


AC
L
M
U
E
3000
5000
4000
6000
7000
10000
6000
9000
10000
1600
9000
14000
24
1994
1992
CGI
L
M
U
E
4000
5500
2500
3500
6000
800
3500
5000
8000
14000
5000
10000
CGS
L
M
U
E
4000
6500
3015
4140
7000
9000
3580
5725
8500
14000
4875
10280
0
5000
10000
15000
20000K

FF

Crane.


EDS
L
M
U
E
2750
4000
2500
3500
4000
6000
3000
4000
6000
8000
3500
4500
1994
1992
Sligos
L
M
U
E
2000
3500
4000
6500
6500
8000
0
5000
10000
15000
20000K

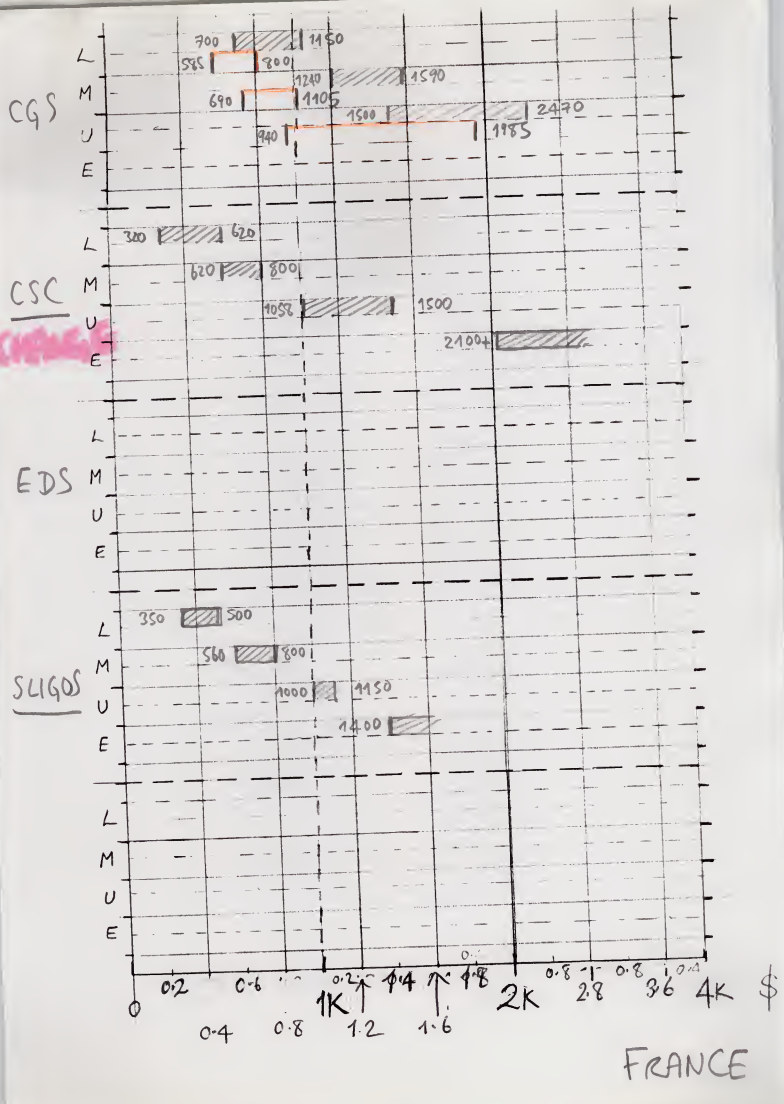
FF

Comparative Professional Services
Pricing Table

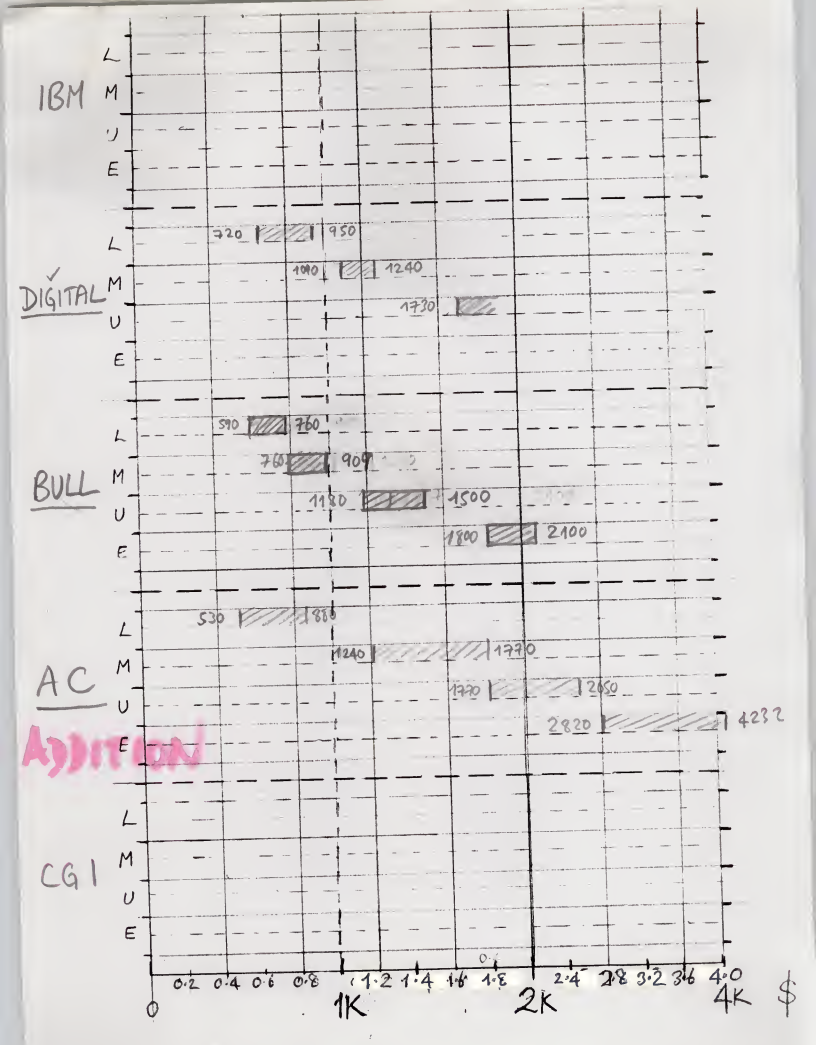
III - 28

FF - $

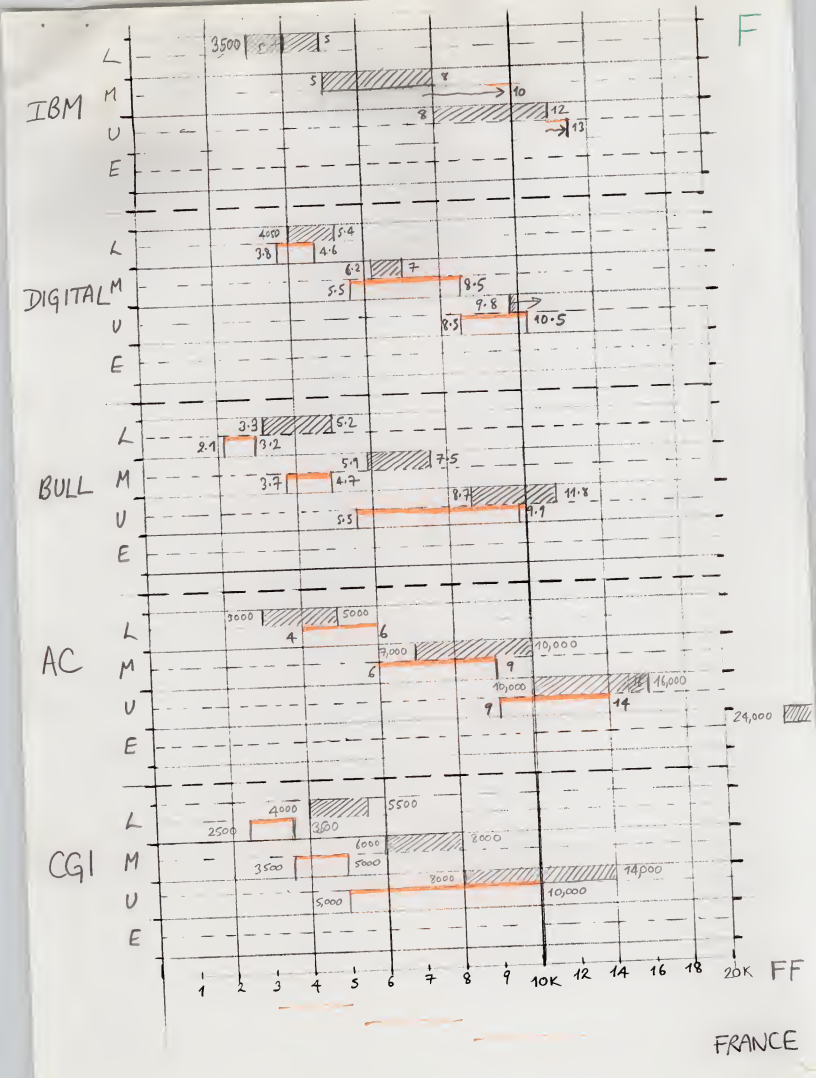
Same F.Hes

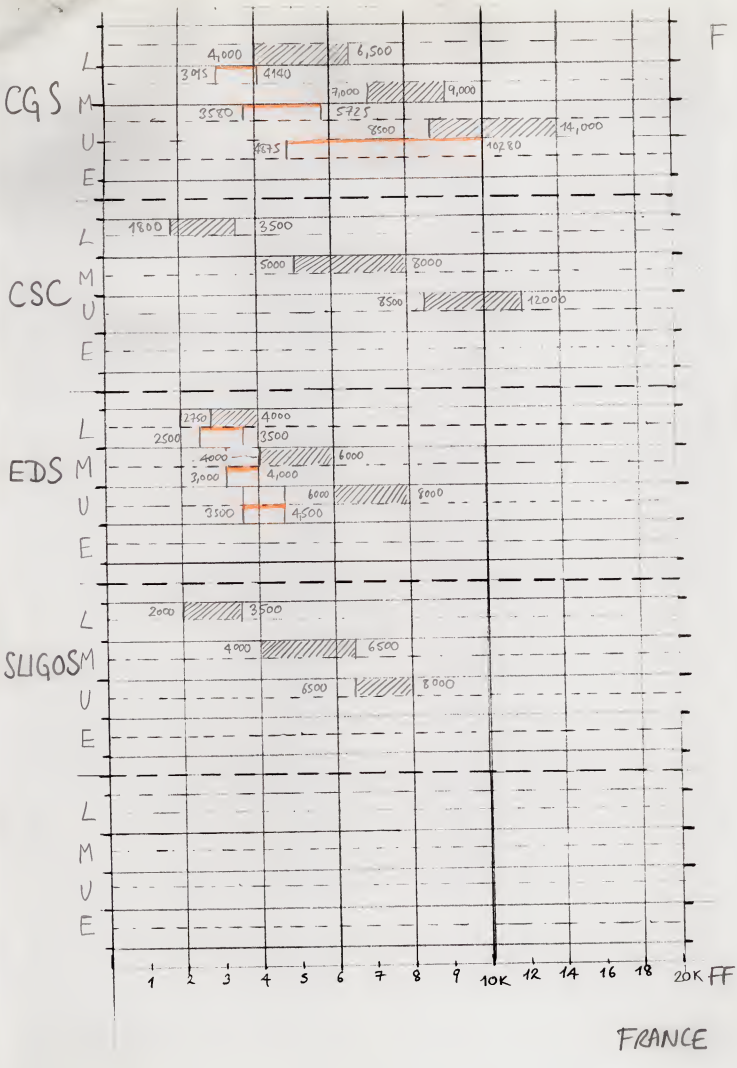

CGS
CSC
EDS
SLIGOS
L
M
U
E
700
1150
585
800
1240
1590
690
1105
1500
2470
940
1185
300
620
620
800
1058
1500
2100+
350
500
560
800
1000
1150
1400
0
0.2
0.4
0.6
0.8
1K
1.2
1.4
1.6
1.8
2K
2.8
3.6
4K
$

FRANCE


IBM
DIGITAL
BULL
AC
CGI
L
M
U
E
720
950
1100
1240
1730
590
760
760
909
1180
1500
1800
2100
530
1880
1240
1770
1770
2650
2820
4232
0.2 0.4 0.6 0.8 1.2 1.4 1.6 1.8 2.4 2.8 3.2 3.6 4.0
0
1K
2K
4K
$

(5.67) FRANCE

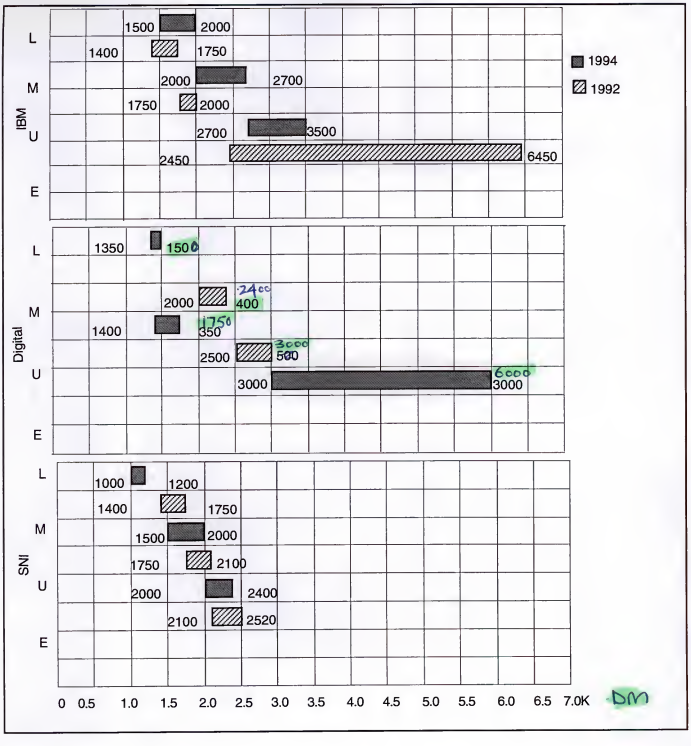

F
IBM
DIGITAL
BULL
AC
CGI
L
M
U
E
3500
5
8
10
12
13
4.00
5.4
3.8
4.6
6.2
7
5.5
8.5
9.8
8.5
10.5
3.3
5.2
2.1
3.2
5.1
7.5
3.7
4.7
8.7
11.8
5.5
9.1
3000
5000
4
6
7,000
10,000
6
9
10,000
16,000
9
14
24,000
4000
5500
2500
3000
6000
8000
3500
5000
8000
14,000
5000
10,000
1
2
3
4
5
6
7
8
9
10K
12
14
16
18
20K
FF
FRANCE


F
CGS
CSC
EDS
SLIGOS
L
M
U
E
4,000
6,500
3015
4140
7,000
9,000
3580
5725
8500
14,000
4875
10280
1800
3,500
5000
8000
8500
12000
2750
4000
2500
3500
4000
6000
3,000
4,000
6000
8000
3500
4,500
2000
3500
4000
6500
6500
8000
1
2
3
4
5
6
7
8
9
10K
12
14
16
18
20K
FF
FRANCE

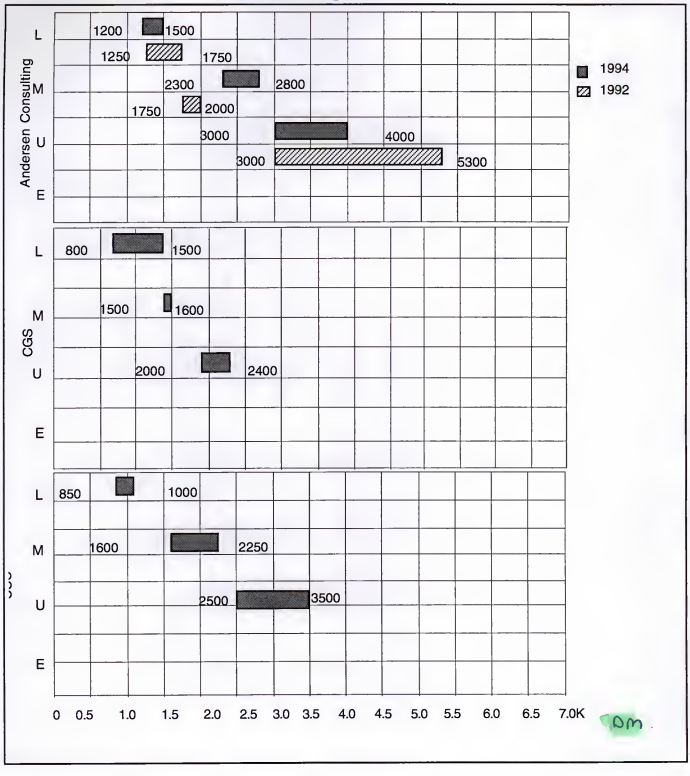
Comparative Professional Services Pricing Table

Exhibit III-28 29

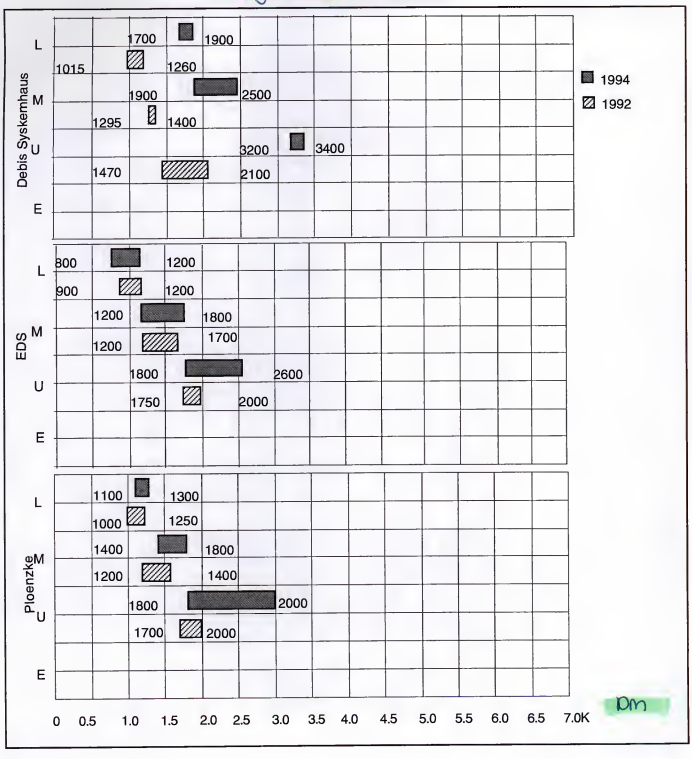
Germany



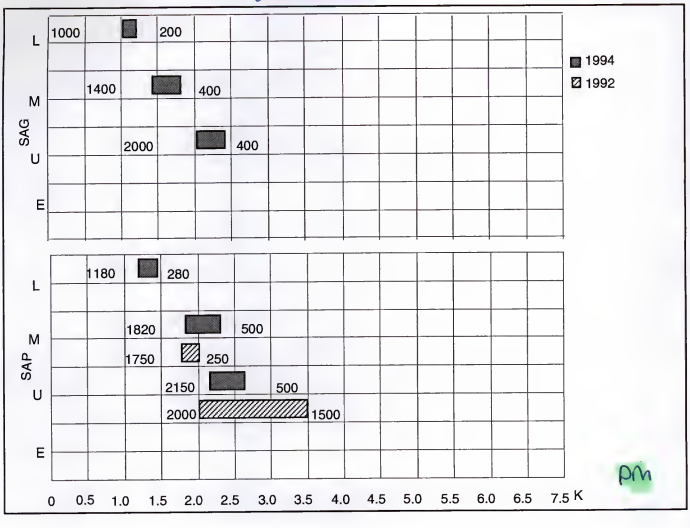
Germany


Andersen Consulting
L
M
U
E
1200
1500
1250
1750
2300
2800
1750
2000
3000
4000
3000
5300
1994
1992
CGS
L
M
U
E
800
1500
1500
1600
2000
2400
L
M
U
E
850
1000
1600
2250
2500
3500
0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 4.0 4.5 5.0 5.5 6.0 6.5 7.0K
DM

Germany.


Debis Syskemhaus
L
M
U
E
1700
1900
1015
1260
1900
2500
1295
1400
3200
3400
1470
2100
EDS
L
M
U
E
800
1200
900
1200
1200
1800
1200
1700
1800
2600
1750
2000
Ploenzke
L
M
U
E
1100
1300
1000
1250
1400
1800
1200
1400
1800
2000
1700
2000
1994
1992
0
0.5
1.0
1.5
2.0
2.5
3.0
3.5
4.0
4.5
5.0
5.5
6.0
6.5
7.0K
DM

German:


SAG
L
M
U
E
1000
200
1400
400
2000
400
1994
1992
SAP
L
M
U
E
1180
280
1820
500
1750
250
2150
500
2000
1500
0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 4.0 4.5 5.0 5.5 6.0 6.5 7.5 K

pm

Comparative Professional Services
Pricing Table

III-30

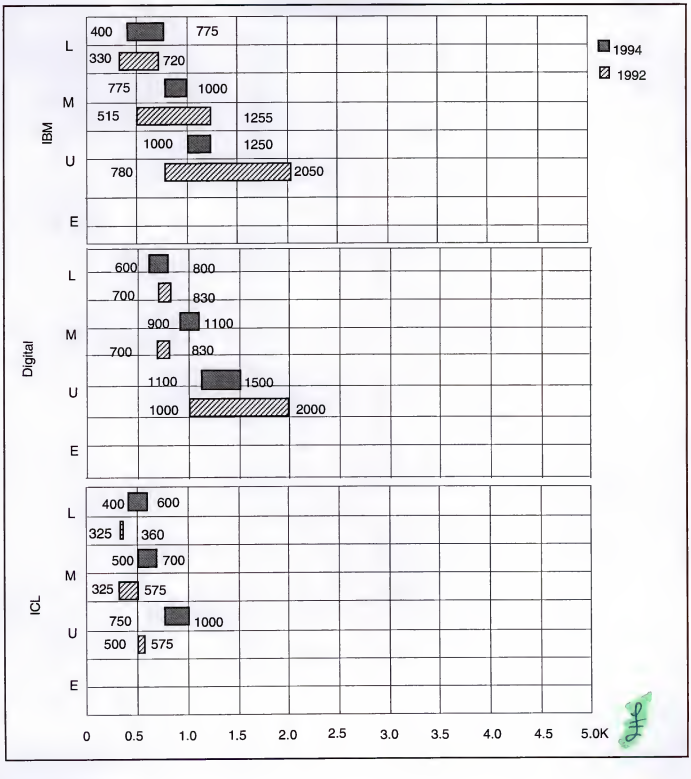
DM - $

Same Titles

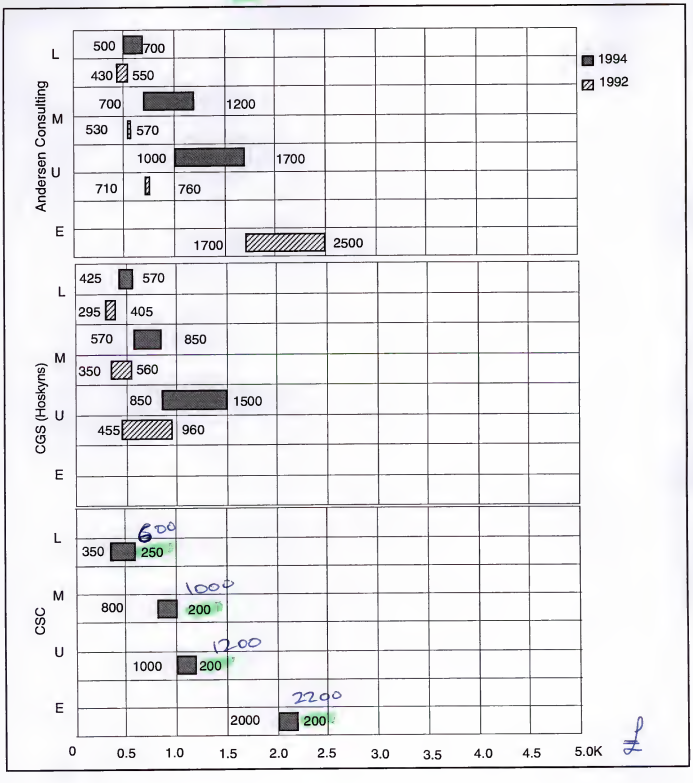
Comparative etc etc

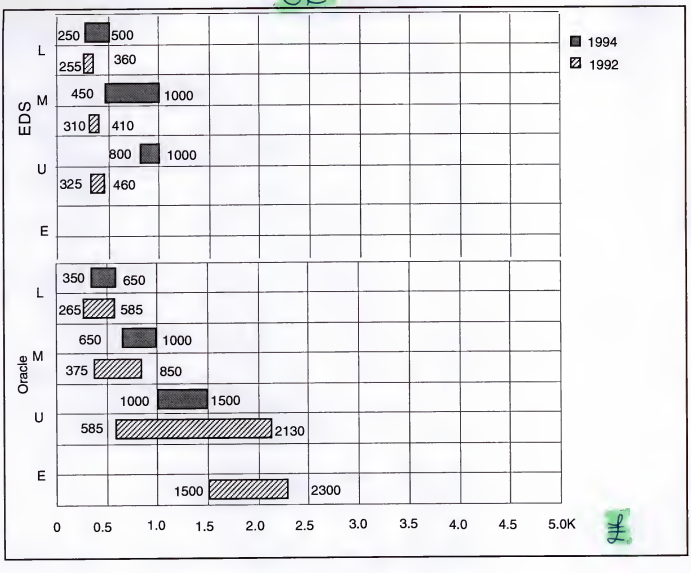
Exhibit III-29

UK



uk


Andersen Consulting
CGS (Hoskyns)
CSC
L
M
U
E
1994
1992
500
700
430
550
700
1200
530
570
1000
1700
710
760
1700
2500
425
570
295
405
570
850
350
560
850
1500
455
960
600
350
250
1000
800
200
1200
1000
200
2200
2000
200
0
0.5
1.0
1.5
2.0
2.5
3.0
3.5
4.0
4.5
5.0K
£


EDS
L
M
U
E
250
500
255
360
450
1000
310
410
800
1000
325
460
Oracle
L
M
U
E
350
650
265
585
650
1000
375
850
1000
1500
585
2130
1500
2300
1994
1992
0
0.5
1.0
1.5
2.0
2.5
3.0
3.5
4.0
4.5
5.0K

Comparative Professional Services
Pricing Table

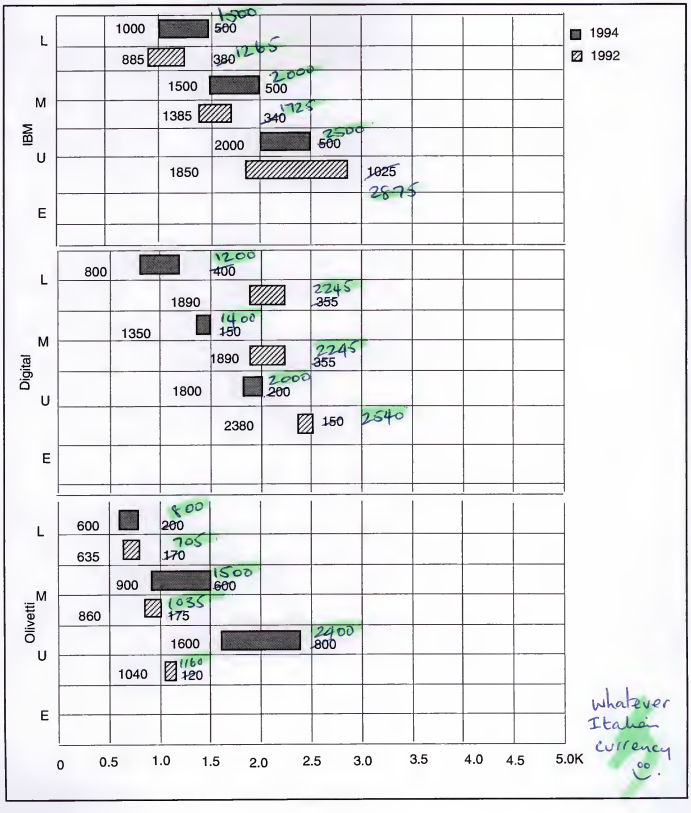
£ – $

Same Titles

Comparative Proffessional Services Pricing Table.

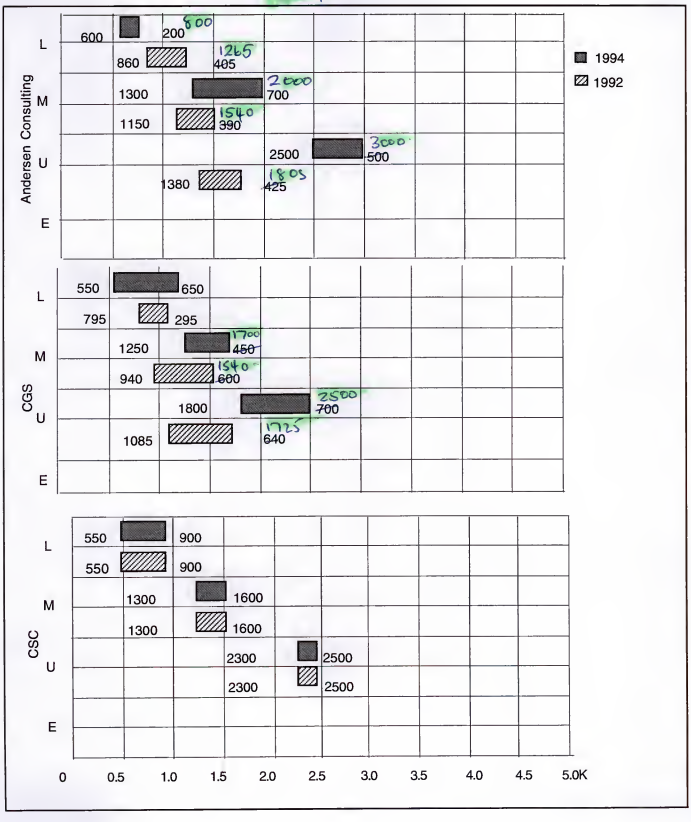
Exhibit III-31

Italy

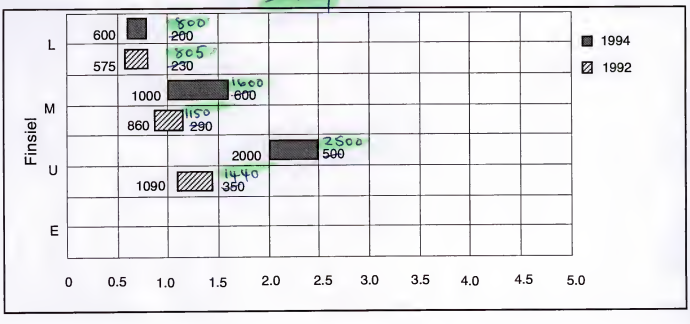


whatever Italian currency :)

Italy


Andersen Consulting
L
M
U
E
600
200
500
860
405
1265
1300
700
2000
1150
390
1540
2500
500
3000
1380
425
1805
1994
1992
CGS
550
650
795
295
1250
450
1700
940
600
1540
1800
700
2500
1085
640
1725
CSC
550
900
550
900
1300
1600
1300
1600
2300
2500
2300
2500
0
0.5
1.0
1.5
2.0
2.5
3.0
3.5
4.0
4.5
5.0K

Italy


Finsiel
L
M
U
E
600
200
800
575
230
805
1000
600
1600
860
290
1150
2000
500
2500
1090
350
1440
0
0.5
1.0
1.5
2.0
2.5
3.0
3.5
4.0
4.5
5.0
1994
1992

Comparative Professional Services
Pricing Table

Lira – $

Same Titles

IV

Employee Revenue and Gross Margins

Exhibit IV-1 lists the revenues per employee and gross margin (after salary costs) for the professional services and software product vendors included in the study.

For each of these organisations, the revenues per employee and average employee cost have been calculated for the organisation as a whole. Profit per employee data for the vendors covered in the survey is shown in Exhibit IV-2. This data provides Hewlett Packard with a measure of the profitability of each vendor when operating at the gross margins indicated in Exhibit IV-1.

Exhibit IV-1

Revenues per Employee and Gross Margin
Software and Services Vendors

Company	Year	Region	Revenues per employee $K	Average employee cost $K	Gross Margin %
Andersen Consulting	1993	Europe	112	60	46
CGI	1993	France	85	65	24
CGS	1993	W/W	104	65	38
CSC	1993	Europe	90	72	18
debis systemhaus	1993	Germany	159	66	58
EDS	1993	Europe	127	60	53
Finsiel	1993	Italy	142	65	54
Oracle	1993	W/W	145	65	55
Ploenzke	1993	Germany	109	67	39
SAG	1992	Germany	106	68	36
SAP	1992	Germany	148	72	51
Sligos	1992	France	112	65	42
Average (rounded)	-	-	120	66	43

Source: INPUT

Exhibit IV-2

Profit per Employee
Software and Services Vendors

Company	Year	Profit per employee $k (before tax and interest)
Andersen Consulting	1992	12
CGI	1992	4.3
CGS	1992	0.4
CSC	1993	4.1
EDS	1992	19
Finsiel	1993	4.1 (after tax)
SAG	1992	2.6
SAP	1992	22.6 (after tax)
Sligos	1992	9.3

Source: INPUT

These two tables reflect the revenues per employee, gross margins, and profit per employee for organisations operating primarily within the software product and professional services markets.

However, it should be noted that the software product vendors generally achieve much higher revenue per employee and gross margins than professional services vendors.

Exhibits IV-3 and IV-4 show comparable tables for the equipment vendors included in the sample. The data shown reflect the overall profile of the vendor's business and so are strongly influenced by the equipment sales model.

Exhibit IV-3

Revenues per Employee and Gross Margins
Equipment Manufacturers

Company	Year	Region	Revenues per employees $K	Average employee cost $K	Gross Margin (%)
IBM	1993	W/W	250	85	66
Digital	1993	W/W	231	80	65
Bull	1993	Europe	210	78	63
SNI	1993	Germany	112	75	33
Olivetti	1993	Italy	150	65	57
ICL	1993	UK	184	54	70
Average (rounded)			190	73	59

Source: INPUT

Exhibit IV-4

Profit per Employee
Equipment Manufacturers

Company	Year	Profit per employee $K (before tax and interest)
IBM	1993	-32.0
Digital	1993	- 3.0
Bull	1993	-20
SNI	1992	-5.7
Olivetti	1993	-8.0
ICL	1993	1.6

Source: INPUT

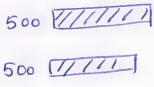
Work In Progress

Workings out of each graph.

Shared

HP NU report 0309.94 - Actual Report - title Page etc.

Each Country has amendments - change the figure at the r/h side of the stack bar



should read 1000 and so on.

Also

Each Country needs a conversion table from Local Currency to $ - France has the original diagram & U.S. figures, the rest I'm afraid must be converted.

See John if you have a Problem.

Sorry!! i'll bring you a nice man home from cyprus. ☺

olivetti

Telefax

OLIVETTI SpA
Oliservice Corporate Marketing
Via G. Jervis 77
10015 Ivrea (TO) Italy
Multivendor Support Group

date 19 September, 1994

number of pages (including cover sheet) 1

To P. Lines Fax n° 00 44 71 629 0179

cc F. Corso, T. Hannington, C. Montagner

From Ennio Venezia Fax n° +39 (0)125 526127 - Tel. n°+39 (0)125 522148

In case of bad transmission please telephone: +39 (0)125 522246

Peter,

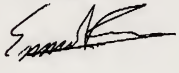
further to your fax dated 5th September 1994, I enclose the information you are looking for.

Professional rates for Olivetti Italia :

Programmer	600-800k	Lire/day
Senior Analyst/Programmer	800-1300k	Lire/day
Project leader/Consultant	1200-1800k	Lire/day
Senior Consultant	1500-2600k	Lire/day

Please contact me if you require more information, and we are looking forward to receive the results of your survey.

Kind regards,



Average Cost of Employment

	SBC	Senior IT Consultant	JC	Consultants Overall	PD	PM	Other PP	PP Overall
ICL (£)	—	90 000 ~~60 000~~	67 500 ~~45000~~	78000 ~~52000~~	90 000 60 000	67500 ~~45000~~	42000 ~~28000~~	53 000*
Bull (£)	—	—	—	—	—	—	—	—
Digital (£)	—	—	—	130 000	—	—	—	130,000
IBM (DM)	—	—	—	—	—	—	—	—
SNI (DM)	137 000 ~~227 000~~	~~209 000~~ 126 000	98 000 ~~163 000~~	106 000 ~~176 000~~	135 000 ~~224 000~~	~~213 000~~ 198 000	102 000 ~~169 000~~	111 000 ~~184 000~~
Bull (DM)	—	—	—	?	—	—	—	?
Ploenzke	~~180 000~~ 108 000	~~160 000~~ 96 000	~~100 000~~ 60 000	66 000 ~~110 000~~	~~180 000~~ 108 000	~~130 000~~ 78 000	~~100 000~~ 60 000	67,000* —
	122,500	104,000	75000	95000	111 000	91 000	68 000	90 000 77 000
				95	99	73	51	90

* est

excluded

Average Gross Margin (%)

	SBC	SITC	JC	Consultants Overall	PD	Pm	Other PP	PP Overall
ICL	–	50	53	38	50	60	114	72
Bull	–	–	–	–	–	–	–	–
Digital	–	–	–	30	–	–	–	8
IBM	–	–	–	–	–	–	–	–
SNI	–	–	–	9	–	–	–	1
Bull	–	–	–	–	–	–	–	–
Revenue	39	126	153	130	31	76	166	134
	39	59	60	35	68	74	96	74
				43	39	68	125	39

Average Charge Out Rate per Day

	SBC	Senior IT Consultant	JC	Consultants Overall	PJ	Pmy	Other PP	PP Overall
ICL (£)	—	750 ~~500~~	570 ~~380~~	600 ~~400~~	900 ~~600~~	600 ~~400~~	450 ~~300~~	480 ~~320~~
Bull (£)	1350 ~~900~~	1050 ~~700~~	788 ~~525~~	938 ~~625~~	1238 ~~825~~	1050 ~~700~~	600 ~~400~~	863 ~~575~~
Digital ($)	1744	1580	1147	—	1381	1148	978	—
IBM (Dm)	—	—	—	—	1747 ~~2900~~	1446 ~~2400~~	1205 ~~2000~~	1265 ~~2100~~
SNI (Dm)	—	—	—	723 ~~1200~~	—	—	—	~~1125~~ 678
Bull (Dm)	—	—	—	1054 ~~1750~~	—	—	—	~~1570~~ 946
Phoenix (Dm)	3012 + ~~5000~~ ~~2200~~	1807 + ~~3000~~	1084 + ~~1800~~	1325 ~~2200~~	1566 ~~2600~~	1145 ~~1900~~	1145 ~~1900~~	~~2000~~ 1205
	1500	1100	835	928	1366	1078	875	906

Minimum Charge Out Rate per day

	SBC	Senior IT C	JC	Consultants Overall	PD	PM	Other PP	PP Overall
ICL (£)	[illegible]	600 ~~400~~ ~~250~~	375 ~~250~~	375 ~~250~~	750 ~~500~~	570 ~~380~~	300 ~~200~~	300 ~~200~~
Bull (£)	1125 ~~750~~	975 ~~650~~	712 ~~475~~	825 ~~550~~	1125 ~~750~~	855 ~~570~~	450 ~~300~~	450 ~~300~~
Digital ($)	1744	1580	1147	1147	680	656	448	450
IBM (DM)	—	—	—	—	~~2590~~ 1560	~~2240~~ 1350	~~1925~~ 1160	~~1925~~ 1160
SNI (DM)	813 ~~1350~~	813 ~~1350~~	452 ~~750~~	452 ~~750~~	~~1350~~ 813	~~1350~~ 813	~~750~~ 693	~~750~~ 693
Bull (DM)	—	—	—	873 ~~1450~~	—	—	—	1360 820
Phoenix (DM)	1506 ~~2500~~	1506 ~~2500~~	~~1800~~ 1084	~~[illegible]~~ ~~2000~~ 1205	~~1900~~ 1145	~~1800~~ 1084	~~1200~~ 723	~~1200~~ 723
	1297	1095	754	813	1012	888	629	657

Maximum Change-Out Rate Per day

	SBC	S ITC	JC	C Overall	PD	PM	Other PP	PP Overall
ICL (£)	—	1500 ~~1000~~	750 ~~500~~	1500 ~~1000~~	1500 ~~1000~~	660 ~~440~~	1200 ~~800~~	1500 ~~1000~~
Bull (£)	1500 ~~1000~~	1125 ~~750~~	863 ~~575~~	1275 ~~850~~ 1000	1500 ~~1000~~	1125 ~~750~~	825 ~~550~~	1200 ~~800~~ 1000
Digital ($)	2648	2648	1656	2648	1752	1496	1496	1752
IBM (DM)	—	—	—	—	2458 ~~4080~~	1783 ~~2960~~	1542 ~~2560~~	2458 ~~4080~~
SNI (DM)	1687 ~~2800~~	1422 ~~2360~~	1205 ~~2000~~	1687 ~~2800~~	1536 ~~2550~~	1310 ~~2175~~	1205 ~~2000~~	1536 ~~2550~~
Bull (DM)	—	—	—	1446 ~~2400~~	—	—	—	1060 ~~1760~~
Ploenzke (DM)	4819+ ~~8000~~?	3614+ ~~6000~~?	3000+ 1807	1687 ~~2800~~	1807 ~~3000~~	1506 ~~2500~~	1205 ~~2000~~	1807 ~~3000~~
	1945 Average	1674	1119	1707	1759	1313	1245	~~1300~~ 1616

Min
Max

~~Standard~~ Average

+ excluded

	Quality	R&D	Methodology R&D	Technology R&D	
ICL (UK)	1-4	—	2	—	
Bull (UK)	5	~~4~~ 5	2	3	
Digital ($)	1	10	5	5	
IBM (DM)	5	—	—	—	
SNI (DM)	—	—	—	—	8.1
Bull (DM)	1.4	3.7	1.1	2.6	10.6
Phoenixe (DM)	*40	15	10	5	18.7
	*3.0	~~5.2~~ 8	4.0 (2.5) Equipment vendors	3.9	

* excluded

Exhibit 6

Minimum Daily Charge-Out Rate($)

Category of personnel	Average	Maximum	Minimum
Senior business consultant	1300	1750	815
Senior IT consultant	1100	1580	600
Junior consultants	750	1150	375
Consultants overall	800	1200	375
Project director	1000	1560	680
Project manager	900	1350	570
Other project personnel	630	1160	300
Project personnel overalll	660	1160	300

Source: INPUT

Exhibit 7

Average Daily Charge-Out Rate($)

Category of personnel	Average	Maximum	Minimum
Senior business consultant	1500	1750	1350
Senior IT consultant	1100	1580	750
Junior consultants	830	1150	570
Consultants overall	930	1325	600
Project director	1350	1750	900
Project manager	1100	1450	600
Other project personnel	875	1200	450
Project personnel overalll	900	1270	480

Source: INPUT

Exhibit 4

Training, Holidays, and Sickness

Number of days per annum	Average	Maximum	Minimum
Training	13	15	10
Holidays	30	33	29
Sickness	6	8	5
Total	49	52	45

Source: INPUT

Exhibit 5

Maximum Daily Charge-Out Rate($)

Category of personnel	Average	Maximum	Minimum
Senior business consultant	1900	2650	1500
Senior IT consultant	1700	2650	1125
Junior consultants	1100	1650	750
Consultants overall	1700	2650	1275
Project director	1750	2450	1500
Project manager	1300	1800	660
Other project personnel	1250	1550	825
Project personnel overalll	1600	2460	1060

Source: INPUT

Average gross margins:

Consultants 43%

Project personnel 39%

1

Exhibit I

R&D Expenditure

Spend as Proportion of Revenues (%)	Quality	R&D Overall	Methodology R&D	Technology R&D
Average	3	8	4	4
Minimum	1	4	1	2.5
Maximum	5	15	10	5

Source: INPUT

4

Exhibit 2

Number of Revenue Earning Days

Category of personnel	Average	Maximum	Minimum
Senior business consultant	100	150	50
Senior IT consultant	140	180	100
Junior consultants	150	180	100
Consultants overall	135	180	100
Project director	130	150	90
Project manager	140	180	120
Other project personnel	155	200	100
Project personnel overalll	150	190	100

Source: INPUT

Exhibit 3

3

Number of Pre-Sales Days

Category of personnel	Average	Maximum	Minimum
Senior business consultant	75	85	65
Senior IT consultant	45	85	20
Junior consultants	40	85	20
Consultants overall	40	85	20
Project director	50	65	40
Project manager	40	65	20
Other project personnel	50	85	20
Project personnel overalll	40	85	20

Source: INPUT

Exhibit 8

Average Annual Cost of Employment: $(000's)

Category of personnel	Average	Maximum	Minimum
Senior business consultant	120	137	108
Senior IT consultant	100	126	90
Junior consultants	75	98	60
Consultants overall	95	130	66
Project director	110	135	90
Project manager	90	128	68
Other project personnel	70	102	42
Project personnel overalll	77	110	53

Source: INPUT

Exhibit 9

Average Revenues per annum: $(000's)

Category of personnel	Average	Maximum	Minimum
Senior business consultant	170	225	135
Senior IT consultant	165	220	105
Junior consultants	120	150	80
Consultants overall	130	170	95
Project director	185	315	135
Project manager	160	260	110
Other project personnel	130	220	60
Project personnel overalll	135	230	85

Source: INPUT

Exhibit 10

Contrasts between Germany and UK: Consultancy

Benchmark	Germany	UK
Minimum daily rate($)	850	600
Maximum daily rate($)	1600	1400
Average daily rate($)	1000	800
Revenues per annum ($000's)	130	110

Source: INPUT

Exhibit 10

Contrasts between Germany and UK: Project Personnel

Benchmark	Germany	UK
Minimum daily rate($)	850	400
Maximum daily rate($)	1500	1350
Average daily rate($)	1000	700
Revenues per annum ($000's)	150	105

Source: INPUT

Exchange rates used:

$1 = DM 1.66

£1 = $1.5

Facsimile Cover Sheet

To: John Wilmott
Company: Input
Phone: 071 493 9335
Fax: 071 629 0179

From: Fiona Walker-Davis
Company: Bull Information Systems Limited
Phone: 081 479 2462
Fax: ~~0[illegible]~~ 081 479 2401

Date: 28/03/94
Pages including this cover page: 3

Comments:

John

At long last I now have the answers to the fax you sent on February 10th.

Now that this has been filled in my internal people are asking [illegible] will we see the feedback. I have said that it will probably be about four weeks. It can vary greatly would you please let me know.

In the meantime, I hope this completes your picture.

Regards

Metrics for Major Project Activity

I am trying to produce a research bulletin benchmarking charge-out rates and utilisation levels within the systems integration and project services environments. Because of the sensitivity of this information, any data supplied will be treated as completely confidential. The only information published, or disclosed to any third party, will be aggregated information such as averages and the proportion of organizations lying within a particular range of values. In return for your participation I should be pleased to send you a summary of these results.

I should be grateful if you could complete, as far as possible, the following table. You may find that in some cases it is only possible to supply information at the overall or summary level.

Thank you very much for your assistance.

Consultants

Benchmark	Senior Business Consultant	Senior IT Consultant	Junior Consultant	Consultants overall
Maximum charge-out rate per day	£1,000	£750	£575	£850
Minimum charge-out rate per day	£750	£650	£475	£600
Average charge-out rate per day	£900	£750	£525	£725
Average number of revenue earning days	100	100	100	100
Average number of pre-sales days	85	85	85	85
Average holiday entitlement (days per annum)	33	33	33	33
Average days sickness per annum	5	5	5	5
Average number of days training per annum	10	10	10	10
Average cost of employment	N/A	N/A	N/A	N/A

All Project Personnel

Benchmark	Project Director	Project manager	Other project personnel	Project personnel overall
Maximum charge-out rate per day	£1000	£750	£550	£800
Minimum charge-out rate per day	£750	£570	£250	£300
Average charge-out rate per day	£825	£700	£400	£575
Average number of revenue earning days	120	120	100	100
Average number of pre-sales days	65	65	85	85
Average holiday entitlement (days per annum)	33	33	33	33
Average days sickness per annum	5	5	5	5
Average number of days training per annum	10	10	10	10
Average cost of employment	N/A	N/A	N/A	N/A

Overall Project Revenues

Proportion of overall project revenues spent on each of the following	Proportion (%)
Quality (Assurance, Control and management)	5
R&D overall	2
Methodology R&D	2
Technology R&D	3

BULLFAX

Marketing Services and Planning

(Cluster Central Europe)

Worldwide
Information
Systems

Bull

DATE: 19.04.94 MRC/HO

TO:	FROM:
Mr. Powthorpe BPCT, London + 44 (0)1344 71 624-0179	W. Taurel BULL AG Theodor-Heuss-Str. 40-42 61118 Bad Telefon: 49 6003-[illegible] BULLCOM [illegible] Telefax: 49 2203 [illegible] BULLCOM [illegible]

COPY TO:

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Metrics for Major Project Activity

[illegible]

[illegible]

[illegible]

Compliance

[illegible]

[illegible]

[illegible]

$557

[illegible]

[illegible]

29.7.94

Peter,

This is all confidential but you might find it useful for your pricing study.

Regards,

GA

Max Change out rate
Min Change out rate

Average Change out rate

Average Cost of employment

Average charge out rate × no. of days (Average annual revenue) *

Average annual revenue / Average cost of employment = Gross margin *

Max
Min
Average

Min / Average * Max / Average

Highest

Max — Average

Average Lowest

Min

	Germany		UK
Consultants			
- Minimum	840	—	600
- Max	1600	—	1400
- Average	1034	—	770
- Revenues p.a.	130		100
Project Personnel			
- Minimum	850		375
- Max	1500		1350
- Average	1020	—	670
- Revs p.a.	150		90

Average Gross Margins (%)

Consultants	43%
Project personnel	39%

Average Number of Revenue Earning Days

	Senior Business Consultant	Senior IT Consultant	Junior Consultants	All Consultants	PD	PM	Other PP	PP Overall	
ICL (UK)	—	180	180	180	150	180	200	190	
Bull (UK)	100	100	100	100 140	120	120	100	100 145	
Digital	—	—	—	130	—	—	—	140	
IBM (D)	—	—	—	—	—	—	—	180	
SNI (D)	150	160	170	160	150	150	180	165	
Bull (D)	—	—	—	124 131	—	—	—	132 150	
Ploenzke	50	120	140	115	90	120	140	130+	test
Average	100	140	148	135	127.5	142.5	155	148	

Average Revenues per annum ($k)

	SBC	Senior ITC	JC	Cons Overall	PD	Pm	Other PP	PP Overall	
ICL	–	135	103	108 ·	135 ·	108 ·	90 ·	91 ·	88.5
Bull	135	105	79	94	149	126	60	86	
Digital*	226	205*	149*	169† ·	193*	161*	137*	140†.	
IBM	–	–	–	–	314*	260*	217*	228	
SNI	–	–	–	116 ·	–*	–	–	112 ·	
Bull	–	–	–	131	–	–	–	125	155
Ploenzke	150	217	152	152 ·	141 ·	137 ·	160 ·	157 ·	
Average	170	165	120	128	186	158	133	134	
				136	138	123	125	125	

101

133

Plus

Average holiday entitlement

	SBC	SITC	Junior Consultants	Consultants overall	PD	PM	Other PP	PP Overall	Training	Sickness	
ICL	—	29	29	29	29	29	29	29	15	—	
Bull (UK)	33	33	33	33	33	33	33	33	10	5	48
Digital	—	—	—	30	—	—	—	30	10	5	45
IBM (I)	—	—	—	—	—	—	—	30	12	7	49
SNS	30	30	30	30	30	30	30	30	15	6	51
Bull (I)	—	—	—	31	—	—	—	31	15	6	52
Phoenix	30	30	30	30	30	30	30	30	12	8½	50.5
	31	30.5	30.5	30.5	30.5	30.5	30.5	30.4	13 (12.7)	6.25	

Quality — — —

Average Spend
(Proportion of revenue)

Minimum

Maximum

£1 = $1.5

$1 = 1.66 DM

Average Number of Rooms

ICL	UK	£
Digital	Europe	$
IBM	Germany	DM
SNI	Germany	DM
Bull	UK	£
Bull	Germany	DM
Ploenzke	Germany	DM

Average Number of Pre-Sales Days

	Senior Business Consultant	Senior IT Consultant	Junior Consultants	Consultants overall	PD	PM	Other PP	PP Overall	
ICL	–	20	20	20	50	20	–	30+	
Bull (UK)	85	85	85	85	65	65	85	85	
Digital	–	–	–	45	–	–	–	35	
IBM (D)	–	–	–	–	–	–	–	25	
SNI	–	–	–	–	–	–	–	–	
Bull (D)	–	–	–	26	–	–	–	20	
Phoenix	60	30	20	25	40	30	20	30+	test
	72.5	45	42	40	52	38	52.5	37.5	

IBM

IBM Schweiz
IBM Suisse
IBM Switzerland

Telefax

To: John Willmott, INPUT, London W+X 7FB
FAX number: 0044716290179

From Philippe Roux
IBM Switzerland, Market Evaluation
*** IBM Internal Use Only ***
Sec: IUO

Subject: SI Metrics

Dear John,

Sorry, we do not disclose any financial information
May be IBM Europe will do it.

With kind regards, Philippe Roux

Postal Address	: General Guisan-Quai 26, (HO2T) CH-8022 Zuerich
Telephone	: 0041 1 207-2479
Fax	: 0041 1 207-2410
IBM Mail Exchange IEA	: CHTBM7P9 IBMMAIL
X 400 O/R Name	: c=CH a=IBM p=IBMMAIL s=ROUX g=PHILIPPE
Internet	: chibm7r9@ibmmail.com

CAP GEMINI SOGETI

6.5.94
10 a.m. engaged.
11 a.m. "

✓ sent thank you....

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

87.5

~~of 250~~

12.5 250 ✓

30

7.5

12.5

Siemens-Nixdorf Informationssysteme AG
Telefax

an/ to		von/ from	
Telefax-Nr./ telefax no	0044 71 629 0179	Telefax-Nr./ telefax no	(089) 636 - 48 721
Name/ name	John Willmott	Name/ name	Hans Schindler
Firma/ company	INPUT	Abteilung/ department	VZ PS
		Ort/ place	München Perlach
Ort/ place	London	Telefon/ telephone	(089) 636 - 46 432
Datum/ date	11. April 1994	Anzahl der folgenden Seiten/ number of the follwing pages	2

Kurznachricht/
message

Dear Mr. Willmott,

Attached you find the figures you asked for.

If there are any questions do not hesitate to contact me.

Kind Regards

Hans Schindler

Metrics for Major Project Activity

I am trying to produce a research bulletin benchmarking charge-out rates and utilisation levels within the systems integration and project services environments. Because of the sensitivity of this information, any data supplied will be treated as completely **confidential**. The only information published, or disclosed to any third party, will be aggregated information such as averages and the proportion of organizations lying within a particular range of values. In return for your participation, I should be pleased to send you a summary of these results.

I should be grateful if you could complete, as far as possible, the following charts. You may find that, in some cases it is only possible to supply information at the *overall* or summary level.

Thank you very much for your assistance.

Consultants

Benchmark	Senior Business Consultant	Senior IT Consultant	Junior Consultants	Consultants overall
Maximum charge-out rate per day	2 900 DM	2 360	2.000	
Minimum charge-out rate per day	1.350	1.350	0	
Average charge-out rate per day	N/A	N/A	N/A	1.200
Average number of revenue earning days	150	160	170	160
Average number of pre-sales days	N/A*	N/A*	N/A*	
Average holiday entitlement (days per annum)	30			
Average days sickness per annum	6			
Average number of days training per annum	15			
Average cost of employment	227.000	209.000	1.3.000	176.000

* Presales activities support Hardware / Software / Services sales

We do not have separated figures for Services sales / Sales support

Mostly we use staff level personnel

All Project Personnel

Benchmark	Project Director	Project manager	Other project personnel	Project personnel overall
Maximum charge-out rate per day	2,550 DM	2,475	2,000	
Minimum charge-out rate per day	1,350	1,350	750	
Average charge-out rate per day	N/A	N/A	N/A	1,425
Average number of revenue earning days	150	150	120	165
Average number of presales days	N/A *	N/A *	N/A *	
Average holiday entitlement (days per annum)	30			→
Average days sickness per annum	6			→
Average number of days training per annum	15			→
Average cost of employment	224,000	243,000	161,000	[illegible]

Overall Project Revenues

Proportion of overall project revenues spent on each of the following	Proportion (%)
Quality (Assurance, Control and management)	
R&D overall	
Methodology R&D	
Technology R&D	

Fax Cover Sheet

IBM

Dr. Thomas [illegible]
[illegible]
[illegible]
Phone: [illegible]
[illegible]
Fax: [illegible]
[illegible]

To:	[illegible] → JOHN
[illegible]	[illegible]
Date: [illegible]	April [illegible]
Number of pages:	[illegible]
Re:	[illegible]

Comments:

[illegible]

[illegible]

Thomas [illegible]

1

[illegible]

[illegible] Project Performance

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]				[illegible]
[illegible]				[illegible]
[illegible]				[illegible]
[illegible]				[illegible]
[illegible]				[illegible]
[illegible]				

[illegible]

Overall Project Performance

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	
[illegible]	[illegible]
[illegible] IRR	

[illegible]

PLOENZKE AG

Deutschland
Schweiz
Österreich
Niederlande
Spanien
Frankreich

Empfänger: **INPUT**
John Willmott
FAX: (044) - 71- 629 0179

Unternehmenszentrale
Z/Abteilung Kommunikation

Postfach 1108
65397 Kiedrich / Rheingau
Hausanschrift: Am Hahnwald 1
65399 Kiedrich / Rheingau
Telefon (06123) 630-200
Telefax (06 123) 630-499

Sender: **St. Scherbaum**
Z/Kommunikation

Telefax

Datum: **10.03.1994**

Seitenzahl: **4**

Dear Mr. Willmott,

hereby we answer your questionnnaire on S I Metrics.
Please keep all dates strictly confidential.
We would be happy to get a summary in due time.

Yours sincerely

Klaus-Michael Erben

Definitions

Project Director Responsible to client for project delivery on major projects.

Project manager - Responsible for individual area within major project e.g. management of one or more sub-contractors.

Project personnel overall - Includes all project personnel including consultants.

Senior Business Consultant - Includes management consultancy and high-level application-specific advice

Senior IT Consultant - For example, includes IT strategy development and high-level technical infrastructure design.

All Project Personnel

Benchmark	Project Director	Project manager	Other project personnel	Project personnel overall
Maximum charge-out rate per day	DM 3000	DM 2500	DM 2000	
Minimum charge-out rate per day	DM 1500	DM 1000	DM 1000	
Average charge-out rate per day	DM 2000	DM 1500	DM 1500	
Average number of revenue earning days	90	120	140	
Average number of pre-sales days	40	30	20	
Average holiday entitlement (days per annum)	30	30	30	
Average days sickness per annum	5	5	10	
Average number of days training per annum	10	10	10	
Average cost of employment	TDM 80	TDM 120	TDM 120	

Overall Project Revenues

Proportion of overall project revenues spent on each of the following	Proportion (%)
Quality (Assurance, Control and management)	40%
R&D overall	5%
Methodology R&D	10%
Technology R&D	5%

Metrics for Major Project Activity

I am trying to produce a research bulletin benchmarking charge-out rates and utilisation levels within the systems integration and project services environments. Because of the sensitivity of this information, any data supplied will be treated as completely confidential. The only information published, or disclosed to any third party, will be aggregated information such as averages and the proportion of organizations lying within a particular range of values. In return for your participation, I should be pleased to send you a summary of these results.

I should be grateful if you could complete, as far as possible, the following charts. You may find that, in some cases it is only possible to supply information at the *overall* or summary level.

Thank you very much for your assistance.

Consultants

Benchmark	Senior Business Consultant	Senior IT Consultant	Junior Consultants	Consultants overall
Maximum charge-out rate per day	DM 8000.-	DM 6000.-	DM 3000	DM 2.800
Minimum charge-out rate per day	DM 2500.-	DM 2500.-	DM 1800.-	DM 2.500
Average charge-out rate per day	DM 5000.-	DM 3000	DM 1800	DM 2.000
Average number of revenue earning days	50	120	140	115
Average number of pre-sales days	60	30	20	25
Average holiday entitlement (days per annum)	30	30	30	30
Average days sickness per annum	10	10	10	10
Average number of days training per annum	12	12	15	15
Average cost of employment	TDM 180	TDM 160	TDM 120	TDM 110

PLOENZKE AG

Deutschland
Schweiz
Österreich
Niederlande
Spanien
Frankreich

Unternehmenszentrale
Z/Abteilung Kommunikation

Postfach 1108
65397 Kiedrich / Rheingau
Hausanschrift: Am Hannwald
65399 Kiedrich / Rheingau
Telefon (06123) 630-200
Telefax (06123) 630-499

Telefax

Empfänger: INPUT
John Willmott
FAX: (0044) - 71- 629 0179

Sender: St. Scherbaum
Z/Kommunikation

Datum: 10.03.1994

Seitenzahl: 4

Dear Mr. Willmott,

hereby we answer your questionnaire on S I Metrics.
Please keep all dates strictly confidential.
We would be happy to get a summary in due time.

Yours sincerely

Klaus-Michael Erben

Metrics for Major Project Activity

I am trying to produce a research bulletin benchmarking charge-out rates and utilisation levels within the systems integration and project services environments. Because of the sensitivity of this information, any data supplied will be treated as completely confidential. The only information published, or disclosed to any third party, will be aggregated information such as averages and the proportion of organizations lying within a particular range of values. In return for your participation, I should be pleased to send you a summary of those results.

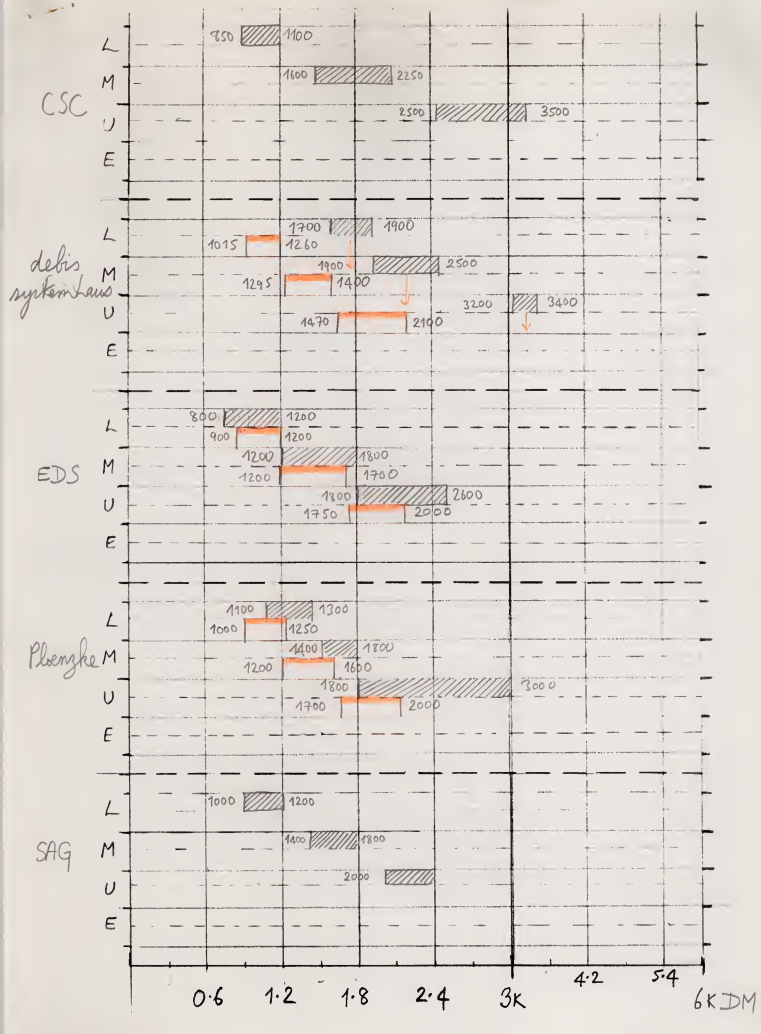
I should be grateful if you could complete , as far as possible, the following charts. You may find that, in some cases it is only possible to supply information at the *overall* or summary level.

Thank you very much for your assistance.

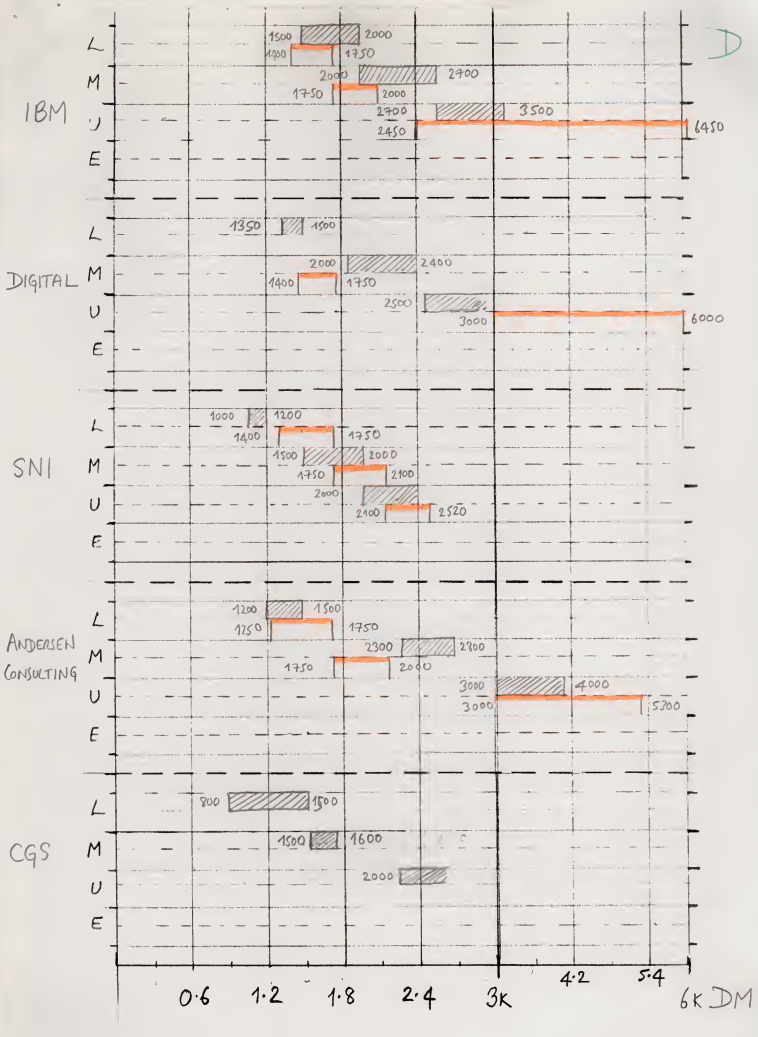
Consultants

Benchmark	Senior Business Consultant	Senior IT Consultant	Junior Consultants	Consultants overall
Maximum charge-out rate per day	DM 800.-	DM 6000.-	DM 3000	DM 2 800.-
Minimum charge out rate per day	DM 2500.-	DM 2500.-	DM 1800.-	DM 2.000.-
Average charge-out rate per day	DM 5000.-	DM 3000	DM 1800	DM 2200.-
Average number of revenue earning days	50	120	140	175
Average number of pre-sales days	60	30	20	25
Average holiday entitlement (days per annum)	30	30	30	30
Average days sickness per annum	10	10	10	10
Average number of days training per annum	12	12	15	15
Average cost of employment	TDM 180	TDM 160	TDM 140	TDM 1[illegible]

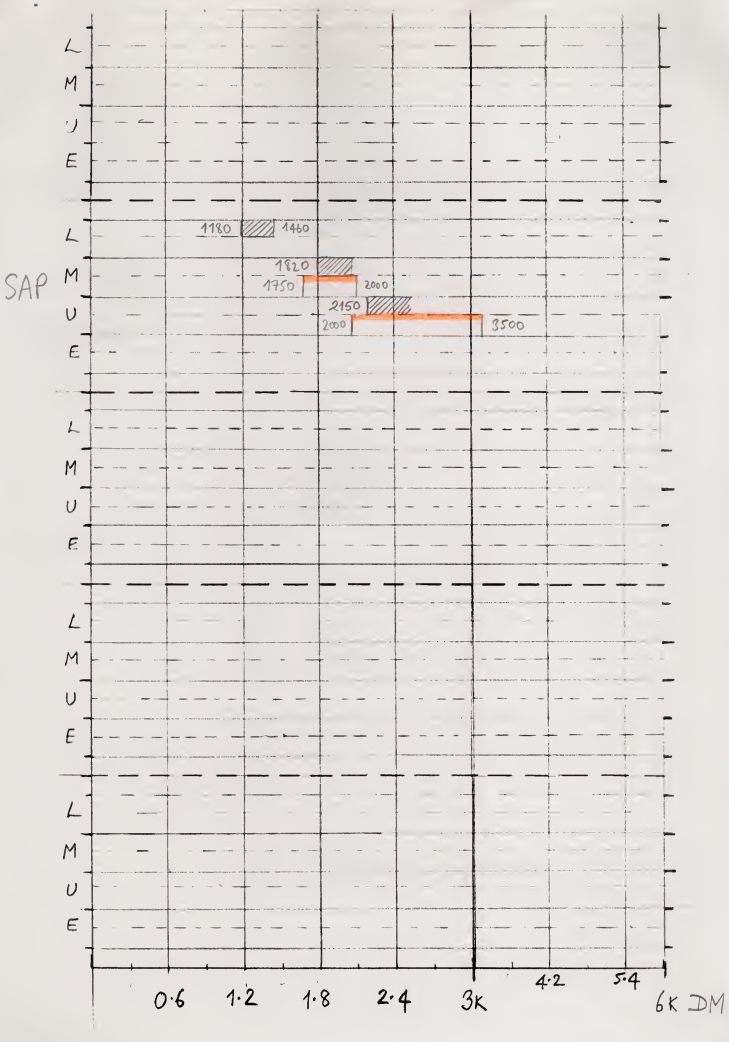
Metrics for Major Project Activity


CSC
L
M
U
E
850
1100
1600
2250
2500
3500
debis systemhaus
1015
1260
1700
1900
1295
1400
1900
2500
1470
2100
3200
3400
EDS
800
1200
900
1200
1200
1800
1200
1700
1800
2600
1750
2000
Phoenyke
1100
1300
1000
1250
1400
1800
1200
1600
1800
3000
1700
2000
SAG
1000
1200
1400
1800
2000
0·6
1·2
1·8
2·4
3K
4·2
5·4
6K DM

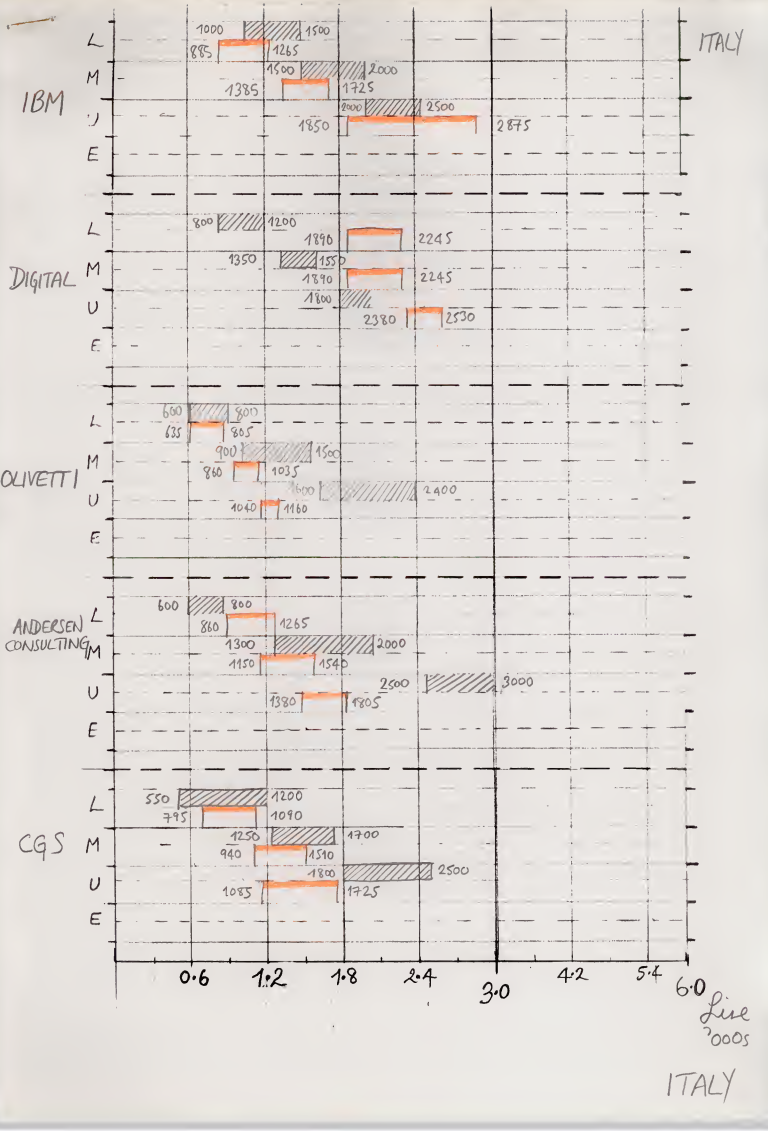
GERMANY

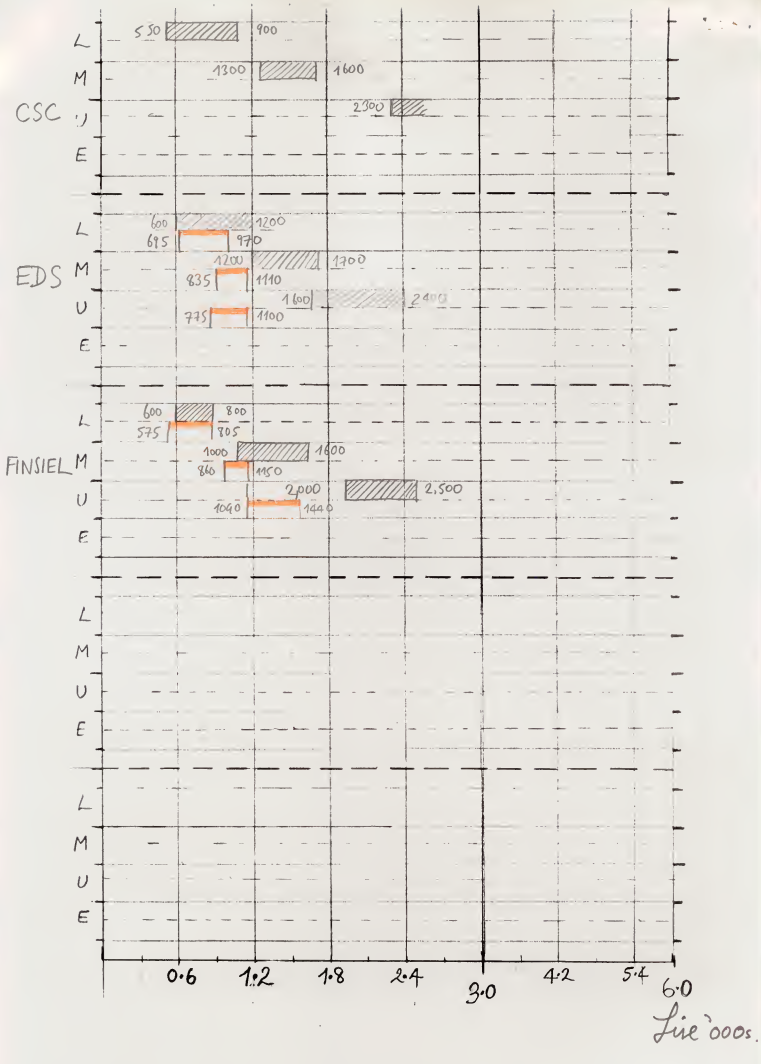

D
IBM
L
M
U
E
1500
2000
1400
1750
2000
2700
1750
2000
2700
3500
2450
6450
DIGITAL
1350
1500
2000
2400
1400
1750
2500
3000
6000
SNI
1000
1200
1400
1750
1500
2000
1750
2100
2000
2100
2520
ANDERSEN CONSULTING
1200
1500
1250
1750
2300
2800
1750
2000
3000
4000
3000
5300
CGS
800
1500
1500
1600
2000
0·6
1·2
1·8
2·4
3K
4·2
5·4
6K DM

GERMANY

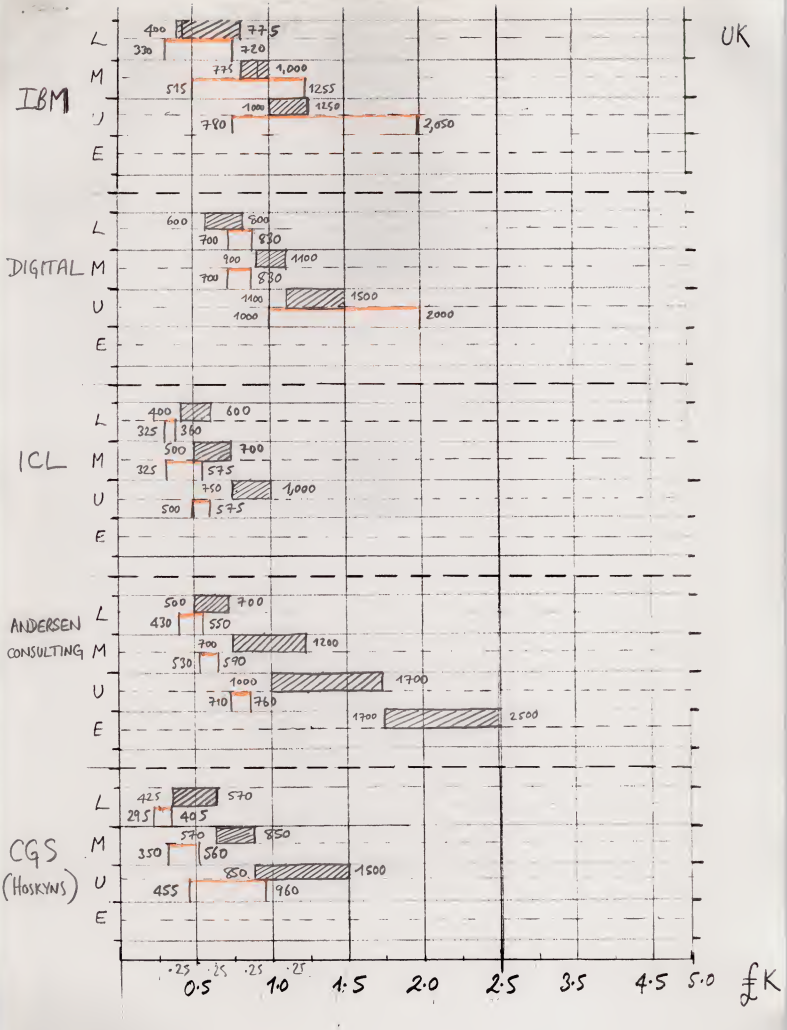

L
M
U
E
SAP
1180
1460
1820
1750
2000
2150
2000
3500
0·6
1·2
1·8
2·4
3K
4·2
5·4
6K DM

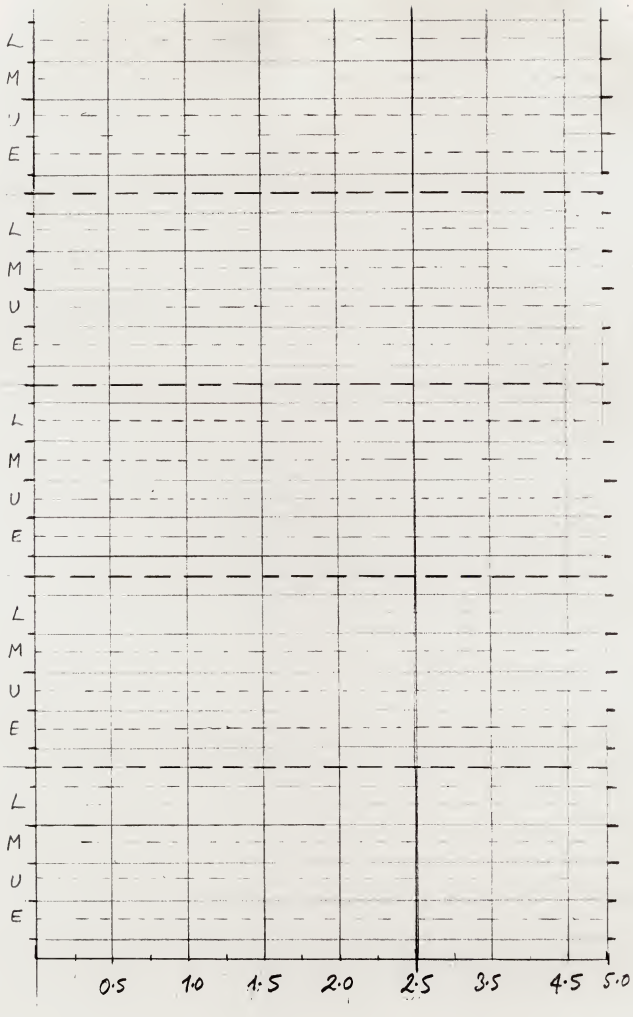
GERMANY

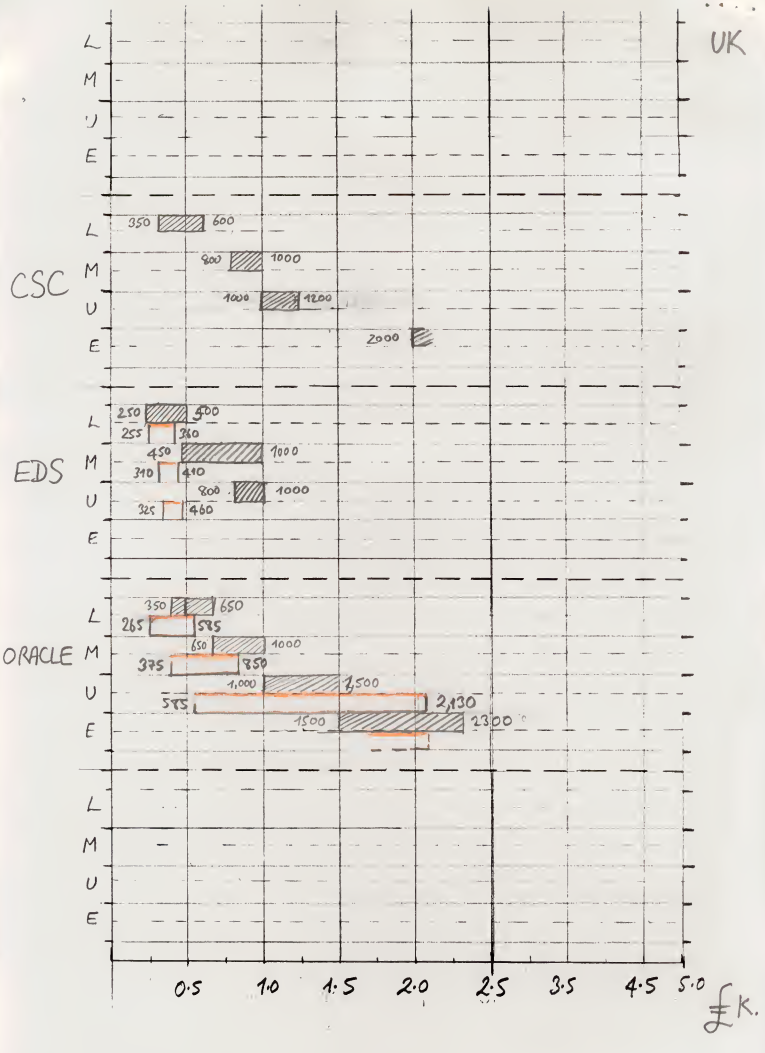

ITALY
IBM
L
M
U
E
1000
1500
885
1265
1500
2000
1385
1725
2000
2500
1850
2875
DIGITAL
800
1200
1890
2245
1350
1550
1890
2245
1800
2380
2530
OLIVETTI
600
800
635
805
900
1500
860
1035
1600
2400
1040
1160
ANDERSEN CONSULTING
600
800
860
1265
1300
2000
1150
1540
2500
3000
1380
1805
CGS
550
1200
795
1090
1250
1700
940
1510
1800
2500
1085
1725
0·6
1·2
1·8
2·4
3·0
4·2
5·4
6·0
Lire
'000s
ITALY

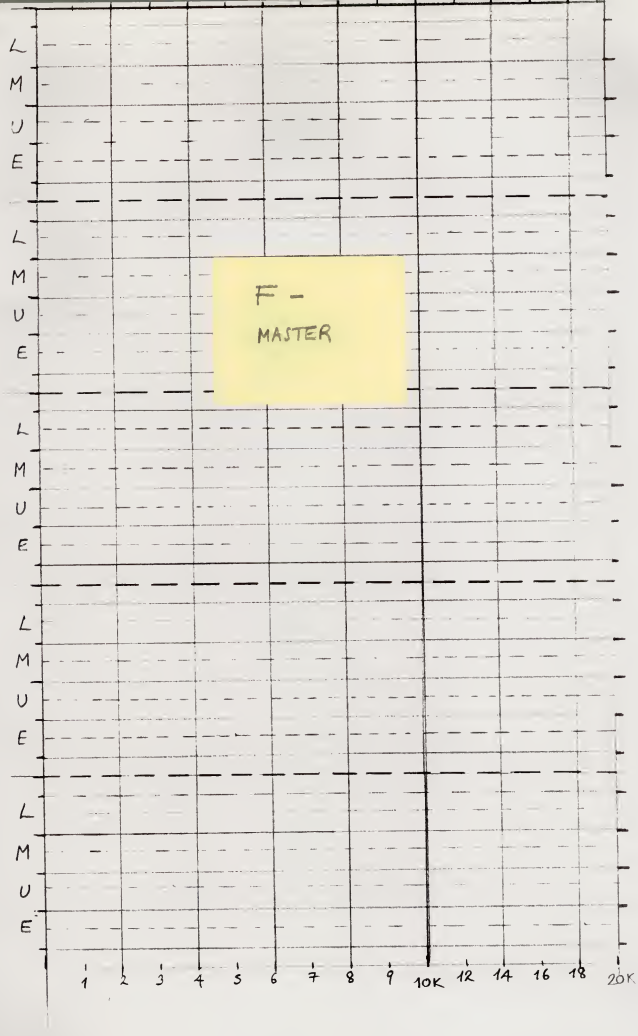

CSC
EDS
FINSIEL
L
M
U
E
550
900
1300
1600
2300
600
1200
695
970
1200
1700
835
1110
1600
2400
775
1100
600
800
575
805
1000
1600
860
1150
2000
2,500
1040
1440
0·6
1·2
1·8
2·4
3·0
4·2
5·4
6·0
Lire '000s.

ITALY


UK
IBM
L
M
U
E
400
775
330
720
775
1,000
515
1255
1000
1250
780
2,050
DIGITAL
600
800
700
830
900
1100
700
830
1100
1500
1000
2000
ICL
400
600
325
360
500
700
325
575
750
1,000
500
575
ANDERSEN CONSULTING
500
700
430
550
700
1200
530
590
1000
1700
710
760
1700
2500
CGS (HOSKYNS)
425
570
295
405
570
850
350
560
850
1500
455
960
·25
·25
·25
·25
0·5
1·0
1·5
2·0
2·5
3·5
4·5
5·0
£K


L
M
U
E
L
M
U
E
L
M
U
E
L
M
U
E
L
M
U
E
0·5
1·0
1·5
2·0
2·5
3·5
4·5
5·0


UK
CSC
EDS
ORACLE
L
M
U
E
350
600
800
1000
1000
1200
2000
250
500
255
360
450
1000
310
410
800
1000
325
460
350
650
265
585
650
1000
375
850
1,000
1,500
585
2,130
1500
2300
0·5
1·0
1·5
2·0
2·5
3·5
4·5
5·0
£K.


L
M
U
E
F -
MASTER
1
2
3
4
5
6
7
8
9
10K
12
14
16
18
20K

ANDERSEN FRANCE

Daily rates

Junior Programmer	FF 3000
System's Programmer	FF 4000-5000
Project Manager Consultant	FF 7000-10000
Principal Consultant	FF 15000-16000
Partner	FF 24000

1993 Revenue for professional services: FF 900 million

Staff for professional services in France: 1100

8.5

DEC FRANCE

Exact daily rates:

Software Technician	FF 4050	475
System's Engeneer	FF 5400	635
Chief Engeneer Project Manager	FF 6200	730
Consultant Project Director 1	FF 7000	825
Project Director2 Senior Consultant	FF 9800	1,150

Expenses

0-99km	FF 0
100-149km	FF 233
150-199km	FF 424
200-249km	FF 549
250-499km	FF 755
500+	FF 1087
Overnight stay	FF 424
Subsistance	FF 223

8.5

BULL FRANCE

	Daily Rates	Add. Hour	6 visits p.a.	11 visites p.a.	22 visites p.a.
			(409)	(407)	
580	Level 1 FF 3309	-	- 2,456	- ~~4,480~~	-
760	Level 2 FF 4297	1039 ~~(122)~~ 7273	20877 3480	38069 3480	-
909	Level 3 FF 5157	1286 9002	25906 4320	47400 4310	92111 4,185
1040	Level 4 FF 5894	1472 10304	-	51585 4,690	97189 4,420
1180	Level 5 FF 6689	1671 18381	-	58701 5335	114221 5190
1327	Level 6 FF 7527	1874 13,118	-	65256 5932	127439 5792
1527	Level 7 FF 8655	2161 15127	-	-	-
1829	Level 8 FF 10374	2572 18004	-	-	-
2078	Level 9 FF 11783	-	-	-	-

L M U

Annual Revenue Professional Services: 1 Billion FF

Professional Staff : 2800

BULL FRANCE

Daily Rates	Add. Hour	6 visits p.a.	11 visites p.a.	22 visites p.a.
Level 1 FF 3309	-	-	-	-
Level 2 FF 4297	1039	20877	38069	-
Level 3 FF 5157	1286	25906	47400	92111
Level 4 FF 5894	1472	-	51585	97189
Level 5 FF 6689	1671	-	58701	114221
Level 6 FF 7527	1874	-	65256	127439
Level 7 FF 8655	2161	-	-	-
Level 8 FF 10374	2572	-	-	-
Level 9 FF 11783	-	-	-	-

Annual Revenue Professional Services: 1 Billion FF

Professional Staff : 2800

BULL FRANCE

Daily Rates	Add. Hour	6 visits p.a.	11 visites p.a.	22 visites p.a.
Level 1 FF 3309	-	-	-	-
Level 2 FF 4297	1039 24%	3480 20877	3460 38069	-
Level 3 FF 5157	1286	4318 16% 25906	4309 16% 47400	4187 19 92111
Level 4 FF 5894	1472	-	51585	97189
Level 5 FF 6689	1671	-	58701	114221
Level 6 FF 7527	1874 X4	-	5932 79 65256	5793 77% 23% 127439
Level 7 FF 8655	2161	-	-	-
Level 8 FF 10374	2572 4.	-	-	-
Level 9 FF 11783	-	-	-	-

Annual Revenue Professional Services: 1 Billion FF

Professional Staff : 2800

CSC FRANCE

Daily rates

Programmers	FF 1800 - 2000
Senior Programmers	FF 2000 - 2500
Analysts	FF 2500 - 3200
Junior Project Managers	FF 2500 - 3200
Development Managers	FF 2800 - 3500
System Consultants	FF 3500 - 5000
Technical Consultants	FF 3500 - 5000
Project Managers up to 8 people	FF 4000 - 4500
Project managers more than 8 people	FF 6000 - 8000
Principal Consultants	FF 6000 - 8500
Senior Managers	FF 8500 - 12000

L

M

U

Annual Revenue Professional Services: 150 Million FF

Professional Staff: 250

SLIGOS FRANCE

Daily Rates

Programmer Analyste	FF 2000-2800	
Projectmanager	FF 3200-3500	
Consultant	FF 400-4500	800
Project Director	FF 5500-6500	1000 →
Partner	FF 8000	1400

Annual revenue for professional service: 300 Million FF

Number of professional staff: 100

DEC FRANCE

Exact daily rates:

Software Technician	FF 4050
System's Engeneer	FF 5400
Chief Engeneer Project Manager	FF 6200
Consultant Project Director 1	FF 7000
Project Director2 Senior Consultant	FF 9800

<u>Expenses</u>

0-99km	FF 0
100-149km	FF 233
150-199km	FF 424
200-249km	FF 549
250-499km	FF 755
500+	FF 1087
Overnight stay	FF 424
Subsistance	FF 223

ANDERSEN FRANCE

Daily rates

Junior Programmer	FF 3000
System's Programmer	FF 4000-5000
Project Manager Consultant	FF 7000-10000
Principal Consultant	FF 15000-16000
Partner	FF 24000

1993 Revenue for professional services: FF 900 million

Staff for professional services in France: 1100

CSC FRANCE

Daily rates

Programmers	FF 1800 - 2000
Senior Programmers	FF 2000 - 2500
Analysts	FF 2500 - 3200
Junior Project Managers	FF 2500 - 3200
Development Managers	FF 2800 - 3500
System Consultants	FF 3500 - 5000
Technical Consultants	FF 3500 - 5000
Project Managers up to 8 people	FF 4000 - 4500
Project managers more than 8 people	FF 6000 - 8000
Principal Consultants	FF 6000 - 8500
Senior Managers	FF 8500 - 1200

Annual Revenue Professional Services: 150 Million FF

Professional Staff: 250

SLIGOS FRANCE

Daily Rates

Programmer Analyste	FF 2000-2800
Projectmanager	FF 3200-3500
Consultant	FF 400-4500
Project Director	FF 5500-6500
Partner	FF 8000

Annual revenue for professional service: 300 Million FF

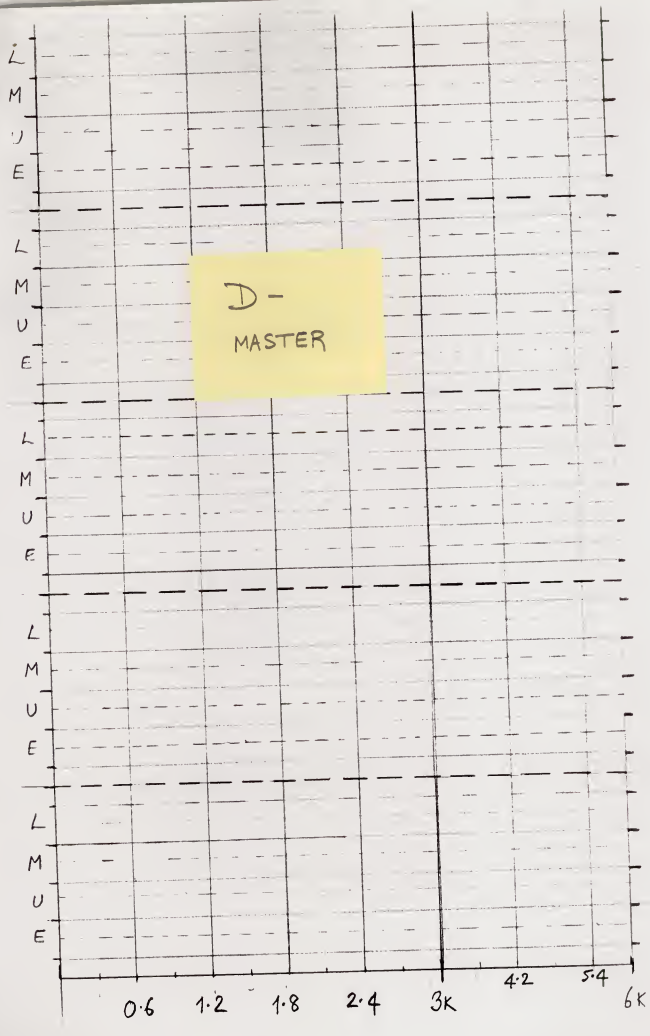
Number of professional staff: 100

SLIGOS

SLIGOS FRANCE

GRILLE DE TARIFS

PROFIL	TARIF JOURNALIER HORS TAXES		
Directeur de Projet	5 500 Frs	à	6 500 Frs
Chef de Projet	3 500 Frs	à	4 500 Frs
Ingénieur de Conception	2 700 Frs	à	3 500 Frs
Ingénieur de Développement	2 500 Frs	à	3 000 Frs
Analyste Programmeur	2 000 Frs	à	2 500 Frs
Ingénieur de Qualité		5 500 Frs	
Consultant, Expert		≥ 5 500 Frs	


L
M
U
E
L
M
U
E
L
M
U
E
L
M
U
E
L
M
U
E
D -
MASTER
0·6
1·2
1·8
2·4
3K
4·2
5·4
6K

SAP GERMANY

Daily Rates

Junior Consultant	DM 1180
Consultant	DM 1460
Senior Consultant	DM 1820
Managing Consultant Principal Consultant	DM 2150

1993 Revenue Professional services: 380-385 Million DM

Professional Staff: 300 Consultants in Germany
600 Consultants Worldwide

Sap do not carry out professional services on a general basis, only if it involves their own products.

marginal costing

ANDERSEN GERMANY

Daily Rates:	4080 480
Programmer	**DM 1200 - 1500**
Project Leader	**DM 2300 - 2800**
Consultants	DM 3000 - 4000

Annual Revenue Professional Services: 200-220 Million DM

Professional Staff: 900

5 Branches in Germany

ANDERSEN GERMANY

Daily Rates:

Programmer	**DM 1200 - 1500**
Project Leader	**DM 2300 - 2800**
Consultants	DM 3000 - 4000

Annual Revenue Professional Services: 200-220 Million DM

Professional Staff: 900

5 Branches in Germany

DIEBOLD (DAUGHTER COMPANY OF DEBIS)

Daily Rates

Only 1 level of Rates includes overtime but not expenses DM 3400

Do only Project Management,have no programmers.

Revenue Professional Services:30 Million DM

Professional Staff: 75-80

HOSKYNS GERMANY

Daily Rates

Only do 1 level of Consultancy: DM 1600

In-house training courses
1 day, max. 8 participants DM 3600

No longterm discounts, only hire out consultants, noprogrammers.

Professional Staff: 3 Consultants

DEBIS GERMANY

Daily Rates

Programmer Developer	DM 1700 - 1900
System Analyst System Designer	DM 1900
Organisational Consultant	DM 2500
Management Consultant	DM 3200

Annual revenue Professional Services; DM 700 Million

Professional Staff: 3000

Long term discount: negotiable

Promised to send Annual Report and SAmple Contract

CAP GEMINI/ ~~DAVIES~~ delis SYSTEMHAUS

Daily Rates

Project Assistant	DM 800
Programmer	DM 1200
Senior Programmer	DM 1300
System's Analyst System's Design Part-Projectleader	DM 1500
High-level Application Consultant Projectleader IT Specialist	DM 1600
IT Strategy Consultant	DM 2000

Discouts for 3-5 days work: 10-15%

Annual Revenue Professional Services: 740 Million DM

Professional Staff: 3700

SAG GERMANY

Daily Rates

Technical Consultant Application Developer Assistant Consultant	DM 1700 - 1900
Consultant	DM 2100 - 2300
Senior Consultant Principal Consultant	DM 2500

longterm Discounts range from 5%-10%

Annual Revenue Professional Services: 275-320 Million DM

Professional Staff: 500

8 branches throughout Germany

SAP GERMANY

Daily Rates

Junior Consultant	DM 1180
Consultant	DM 1460
Senior Consultant	DM 1820
Managing Consultant Principal Consultant	DM 2150

1993 Revenue Professional services: 380-385 Million DM

Professional Staff: 300 Consultants in Germany
600 Consultants Worldwide

Sap do not carry out professional services on a general basis, only if it involves their own products.

DEBIS GERMANY

Daily Rates

Programmer Developer	DM 1700 - 1900
System Analyst System Designer	DM 1900
Organisational Consultant	DM 2500
Management Consultant	DM 3200

Annual revenue Professional Services; DM 700 Million

Professional Staff: 3000

Long term discount: negotiable

Promised to send Annual Report and SAmple Contract

DIEBOLD (DAUGHTER COMPANY OF DEBIS)

Daily Rates

Only 1 level of Rates includes overtime but not expenses	DM 3400

Do only Project Management,have no programmers.

Revenue Professional Services:30 Million DM

Professional Staff: 75-80

CAP GEMINI/ DAVIES SYSTEMHAUS

Daily Rates

(operations people ?)

Project Assistant	DM 800
Programmer	DM 1200
Senior Programmer	DM 1300
System's Analyst System's Design Part-Projectleader	DM 1500
High-level Application Consultant Projectleader IT Specialist	DM 1600
IT Strategy Consultant	DM 2000

Discouts for 3-5 days work: 10-15%

Annual Revenue Professional Services: 740 Million DM

Professional Staff: 3700

HOSKYNS GERMANY

Daily Rates

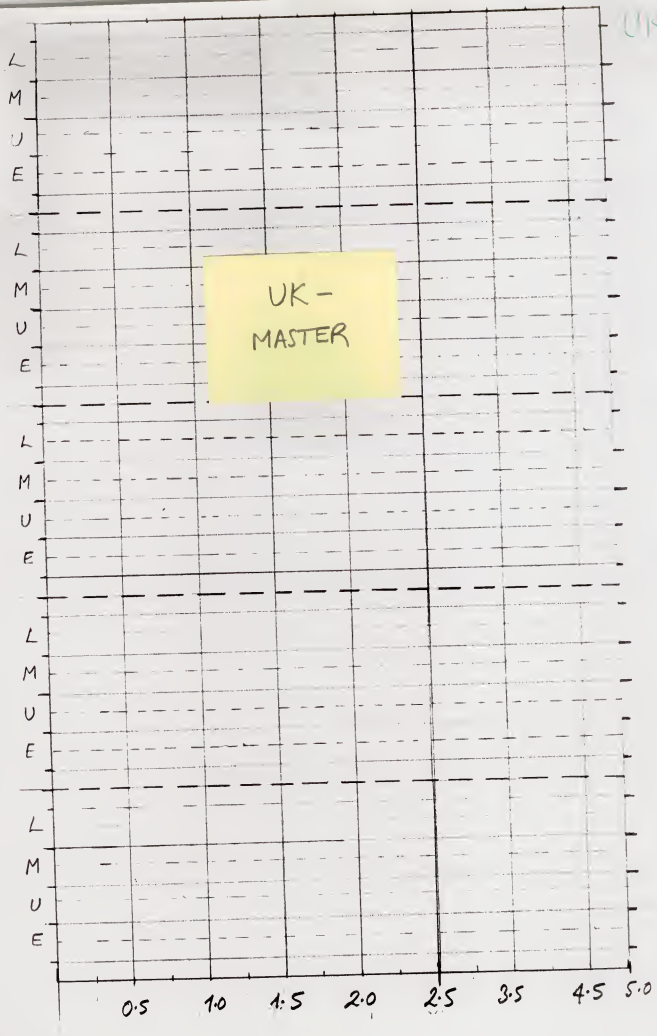
Only do 1 level of Consultancy: DM 1600

In-house training courses
1 day, max. 8 participants DM 3600

No longterm discounts, only hire out consultants, noprogrammers.

Professional Staff: 3 Consultants

UK



UK – MASTER

IBM UK

Daily Rates

Basic	£ 400
Complex	£ 700
Advanced	£ 1000
Consultant	£ 1250

Quaterly rates apply for jobs over 50 days: for junior people there is no discount, for senior people there is 4% discount.

Annual rates apply for over 200 days: no discounts obtained

There are 200 Project Managers in the UK

From 1 year ago:

IBM UK 1992

Level A

Program Design
Program Coding
Program Testing
Program Documentation
Creation of User Guide — £ 400 - 775 per day

380

Level B

System Design
System Testing
System Documentation
Network Implementation
Special Interface Coding
System software Modification — £ 775 per day

470 - 560

Level C

General Advisory Consulting
System Analasys
System Specification
Database Implementation — £ 775-1000 per day

Level D

Project Leading
Feasability Studies
Database Design
Network Design
Functional Specifiction
High Level Advisory Consulting — £ 1000-1250 per day

650
740

Level E

Project Management
Project Management Consultancy
Business Analasys Planning
business Consultancy
Application Consultancy — £ 1000-1250 per day

Discounts available for quaterly jobs and longer

IBM UK

Daily Rates

Basic	£ 400
Complex	£ 700
Advanced	£ 1000
Consultant	£ 1250

Quaterly rates apply for jobs over 50 days: for junior people there is no discount, for senior people there is 4% discount.

Annual rates apply for over 200 days: no discounts obtained

There are 200 Project Managers in the UK

IBM UK 1992

Level A

Program Design
Program Coding
Program Testing
Program Documentation
Creation of User Guide £ 400 - 775 per day

Level B

System Design
System Testing
System Documentation
Network Implementation
Special Interface Coding
System software Modification £ 775 per day

Level C

General Advisory Consulting
System Analasys
System Specification
Database Implementation £ 775-1000 per day

Level D

Project Leading
Feasability Studies
Database Design
Network Design
Functional Specifiction
High Level Advisory Consulting £ 1000-1250 per day

Level E

Project Management
Project Management Consultancy
Business Analasys Planning
business Consultancy
Application Consultancy £ 1000-1250 per day

Discounts available for quaterly jobs and longer

DEC UK

Daily rates

Programmers Analysts	£600-800
Project Managers	£900-1100
Consultants	£ 1100-1300
Consulting Director	£ 1500

Longt term discouts: 5% for every 30 days

30 days	5%
30-60 days	10%
60-90 days	15%
90-120 days	20%
120-150 days	25%
150-180 days	30%

30% is the maximum discount available

Total of professional staff in UK: 1100

Total of revenue for professional services: not disclosed

Dec has got 5 PSC (Professional Services Consultancy Centres) in the UK.

ICL UK

Weekly Rates			Daily Rates	
Project Staff				
Programmer	£ 1800	−9%	£ 400	400
Junior Project Manager	£ 2250		£ 500	
Senior Programmer	£ 2250		£ 500	500
Analyst Programmer	£ 2475		£ 550	
Development manager	£ 2700		£ 600	
Systems Consultant	£ 2925		£ 650	
Technical Consultant	£ 3150		£ 700	615
Project Manager	£ 3375		£ 750	
Principal consultant	£ 3600		£ 800	1045
Senior Manager	£ 4500	−9%	£ 1000	1100
			Director	1200
Support Staff				
Support Engeneer	£ 1800		£ 400	
Senior Engeneer	£ 2250		£ 500	
Support Consultant	£ 2700		£ 600	
Training Staff				
Trainer	£ 2250		£ 500	
Training Consultant	£ 2475		£ 550	
Training Manager	£ 2700		£ 600	

Weekly Rates are discounted by 10%.
Monthly Rates can be discounted up to 15%.

HOSKYNS UK

Daily Rates - **Short term Project (under 1 month)**

Programmer	£ 425
Senior Programmer	£ 470
Technical Consultant	£ 570
Consultant	£ 680
Senior Consultant	£ 850
Principal Consultant	£ 1050
Director	£ 1500

Daily rates - Long term Project (over 1 month)

Programmer	**£ 330**	22%
Senior Programmer	**£ 385**	
Technical Consultant	**£ 480**	16%
Consultant	**£ 600**	
Senior Consultant	**£ 750**	12%
Principal Consultant	**£ 900**	15%
Director	**£ 1300**	14

Professional Staff: 2800

DEC UK

Daily rates

Programmers Analysts	£600-800
Project Managers	£900-1100
Consultants	£ 1100-1300
Consulting Director	£ 1500

Longt term discouts: 5% for every 30 days

30 days	5%
30-60 days	10%
60-90 days	15%
90-120 days	20%
120-150 days	25%
150-180 days	30%

30% is the maximum discount available

Total of professional staff in UK: 1100

Total of revenue for professional services: not disclosed

Dec has got 5 PSC (Professional Services Consultancy Centres) in the UK.

HOSKYNS GROUP PLC ("HG")

SPECIFIC AGREEMENT FOR THE PROVISION OF PROFESSIONAL SERVICES

Standard fee rates, in pounds sterling per man day, for Consultancy, Systems and Programming, Operations and Communications resources are as follows:

Grade		Short Term £ per day	Long Term £ per day
Junior Programmer Operator Data Controller		295	270
Programmer Senior Operator		400	315
Senior Programmer		500	390
Technical Consultant Operations Supervisor		615	495
Consultant Operations Manager Systems Programmer		740	595
Senior Consultant Centre Manager Senior Systems Programmer Communications Consultant		925	730
Managing Consultant Principal Consultant		1045	885
Senior Manager	from	1100	
Director	from	1200	

The short-term daily rates will apply where resources are used on an intermittent or short term basis.

All work will be carried out on a Time and Materials basis under the Professional Services terms and conditions overleaf and be subject to HG's General terms and conditions.

January 1993

ANDERSEN UK

Daily Rates

Basic Consultant (Junior Programmer)	£ 500-700
Senior Consultant (Sen. Programmer/Analyst)	£ 700- 1200
Project Leader/Mgr Junior Level	£ 800-1200
Project Leader Senior Level	£ 1000-1700
Partner	£ 1700- 2500

Long-term discouts will apply on jobs of 1-2 years and can be up to 50% of daily rates.

Annual Revenue Professional Services: Europe 1 Billion Dollars
USA 1.5 Billion Dollars
Asia/Pacific 0.26 Billion Dollars
Worldwide 4 Billion Dollars

Professional Staff UK : 2500 (includes Programmers etc)

CSC UK

Daily Rates:

Assistan Consultant	**£ 350-400**
Consultant	**£ 600**
Senior Consultant	£ 800
Principal Consultant	£ 1000
Managing Consultant	£ 1200
Partner	£ 2000

Annual Revenue Professional services: £ 40 Million

Number of professional staff UK: 2000

ICL UK

	Weekly Rates	Daily Rates
Project Staff		
Programmer	£ 1800	£ 400
Junior Project Manager	£ 2250	£ 500
Senior Programmer	£ 2250	£ 500
Analyst Programmer	£ 2475	£ 550
Development manager	£ 2700	£ 600
Systems Consultant	£ 2925	£ 650
Technical Consultant	£ 3150	£ 700
Project Manager	£ 3375	£ 750
Principal consultant	£ 3600	£ 800
Senior Manager	£ 4500	£ 1000
Support Staff		
Support Engeneer	£ 1800	£ 400
Senior Engeneer	£ 2250	£ 500
Support Consultant	£ 2700	£ 600
Training Staff		
Trainer	£ 2250	£ 500
Training Consultant	£ 2475	£ 550
Training Manager	£ 2700	£ 600

Weekly Rates are discounted by 10%.
Monthly Rates can be discounted up to 15%.

HOSKYNS UK

Daily Rates - Short term Project (under 1 month)

Programmer	£ 425
Senior Programmer	£ 470
Technical Consultant	£ 570
Consultant	£ 680
Senior Consultant	£ 850
Principal Consultant	£ 1050
Director	£ 1500

Daily rates - Long term Project (over 1 month)

Programmer	**£ 330**
Senior Programmer	**£ 385**
Technical Consultant	**£ 480**
Consultant	**£ 600**
Senior Consultant	**£ 750**
Principal Consultant	**£ 900**
Director	**£ 1300**

Professional Staff: 2800

ANDERSEN UK

Daily Rates

Basic Consultant (Junior Programmer)	£ 500-700
Senior Consultant (Sen. Programmer/Analyst)	£ 700- 1200
Project Leader/Mgr Junior Level	£ 800-1200
Project Leader Senior Level	£ 1000-1700
Partner	£ 1700- 2500

Long-term discouts will apply on jobs of 1-2 years and can be up to 50% of daily rates.

Annual Revenue Professional Services: Europe 1 Billion Dollars
USA 1.5 Billion Dollars
Asia/Pacific 0.26 Billion Dollars
Worldwide 4 Billion Dollars

Professional Staff UK : 2500 (includes Programmers etc)

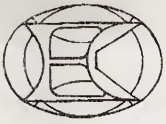
CSC UK

Daily Rates:

Assistan Consultant	**£ 350-400**
Consultant	**£ 600**
Senior Consultant	£ 800
Principal Consultant	£ 1000
Managing Consultant	£ 1200
Partner	£ 2000

Annual Revenue Professional services: £ 40 Million

Number of professional staff UK: 2000



EUROCOGNOS

LINGUISTIC AND RESEARCH SERVICES

FAX MESSAGE

TO: Peter Lines

COMPANY: Input

FAX NO: 071-629-0179

FROM: Agnes Temper

DATE: 1. 9. 94

NUMBER OF PAGES (INCLUDING THIS ONE): 3

MESSAGE: Peter,

Sorry for the delay in sending you these things.
I found some information on Olivetti and on EDS;
I hope it's of use

Kind Regards

Agi

EDS

Service	EDS-Scicon Job Title	Indicative Rate £/day
Services Level A	Systems Engineer	250 - 400
Services Level B	Advanced S.E.	350 - 500
Services Level C	Senior S.E.	450 - 600
Services Level E	S.E. Manager	800 - 1000
Services Level F	Consultant	800 - 1000

These rates assume a 7½ hour day, and out of pocket expenses are charged for extra as they occur.

Their daily rates are £400 p.d. min – 1000 p.d. average to £2,000 p.d. which ~~occurs~~ rarely. ~~fees~~. Programmer £750-800 p.d.

Olivetti will not deal direct with a client unless the overall deal (value) is under 1 Million £. (only 200 customers in UK) They will not be happy to undertake work if not a min. of 1 week's work in indexes

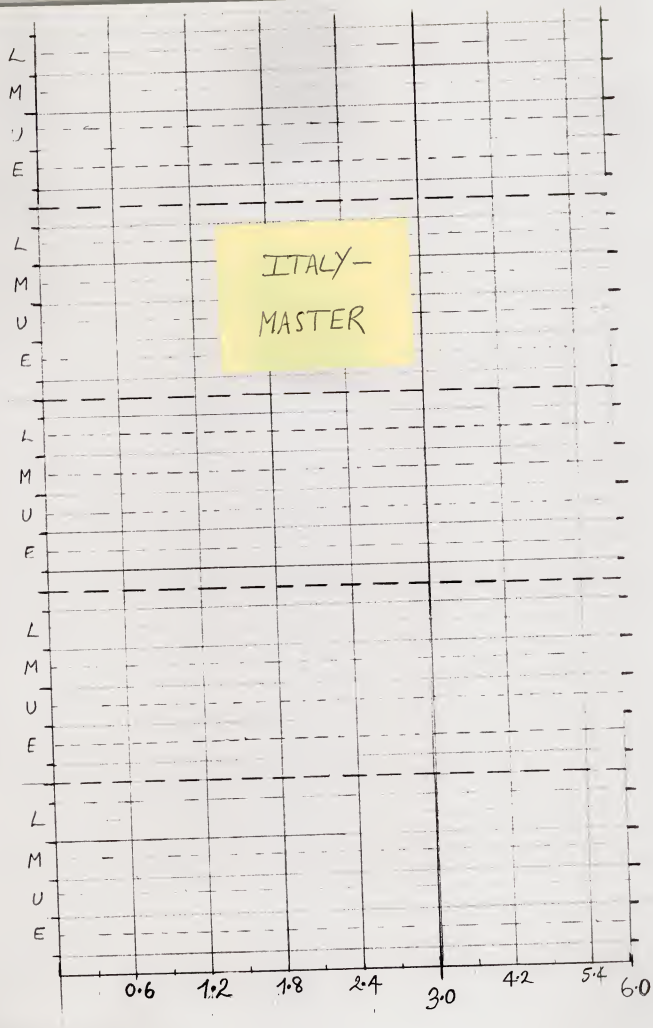
They would grade their personell according to the "British Computer Society", Swindon, European Information Skills Structure from 1 to 7

e.g. Programmer goes from 1 – 5 – 6
or 2 – 7

Technical Design
Specialist 4 – 7

Project Manager 4 – 7

Personell ~~is~~ ~~either~~ obtains grades either through work experience or academic qualification. The former will take longer to obtain his grades than the latter.


ITALY-
MASTER
L
M
U
E
0·6
1·2
1·8
2·4
3·0
4·2
5·4
6·0

HOSKYNS/ CAP GEMINI ITALY

Daily Rates:

Programmer	**550.000 Lira**
Analyst	**720.000**
Junior Consultant	**900.000**
Senior Consultant	**1.200.000**

Annual Revenue Professional Services: 30 Billion Lira

Professional Staff: 400

ANDERSEN ITALY

Daily rates:

Junior Programmer	600.000 Lira
Senior Programmer	800.000
Analyst Designer	1.300.000
Team Leader Project Leader	2.000.000
Manager	2.500.000
Senior Manager	3.000.000
Partner	4.000.000

Annual Revenue for Professional Services: 200 Billion Lira

Professional Staff, Italy: 1000

FINSIEL ITALY

Daily Rates:

Programmer	600.000 - 800.000 Lira
Functional Analyst	1.000.000
Junior Consultant	1.200.000
Senior Consultant	1.600.000
Principal Consultant	2.000.000
Partner	2.500.000

Annual Revenue Professional Services: 30 Billion Lira

Professional Staff: 200

2,450

HOSKYNS/ CAP GEMINI ITALY

Daily Rates:

Programmer	**550.000 Lira**	224
Analyst	**720.000**	295
Junior Consultant	**900.000**	370
Senior Consultant	**1.200.000**	490

Annual Revenue Professional Services: 30 Billion Lira

Professional Staff: 400

ANDERSEN ITALY

Daily rates:

Junior Programmer	600.000 Lira
Senior Programmer	800.000
Analyst Designer	1.300.000
Team Leader Project Leader	2.000.000
Manager	2.500.000
Senior Manager	3.000.000
Partner	4.000.000

Annual Revenue for Professional Services: 200 Billion Lira

Professional Staff, Italy: 1000

FINSIEL ITALY

Daily Rates:

Programmer	600.000 - 800.000 Lira
Functional Analyst	1.000.000
Junior Consultant	1.200.000
Senior Consultant	1.600.000
Principal Consultant	2.000.000
Partner	2.500.000

Annual Revenue Professional Services: 30 Billion Lira

Professional Staff: 200

See Olivetti - Lotline - - -

IBM

Year	Region	# employees	Revenue.	Av. cost
	UK	200 Project Managers		

↓

pay

Digital

Year	Region	# employees	Revenue	Av. cost.
	UK	1100		

BULL

Year	Region	# employees	Revenue	Av employee cost.
93	France?	2800	1 BFF (@5.67) = $176M	

ANDERSEN CONSULTING

Year	Region	[# employees]	Revenue/ ~~employee~~	Average employee cost
93	WWide		2876	
	Europe		$1016.	
93	France	1100	900 MFF	
			$159M	$145K/p.
93	Germany	900	200-220 MDM	
			$126M	$140K
~~[illegible]~~ 93	UK	2500		
	ITALY	1000	200 B£	
			$122M	$122K

debis

Year	Region	#employees	Revenue	Av. employee cost.
93		3,000	700MDM $420M	→ 140K
Cop/debis	D	3,700	740MDM $443M	→ 120
	I	400	30B £ $18.4M	→ 46

CSC

Year	Region	#employees	Revenue	Av. employee cost.
93?	France?	250	150MFF $26M → 104/employee	
93	UK	2,000	£10M	

FINSIEL

Year	Region	# employees	Revenue	Av. cost.
93	ITALY	200	30 B £ ↓ $18 M	

SAG

Year	Region	#employees	revenue	Av. employee cost
93	Germany	500	275-320 MDM ↓ $180M	360K.

SAP

Year	Region	# employees	Revenue	Av. employee cost.
93	WWIDE	600	385MDM?	
	Germany	300	$230M	

SLIGOS

Year	Region	#employees	Revenue	Av. employee cost.
93	France	100	300MFF $53M	

530

Dollar Rate	1	1	5.9	1.74	1.71	0.676	1	5.9	5.9	1	1.74	1	1.71
Company	IBM	Digital	Bull	Siemens Ni	Olivetti	ICL	Andersen	CGI	Cap Gemi	Computer Scie	Debis Systemhaus	EDS	Finsiel
WW Rev ($M)	62,716	14,371	4,788	6,839	5,037	3,882	2,876	328	1,869	1,750	974	8,507	940
Profit After Tax ($M)	-8,101	-251	-859	0	0	0	0	17	-61	0	0	724	0
Europe Rev ($M)	22,299	6,276	3,389	6,437	4,028	3,269	1,016	288	1,703	200	399	1,423	940
Employees	0	94,000	31,735	0	26,968	21,000	0	3,965	20,559	0	6,240	11,791	0

Total Revenue / Profit
employees.
Net margin
Gross margin

1	1.74	1.74	5.9
Oracle	Software AG	SAP	Sligos
1,724	484	633	647
0	0	0	27
733	304	475	647
4,165	0	0	6,230

APPENDIX A. FUNCTIONAL TITLES - OUTLINES.

Programmer:	Uses knowledge of language(s) etc to produce accurate and efficient code to specifications.
Senior Programmer:	As programmer but requires a more "in-depth" understanding of languages as specifications are likely to be more complex/less detailed. May involve limited supervision of programmers.
Analyst:	Uses recognised analysis and design techniques to develop clear specifications to meet user requirements. Either working with limited supervision on stand-alone projects or clearly identified part of projects, or under closer supervision on more complex projects. May take some responsibility for the work of programmers.
Senior Analyst:	As analyst but deals with more technically complex problems and is likely to take responsibility for the work of other analysts/programmers.
Quality Manager:	Takes responsibility, within a site or large project, for ensuring that all appropriate quality control procedures are carried out and that any necessary testing procedures are properly designed and implemented.
Systems Designer:	Works closely with a Project Leader/Manager in the key design stages of project to ensure the design and development of effective specifications to user requirements.
Team Leader:	Managers discrete parts of larger projects, likely to be more closely involved in the technical work. May involve the supervision of a small (3 to 6) team.
Consultant:	Capable of acting as an advisor or source of reference on a significant area of SI expertise. This may be management or technical.
Project Manager:	Takes responsibility for the overall success of (typically) a single project (£1m-£5m) effectively managing resource from bid to delivery to ensure that profitability and customer satisfaction are achieved.
Senior Consultant:	As Consultant but with more developed technical expertise or a wider range of managerial skills. A Technical Design Authority could be a Consultant or Senior Consultant dependent on skills etc.

PKW/je/0110

Version 1.0

Senior Project Manager/ Production Controller	Takes overall responsibility for the success of medium-large (£5m -£15m) projects, effectively managing resources from bid to delivery to ensure that profitability and customer satisfaction are achieved.
Principal Consultant:	Capable of acting as a source of reference on a significant area of SI expertise. an example might be: PC (Systems Architecture) to act as the overall design authority on major, complex projects. Typically the Principal Consultant will be seen as a leader in his/her field.
Project Director:	To oversee the programme, resourcing, and profitability of a number of projects, or as project manager with very large projects (>£15m).
Technology Director:	Capable or organising, managing and running the technology requirements for large (>£100m) business.
Executive Director:	Capable of organising, managing and running a complete, large business.

PKW/jc/0110

Version 1.0

APPENDIX B

Functional Title	FEE RATES £ Standard	Minimum
Junior Programmer	250	200
Programmer	325	250
Senior Programmer	375	300
Analyst	375	300
Senior Analyst	425	300
Quality Manager	450	300
Systems Designer	450	300
Team Leader	450	300
Consultant	500	400
Project Leader	600	450
Senior Consultant	700	550
Project Manager	850	600
Principal Consultant	1000	700
Projects Director	1500	1250
Technology Director	1750	1250
Executive Director	2000	1500

PKW/je/0110

Version 1.0

APPENDIX C JOB TITLES/SKILLS MATRIX

	PROGRMR	SEN PROG	ANALYST	SEN ANLST	QUA MNGR	SYST DESNR	TEAM LDR	CONSLT	PROJ LDR	SEN-CNSLT	PRJT MNGR	PRI CNSLT	PROJ DIR.	TECH. DIR	EXEC DIR.
Operating Platform	1	2	2	3	3	4	4	2	3	2	3	3	3	4	NA
Communications	1	2	2	3	3	4	4	2	3	2	3	3	3	4	NA
Database	1	2	2	3	3	3/4	4	2	2	2	2/3	3	3	4	NA
Design Skills	1	2	2	3	2	4	4	2	2	2	2	3	3	4	NA
Methods & Tools	1	2	1/2	2	3	3	4	2	3	3	3/4	3	3	4	NA
Innovation	1	2	2	3	2	3	2	3	3	4	3	5	4	4	5
Commercialism	-	1	2	2	2	1	2	3	3	4	3	5	4	4	5
Selling	-	1	1	2	2	1	2	3	3	4	3	5	4	4	5
Business Relationships	1	2	2	3	2	1	2	3	3	4	3	4	4	4	5
Delivery	1/2	2	2	2	3	2	4	3	3	4	3/4	5	5	4	5
Man Mngmt	-	1/2	1	2	2/3	2	3	2/3	3	3	4	3	4	4	5
Project Mgt.	-	1	1	2	2/3	2	3	2	3	3	4/5	4	5	5	5
Fin. Awareness	-	1	-	1	2	1	3	3	2	3	4	4	5	5	5

Each job title has against it a skill level (1-6):

1. A beginner but possibly with some formal training.
2. Competent practitioner but limited experience. Formally trained
3. Considerable (e.g. 4+ years) experience. Competent Practitioner.
4. Considerable (e.g. 6+ years) experience. Advanced Practitioner.
5. Expert
6. Recognised as a leading expert.

PKW/je/0110

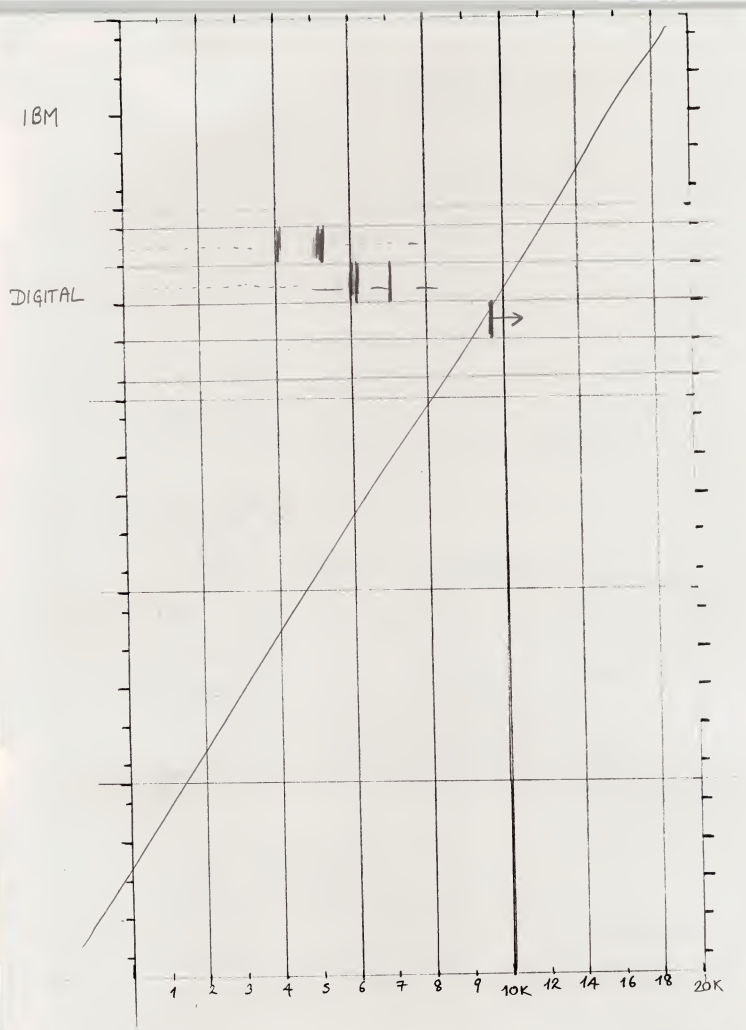
Version 1.0

GENERIC POINTS

- A move has begun to remove high-salary middle-level people and replace them with younger people with more appropriate skills eg HOSKYNS

- The use of rate cards is rapidly diminishing especially in the Commercial sector where the trend is towards specific quotations for individual jobs. These are based on job complexity with jobs being rated <u>simple</u>, <u>medium</u> or <u>complex</u> and costed accordingly.

- Rates will reflect skills shortages eg for example 87% increase in C++ programmer adverts



FRANCE

JUNIOR PROGRAMMER

1

CONSULTANT

2

PRINCIPAL CONSULTANT

4

EXECUTIVE DIRECTOR (PARTNER)

8

a year ago discounting
strongly on price
— key account ---

people being more realistic
- cost consciousness
- competition for smaller
open systems vendors

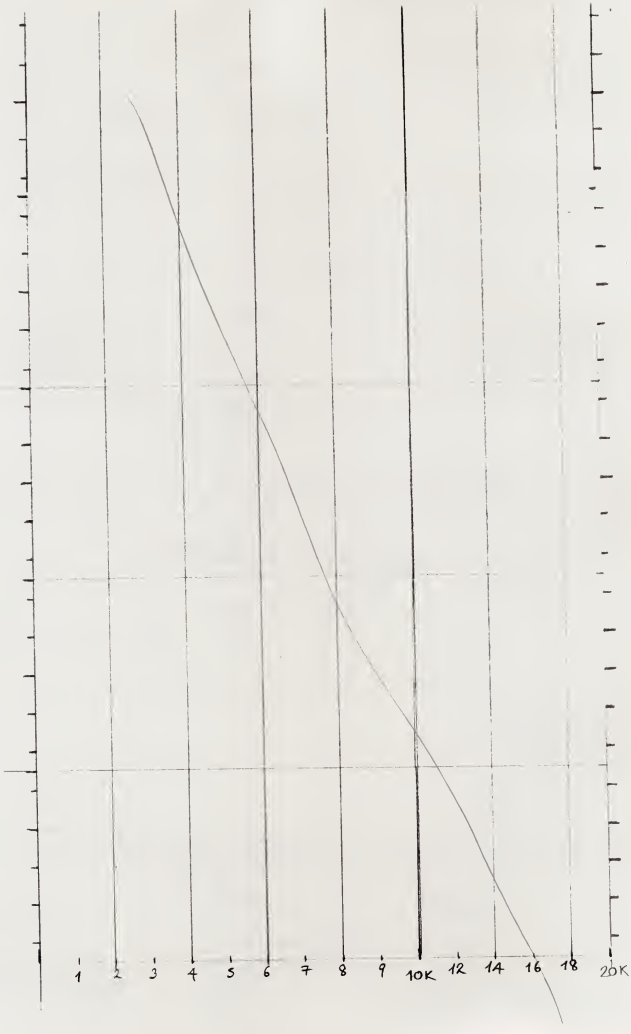
good pricing strategy
— compete on commodity
bid minimum
then bid-up + add-ons.

BULL - moved
up food chain

CS → Consulting.

CGI - CASE TOOLS — probably out-of-line
↳ support for
Δ algorithm
maybe connected to product ---

EDS - biggest breadth ~ utility - to high value...


1
2
3
4
5
6
7
8
9
10K
12
14
16
18
20K

IBM

DIGITAL

BULL

GENERAL PURPOSE

Competitin + relatively in-line

Andersen (premium)

→ pushtowards premium..

CGS

CSC

ORACLE (wider range ?)

Ploenzke
- real professional services firm
→ a bit flutter in market
reputation not price---

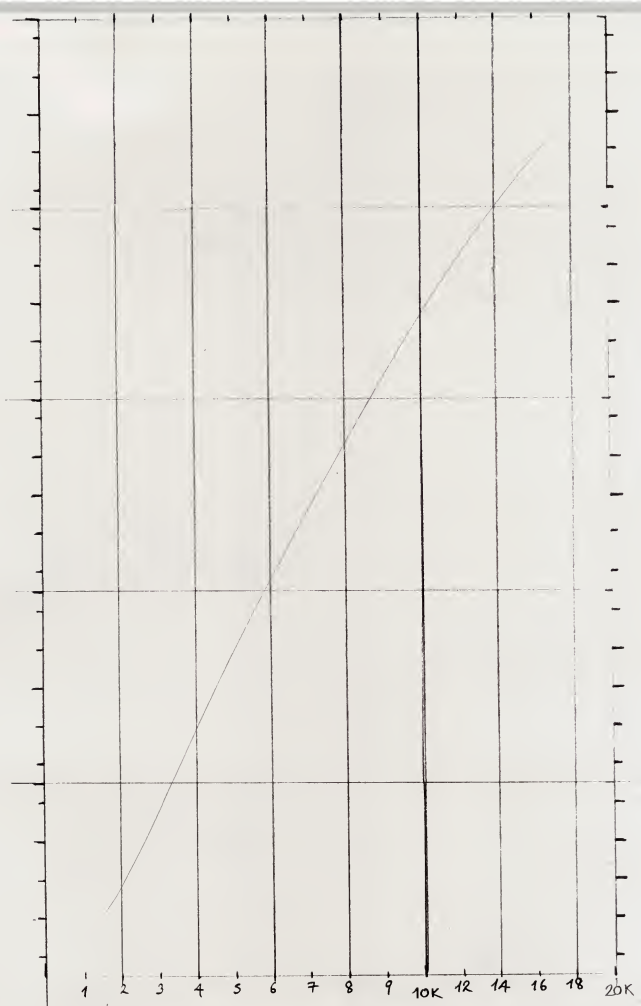
SAP

SAG

licence suppl.

Sligos
↑
35Δ
notecards
{product oriented}

UK vendors ahead of game in getting rid of people


1
2
3
4
5
6
7
8
9
10K
12
14
16
18
20K

Laying off of senior people A

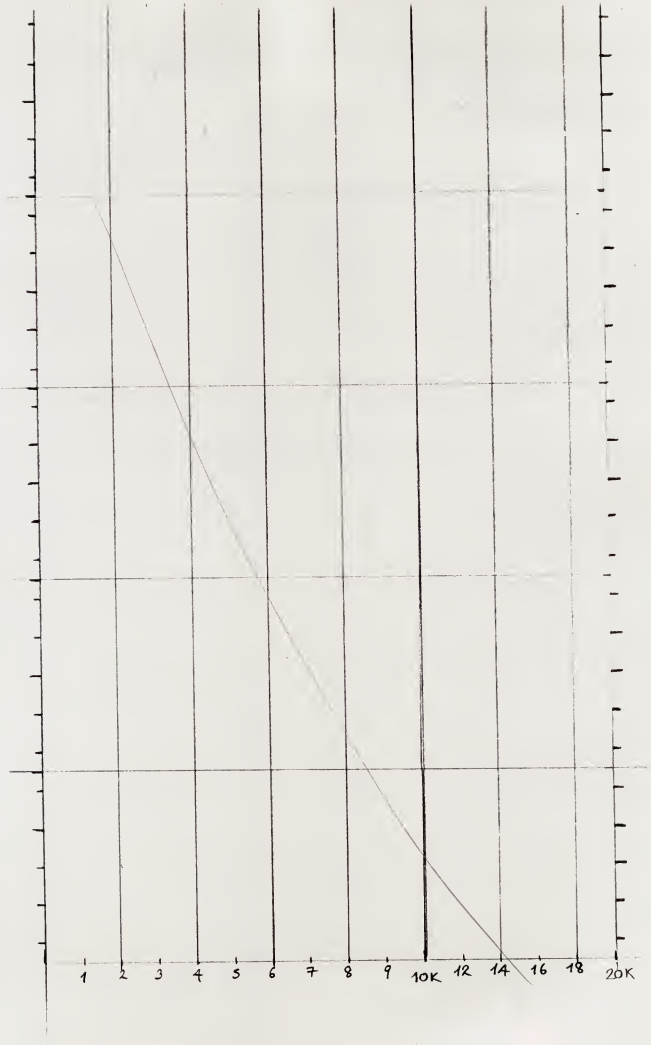
get costs down to be more profitable.....

Street price not gone up

bring higher rates down --

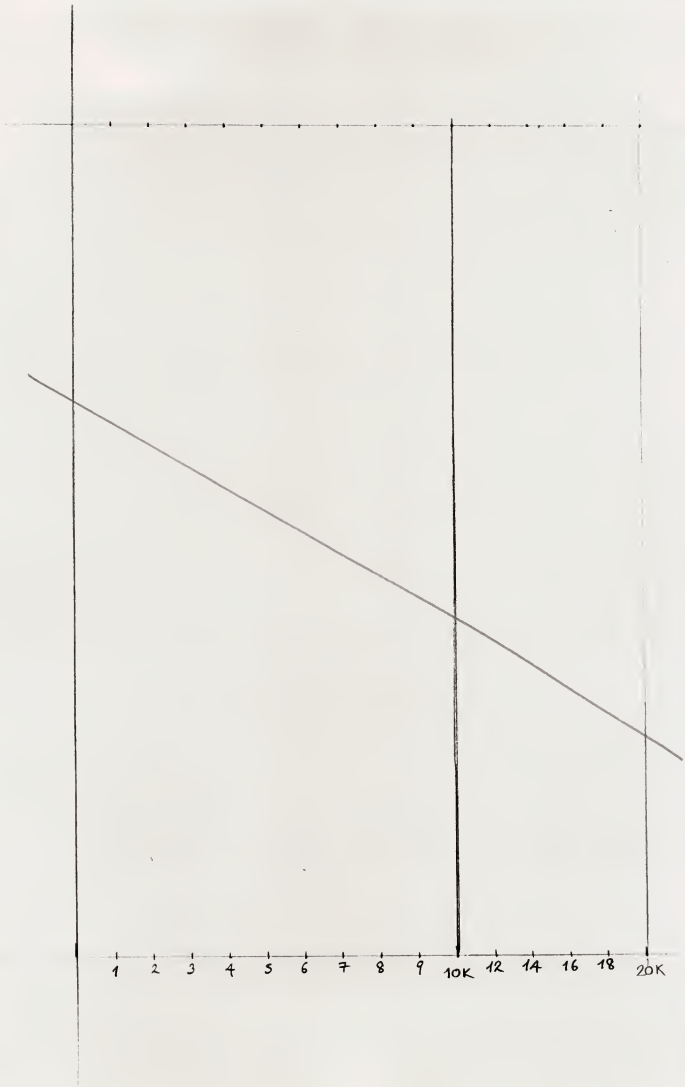
SAP - ORACLE - 1,500/day,

↳ shortages....


1
2
3
4
5
6
7
8
9
10K
12
14
16
18
20K

UK :

- Rates appear to be markedly lower than on Continent.
- Discounting related to <u>key account</u> status.


1
2
3
4
5
6
7
8
9
10K
12
14
16
18
20K

IBM

- ~~Formal quantity discounts apply for jobs over 50 days, but only for the more senior grades (discount is 4%).~~

- Quantity discounts are in place ~~based~~ implemented in quarterly and annual rates. (50 & 200 days respectively)

- Some further discounts available on senior people – 4%.

MEMORANDUM

1 September, 1994

FM ~~TO:~~ Sylvie

TO ~~FROM:~~ Pat - INPUT LDN -

SUBJECT: France - 1995 Statutory Holidays

cc: Peter Lines, Wendy, Graphics

OK no comments

SB 2/09

Please confirm the following dates for the 1995 Calendar, and return by fax to me by as soon as possible.

Standard 1995

1	0	Jour de l'an	Sun	Jan	1
1	1	Paques - Lundi *(Easter Monday)*	Mon	Apr	17
1	1	Fete du Travail *(Labour Day)*	Mon	May	1
1	1	Anniversaire 1945	Mon	May	8
1	1	Ascension	Thu	May	25
	1	Day after Ascension	Fri	May	26
1	1	Pentecote - Lundi *(Whit Monday)*	Mon	Jun	5
1	1	Fete Nationale	Fri	Jul	14
	1	Day before Assomption	Mon	Aug	14
1	1	Assomption *(Assumption Day)*	Tue	Aug	15
1	1	Toussaint *(All Saints)*	Wed	Nov	1
1	0	Armistice 1918	Sat	Nov	11
1	1	Noel	Mon	Dec	25
---	---				
11	11	TOTAL			

***

DIGITAL

Quantity or (long-term) discounts are calculated on the basis of 5% for every 30 days up to a maximum of 30%.

MA CONSULTANTS
11 Belmore Avenue
Pyrford
Surrey GU22 8LN
Tel: 0483 714964
Fax: 0483 776396

Mr. Peter Lines. 1 Sep 94
INPUT

Dear Peter,

Profile of COS attached – plus invoice for the first 6 profiles delivered yesterday.

Profile of Nexor + final invoice to follow shortly.

Any comments welcomed.

Kind regards

Mike

ICL:

- Weekly rates can be discounted by 10% & monthly rates by up to 15%.
  — really quantity discounts.
- Tendency to move away from rate card and grade jobs as simple, medium or complex. effectively reducing the # of levels involved.

TREND:

Quoted rates seem to have hardened from one year ago — top end now 600 700 1000
from 600 900 1200.

MESSAGE CONFIRMATION

05/09/94 09:21
ID=INPUT LTD

NO.	MODE	BOX	GROUP
888	TX		

DATE/TIME	TIME	DISTANT STATION ID	PAGES	RESULT	ERROR PAGES	S.CODE
05/09 09:21	00'40"	0270 68831	001/001	OK		0000

ANDERSEN

- Long term discounts will apply on jobs of 1-2 years and can be up to 50% of daily rates

MESSAGE CONFIRMATION

05/09/94 09:18
ID=INPUT LTD

NO.	MODE	BOX	GROUP
887	TX		

DATE/TIME	TIME	DISTANT STATION ID	PAGES	RESULT	ERROR PAGES	S.CODE
05/09 09:15	03'06"	0270 68831	005/005	OK		0000

HOSKYNS

- For projects of at least one month or longer ---- 22% on juniors, ≈ 15% on senior — 12% on middle level people.

- Little change in last year
- Emphasis on <u>client specific discounts.</u>

Subject: Other:

Hilary, I will send the contract forms and copies of existing profiles by mail. Below is some information concerning the new firms to be profiled.

ECS has a Paris address, Phone 010-33-1-45 92 14 32 Fax 45 92 84 16, D&B listing attached.

The only reference I have regarding LTA appears to be a subsidiary company, hopefully they are related and you can track them from this, Phone 010-33-1140 10 14 13.

Memorex in the UK is as on the attached, but you need to track through to the European Headquarters since all these profiles need to be done from a European perspective.

Regards Peter.

ADM 341/01 12/92

MESSAGE CONFIRMATION

05/09/94 09:11
ID=INPUT LTD

NO.	MODE	BOX	GROUP
886	TX		

DATE/TIME	TIME	DISTANT STATION ID	PAGES	RESULT	ERROR PAGES	S.CODE
05/09 09:10	00'00"	9085888068?7	000/002	BUSY		14C2

APPENDIX B

FEE RATES £

	Functional Title	Minimum	Standard	
L	Junior Programmer	200	250	1
	Programmer	250	325	
	Senior Programmer	300	375	
	Analyst	300	375	
M	Senior Analyst	300	425	
	Quality Manager	300	450	
	Systems Designer	300	450	
	Team Leader	300	450	
	Consultant	400	500	2
	Project Leader	450	600	
U	Senior Consultant	550	700	
	Project Manager	600	850	
	Principal Consultant	700	1000	4
E	Projects Director	1250	1500	
	Technology Director	1250	1750	
	Executive Director	1500	2000	8

PKW/jc/0110

CAP debis

GERMANY

SAMPLE CONTRACT

DIENSTLEISTUNGSVERTRAG

zwischen Firma 1
Firma 2
Straße
PLZ Ort

(nachfolgend "Kunde" genannt)

und CAP debis MEB
Mercedes-EDV-Beratung GmbH
Multring 26
69469 Weinheim

(nachfolgend "Auftragnehmer" genannt)

I. Leistungsumfang

Pos.	Art der Leistung, Kategorie/Tätigkeit	Schätzaufwand Std./Tage	Betrag in DM ohne MwSt
1			0,00
	Gesamt:		0,00

bei Bedarf: (Einzelheiten zu Art und Umfang der Leistungen ergeben sich aus Anlage ....)

II. Erbringungszeitraum xxx

III. Allgemeine Geschäftsbedingungen

Diesem Dienstleistungsvertrag liegen die als Anlage A beigefügten ALLGEMEINEN GESCHÄFTSBEDINGUNGEN FÜR DIENSTLEISTUNGEN - Inland- zugrunde.

III. Besondere Vereinbarungen

xxxxxxxxxxx

_____ , den_____ Weinheim, den 21.04.1994

_____ _____
(Stempel/Unterschrift Kunde) (Stempel/Unterschrift Auftragnehmer)

INPUT®
IT Intelligence Services

17 Hill Street, London, W1X 7FB
Tel. +44 (0) 71 493-9335
Fax +44 (0) 71 629-0179

FAX TRANSMITTAL FORM

Date: August 25, 1994

To: Name: Peter Griffiths
Tel./Location: 010-49-70-31-14-12-90
Co.: Hewlett Packard
Fax No: 010-49-70-31-14-14-56
From: Name: Peter Lines
Subject: Professional Services Pricing

Page: 1 of 5.
File: Chron
Contact
Other:

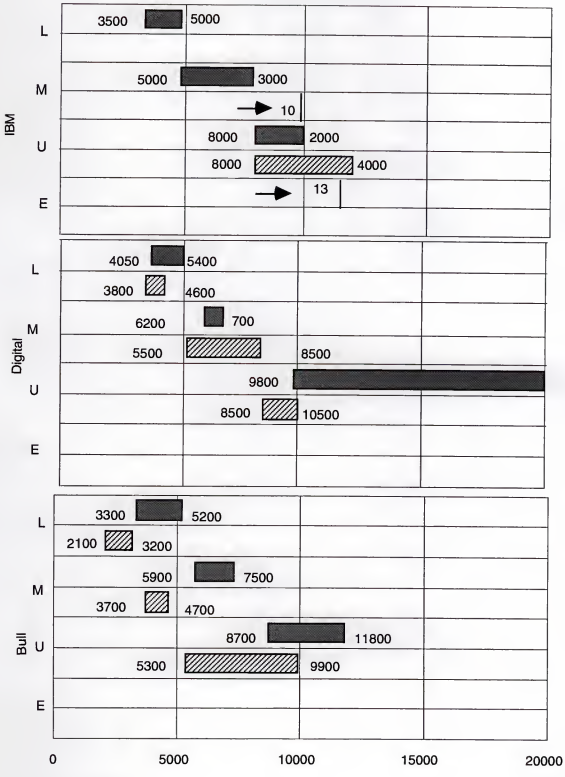
Dear Peter,
Please find enclosed a revised Chapter IV for the Professional Services Report. Unfortunately you were sent an incorrect version in the DHL last week, which I trust you received today anyway.

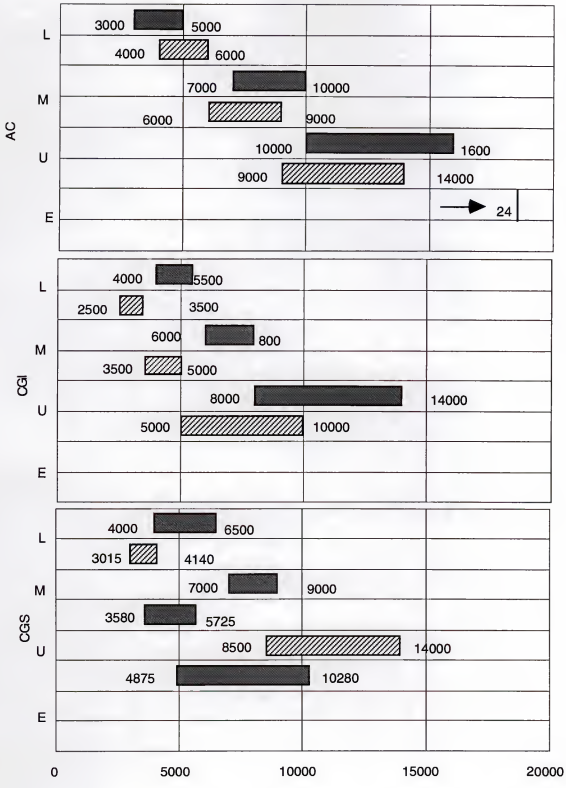
Regards

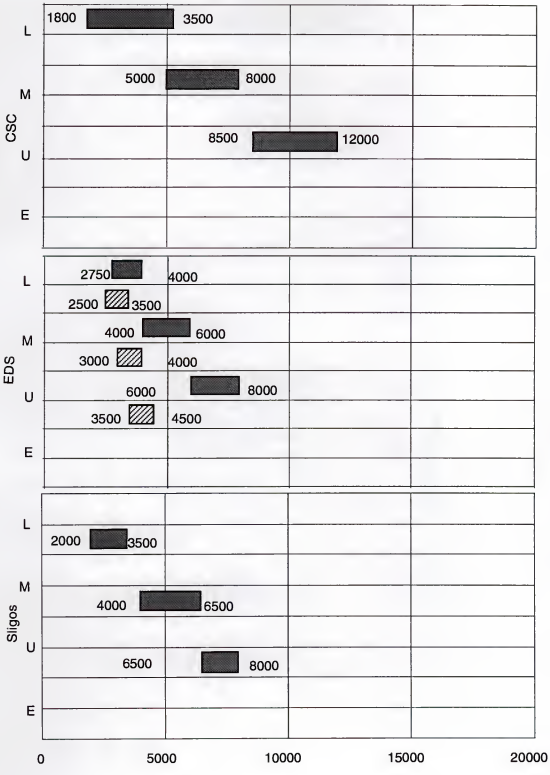
Peter Lines.

Max 23.9.94

FRANCE




AC
L
M
U
E
3000
5000
4000
6000
7000
10000
6000
9000
10000
1600
9000
14000
24
CGI
L
M
U
E
4000
5500
2500
3500
6000
800
3500
5000
8000
14000
5000
10000
CGS
L
M
U
E
4000
6500
3015
4140
7000
9000
3580
5725
8500
14000
4875
10280
0
5000
10000
15000
20000


CSC
L
M
U
E
1800
3500
5000
8000
8500
12000
EDS
L
M
U
E
2750
4000
2500
3500
4000
6000
3000
4000
6000
8000
3500
4500
Sligos
L
M
U
E
2000
3500
4000
6500
6500
8000
0
5000
10000
15000
20000

QUALITY SOFTWARE MAKES INTERNATIONAL PROGRESS, BUT BOTTOM LINE TAKES STRAIN

Quality Software Products Plc's first year-end results following its flotation were disappointing, still showing the effects of investment in its flagship Universal OLAS accounting software. The company, which floated last April, (CI No 2,101), has been grooming the product as a successor to its existing OLAS software, and has spend £1.3m in the year appointing a team of 30 support workers and a 10-strong sales and marketing team to push it into the market. Four modules for the system supporting IBM Corp mainframes, the RS/6000, Sun Microsystems Inc and Sequent Computer Systems Corp machines have been developed, and a further three are being produced - two in 1994, one in 1995. The modules support the DB2, Oracle and Sybase relational database systems, but according to the firm, the system is flexible enough to generate modules for any machine in three months. The company has already signed customers for the system, including Swiss Bank Corp, Sheffield Hallam, Britannia Airways, Express Gifts, Moray District Council and the North of England Building Society. The Commonwealth Bank in Australia was also signed in a £474,000 contract which boosted Australia's contribution to group sales to 18% from 10% in the first half. A large proportion of the contracts signed used the product running on an RS/6000 with Oracle. In spite of these contracts, the £4m spent on product development, (a further £3m will be spent next year), has forced profits down 54% to £553,244 in spite of sales up 1.8% to £13.4m. The firm used tax credits, so pre-tax and net profits were equal. Universal OLAS, which uses the company's Multi Cross Platform Engineering technology to become operating system independant, is also the subject of two marketing agreements; Quality's agreement with the Continuum Co Inc insurance software house is effectively a software OEM agreement where Continuum will sell the software integrated with its own products to markets outside the US. It has already sold the hardware to a European and an Australian insurance group. Meanwhile the firm's recent deal with Global Software Inc where it acquired 5% of the latter for no outlay, gives it a channel into the US - Global will sell Universal OLAS to its own customer base and give 45% of the profits to Quality, (CI No 2,359). Quality also signed with the International Air Transport Association for joint sales of the product to the airline industry, and is looking to appoint other partners like Global in Europe and the Far East. The firm says that the order book for Universal OLAS looks good for next year, with the number of leads 400% larger than last time. Gearing is down to 33% from 72%, and it has has £1.4m in the bank; final dividend is 1.25p.

CURRENT YEAR HAS GOT OFF TO A BETTER START, GESTETNER TELLS ANNUAL MEETING

The first four months of the current year have been encouraging, Gestetner Holdings Plc's told the annual meeting: "Whilst there is continued pressure on sales volumes in all the group's main markets, recent management action has resulted in an improved performance," chairman David Thompson said. Office equipment sales were flat but trading margins had improved as a direct result of cost-cutting and he saw the improvement continuing this year. The US photographic business was hit by the earthquake.

ORACLE PLANS TO CONCENTRATE ON BUILDING MARKET SHARE AND TURNOVER GROWTH

Commenting on its figures (below), Oracle Corp says that its quarterly revenue growth was driven by licence sales, which rose 30% over the year-ago level. The company also cited strong growth in Oracle7 product demand and service revenues, adding that Unix licence revenues rose 37% over the third quarter of fiscal 1993, but desktop licence sales leaped 67% over the prior period so that Unix and desktop licence revenues made up 89% of total licence revenues in the latest quarter, up from 82% a year ago. Sales in the US rose 29% over last year's first quarter, 38% if you eliminate last year's Oracle Federal business, which is being run down, but Oracle Europe managed only 20% growth, with a 6% currency translation effect making the dollar figure look worse. Quarterly revenues at Oracle Intercontinental rose 58% over the third quarter of fiscal 1993. The operating margin was 21.5% in the latest quarter, compared with 18.3% during the same time last year, excluding the $24m provision for the lawyers. The company says it now plans to focus more aggressively on revenue growth and market share, based on a continuing strong market and the company's own solid position.

SEMA EXPLAINS WHY IT HAD NO ALTERNATIVE BUT TO SELL I-LINIE TO IBM FRANCE UNIT

Sema Group Plc's sale of its Germany-based business management software I-Linie to CGI Informatique SA, now a subsidiary of IBM Corp (CI No 2,380), was the logical evolution to Sema's 1992 marketing, sales and development agreement with IBM. The agreement was designed to give Sema the marketing power of IBM in Germany to counter that of competitor SAP AG and to, in effect, merge I-Linie and IBM's Cimapps products. Sema had bought I-Linie from ADV/Orga FA Meyer AG of Wilhemshaven in 1990, and despite enormous development investments designed to upgrade the product, could not manage to earn any money on it. b'We thought we had found in IBM the marketing and sales support necessary for our product, but once it had purchased CGI Informatique, the partnership situation was no longer the same," Sema said. CGI said IBM had transferred global responsibility for its Copics/Cimapps line to CGI and that CGI will integrate the finance and personnel functions of Cimapps into its own Sigagip product line. CGI added that "as part of the 1992 agreement, Cimapps had already been integrated with the I-Linie family, which has 400 sites in Germany."

Company Results

Digital Biometric Inc has reported first quarter net losses of $710,000 up from losses of $315,000 last time, on turnover that rose 28.9% to $1.3m.

Oracle Corp has reported that third quarter net profits rose 170.8% at $69.7m against a period that included a $24m litigation charge, on turnover that rose 30.4% at $482.8m; net profit for the nine months rose 481% to $169.2m against a period that included a $43.5m charge for an accounting change plus the legal bill, on turnover that rose 29.4% at $1,333m. Net earnings per share rose 140% to $0.24 in the quarter, 470% to $0.57 in the nine months.

Quality Software Products Plc has reported net and pre-tax profits for the year to December 31 down 54% at £553,244 on turnover that rose 1.8% to £13.4m. Earnings per share fell 59% to 6.7 pence.

COMPUTER PEOPLE, UP 101% AT MID-TERM, BEGINS TO BENEFIT FROM RESTRUCTURING

Computer People Group Plc, the London-based supplier of contract programmers in the UK and US, yesterday announced interim pre-tax profit up 101% at £733,000 on turnover up 13.3% at £38.0m as the company picked up higher margin contracts in emerging areas, particularly personal computer networks. According to Richard Pinder, finance director, the results are "encouraging" but the company still has "quite a long way to go" to return to its previous levels of profitability. The company expects this profitability to improve further in the second half as the benefits of its UK management reorganisation begin to show. This consolidation cost £530,000 and consisted of the removal of six senior managers, who all had long term contracts. Through it, the company expects to save £200,000 in the second half, and £500,000 per year from 1995. The programme was in part enabled by the acquisition of The Span Consultancy in July for £5.5m (CI No 2,446). Since the acquisition, Roger Graham, chairman of Computer People, says that both companies have been working well together and Span is performing better than expected. The company's revenues are split roughly two thirds UK and a third US, though this will become three quarters and one quarter with the first results of Span. In the UK, the company saw 10% growth in revenues to £23.8m, and operating profit up 43.3% at £1.1m. The consulting business, the core of UK operations, enjoyed 6% revenue growth to £21.9m, as the number of consultants on assignment increased 7.8% to 801. The company's star UK performers however were the recruitment business with revenues up 76% to £1.5m and advertising sales doubling to £333,000. In the US, turnover was up 19.8% at £14.2m and profit up 184% at £690,000, continuing the recovery started in the second half of 1993. The number of consultants on assignment was up 13.5% at 428, consultants on billing up 3.8% at 459. Computer People attributes the threefold increase in operating profit to the placement of higher value people and more consultants on billing. Though the company is excited about the opportunities in the US, its sights are firmly focused on the UK, and in particular the North, where the company's market share has been eroded over the last few years. The company will pay an interim dividend of a penny, none was paid last year. The market responded favourably to the news, and the shares added 10 pence to 195 pence.

Credit Ratings

Cincinnati Bell Inc, Cincinnati, Ohio has taken a hit from Standard & Poor's Corp, which lowered its rating on the phone company's senior unsecured debt to A-minus from single-A and on its commercial paper to A-2 from A-1, affecting about $630m of debt. The downgrade reflects the debt incurred in acquiring WATS Marketing and the company's increasingly riskier business profile as it seeks to generate higher proportions of its turnover from diversified activities. The action also reflected the poor performance of Cincinnati Bell Information Systems over the last three years: this software and services unit comprises a significant portion of the company's diversified activities, the ratings agency noted, adding that the outlook is now stable. The rating would have been lowered further but for the credit quality of Cincinnati Bell's telephone operations and the renewal of the cellular billing contract with McCaw Cellular Communications Inc.

Share & Bond Issues

NetWorth Inc, the Irving, Texas builder of hubs - which are taken OEM by Tandem Computers Inc's UB Networks unit - has filed with the Securities & Exchange Commission to offer up to 2.25m shares, 2m of them new, and plans to use the indicated $22m or so net proceeds repay debt and for working capital. The offer will be made through underwriters Robinson-Humphrey Co Inc and William K Woodruff & Co Inc.

Company Results

Computer Identics Corp has reported second quarter net losses of $1.2m, up from a $282,000 loss last time, on turnover that rose by 20.6% at $5.9m; mid-term net losses were $1.27m, down from $1.33m last time, on turnover that rose by 24.0% at $11.7m.

Computer Network Technology Inc saw second quarter net down 56.1% at $471,933 on turnover up 54.8% at $18.0m; mid-term net losses were $8.2m, after a non-recurring charge of $9.3m, against a profit last time of $1.4m, on turnover up 64.0% at $33.6m. Net per share fell 66.7% to $0.02 in the quarter.

Computer Products Inc saw second quarter net up 133.1% at $1.5m on turnover up 25.0% at $38.4m; mid-term net fell 20.5% to $2.7m, against a period with a gain of $2.3m for the cumulative effect of an accounting change, on turnover up 28.1% at $76.1m. Net per share rose 133.3% to $0.07 in the quarter, but fell 18.7% to $0.13 in the half.

Contel Cellular Inc has reported second quarter net losses at $9.5m, down from a loss last time of $19.8m, on turnover up 51.4% at $135.3m; mid-term net losses were $18.1m, after non-recurring gains of $33.1m, against a loss last time of $53.3m, on turnover that was up by 52.4% at $254.5m.

Exar Corp saw first quarter net losses at $13.3m, against a profit last time of $4.1m, after a non-recurring charge of $16.9m, against a period with a $200,000 gain for the cumulative effect of an accounting change, on turnover down 10.7% to $38.1m.

Executone Information Systems Inc saw second quarter net up 100.8% at $2.4m, against a period that included a gain of $77,000 fom discontinued operations, on turnover up 11.9% at $76.6m; mid-term net rose 69.2% to $3.3m, after a gain of $757,000 from discontinued operations of which $604,000 came from their disposal, against a period that included a charge of $46,000 from said operations, on turnover up 7.9% at $141.9m. Net earnings per share rose 66.7% to $0.05 in the quarter, 75% to $0.07 in the half. Comparisons are made against figures restated to reflect discontinued operations.

InfoData Systems Inc saw second quarter net $154,000, against a loss last time of $26,000, on turnover down 16.0% at $2.0m; mid-term net profit was $255,000, against a $78,000 loss last time on sales down 13.6% at $3.8m. Net per share, adjusted for a one-for-three split effective in April, were $0.20 in the quarter, $0.32 in the half.

Telebit Corp reported a second quarter net profit of $230,000, against a loss last time of $12.3m that included a non-recurring charge of $8.4m in the quarter, $9.0m in the six months, on turnover up 16.2% at $19.0m; mid-term net profit was $2.5m, against a loss last time of $12.9m on turnover up 17.5% at $43.6m. Net earnings per share were $0.02 in the quarter and $0.17 in the six months.

Computer People Group Plc has reported net profits for the six months to June 30 up 137.5% at £475,000 on turnover that rose 13.3% to £38.0m. At the pre-tax level, profits were up 101.4% at £733,000. Earnings per share rose 135.9% to 3.42 pence.