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INPUT®

PROFESSIONAL SERVICES PRICING

A Report for
National Westminster Bank

APRIL 1996

(Blank)

Prepared by
INPUT Ltd.
Cornwall House
55-77 High Street
Slough
Berkshire
United Kingdom

Professional Services Pricing

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I

Introduction

A
Objectives and Scope

INPUT WAS commissioned to conduct a field research project to establish an independent benchmark of professional services pricing data for National Westminster Bank. The information is to be used to monitor the rates for the billing of a major business transformation project under contract.

With the agreement of National Westminster Bank, the study has been restricted to a small sample of four professional services companies who are perceived by INPUT to be of sufficient calibre to undertake large scale financial BPR work in the UK. These are namely:

- A.T. Kearney/EDS
- Coopers and Lybrand
- Hoskyns/ Cap Gemini Sogetti
- PA Consulting.

A number of firms were rejected from the sample on the grounds that their BPR credentials were incompatible with the Andersen Consulting job capsule data provided by National Westminster Bank. This job capsule data is shown in Appendix A.

B
Methodology and Definitions

The first stage of the research project was the definition of the job capsules designed to form a fair representation of the different levels of work anticipated in the project in question being run by Andersen Consulting for the National Westminster Bank. These job capsules were provided to INPUT in sufficient detail in order that they could be utilised as a fair basis of comparison with the work being conducted by competitive firms.

INPUT then utilised these job capsules to make direct comparisons with the job descriptions being used by comparable firms doing comparable work.

The choice of firms was critical since the large scale BPR consulting being undertaken by Andersen Consulting in the finance sector is a specialised project service not widely available from professional services firms.

INPUT then matched as closely as possible the professional services rates being quoted by competitive firms for their various staff grades with those defined by the given job capsules.

From this information, a set of tables was then prepared which was adjusted to match the staff grades provided by Andersen Consulting as represented by the job capsules. It is important to state here that we believe the top level designated by Andersen Consulting as 'Assistant Partner/Partner' should be reapportioned as two grades with two separate day rates to provide a fairer comparison with the rates of its competitors. By doing so, we match an **Andersen Consulting Partner** with the following:

- An A.T. Kearney Vice President
- A Coopers and Lybrand Partner
- A Hoskyns Director
- A PA Consulting Senior Partner.

At the next level down, we match an **Andersen Consulting Associate Partner** with the following:

- An A.T. Kearney Principal
- A Coopers and Lybrand Principal
- A Hoskyns Senior Manager
- A PA Consulting Partner.

At the next level down, we match an **Andersen Consulting Manager** with the following:

- An A.T. Kearney Manager
- A Coopers and Lybrand Principal Associate
- A Hoskyns Managing Consultant
- A PA Consulting Managing Consultant

At the next level down, we match an **Andersen Consulting Consultant** with the following:

- An A.T. Kearney Associate[1]
- A Coopers and Lybrand Senior Associate[1] and Associate II[2]
- A Hoskyns Principal Consultant[1] and Senior Consultant[2]
- A PA Consulting Principal Consultant[1] and Consultant[2]

Note[1] INPUT perceives this grade as equivalent to an experienced Andersen Consulting Consultant.

Note[2] INPUT perceives this grade as equivalent to an Andersen Consulting Consultant of lesser experience.

Finally at the lowest level, we match an **Andersen Consulting Associate Consultant** with the following:

- An A.T. Kearney Business Analyst[4]
- A Coopers and Lybrand Associate I[3] and a Research Analyst[4]
- A Hoskyns Consultant[3] and Technical Consultant[4]

Note[3] INPUT perceives this grade as equivalent to an experienced Andersen Consulting Associate Consultant. N.B. At A.T. Kearney this band does not exist as the company recruits at graduate entry

level and then expects its Business Analysts to leave the company after a year to gain industry experience.

Note[4] INPUT perceives this grade as equivalent to a graduate entry level Andersen Consulting Associate Consultant. N.B. PA Consulting were unable to quote rates for employees at this level.

INPUT was able to cross reference the above levels in this way given its knowledge of the UK 'big six' management consulting sector and its understanding of respective staff level terminologies/ job descriptions within the IT related professional services sector at large.

A further consideration for providing fair market comparisons of professional services rates is the discounting rates applied within substantial projects. INPUT has therefore also included a description of the discounting practices and the pricing mechanism known to be followed by professional services organisations conducting large scale project work.

C
Report Organisation

Chapter II contains daily fee rate tables for each of the management consultants surveyed in this report. For comparative purposes, job titles have been adjusted to match Andersen Consulting job capsules. These are defined in Appendix A and have been supplied to INPUT by the National Westminster Bank.

II

Vendor Pricing Structures

Section II-A of this chapter provides detailed daily fee rate tables for the competitive firms adjusted to Andersen job capsules for direct comparative purposes.

The upper range of figures are external billing rates quoted by the four management consultancies for a large contract.

The lower range of figures quoted are discount rates applied when higher than normal staff utilisation factors are achievable, for example for contracts in excess of one year.

From previous experience, INPUT believes the lower range of figures to be valid for a BPR contract of the kind National Westminster bank has commissioned.

Section II-B considers discounting issues in more detail and the pricing mechanism used by management consulting organisations to evaluate the feasibility of this practice.

A

Daily Fee Rates Matched to Andersen Consulting Personnel Groups

Exhibit II-1 provides a table of management consultants' rates adjusted to match the staff grades provided by Andersen Consulting.

Exhibit II-1

Competitors' Daily Fee Rates (£)

Andersen Job Category	A.T. Kearney	Coopers & Lybrand	Hoskyns/CGS	PA Consulting Group
Partner	4000	2450	1620	1750-1850
Associate Partner	2180*-2550	1920*-2240	1255*-1465	1550-1650
Manager	1600-1800	1415*-1650	1170*-1365	1190-1290
Consultant[1]	1200-1400	1190*-1385	1123*-1310	1100-1200
Consultant[2]	N/A	895*-965	1030*-1110	900-1100
Assistant Consultant[3]	N/A	715*-770	820*-885	N/A
Assistant Consultant[4]	800	385	725	N/A

* Denotes INPUT figures

As already indicated elsewhere in this report it is important to note that we believe the top level designated by Andersen Consulting as 'Assistant Partner/Partner' should be reapportioned as two grades with two separate day rates. By doing so, we match an **Andersen Consulting Partner** with the following:

- An A.T. Kearney Vice President
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- A PA Consulting Senior Partner.

At the next level down, we match an **Andersen Consulting Associate Partner** with the following:

- An A.T. Kearney Principal
- A Coopers and Lybrand Principal
- A Hoskyns Senior Manager
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At the next level down, we match an **Andersen Consulting Manager** with the following:

- An A.T. Kearney Manager
- A Coopers and Lybrand Principal Associate
- A Hoskyns Managing Consultant
- A PA Consulting Managing Consultant

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INPUT is able to cross reference the above levels in this way given its detailed knowledge of the UK 'big six' management consulting sector and its understanding of respective staff level terminologies/ job descriptions.

B
Discounting Practices

For the purposes of this survey, we define internal charge out rates (noted below) as management consultants' break even points and external charge out rates as management consultants' typical target rates in negotiations.

Correspondingly, the 'daily fee rate to' figures quoted in Exhibit II-A is the management consultant's external charge out rate.

However, large contracts permit (1) higher levels of staff utilisation (particularly at higher staff grades) and (2), elimination of the unavoidable down-time between shorter contracts. Hence in principle, these increased efficiencies enable some of the difference between consultants' internal charge out rates and an external charge out rates to be passed on to the client.

Correspondingly, in Exhibit II-A, INPUT has assigned discounted rates as the 'daily fee rate from' figures.

In some cases, 'daily fee rate from' figures have been readily provided by the management consultacy in question: namely for all of PA Consulting's rates and for the Manager and Consultant job categories for A.T. Kearney. In other cases denoted by an asterisk (*), the 'daily fee rate from' figures are based on INPUT's understanding and knowledge of discounted rates for high value, long term contracts. Here, an assumed internal charge out rate plus 20% has been assigned for Associate Partner, Manager and Consultant[1] levels and an assumed internal charge out rate plus 30% assigned for other lower levels.

These two different percentages have been allocated because there is generally more scope for savings in upper staff levels as long term contracts permit greatest improvements to be made in staff utilisation rates in these positions.

Where no range is listed in Exhibit II-A, i.e. at the uppermost level and lowest level, this is because management consultancies tend to apply these rates as a flat figure.

Whether the management Consultancy chooses to pass on discounts is dependent on many factors including (1) the prospect of more work from the client in question, and (2), the opportunity cost of pursuing alternative business.

Appendix A

Andersen Consulting Job Capsules

Associate Partners/Partners

This group represents the executive leadership of Andersen Consulting's practice. Typically Partners will have an excess of fourteen years experience within Andersen Consulting.

They not only bring best practices to bear on behalf of their clients, but also contribute to industry best practice and Andersen Consulting Knowledge Capital. Partners are thought leaders. They will be knowledgeable in the commercial issues facing an industry and be versed in alternative ways in which the industry is dealing with those issues. They will have a proven track record in delivering commercial benefits and significant programmes.

All Andersen Consulting efforts are led by partners. Large or particularly complex efforts are led by a team of partners to provide the appropriate and diverse thought leadership required.

Typical tasks undertaken by a partner are:

Managing overall client relationships

Ensuring the necessary resources (both in terms of appropriately skilled and balanced teams and in terms of applying required knowledge and methodology resource) are deployed to achieve the optimal outcome for the client.

Programme management
Quality assurance
Design authority
Commercial arrangements
Industry expertise

Managers

Managers have between four and ten years experience with Andersen Consulting. They set the strategic framework for initiatives , provide intellectual and project leadership from conceptual design efforts through to implementation. Managers have extensive experience in Andersen Consulting methodologies and best practices. They plan work encompassing thousands of days of effort. They lead large teams. Augmenting specific content expertise, managers will have a sound understanding of the full range of standard business functions, operations , and organisational issues. They present detailed project issues in a business context. Managers also have responsibilities relating to the commercial arrangements between Andersen Consulting and its clients.

Typical tasks undertaken by a Manager are:

Definition of overall solution
Solution co-ordination across projects
Design of change strategy
Design of implementation approach
Project Management (planning and execution)
Rollout planning
Programme control

Consultants

consultants have two to five years experience with Andersen Consulting. They will lead teams of up to 10 people. In addition to executing project tasks, they plan and manage work consisting of hundreds of days of effort. They will have an ability to present their work in the context of the overall project or Programme. Typical involvement includes planning, execution, and management of design and implementation work. Typical involvement includes planning, execution, and management of design and implementation work. They are technical and industry experts in the areas of their involvement.

Typical tasks undertaken by a consultant are:

Job design (including supervision)
Process design (including supervision)
Definition of benefits realisation and tracking approach
Design workshop facilitation
Design of requirements and deliverables
Work planning and scheduling
Leading teams (including management of budget, schedule risks etc.)
Communication planning

Associate Consultants

Associate consultants have up to three years experience with Andersen Consulting. The majority are recruited from top universities and 20 to 30 percent will have advanced degrees. Within the first two years of joining, assistant consultants will have at least two

full months of dedicated training in competency, industry, and professional development areas. On a typical project an assistant consultant is responsible for the delivery of specific areas of work. This work will often be conducted in parallel with a member of the clients' staff under the supervision of a consultant or manager.

Typical tasks undertaken by an associate Consultant are:

Data gathering and analysis via research and interviews
Financial analysis
Design and production of communications
Report and deliverable preparation
Process design
Job design

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Appendix A

Andersen Consulting Job Capsules

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Typical tasks undertaken by an associate Consultant are:

Data gathering and analysis via research and interviews
Financial analysis
Design and production of communications
Report and deliverable preparation
Process design
Job design

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BACKGROUND MATE ISSUED BY NATWEST RE: ANDERSEN CONSULTING "JOB CAPSULES" + INCLUDING C.VS.

To: Mark Sukiennik

From: Robert Pitt R. Pitt

Contact:(0171) 714 1506

Date: 18 March 1996

Subject: Roles and Credentials for Andersen Consulting Personnel

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The purpose of this document is to describe the levels of Andersen Consulting personnel assigned to the ITOS Transformation Programme. The professional credentials typical of personnel of those individual levels will be described and illustrated by example.

Introduction

Andersen Consulting personnel are categorised in four levels: Assistant Consultants, Consultants, Managers, Partners/Associate Partners. These four levels comprise the career model for the firm. Personnel progress through the career model based on their achievement of performance goals over a pre-determined time period. Andersen Consulting will spend over 10% of its annual revenue to equip its personnel at all levels with the skills required to meet these aggressive performance goals. Furthermore, all personnel in each of these levels is associated with a specific competency with Andersen Consulting Business Integration practice, namely: Strategy, Technology, Change, and Process. As each progresses in the firm, their expertise, and their degree of "thought leadership" in each competency area progresses as well.

In short, progression from one level to another in the career model is based on personal development on a prearranged timescale as evidenced by service and value delivered to clients.

Andersen Consulting staff levels

The Andersen Consulting levels are described below

Assistant Consultants

Assistant Consultants have up to three years experience with Andersen Consulting. The majority are recruited from top universities and 20 to 30 percent will have advanced degrees. Within the first two years of the joining, assistant consultants will have at least two full months of dedicated training in competency, industry, and professional development areas. On a typical project an assistant consultant is responsible for the delivery of specific areas of work. This work will often be conducted in parallel with a member of the client's staff under the supervision of a consultant or manager.

Typical tasks undertaken by an Assistant Consultant are:

Data gathering and analysis via research and interviews
Financial analysis
Design and production of communications
Report and deliverable preparation
Process Design
Job Design

Consultants

Consultants have two to five years experience with Andersen Consulting. They will lead teams of up to 10 people. In addition to executing project tasks they plan and manage work consisting of hundreds of days of effort. They will have an ability to present their work in the context of the overall project or programme. Typical involvement includes planning, execution, and management of design and implementation work. They are technical and industry experts in their areas of involvement.

Typical tasks undertaken by a Consultant are:

Job Design (including supervision)
Process Design (including supervision)
Definition of benefits realisation and tracking approach
Design Workshop facilitation
Design of requirements and deliverables
Workplanning and scheduling
Leading teams (including management of budget, schedule risks etc)
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Managers

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Typical tasks undertaken by a Manager are:

Definition of overall solution
Solution coordination across projects
Design of change strategy
Design of implementation approach
Project Management (planning and execution)
Rollout planning
Programme Control

Partners and Associate Partners (hereafter "partners")

This group represents the executive leadership of Andersen Consulting's practice. Typically Partners will have in excess of fourteen years experience with Andersen Consulting.

They not only to bring best practices to bear on behalf of their clients, but also to contribute to industry best practice and Andersen Consulting Knowledge Capital. Partners are thought leaders. They will be knowledgeable in the commercial issues facing an industry and be versed in alternative ways in which the industry is dealing with those issues. They will have had a proven track record in delivering commercial benefits of significant programmes.

All Andersen Consulting efforts are led by partners. Large or particularly complex efforts are led by a team of partners to provide the appropriate and diverse thought leadership required.

Typical tasks undertaken by a Partner are:

Managing overall client relationships

Ensuring the necessary resources (both in terms of appropriately skilled and balanced teams and in terms of applying required knowledge and methodology resource) are deployed to achieve the optimal outcome for the client.

Programme Management
Quality Assurance
Design Authority
Commercial Arrangements
Industry expertise

In any assessment of value for money or comparison with other organisations, a number of factors have to be borne in mind:

(a) Because Andersen Consulting reviews performance continually, and jointly with NatWest representatives adjusts the mix of skills deployed on a continuing basis, the appropriate comparison for any team member would be someone at the top of the competence spectrum for a given role. This flexibility to change personnel smoothly as needs evolve arises from the common training and methods we use and itself represents significant added value.

(b) This engagement requires a demanding blend of project and programme management, process and organisation design, communications, service delivery and technology skills. Our ability to deploy individuals specialising in each of these areas while more than literate in the others is a unique success factor for the programme. Our very large investment in training and knowledge capital, reflected in our cost structure, results in this cross-competency capability. Any comparison must give due weight to this factor.

(c) Lastly, we have a culture which places delivery success for the client at the top of our priorities. This results in our readiness to do what is required for the success of the programme, rather than restricting our actions to formal contractual commitments. We have demonstrated our ability to respond to problems with rapid deployment of required resource (at our risk) and to reduce our charges where a task has required corrective work. This contrasts with the approach of individual contractors and some other organisations and should also be considered.

Regards
R.G.

Curriculum Vitae

PARTNER

_____ is a Partner in the Technology Competency of Andersen Consulting. _____ joined the firm in 1978 after reading Chemistry at Merton College, Oxford and post-graduate research in inorganic and protein chemistry.

Since joining Andersen Consulting _____ has been closely involved in the planning, design and development of custom information systems involving IBM and ICL mainframe hardware architectures.

Representative assignments include:

For the Department of Social Security

_____ was the partner responsible for a project to implement Disability Living Allowance (DLA). This was a new benefit, replacing Attendance Allowance and Mobility Allowance. We took joint responsibility with the DSS for the development of the computer system for DLA, and provided 50% of the technical and development personnel on the project. In addition to the main systems work. ____ was also responsible for assistance to the users in planning the organisation and training of users. _____ was also involved in conducting an exercise to provide training and career management to the Department's technical staff.

Andersen Consulting and the DSS are jointly funding a study to investigate the feasibility of developing a Common Benefit Architecture, in order to allow the economical computerisation of a large number of smaller benefits. _____ was responsible for this project.

_____ was the Consultant Project Manager for the Family Credit project, part of the Department's Operational Strategy, to design and plan the implementation of a system to administer a new Social Security benefit. The project was successfully completed to aggressive timescale and budget constraints. It involved designing a moderately high-volume transaction processing system to run on dual ICL 3980 hardware using the Department's Strategy terminals and communications architecture (based on OSI). It also involved gaining acceptance from the large and technologically unsophisticated group of users of the significant changes in working practice that were the goal of this system. The project was carried out by a joint team of Civil Servants (approximately 75 people) and Consultants (10). The high morale and productivity of the civil servants on the project team which was achieved was essential to the successful conclusion of this project.

For the Ministry of Defence

_____ was the Manager responsible for the Information Architecture study, and was closely involved in the Systems Architecture study, which led to the development of an overall IT strategy for Non-Operational IT (DGITS Strategy). In the course of these studies _____ has visited and interviewed extensively in the RAF and MOD(RAF), and gained an overall grounding in the business objectives, major activities and systems requirements both in the logistics area and for the RAF as a whole. The work done as part of these studies has contributed to the agreement between DGITS, AMSO, DGS and CE on the development of the RAF logistics IT strategy which _____ led.

For the RAF

_____ was the full-time project manager of the RAF Logistics IT Strategy Study (LITSS) team. This major strategy has covered the entire scope of logistics support throughout the Air Force Department and the Commands. In the course of this work _____ has developed a thorough grasp of the issues involved in major IS Strategies in a military environment, including the competing yet complementary requirements of commanders and functional managers, the impact of the NMS, and the implications of the TTW and War dimension. This study is now nearing a successful conclusion. Achievement of the necessary agreement and commitment has been due to the extensive use of focus groups and to the ability to communicate effectively at a senior level in the military environment.

For a Large Government Agency

_____ established and then had line responsibility for the Service Delivery Planning function within the agency, managing a mixed team of twenty client and consulting staff. This involved preparing the Service Delivery organisation for a large number of application and system releases, and ensuring that these systems could be effectively supported by the organisation from day one of live operation.

To apply some rigour to this process _____ developed a comprehensive approach to implementation planning in an environment that has a large operational support organisation (1500+ staff) and a complex release programme (10-20 major releases per year).

This approach required the development of clear Service Requirements for each implementation, and demanded the development of Service Design deliverables from each affected support group. This ensured complete buy-in to any specific implementation from all those involved.

The process was developed within the requirements of the clients' ISO9000 quality system, and became a cornerstone of their quality culture.

As part of the planning group responsible for preparing for new systems, _____ was responsible for developing a comprehensive Service Delivery Plan for a major benefit system. This plan encompassed all the activities needed to establish an operational support organisation with more than 500 staff. It detailed the key functions and processes required and the resource requirements, as well as the implementation and testing approaches to be taken.

_____ then developed a generic Service Delivery Testing approach to be used within the agency to maximise the efficiency of their mainframe resource usage. This testing approach introduced the concepts of application validation, infrastructure validation, and emergency fix validation, and the environments required to support this type of testing.

_____ was responsible for a programme of Quality Improvement to ensure that the Service Delivery organisation was appropriately prepared for the nationwide rollout of a large system. This included implementing Change, Incident and Problem Management procedures to effect significant performance improvements, and ensuring that the key issues affecting the delivery of service were being targeted by the application developers.

_____ designed a Software Distribution System for the controlled implementation of software upgrades to the ICL VME environment. This included both systems software and application code, and was fed either automatically from existing software control tools or manually by keyboard entry of release content. The technical environment was VME COBOL and SCL, and the production configuration contained over 50 mainframes to be managed.

_____ set up and managed the Configuration Management team which was responsible for application software management and distribution throughout integration testing and the first nine months of live operations. This involved the development of manual and automated procedures to effectively control the application release process.

Curriculum Vitae

PARTNER

_____ is an Associate Partner in the Technology Competency of Andersen Consulting. _____ joined the firm in April 1988 having graduated from the University of London with a First Class Degree in Computer Science and Electronics and having spent 3 years as an Engineer with the Plessey Company designing Military Electronics Systems.

Representative assignments include:

For a Large Utility

_____ led the IT Strategy Programme Management team as overall programme manager. _____ was responsible for preparing and presenting board reports on progress and issues, and managed a team which monitored the system developers (both in-house and third-party). _____ was also responsible for ensuring that the IT department were making the necessary technology and process changes required to receive the new systems.

His primary focus was on a large Customer system, budgeted at over 50,000 man-days, where _____ established an appropriate testing and conversion strategy and developed an overall implementation plan with the supplier, the business unit and the IT department.

_____ was responsible for monitoring and reviewing the work of two key suppliers to the IT Strategy. One was developing a Laboratory Management system and the other a Real-Time Control system for monitoring remote field assets. _____ reviewed designs, plans, and deliverables, and presented progress and key issues to executive management on a regular basis.

For a Large Utility

_____ was the Release Manager for two significant implementation as part of a large IT Strategy. _____ was responsible for planning and managing the many projects that formed the release. These included eight applications, business change, training, and technical implementation activities. Managing the release required the development and monitoring of an overall release plan, and tight control of issues as they arose. _____ also worked closely with the IT department to plan and manage their preparations to ensure they were ready to receive the new systems, and that they were prepared for the technical activities leading up to implementation.

_____ performed this job for two releases at the utility, involving a major SAP installation, a custom Investment Management system (each around 10,000 man-days) and several other applications. Both releases were delivered on time and budget and were successfully accepted by the business users.

_____ is a specialist in our Service Management practice. _____ leads the IT Operations Engineering group within the TIS division and is responsible for growing skills and disseminating knowledge to junior consultants. _____ has been instrumental in the development of the two key approaches used by Andersen Consulting in the IT Service Management arena - the "Hourglass" Service Model, and the Management of Distributed Environments (MODE) Framework.

_____ has performed reviews of Operations Architectures and Operational Readiness at many clients, in the Financial, Utilities, Transport and Government sectors.

For a Major UK Clearing Bank

_____ led a strategic review of the cost-effectiveness of Central Management Services Operations. This involved analysis of capacity planning, operations management, hardware and software strategy, work scheduling, management information requirements, disaster contingency, quality assurance and other Facilities Management functions for a very large network of IBM mainframe data centres. _____ has also assisted the Bank with its information planning.

For a Major International Oil Company

_____ provided assistance in the planning and design of an IBM productivity environment to support the development of a major custom system. This work also involved the evaluation and selection of fourth generation languages and associated support software. _____ also designed 'workbenches' which would assist the systems development and production personnel with the transition from Univac to IBM.

For IDV UK (a major wine and spirits distributor)

_____ carried out the design and development of a number of systems based on or linking to Andersen Consulting Distribution Control System software. The core of these systems was a high-volume on-line transaction processing application supporting sales order processing, stock control and billing. These were integrated with marketing, financial, route and load planning and vehicle scheduling systems, and a Bond stock control system. The technical environment was IBM mainframe, VM/VSE, CICS, SNA and DL/1.

For a Leading British Direct Mail Marketing Organisation

_____ was responsible for a large team involved in the design of their main support systems. This involved planning the project and recommendations on the technical environment for the development and operational aspects of the system, including the use of fourth generation languages and productivity aids. The final environment was based on the IBM architecture using VM/VSE, CICS, IMS, CMS, SNA and several third party productivity software products.

For a number of distribution companies _____ has been responsible for the design, modification and implementation of our Distribution Control System software which operates in the IBM hardware and software environments.

For SavaCentre Ltd. (a hypermarket retail organisation)

_____ was the Manager responsible for an engagement to plan and implement the technical architecture needed both to develop and operate the company's new data processing systems. This assignment also involved setting up their data processing department from scratch, and acting as the project leader and technical designer for several of the larger systems which the company was implementing. The main technical environment is based on an IBM mainframe operating under MVS, CICS, IMS and SNA, with a variety of mini-computers and micro-computers linked into it. The movement and counting of stock is recorded using bar-codes and hand-held data capture terminals. PC's are used to transfer this data to the mainframe-based central on-line systems.

Curriculum Vitae

MANAGER

_____ is a graduate of Glasgow University where _____ graduated with a degree in Mathematics, Computer Science, Mathematical Statistics and Economics. _____ is currently a senior manager with Andersen Consulting's Manchester office and is in the Technology Competency; _____ also heads the Manchester office Programme Management Knowledge Centre.

Representative assignments include:

For a Leading Credit Insurance Company

Based in Amsterdam this multi-national credit insurance company, with the help of Andersen Consulting, embarked on a large scale programme to merge and modernise their business processes, infrastructure and systems following the takeover of a UK based credit insurance agency and to be better positioned for future mergers and acquisitions globally.

_____'s first role within this client's organisation was as the manager responsible for the design and build of the Operations Architecture. This involved determining the best use of the existing technical infrastructure where possible while provisioning for a strategic open architecture to be realised over the next 3 - 5 years.

_____ then took over as overall Technical Architecture manager to deploy the new development, execution and operations architecture and subsequently assumed responsibility for managing the overall integration of this architecture with the organisation global network, customer connection and systems management and control functions for the existing and future infrastructures.

_____ was also the Andersen Consulting engagement manager for this client.

Previous Employment

Midland Bank plc - (As a partner within a small external consultancy)

_____ assisted in the design, build, test, migration and implementation of Midland's General Ledger, Accounts Payable and Fixed Assets systems. This involved de-commissioning multiple legacy systems migrating to the new systems and ensuring the new processes and training were sufficient for Midland personnel to change their working practices and use the new systems' capabilities optimally.

Reuters Europe

_____ worked on financial systems and infrastructure projects for Reuters, designing and building systems and rolling these out (and subsequently supporting them) across five Scandinavian and European data centres.

Conoco UK Ltd

_____ joined Conoco as a graduate recruit and worked on the implementation and support of financial and payroll systems for Conoco and DuPont.

Curriculum Vitae

MANAGER

_____ is a Manager in the Change Competency of Andersen Consulting. She graduated with an M.A. in Classics from Cambridge University in 1988.

Since joining Andersen Consulting she has specialised in the Financial Services industry, gaining experience in wide ranging large-scale change programmes. Her areas of expertise include change strategy and planning, process and organisation design, project and programme management.

Representative assignments include:

For a major UK Insurance Group

The insurance group is establishing a new direct banking operation which will sell and service products via the existing sales force and by post and phone from a central operation. _____was initially responsible for the definition of the bank's overall organisation structure and the specification of the Director roles. _____then managed the projects responsible for the design of the Sales and Operations processes and performance measures, the organisation structure, team and job definitions and the analysis of the skill and training requirements. The work involved the conduct of extensive workshops with senior management and the Board.

For an Emerging Markets Investment Group

Design and setup of the mobilisation programme required to establish initial operations in London and New York for a new investment group. The group specialises in the world's high growth emerging markets and offers services in the areas of securities, research, asset management and corporate finance. The mobilisation effort involved the co-ordination of business line personnel, technology partners, vendors, regulators and building architects across multiple development and production sites. The work included the definition of the overall programme and project organisation structures, roles and responsibilities. _____also proposed and obtained agreement to the implementation of key management processes across all involved parties and projects (planning, dependency management, status reporting, risk surveillance, issue resolution, scope/change control, quality management).

For a Global Investment Bank

Development of an IT quality improvement strategy to enable the global technology group to increase the number of projects being delivered on time and budget, increase re-use of work and standardise project management techniques across the organisation. The work included organisation and process design, behaviour change enablement, communications and programme management. Initially _____was responsible for focusing the direction and scope of existing tactical quality initiatives within each of the businesses. She then conducted a series of interviews and workshops to define a quality framework, (processes, organisation and behaviour design) in the areas of application delivery life cycle, project management, quality assurance and programme/leadership management. She also developed the global implementation strategy and implementation approach.

For a Global Professional Services Organisation

Definition of the operational vision, new organisation structure and behavioural changes required for the company to realise it's strategic intent. The work included performing gap analysis to identify and prioritise the back office reengineering changes required and the definition of the target environment for key business areas (processes, organisation, systems, infrastructure, policies and associated behavioural changes necessary as a result of reengineering). _____also formed the 'route map' to shape the implementation change programme (including drawing existing projects together with new activities).

For a Financial Services Subsidiary of a major UK Banking Group

The work involved defining the scope and interaction of new processes, organisational structures and computer systems to support the group's strategic direction. _____was initially responsible for analysing current processes and procedures and researching best practice in order to design the new process and system functional, technical and detailed design. _____then designed the approach to functional and technical systems testing and managed user acceptance team during system test preparation and execution, formally reporting progress to business operations and systems management.

For a major UK Building Society

Re-engineering of the operations environment and development of new branch systems to achieve step change improvements in productivity. _____was responsible for planning the scope and delivery of the technical architecture releases to the application projects within the programme and reporting progress, risks and issues for the technical architecture projects to programme management. _____then became responsible for defining the scope of and resolving programme wide functional issues.

For an International Stock Exchange

Conduct of operability review and subsequent close-down of proposed paperless settlement system project. The work included the definition of a framework for the Exchange to assess customer readiness to test and accept the new system. Following the decision not to proceed with the new system, _____defined and managed work programme required to close-down the New York vendor-based development work and safeguard the existing live settlement applications.

For a Multi-National Reprographic Equipment Manufacturer and Finance Company

Development of post-merger business strategy and implementation plan. The work involved the identifying and prioritising the key opportunities for business re-engineering, coupled with defining and obtaining agreement to business re-engineering principles and approach. _____then defined the work disciplines required for change programme to succeed and constructed an implementation plan for the delivery of the required projects.

Curriculum Vitae

MANAGER

_____ is a manager in the Change Competency of Andersen Consulting. _____ is a graduate of Corpus Christ College Oxford where he gained an M.A. in Physics.

Since joining the firm _____ has specialised in managing large sale change with particular experience in change strategy, communications and process and organisation design.

For a major UK Insurance Group

The insurance group is setting up a bank to enable it to offer a full range of financial services to its customers and allow it to compete with the retail banks. The bank will deal with customers directly over the phone and through the existing 7,000 strong salesforce.

_____ was the project manager responsible for the Distribution project.

The Distribution project will design and manage the launch of the bank's products through the existing sales force. _____ led a team (staffed jointly with client and Andersen people) that specified all of the work that would need to be done to launch the products (including communications, training, behaviour change, process and systems changes, HR and incentives modifications). This work was then reviewed and agreed at all levels within both the bank and the Prudential culminating in signoff by Sales Director of the UK Group. The team then produced a full implementation plan for the project. The plan is currently being executed by client staff.

Andersen Consulting - UK2000 Opportunity Assessment

Worked as part of the UK2000 Opportunity Assessment team advising Andersen Consulting on the best way to re-engineer its internal processes.

The team used the Opportunity Assessment methodology to carry out a 12-week survey of all back-office processes. Each process was mapped and then analysed to determine its effectiveness. The result was a detailed proposal for a change programme to improve ineffective processes and to implement the associated behavioural changes necessary as result of the re-engineering. The recommendations of the project are now being carried out as part of UK2000.

RAF LITS Programme

Developed the change strategy for the IBM-led bid for LITS.

The LITS programme is intended to give the RAF better control over its logistics and hence generate savings of approximately £800m over ten years. Training was seen as one of the critical success factors for LITS as the system would be used by over 30,000 staff.

The assignment involved specifying a change strategy to ensure that all users of LITS were fully trained and able to deliver business benefits. There were approximately 30 user groups, varying from mechanics at flying stations to clerical staff in procurement.

The strategy was accepted and will be rolled out over the next three years as part of the LITS rollout.

Benefits Agency - Market Testing

The Benefits Agency, in common with the rest of Central Government, is pursuing an extensive programme of market testing. As part of the programme the Agency's Publishing House will compete for business against the private sector.

This assignment involved:

- specifying the services to be tested
- costing and critically examining the current services
- re-engineering the existing business processes
- evaluating potential private sector bidders
- overseeing the competitive tendering process
- facilitating the steering group that manages the market test.

This assignment concluded with a successful competitive tender in March 1994 that was won by a management buy-out bid.

Benefits Agency - Communication Catalysing Change

Managed the team that developed the Benefits Agency's innovative change programme, Communication Catalysing Change. The move to Agency status highlighted the Benefits Agency's need to improve its management skills radically in order to deliver the results required of it. Communication Catalysing Change was the programme designed to bring about this improvement.

Communication Catalysing Change was the first piece of attitudinal training in the Benefits Agency and the first piece of training to be both developed and delivered by staff from the field.

After developing a pilot course, the team worked with Benefits Agency Training to develop the full programme so that it could be delivered to Higher Executive Officers(HEOs) across the Agency. This involved working with a mixed group of BA trainers and HEOs from District Offices to build the facilitation skills they needed in order to deliver the programme. We developed a seven-week training course for the trainers to ensure that they would be able to deliver this extremely complex programme effectively.

Communication Catalysing Change was launched in October 1991 and has since been extended to include all 3,000 managers in the Benefits Agency, from HEO to Chief Executive. The programme has been featured on The Money Programme and in The Guardian as one of the few examples of effective cultural change in the public sector.

Benefits Agency - Social Fund

The Social Fund is the most recent of the Social Security benefits to be delivered using the DSS's Operational Strategy systems. _____ led a team advising the Social Fund Project on implementing the Social Fund system throughout the Agency's District Offices. The system will affect approximately 4,000 users at over 400 locations throughout the UK.

The project involved developing a complete change strategy, covering:

- awareness
- training
- user guidance
- forms and system produced letters.

This strategy has involved introducing the Benefits Agency to new methods, so that it can secure an effective implementation at a greatly reduced cost to the tax payer.

Current estimates of the savings delivered by this strategy are over £10m in the first year of its implementation. The roll-out of the system is now complete. The strategy has proved to be a success, reducing the time users spend on training and conversion, and delivering the promised savings.

DSS - Operational Strategy

Managed the team that advised the Benefits Agency on how to implement the Operational Strategy project in its Southern Territory.

This project's main challenge was to find ways for local office management teams to educate and motivate their staff, so that Operational Strategy would deliver significant improvements in customer service, job satisfaction and efficiency. Our team concentrated its efforts on one pilot region - the Southern Territory - helping the management to focus on communication gaps and to devise their own solutions. We also developed a supporting range of training events and products. The managers involved in this initiative have continued to use these tools and techniques successfully, to manage the other major changes that have affected the Benefits Agency in the last few years.

A UK High Street Bank - Productivity Index

Like all high street banks, _____ is putting heavy pressure on its operational costs. Productivity Index was a management tool developed to increase branch productivity while reducing costs.
_____ led the team that designed a change programme to sell the Productivity Index to a group of extremely sceptical branch operations managers. This involved developing a series of educational seminars and tutorial materials to sell the Index to managers and to explain how they could use it to improve productivity.

The seminars themselves were run by Bank staff who were trained in the use of the index and given basic facilitation skills to help them deliver the seminars effectively.

Curriculum Vitae

MANAGER

_____ is a Manager in the Change Competency of Andersen Consulting. He graduated from Aston University with an honours degree in Electrical and Electronic Engineering.

Since joining Andersen Consulting _____ has specialised in the Financial Services Industry, gaining experience in various implementation programmes. His areas of expertise include implementation of workflow and document image processing applications, workflow analysis, developing business and application architectures and project management.

Prior to working with Andersen Consulting, _____ was a Project Manager with IBM, specialising in workflow analysis and document image processing in the occupational pensions industry.

Representative assignments include:

For a major Investment Bank

The bank carried out a strategic review of its cash processing capabilities. The main findings of this review included developing a global core cash processing capability. A set of tactical projects were initiated to address 'quick wins' to improve the performance and efficiency of both the Cash Operations department and the supporting systems prior to the transition to the global core service. _____ was involved in analysing and documenting the business processes within the Cash Operations department. _____ was also Project Manager for one of the early implementation projects aimed at identifying opportunities to improve operational efficiency through the use of client service tools. _____ led the team responsible for the implementation and operational testing of these tools in the Cash Operations area.

For a major Derivatives House

The purpose of the project was to implement a document image processing and workflow application in the back office operations department. The objective of this project was to reduce the cost of storing and handling the large amounts of paper involved with their OTC derivatives. _____ led the implementation team who built, tested and installed the application. The project also involved an analysis of business processes and a limited automation of these through the use of workflow technology.

For a large Telecommunications company

The Telecommunications company were planning a strategic partnership where they would second a large proportion of their IT organisation to an outside services company. During the analysis phase _____ defined the HR policies for the secondees and the transition plan for moving them to the new company.

For a Global IT organisation

The IT company embarked on a cost reduction programme in its occupational pensions department. This involved a complete re-design of the business processes and automation of paper handling through the use of document image processing technology. _____ led the project to design the new business processes, using extensive use of user workshops to fully analyse the existing organisation and processes. He also led the implementation team, peaking at 30 people, throughout the project. This involved rollout planning, transition planning through a period of dual operation and operational testing prior to going to a live environment. The project culminated in a successful implementation enabling immediate 25% headcount reductions.

For a Global Investment Bank

This global Investment Bank were re-engineering their Global Swaps mid and back office. This involved designing a new technical and application architecture to replace old systems which had become unsuitable for the large volume of business being processed. _____ was responsible for defining the business processes and application architecture for the Settlement Management function. This involved analysing and documenting the current business processes, redesigning the processes and developing a suitable application architecture for the new Swaps organisation.

Curriculum Vitae

MANAGER

_____ is a manager in Andersen Consulting's Network Solutions practice.

_____ graduated with honours from the University of Notre Dame. _____ earned a Bachelor of Business Administration in Management Information Systems.

_____ is affiliated with Technology Integration Services' European headquarters in Sophia-Antipolis, France. Since joining Andersen Consulting, _____ has worked in Argentina, Canada, Europe, South Africa and the United States. _____ specialises in network applications (e.g. E-mail and groupware) and operations engineering (e.g. network management and systems management).

Representative assignments include:

For a Finnish Telecommunications Manufacturer

_____ conducted a requirements definition for the organisation's support organisation, in preparation for the global rollout of a new logistics application. Specifically, _____ reviewed the processes, organisation, and tools utilised by the local and central support organisations.

Because this application was the first enterprise-wide application and involved the rollout of a new infrastructure (i.e. LANs, database servers, etc.) to support the application, _____ identified numerous requirements in the current environment and provided both short-term and long-term recommendations. _____'s recommendations utilised Andersen Consulting's MODE (Management of Distributed Environment) framework to outline many of the operational requirements.

For a South African Rail Company

_____ led the Technical Architecture and Process teams of a large MODE implementation throughout the organisation. Historically, the company utilised a centralised, host-based computing environment. The move to client-server applications required new processes, organisational changes, new network management tools and a new computing infrastructure.

Primarily, the Technical Architecture team was responsible for the implementation and integration of the three MODE tools (NCR StarSENTRY for network management, Remedy Action Request System for help desk/workflow and ISICAD Command 5000 for asset management). This included automating the information flow between the three tools, as well as, developing a method for additional applications (e.g., backup software) to send error, warning or informational messages and generate trouble tickets.

The Process Team was responsible for developing policies, procedures and customised software to help administer and maintain the distributed environment. The processes included: Backup & Restore, Start-up & Shutdown, Print Management, Physical Site Management, Event Management, Fault Management, Recovery Management and License Management.

For an Argentinean Oil Company

_____ led a project team to migrate from IBM Office Vision to Lotus Notes within the different business units of this organisation. Previously, all of the organisations' applications had been on IBM mainframes but the development of new client-server applications resulted in the fact that the only system still running on a host was Office Vision. To decrease operating costs and to migrate towards its new enterprise architecture, the company needed a LAN-based E-mail package.

_____ led the day-to-day activities of the project through the Pilot, Detailed Design and Initial Implementation phases. Specifically, _____ supervised the four project teams:

- Infrastructure Definition and Implementation
- Application Design and Development
- Training and Communications
- Notes Administration and Support

_____ also negotiated and managed a subcontracting arrangement with a local Lotus Notes integrator.

For a consortium of Nine National Postal Administrations

_____ was part of an international team which analysed and devised potential value-added network services (VANS) which the postal administrations could provide. Because each of the national postal administrations realised that its market for traditional mail services was either declining or increasing at a much slower rate, they decided to investigate providing additional mail-related services.

As a result of the initial study, the consortium narrowed its list of potential services to: X.400 electronic mail (E-mail), X.500 electronic directory services, electronic data interchange (EDI), enhanced facsimile, and electronic post. During this next phase, _____ outlined the technical specifics of each service and highlighted the hardware, software and networking components required for the services. _____ also helped the Posts to develop an RFP for X.400, X.500, EDI and WAN services from major VANS providers. _____ then analysed the technical components of each RFP response to help the Posts identify partnership candidates to provide these services.

For a British Electricity Utility

_____ led a project team to develop a strategy for local area networks within the utility. While the company already had a limited number LANs in use, these LANs had been installed for simple office automation applications and utilised a wide variety of technologies. Because the company was preparing to implement several LAN-based applications, it needed to install local area networks throughout its entire operations.

The project team's task was to develop a set of standards for LANs within the utility in order to minimise the costs of LAN equipment and ensure compatibility between the LANs. Specifically, the project team addressed the following topics:

- LAN Cabling
- LAN Access Methods
- Network Operating Systems
- LAN Components (e.g. NICs, Repeaters, Bridges, etc.)
- Support Organisations
- Network Management
- Interconnectivity Requirements

For a Global Consumer Products Company

_____ reviewed the network of the company's Dutch operations. Developers at this facility were experiencing intermittent problems such as the inability to print, slow response time and file corruption in their design repository. The environment consisted of Ethernet LANs using PATHWORKS network operating system, OS/2 file servers, DOS/Windows developer workstations and an FDDI backbone.

After reviewing the environment, _____ developed a detailed test plan to isolate the problem. _____ also prepared a strategy for preventive maintenance and future trouble-shooting.

For a Global Consumer Products Company

_____ assisted on a feasibility study of centralised VAX\VMS services for the company's European operations. This project investigated the costs and benefits associated with:

- Providing support to production systems (such as disaster recovery/fail-over services, software version control and network management)
- Integrating VAX\VMS-based software among facilities (through the use of shared applications, reusable software components and common repositories for data definitions and programming standards)
- Providing shared development services for facilities with limited VAX resources.

_____'s primary responsibilities included a review of the current and future IS needs of the manufacturing facilities, an analysis of the company's European technical architecture and the preliminary development of networking alternatives to support a variety of VAX/VMS services. In addition, _____ developed a Lotus Notes application for the project team to collect, analyse and report information gathered during the study.

For a Multi-National Manufacturing Company

As part of the development of a global information plan, _____ reviewed the network architecture of the client's French subsidiary. _____ evaluated the company's current architecture and its future plans. These plans included the development and installation of a new, fully distributed architecture. The environment, based on AS/400s and PC LANs, was designed to support the company's sales and maintenance applications.

_____ identified issues and provided recommendations during the review of the planned architecture. _____ also outlined a direction for the migration of the French subsidiary's technical architecture to the future global architecture of the parent company.

For a Canadian International Bank

Andersen Consulting was engaged to design a cost and unit pricing system for the bank's international wide area network. The system used cost and network configuration inputs from an asset management system, circuit inventory system and general ledger system to generate charges for internal customers. Shared costs were allocated to client applications and services based on network access line speed and network application usage. Shared costs included network equipment such as front-end processors (FEPs), multiplexors, high-speed modems, channel service units (CSUs) and data service units (DSUs). Shared costs also reflected bandwidth (T1, Fractional T1, etc.), line usage and central support costs. The system resulted in numerous benefits including the ability to track and recover costs from network users, the ability to analyse usage patterns and reduce costs by eliminating redundancies and the ability to predict future usage patterns and plan accordingly.

The client-server system was developed for Apple Macintosh, IBM OS/2 and DOS/Windows environments. The majority of the development work was done on Apple Macintoshes, with a Macintosh Quadra server and Macintosh and DOS/Windows clients. Development was done in the Informix hyperscript language that is packaged with Informix Wings.

_____ participated in the system's development and implementation. Specifically, _____ designed, coded and tested several reconciliation utilities to simplify usage of the system. _____ was also involved in a follow-up engagement with the bank in which _____ enhanced the system and its allocation methodology to meet additional requirements.

Research and Development

Arthur Andersen & Co. European Notes Network

_____ led a project team to design wide area networks (WANs) in thirteen European countries (Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Portugal Spain, Sweden, and Switzerland and the United Kingdom). The purpose of these networks was to connect offices within each of these countries, as well as, provide a means to connect offices in other countries. The WANs utilised a variety of communication services, including Frame Relay, X.25, Private Digital Circuits and dial-up communications via the Public Switched Telephone Network (PSTN).

The purposes of the networks were:

- To connect the global E-mail system (Lotus Notes)
- To provide LAN-to-LAN connectivity (Novell NetWare 3.11)
- To provide access to firmwide applications

Lotus Notes Communication Design for AC's European Management

_____ participated with a development team to implement groupware applications for the firm's global management council. The platform chosen was Lotus Notes, running on DOS/Microsoft Windows workstations and OS/2 servers. _____ developed and tested a world-wide data communication solution for the council to use groupware applications, including electronic mail. The key criteria was that the solution had to be portable across international borders since the users spend a large percentage of their time outside of their home countries. Also, the technical components of the system had to be transparent to the users.

This project included sites in London, Paris, Frankfurt, Milan, Madrid and Chicago. As a follow-up to this project, _____ helped several of the European locations install and configure Lotus Notes' servers and workstations.

Andersen Consulting European TIS HQ's Computing Infrastructure

_____ developed, organised and implemented an office infrastructure plan to support the firm's computing needs. His tasks included the evaluation, selection, and installation of hardware, software and networking equipment. Some of the components included:

- Novell NetWare 386 v3.11
- Ethernet cabling
- DOS/Windows PCs
- Microsoft Office software
- Lotus Notes groupware
- Microsoft SQL database

Communications Middleware Practice Aid

_____ was part of a team chartered to develop a firmwide practice aid focusing on Middleware technology for distribution to local offices as a training supplement and technical reference. Middleware is a set of system level software services, either custom developed or vendor provided, that simplify the development of client/server co-operative processing architectures by facilitating information exchange between distributed processes. Application designers use Middleware services to insulate business functions from the complexities of communication interfaces. This enables applications to be created and distributed more efficiently, and with greater freedom from platform or communication protocol dependencies.

The Middleware practice aid that was developed contains an overview of Middleware concepts, Middleware methodology issues and design considerations, descriptions of packaged Middleware solutions, overviews of OSI session and transport layer application programming interface (API) alternatives, and summaries of actual engagements where Middleware solutions were designed or implemented. _____ researched and wrote the sections on API alternatives and engagement summaries. The API section included technical explanations of LU 6.2, Sockets, NetBIOS, Named Pipes, and XTI/TLI.

LAN Administration for Andersen Consulting's World Headquarters

_____ was part of the LAN administration team at one of the company's corporate facilities and dealt with the management and expansion of a Novell NetWare 386 v3.11 LAN supporting DOS, Macintosh, and OS/2 workstations. The technical environment included multiple file servers in a Novell domain configuration, MS Windows 3.0 interfaced to the LAN through Windows Workstation 4.0, OS/2 version 1.3, AppleTalk Phase II and Ethertalk. Other components included a Novell SNA gateway to an IBM 3090, DEC MicroVAX connectivity, 8mm and DAT backup systems, cc:Mail electronic mail and Lotus Notes groupware. _____ administered user accounts, configured new machines and supported end users with software and hardware issues.

Curriculum Vitae

Prior Experience

Global Telecommunications Manufacturer

_____ spent several different periods during the course of three years interning with this company in its regional business systems department. The first period, _____ led an Office Automation effort by converting users from a dedicated word processor to Apple Macintoshes. His activities included the installation Apple hardware and software, the configuration an AppleTalk LAN using Apple's LocalTalk, the training of new users, and the troubleshooting of equipment problems with Macintoshes, PCs, printers and terminals for IBM, DEC, HP and Northern Telecom systems.

During the same period of time, _____ helped implement a structured wiring plan to connect offices and devices (single-line stations, multi-line stations, modems and a variety of terminals) to a Northern Telecom SL-1 PBX.

_____'s second internship encompassed an additional facility and focused on the design and implementation of a universal wiring scheme and computer network. His main activities included the installation and integration of workstations and peripheral devices (i.e., printers, CAD/CAM plotters, scanners, CD ROM drives, etc.). The primary workstation used was an Apple Macintosh which ran on an AppleTalk LAN using Northern Telecom's Meridian Lanstar hardware. _____ also developed a disaster recovery plan for the company's regional headquarters.

Financial Services Company

_____ interned for one summer in the Local Area Networks Group of this company installing DOS users on an IBM Token Ring Network running IBM's PCLP network operating system and installing a test network for OS/2 workstations using IBM's LAN Server network operating system. Besides the installation of machines, _____ developed two training modules. One module focused on LAN basics and network instructions for new network users and the other module focused on network administration for LAN administrators and support personnel in other locations.

Office of University Computing

_____ worked for the Office of University Computing during three of the four years _____ attended the University of Notre Dame. Throughout his years there, _____ held several positions including:

Manager, School of Business Computing Lab

In this role, _____ managed the business schools' computing facilities, supervised twenty-two undergraduate and graduate consultants, and worked with university officials to meet the computing needs of students and faculty in the business school.

Network Administrator, Macintosh Networks

In this role, _____ managed all of the Macintosh LANs in the university's computing labs. _____ was responsible for the administration of user accounts, installation of hardware and software, performance of system backups and resolution of any computing problems. _____ supervised two people, a graduate student and a full-time employee of the university.

Curriculum Vitae

CONSULTANT

_____ is a Senior Consultant in the Process Competency of Andersen Consulting. She graduated with a B.A. in International Business from the University of Ulster in 1990.

Representative assignments include:

AC Enterprise project

This consortium with two other organisations was set up to establish the feasibility of developing an electronic channel for the delivery of retail services into the "home". _____ was responsible for the high level design and development planning of a number of business processes and supporting systems for the project, in the areas of Customer Service, Management Information and Financial Management. She was also responsible for the selection of Financial and HR Management software.

For a European Investment Bank

This organisation is establishing a Derivatives Operations Service using the Andersen Consulting Service Management Hourglass model. As part of the achievability assessment, _____ was responsible for documenting processes for existing and future service models through the application of Hourglass service management principles. She also conducted an analysis of existing service costs and contributed to an analysis of the organisational implications of implementing the future service model.

For a large US Investment Bank

As part of a project to re-engineer this organisation's Cash Services operations department, _____ was responsible for defining the requirements for and a business case to support a client service (help desk) workstation.

For a major UK Retail Bank

As part of the design phase of a project to re-design the Bank's operational service management function, _____ was team leader responsible for producing a baseline of current operational services and defining processes to support a new service management function (using Hourglass model and MODE). She was also involved in defining the approach to be adopted for implementing the new function.

For the same organisation, as part of another project, _____ assisted client staff in the production of detailed plans for the development and implementation of the Bank's branch platform.

For a major UK Utilities organisation

_____ was a member of the team responsible for setting up an organisation to build common systems for use throughout this organisation. She took part in the detailed design of a software factory organisation structure and was responsible for setting up and managing a function to improve and maintain standards and procedures to be used within the new organisation.

For a UK Building Society

This Building Society is re-engineering its operations environment and developing new branch systems to achieve step change improvements in productivity. As part of the Mobilisation Phase of the project, _____ worked on the following change management projects:

- development of the overall change management strategy
- development of long term workplans and appropriate estimating guidelines
- early communications management work
- early training work (requirements, issue resolution).

Curriculum Vitae

CONSULTANT

_____ is a Consultant in the Strategic Services competency group.

He obtained a degree in Business Administration from the University of Bath in 1993 winning several awards, including the Arthur Andersen prize for management accounting, and the University's School of Management prize for the student of the year in the second and third years.

His final year project was conducted for Citibank N.A., London and involved a strategic review of the disaster recovery procedures of their European dealing rooms. This involved a review of the DRA market in the UK, and produced recommendations for disaster recovery within Citibank.

After graduating, _____ worked for Marks and Spencer as a merchandise trainee in their Head Office in Baker Street, London. His responsibilities included aspects of product costing, contract negotiation, supplier management and store layout.

In January 1994, _____ joined Andersen Consulting. His assignments to date have involved the following:

For a major credit card company

A European pricing strategy for card services to Member banks, with a view to increasing Member awareness of the pricing structure, the value and acceptability of the card payment method. This involved a joint Client/AC team throughout the project. Responsibilities included primary data collection, analysis and distribution to the team Member bank interviews, building a model of card payment methods and final report writing and preparation.

For a major insurance company

A diversification strategy for a major insurance company in the UK, looking into the possibility of broadening their product range to include retail banking products. This involved profitability analysis of retail banking products, product distribution media and strategic fit of products to current product portfolio. Responsibilities included primary and secondary data collection, presentation preparation, financial modelling, and client ledger management.

For Andersen Consulting

Review of the internal operation of Andersen Consulting in the UK. This involved primary and secondary data gathering and analysis, interviewing internal personnel, report preparation, excel modelling of human resource requirements for UK2000, competitor analysis and general project administration.

For Andersen Consulting

The amendment of the internal methodology of the Opportunity Assessment (tool used at clients to quickly find organisational problem areas). The production of a three day training course to supplement the methodology involving the preparation of a business case, statistical exercises, presentations, issue tree analysis, brown paper mapping, etc..

Curriculum Vitae

ASSISTANT CONSULTANT

_____ is a 2nd year Assistant Consultant in the Change Competency of Andersen Consulting. _____ graduated with a double honours in Manufacturing Engineering and Economics from Birmingham University.

Since joining Andersen Consulting _____ has specialised in the Financial Services industry developing a sound understanding of financial markets and gaining change experience on a large project.

_____ relevant experience includes:

For a major International Stock Exchange

_____ was involved in two main project areas during _____ 12 months at the Stock Exchange.

1. The first project area that _____ was involved in was the implementation of the Service Model ('hour -glass') at the Stock Exchange IT Department. This was a radical organisational change to create a process driven organisation focused on service delivery, service excellence and customer needs with the ability to support the new systems that were being developed and implemented.

   _____ had two roles whilst involved in this project area: _____ worked as part of the 'People Approach Team' whose responsibility was to set out the approach, mechanism and plan of activity used to control the impact of changes brought about by the implementation of the Service Model. _____ also worked as part of the 'Process and Organisation Team' and was involved in process design and re-engineering (specifically processes within the areas of Incident Management, Client Management and Service Operations), organisation analysis and design, skill analysis and associated training needs, and job design. _____ was also involved in the planning, design and facilitation of a number of workshops throughout the detailed design and implementation phases of work.

2. The second area involved the decommissioning of existing systems and the development and implementation of a new system built on a single robust platform. The objective of this was to reduce maintenance and running costs considerably.

   _____ worked in this project area as part of the Quality and Communications team co-ordinating Quality Management Assessment reviews and Peer reviews, monitoring and updating the relevant schedules to reflect review status. _____ was responsible for implementing updates to the Quality plan and facilitating the overall Quality Manager for the Exchange with preparations for BSI reviews and any other quality issues arising day to day. This work involved continuous exposure and contact with Exchange Senior Management. _____ was involved within the communications group, whose primary objective was to manage the PR of the programme within Andersen Consulting. _____ was responsible for managing the production, design and distribution of Bulletin+ (a monthly newsletter for Andersen Consulting Staff at the Exchange and Exchange staff). _____ was also responsible as project communications officer which involved dealing with any queries from other projects about best practice.

Curriculum Vitae

ASSISTANT CONSULTANT

_____ is an Assistant Consultant in the Process Competency of Andersen Consulting. He graduated with an MA honours in Management from St. Andrews University.

Since joining Andersen Consulting he has specialised in the Financial Services industry, gaining experience in wide ranging and large scale change programmes. His areas of expertise include Process and organisational Design and Programme Management.

Representative assignments include:

For a major International Stock Exchange (2 projects)

1. The international stock exchange is undergoing work on a broad scale to improve and upgrade current services and introduce new services. _____ analysed the implications of reorganising the Service Implementation organisational structure and was responsible for the maintenance of the Service Implementation project from a financial perspective. He coordinated the five departments within Service Implementation via the line managers, assessing their resource, hardware and software requirements against budget in order to meet the objectives of the programme.

2. The international stock exchange is undergoing work on a broad scale to improve and upgrade current services and introduce new services. _____ undertook a full analysis of the hardware and software environment for the programme to date. This involved a review of machine configurations and verifying these against purchase requisitions. His role also involved contract negotiation and supplier relationship management ensuring that all equipment arrived on schedule prior to installation and that the implementation ran according to the project plan. Suppliers included Tandem, Racal, StorageTek and Insider Technologies.

INPUT®

Cornwall House
55-77 High Street
Slough, Berkshire
SL1 1DZ
Tel: 01753 530444
Fax: 01753577311

Fax

Date: 13 May 1996
Attention: Mr Mark Sukiennik
Tel/Location: 0171 860 4004 (Fax)
Company: INPUT
From: Chris Harris
Subject: **Professional Services Pricing**

FAXED

Confidential: Yes
Urgent: Yes
Page1 of 20

File:
Contact
Other

Dear Mark

As discussed today, please find enclosed a final version of the above report, a copy of which will be sent to you by tonight's post. It has been a pleasure to undertake this custom work for Natwest and I trust that we may be of assistance to you in future. Your early attention to our invoice E3952/A would be appreciated.

With regard to this fax transmission, please confirm firstly that you have received all twenty pages and that they are legible (including this cover) and secondly that we have your permission to issue the report to Andersen Consulting (alternatively you may wish for us to send Andersen's copy via yourself - please advise of your preference).

Regards

Christopher Harris
Senior Consultant for INPUT Custom Services

FAXED

INPUT®

PROFESSIONAL SERVICES PRICING

A Report for
National Westminster Bank

APRIL 1996

(Blank)

Prepared by
INPUT Ltd.
Cornwall House
55-77 High Street
Slough
Berkshire
United Kingdom

Professional Services Pricing

Table of Contents

I

Introduction

A
Objectives and Scope

INPUT WAS commissioned to conduct a field research project to establish an independent benchmark of professional services pricing data for National Westminster Bank. The information is to be used to monitor the rates for the billing of a major business transformation project under contract.

With the agreement of National Westminster Bank, the study has been restricted to a small sample of four professional services companies who are perceived by INPUT to be of sufficient calibre to undertake large scale financial BPR work in the UK. These are namely:

- A.T. Kearney/EDS
- Coopers and Lybrand
- Hoskyns/ Cap Gemini Sogetti
- PA Consulting.

A number of firms were rejected from the sample on the grounds that their BPR credentials were incompatible with the Andersen Consulting job capsule data provided by National Westminster Bank. This job capsule data is shown in Appendix A.

B
Methodology and Definitions

The first stage of the research project was the definition of the job capsules designed to form a fair representation of the different levels of work anticipated in the project in question being run by Andersen Consulting for the National Westminster Bank. These job capsules were provided to INPUT in sufficient detail in order that they could be utilised as a fair basis of comparison with the work being conducted by competitive firms.

INPUT then utilised these job capsules to make direct comparisons with the job descriptions being used by comparable firms doing comparable work.

The choice of firms was critical since the large scale BPR consulting being undertaken by Andersen Consulting in the finance sector is a specialised project service not widely available from professional services firms.

INPUT then matched as closely as possible the professional services rates being quoted by competitive firms for their various staff grades with those defined by the given job capsules.

From this information, a set of tables was then prepared which was adjusted to match the staff grades provided by Andersen Consulting as represented by the job capsules. It is important to state here that we believe the top level designated by Andersen Consulting as 'Assistant Partner/Partner' should be reapportioned as two grades with two separate day rates to provide a fairer comparison with the rates of its competitors. By doing so, we match an **Andersen Consulting Partner** with the following:

- An A.T. Kearney Vice President
- A Coopers and Lybrand Partner
- A Hoskyns Director
- A PA Consulting Senior Partner.

At the next level down, we match an **Andersen Consulting Associate Partner** with the following:

- An A.T. Kearney Principal
- A Coopers and Lybrand Principal
- A Hoskyns Senior Manager
- A PA Consulting Partner.

At the next level down, we match an **Andersen Consulting Manager** with the following:

- An A.T. Kearney Manager
- A Coopers and Lybrand Principal Associate
- A Hoskyns Managing Consultant
- A PA Consulting Managing Consultant

At the next level down, we match an **Andersen Consulting Consultant** with the following:

- An A.T. Kearney Associate[1]
- A Coopers and Lybrand Senior Associate[1] and Associate II[2]
- A Hoskyns Principal Consultant[1] and Senior Consultant[2]
- A PA Consulting Principal Consultant[1] and Consultant[2]

Note[1] INPUT perceives this grade as equivalent to an experienced Andersen Consulting Consultant.

Note[2] INPUT perceives this grade as eqnivalent to an Andersen Consulting Consultant of lesser experience.

Finally at the lowest level, we match an **Andersen Consulting Associate Consultant** with the following:

- An A.T. Kearney Business Analyst[4]
- A Coopers and Lybrand Associate I[3] and a Research Analyst[4]
- A Hoskyns Consultant[3] and Technical Consultant[4]

Note[3] INPUT perceives this grade as equivalent to an experienced Andersen Consulting Associate Consultant. N.B. At A.T. Kearney this band does not exist as the company recruits at graduate entry

level and then expects its Business Analysts to leave the company after a year to gain industry experience.

Note[4] INPUT perceives this grade as equivalent to a graduate entry level Andersen Consulting Associate Consultant. N.B. PA Consulting were unable to quote rates for employees at this level.

INPUT was able to cross reference the above levels in this way given its knowledge of the UK 'big six' management consulting sector and its understanding of respective staff level terminologies/ job descriptions within the IT related professional services sector at large.

A further consideration for providing fair market comparisons of professional services rates is the discounting rates applied within substantial projects. INPUT has therefore also included a description of the discounting practices and the pricing mechanism known to be followed by professional services organisations conducting large scale project work.

C
Report Organisation

Chapter II contains daily fee rate tables for each of the management consultants surveyed in this report. For comparative purposes, job titles have been adjusted to match Andersen Consulting job capsules. These are defined in Appendix A and have been supplied to INPUT by the National Westminster Bank.

II

Vendor Pricing Structures

Section II-A of this chapter provides detailed daily fee rate tables for the competitive firms adjusted to Andersen job capsules for direct comparative purposes.

The upper range of figures are external billing rates quoted by the four management consultancies for a large contract.

The lower range of figures quoted are discount rates applied when higher than normal staff utilisation factors are achievable, for example for contracts in excess of one year.

From previous experience, INPUT believes the lower range of figures to be valid for a BPR contract of the kind National Westminster bank has commissioned.

Section II-B considers discounting issues in more detail and the pricing mechanism used by management consulting organisations to evaluate the feasibility of this practice.

A

Daily Fee Rates Matched to Andersen Consulting Personnel Groups

Exhibit II-1 provides a table of management consultants' rates adjusted to match the staff grades provided by Andersen Consulting.

Exhibit II-1

Competitors' Daily Fee Rates (£)

Andersen Job Category	A.T. Kearney	Coopers & Lybrand	Hoskyns/CGS	PA Consulting Group
Partner	4000	2450	1620	1750-1850
Associate Partner	2180*-2550	1920*-2240	1255*-1465	1550-1650
Manager	1600-1800	1415*-1650	1170*-1365	1190-1290
Consultant[1]	1200-1400	1190*-1385	1123*-1310	1100-1200
Consultant[2]	N/A	895*-965	1030*-1110	900-1100
Assistant Consultant[3]	N/A	715*-770	820*-885	N/A
Assistant Consultant[4]	800	385	725	N/A

* Denotes INPUT figures

As already indicated elsewhere in this report it is important to note that we believe the top level designated by Andersen Consulting as 'Assistant Partner/Partner' should be reapportioned as two grades with two separate day rates. By doing so, we match an **Andersen Consulting Partner** with the following:

- An A.T. Kearney Vice President
- A Coopers and Lybrand Partner
- A Hoskyns Director
- A PA Consulting Senior Partner.

At the next level down, we match an **Andersen Consulting Associate Partner** with the following:

- An A.T. Kearney Principal
- A Coopers and Lybrand Principal
- A Hoskyns Senior Manager
- A PA Consulting Partner.

At the next level down, we match an **Andersen Consulting Manager** with the following:

- An A.T. Kearney Manager
- A Coopers and Lybrand Principal Associate
- A Hoskyns Managing Consultant
- A PA Consulting Managing Consultant

At the next level down, we match an **Andersen Consulting Consultant** with the following:

- An A.T. Kearney Associate[1]
- A Coopers and Lybrand Senior Associate[1] and Associate II[2]
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- A Hoskyns Consultant[3] and Technical Consultant[4]

Note[3] INPUT perceives this grade as equivalent to an experienced Andersen Consulting Associate Consultant. N.B. At A.T. Kearney this band does not exist as the company recruits at graduate entry level and then expects its Business Analysts to leave the company after a year to gain industry experience.

Note[4] INPUT perceives this grade as equivalent to a graduate entry level Andersen Consulting Associate Consultant. N.B. PA Consulting did not quote rates for employees at this level.

INPUT is able to cross reference the above levels in this way given its detailed knowledge of the UK 'big six' management consulting sector and its understanding of respective staff level terminologies/ job descriptions.

B
Discounting Practices

For the purposes of this survey, we define internal charge out rates (noted below) as management consultants' break even points and external charge out rates as management consultants' typical target rates in negotiations.

Correspondingly, the 'daily fee rate to' figures quoted in Exhibit II-A is the management consultant's external charge out rate.

However, large contracts permit (1) higher levels of staff utilisation (particularly at higher staff grades) and (2), elimination of the unavoidable down-time between shorter contracts. Hence in principle, these increased efficiencies enable some of the difference between consultants' internal charge out rates and an external charge out rates to be passed on to the client.

Correspondingly, in Exhibit II-A, INPUT has assigned discounted rates as the 'daily fee rate from' figures.

In some cases, 'daily fee rate from' figures have been readily provided by the management consultacy in question: namely for all of PA Consulting's rates and for the Manager and Consultant job categories for A.T. Kearney. In other cases denoted by an asterisk (*), the 'daily fee rate from' figures are based on INPUT's understanding and knowledge of discounted rates for high value, long term contracts. Here, an assumed internal charge out rate plus 20% has been assigned for Associate Partner, Manager and Consultant[1] levels and an assumed internal charge out rate plus 30% assigned for other lower levels.

These two different percentages have been allocated because there is generally more scope for savings in upper staff levels as long term contracts permit greatest improvements to be made in staff utilisation rates in these positions.

Where no range is listed in Exhibit II-A, i.e. at the uppermost level and lowest level, this is because management consultancies tend to apply these rates as a flat figure.

Whether the management Consultancy chooses to pass on discounts is dependent on many factors including (1) the prospect of more work from the client in question, and (2), the opportunity cost of pursuing alternative business.

Appendix A

Andersen Consulting Job Capsules

Associate Partners/Partners

This group represents the executive leadership of Andersen Consulting's practice. Typically Partners will have an excess of fourteen years experience within Andersen Consulting.

They not only bring best practices to bear on behalf of their clients, but also contribute to industry best practice and Andersen Consulting Knowledge Capital. Partners are thought leaders. They will be knowledgeable in the commercial issues facing an industry and be versed in alternative ways in which the industry is dealing with those issues. They will have a proven track record in delivering commercial benefits and significant programmes.

All Andersen Consulting efforts are led by partners. Large or particularly complex efforts are led by a team of partners to provide the appropriate and diverse thought leadership required.

Typical tasks undertaken by a partner are:

Managing overall client relationships

Ensuring the necessary resources (both in terms of appropriately skilled and balanced teams and in terms of applying required knowledge and methodology resource) are deployed to achieve the optimal outcome for the client.

Programme management
Quality assurance
Design authority
Commercial arrangements
Industry expertise

Managers

Managers have between four and ten years experience with Andersen Consulting. They set the strategic framework for initiatives , provide intellectual and project leadership from conceptual design efforts through to implementation. Managers have extensive experience in Andersen Consulting methodologies and best practices. They plan work encompassing thousands of days of effort. They lead large teams. Augmenting specific content expertise, managers will have a sound understanding of the full range of standard business functions, operations , and organisational issues. They present detailed project issues in a business context. Managers also have responsibilities relating to the commercial arrangements between Andersen Consulting and its clients.

Typical tasks undertaken by a Manager are:

Definition of overall solution
Solution co-ordination across projects
Design of change strategy
Design of implementation approach
Project Management (planning and execution)
Rollout planning
Programme control

Consultants

consultants have two to five years experience with Andersen Consulting. They will lead teams of up to 10 people. In addition to executing project tasks, they plan and manage work consisting of hundreds of days of effort. They will have an ability to present their work in the context of the overall project or Programme. Typical involvement includes planning, execution, and management of design and implementation work. Typical involvement includes planning, execution, and management of design and implementation work. They are technical and industry experts in the areas of their involvement.

Typical tasks undertaken by a consultant are:

Job design (including supervision)
Process design (including supervision)
Definition of benefits realisation and tracking approach
Design workshop facilitation
Design of requirements and deliverables
Work planning and scheduling
Leading teams (including management of budget, schedule risks etc.)
Communication planning

Associate Consultants

Associate consultants have up to three years experience with Andersen Consulting. The majority are recruited from top universities and 20 to 30 percent will have advanced degrees. Within the first two years of joining, assistant consultants will have at least two

full months of dedicated training in competency, industry, and professional development areas. On a typical project an assistant consultant is responsible for the delivery of specific areas of work. This work will often be conducted in parallel with a member of the clients' staff under the supervision of a consultant or manager.

Typical tasks undertaken by an associate Consultant are:

Data gathering and analysis via research and interviews
Financial analysis
Design and production of communications
Report and deliverable preparation
Process design
Job design

-End of Text -

Appendix A

Andersen Consulting Job Capsules

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Financial analysis
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Report and deliverable preparation
Process design
Job design

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MESSAGE CONFIRMATION

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ID=INPUT LTD

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Introduction

A
Objectives and Scope

INPUT WAS commissioned to conduct a field research project to establish an independent benchmark of professional services pricing data for National Westminster Bank. The information is to be used to monitor the rates for the billing of a major business transformation project under contract.

With the agreement of National Westminster Bank, the study has been restricted to a small sample of four professional services companies who are perceived by INPUT to be of sufficient calibre to undertake large scale financial BPR work in the UK. These are namely:

- A.T. Kearney/EDS
- Coopers and Lybrand
- Hoskyns/Gemini
- PA Consulting.

1a) is this EDS + the same?
• yes - merger
• AT Kearney a boutique mgmt consultancy ≡ McKinnsey.

1b) is this Hoskyns + Gemini? • yes

A number of firms were rejected from the sample on the grounds that their BPR credentials were incompatible with the Andersen Consulting job capsule data provided by National Westminster Bank. This job capsule data is shown in Appendix A.

B
Methodology and Definitions

The first stage of the research project was the definition of the job capsules designed to form a fair representation of the different levels of work anticipated in the project in question being run by Andersen Consulting for the National Westminster Bank. These job capsules were provided to INPUT in sufficient detail in order that they could be utilised as a fair basis of comparison with the work being conducted by competitive firms.

INPUT then utilised these job capsules to make direct comparisons with the job descriptions being used by comparable firms doing comparable work.

The choice of firms was critical since the large scale BPR consulting being undertaken by Andersen Consulting in the finance sector is a specialised project service not widely available from professional services firms.

Taking raw data to ⇒ comparative data

INPUT then matched as closely as possible the professional services rates being quoted by competitive firms for their various staff grades with those defined by the given job capsules.

do not understand.

Ac = 4 tiers (5 actually) C+L = 7 tiers.

Given that each of the four competitive firms selected had organisational structures with a greater number of staff levels than Andersen Consulting, INPUT has provided two sets of comparative tables for daily fee rates.

If feasible, would prefer only one set of data.

unclear.

A first set of tables was prepared to relate day rates *as the consultancies assign them.* ie if you asked them to quote, that's what you'd get

A second set of tables was then prepared which was adjusted to match the staff grades provided by Andersen Consulting as represented by the job capsules. It is important to state here that we believe the top level designated by Andersen Consulting as 'Assistant Partner/Partner' should be reapportioned as two grades with two

separate day rates to provide a fairer comparison with the rates of its competitors. By doing so, we match an **Andersen Consulting Partner** with the following:

- An A.T. Kearney Vice President
- A Coopers and Lybrand Partner
- A Hoskyns Director
- A PA Consulting Senior Partner.

At the next level down, we match an **Andersen Consulting Associate Partner** with the following:

- An A.T. Kearney Principal
- A Coopers and Lybrand Principal
- A Hoskyns Senior Manager
- A PA Consulting Partner.

At the next level down, we match an **Andersen Consulting Manager** with the following:

- An A.T. Kearney Manager
- A Coopers and Lybrand Principal Associate
- A Hoskyns Managing Consultant
- A PA Consulting Managing Consultant

At the next level down, we match an **Andersen Consulting Consultant** with the following:

- An A.T. Kearney Associate[1]
- A Coopers and Lybrand Senior Associate[1] and Associate II[2]
- A Hoskyns Principal Consultant[1] and Senior Consultant[2]
- A PA Consulting Principal Consultant[1] and Consultant[2]

does this mean 'top end'? no - experienced for the grade. (all 'top end' staff)

all top end

Note[1] INPUT perceives this grade as equivalent to an experienced Andersen Consulting Consultant.

Note[2] INPUT perceives this grade as equivalent to an Andersen Consulting Consultant of lesser experience. Do you mean lesser or average?

Finally at the lowest level, we match an **Andersen Consulting Associate Consultant** with the following:

no - lesser experience for the grade.

- An A.T. Kearney Business Analyst[4]
- A Coopers and Lybrand Associate I[3] and a Research Analyst[4]
- A Hoskyns Consultant[3] and Technical Consultant[4]

Note[3] INPUT perceives this grade as equivalent to an experienced Andersen Consulting Associate Consultant. N.B. At A.T. Kearney this band does not exist as the company recruits at graduate entry level and then expects its Business Analysts to leave the company after a year to gain industry experience.

Is the word 'associate' missing here? YES. Strictly speaking.

Note[4] INPUT perceives this grade as equivalent to a graduate entry level Andersen Consulting Consultant. N.B. PA Consulting were unable to quote rates for employees at this level.

INPUT was able to cross reference the above levels in this way given its knowledge of the UK 'big six' management consulting sector and its understanding of respective staff level terminologies/ job descriptions within the IT related professional services sector at large.

Has a discount adjustment factor been applied to these rates to reflect higher utilisation levels? NO.
- If not, we need wording to this effect.

A further consideration for providing fair market comparisons of professional services rates is the discounting rates applied within substantial projects. INPUT has therefore also included a description of the discounting practices and the pricing mechanism known to be followed by professional services organisations conducting large scale project work.

"I assume these rates are reflective of a major contract, in which case we should state this". OK?

C
Report Organisation

The remaining chapters of this report are organised in the following way:

Chapter II, the *Executive Overview*, contains summary exhibits which show in graphical form the range of day rates for consultancy services typically being charged by the competitive firms in the sector in question.

Chapter III, *Vendor Pricing Structures*, contains the detailed daily fee rate tables for the competitive firms in two forms; firstly in the format related to their own job descriptions and secondly as adjusted to the job capsules defined for direct comparative purposes.

Appendix A contains the job capsule descriptions supplied to INPUT by the National Westminster Bank.

II

Executive Summary

(wants to omit whole section

This Executive Overview contains summary exhibits which show in graphical form the range of day rates for consultancy services typically being charged by the competitive firms in the sector in question. The tables provide an overview of the typical base rates being applied in comparable markets to those of the project in question at the National Westminster Bank.

Exhibits II-1 through to II-4 show the comparative competitive daily rate positions for the four job capsule categories of, Consulting Partner, Consulting Manager, Consultant and Associate Consultant.

Exhibit II-1

Average Day Rates for Andersen Consulting Partner Level

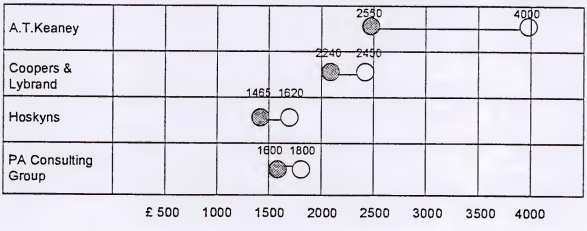


Exhibit II-2

Average Day Rates for Andersen Consulting Manager Level

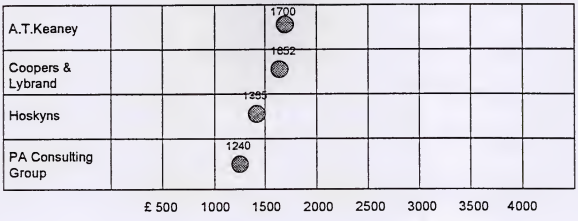


Exhibit II-3

Average Day Rates for Andersen Consultant Level

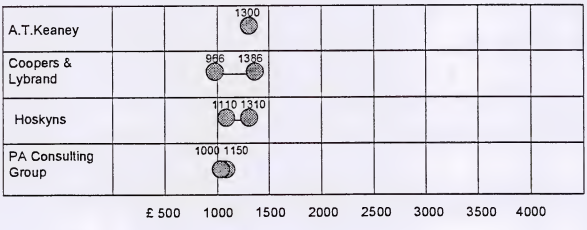
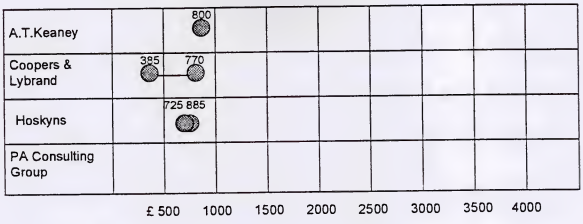


Exhibit II-4

Average Day Rates for Andersen Consulting Associate Consultant Level



III

Vendor Pricing Structures

This chapter provides detailed daily fee rate tables for the competitive firms in two forms; firstly in the format related to their own job descriptions and secondly as adjusted to the job capsules defined for direct comparative purposes.

wants to omit.

Section III-C considers discounting issues and the pricing mechanism used by management consulting organisations to evaluate the feasibility of this practice.

explain why done it.

A
Daily Fee Rates as Utilised by Competitive Firms

The first set of tables shown in this section of the report was prepared to relate day rates *as the consultancies assign them*. This data is shown in Exhibits III-1 to III-4.

Exhibit III-3

Daily Fee Rates - Hoskyns

Andersen Consulting Job Category	Hoskyns Job Category	Daily Fee Rate From	Daily Fee Rate To:	Daily Fee Rate Average:
Partner	Director	-	-	£1620
Associate Partner	Senior Manager	-	-	£1465
Manager	Managing Consultant	-	-	£1365
Consultant	Principal Consultant[1]	-	-	£1310
Consultant	Senior Consultant[2]	-	-	£1110
Associate Consultant	Consultant[3]	-	-	£885
Associate Consultant*	Technical Consultant[4]	-	-	£725

Exhibit III-4

Daily Fee Rates - PA Consulting Group

Andersen Consulting Job Category	PA Consulting Group Job Category	Daily Fee Rate From	Daily Fee Rate To:	Daily Fee Rate Average:
Partner	Senior Partner	£1750	£1850	£1800
Associate Partner	Partner	£1550	£1650	£1600
Manager	Managing Consultant	£1190	£1290	£1240
Consultant	Principal Consultant[1]	£1100	£1200	£1150
Consultant	Consultant[2]	£900	£1100	£1000
Associate Consultant				
Associate Consultant*				

*Denotes graduate entry level. For indexed notes, refer to Section II-B, pages 3 & 4

is this accurate ?? yes! Senior position.

Exhibit III-1

Daily Fee Rates - A.T. Kearney / EDS

Andersen Consulting Job Category	A.T. Kearney Job Category	Daily Fee Rate From	Daily Fee Rate To	Daily Fee Rate Average
Partner	Vice President	-	-	£4000
Associate Partner	Principal	-	-	£2550
Manager	Manager	£1600	£1800	£1700
Consultant	Associate[1]	£1200	£1400	£1300
Consultant		-	-	
Associate Consultant		-	-	
Associate Consultant*	Business Analyst[4]	-	-	£800

Exhibit III-2

not used + to. I am expecting to see a range of charges ... this is key to determine the cost effectiveness of our deal.

Daily Fee Rates - Coopers and Lybrand

Andersen Consulting Job Category	Coopers & Lybrand Job Category	Daily Fee Rate From	Daily Fee Rate To	Daily Fee Rate Average
Partner	Partner	-	-	£2450
Associate Partner	Principal	-	-	£2240
Manager	Principle Associate	-	-	£1652
Consultant	Senior Associate[1]	-	-	£1386
Consultant	Associate II[2]	-	-	£966
Associate Consultant	Associate I[3]	-	-	£770
Associate Consultant*	Research Analyst[4*]	-	-	£385

best level of detail

we can supply with the info you have

provided – otherwise we would need to execute a full tendering procedure.

cost more

this is a target not actual or top end – the list price.

*Denotes graduate entry level. For indexed notes, refer to Section II-B, pages 3 & 4

"external billing rate"

does it usually go above this.

most firms use internal billing rate which needs mark up.

B

Daily Fee Rates Matched to Andersen Consulting Personnel Groups

Exhibit III-5 below provides a table of rates adjusted to match the staff grades provided by Andersen Consulting as closely as possible.

As already indicated elsewhere in this report it is important to note that we believe the top level designated by Andersen Consulting as 'Assistant Partner/Partner' should be reapportioned as two grades with two separate day rates. By doing so, we match an **Andersen Consulting Partner** with the following:

- An A.T. Kearney Vice President
- A Coopers and Lybrand Partner
- A Hoskyns Director
- A PA Consulting Senior Partner.

At the next level down, we match an **Andersen Consulting Associate Partner** with the following:

- An A.T. Kearney Principal
- A Coopers and Lybrand Principal
- A Hoskyns Senior Manager
- A PA Consulting Partner.

At the next level down, we match an **Andersen Consulting Manager** with the following:

- An A.T. Kearney Manager
- A Coopers and Lybrand Principal Associate
- A Hoskyns Managing Consultant
- A PA Consulting Managing Consultant

At the next level down, we match an **Andersen Consulting Consultant** with the following:

- An A.T. Kearney Associate[1]
- A Coopers and Lybrand Senior Associate[1] and Associate II[2]
- A Hoskyns Principal Consultant[1] and Senior Consultant[2]
- A PA Consulting Principal Consultant[1] and Consultant[2]

Note[1] INPUT perceives this grade as equivalent to an experienced Andersen Consulting Consultant.

Note[2] INPUT perceives this grade as equivalent to an Andersen Consulting Consultant of lesser experience.

Finally at the lowest level, we match an **Andersen Consulting Associate Consultant** with the following:

- An A.T. Kearney Business Analyst[4]
- A Coopers and Lybrand Associate I[3] and a Research Analyst[4]
- A Hoskyns Consultant[3] and Technical Consultant[4]

Note[3] INPUT perceives this grade as equivalent to an experienced Andersen Consulting Associate Consultant. N.B. At A.T. Kearney this band does not exist as the company recruits at graduate entry level and then expects its Business Analysts to leave the company after a year to gain industry experience.

Note[4] INPUT perceives this grade as equivalent to a graduate entry level Andersen Consulting Consultant. N.B. PA Consulting did not quote rates for employees at this level.

INPUT is able to cross reference the above levels in this way given its detailed knowledge of the UK 'big six' management consulting sector and its understanding of respective staff level terminologies/ job descriptions.

Exhibit III-5

Competitors' Average Daily Fee Rates

Andersen Job Category	A.T. Kearney	Coopers & Lybrand	Hoskyns	PA Consulting Group
Partner	£4000	£2450	£1620	£1800
Associate Partner	£2550	£2240	£1465	£1600
Manager	£1700	£1652	£1365	£1240
Consultant	£1300[1] -	£1386[1] £966[2]	£1310[1] £1110[2]	£1150[1] £1000[2]
Assistant Consultant	- £800[4]	£770[5] £385[4]	£885[5] £725[4]	- -

note that it also no [illegible]

C
Discounting Practices

Do the rates quoted assume average or full utilisat^n? Average.

The daily fee rates quoted in Sections III-B and III-C have been provided by the four management consultancies in reference to the contract conditions spelt out in Section II-B. Whether further discounting would be achievable is open to interpretation, short of engaging in a full tendering process.

However, what can be stated is the methodology by which management consultancies make a discounting decision. This is set out below:

20% 80% nom. & charge out rate - useless.

- At Partner and Principal level, staff utilisation rates are normally targeted at 65% to 70% of total available staff hours, assuming a maximum of 90% having taken into account sick days etc. The gap of 20-25% is attributable to non-billable down time, for example in the unproductive period between jobs

  Please advise utilisation levels for other job grades.
- If a large contract is signed (tying up senior resources say for a year or more), this down-time is eliminated. In principle, billable hours can be increased to 90%, leaving the 20-25% available for discounting.

  approaching 90%.
- Whether the management Consultancy chooses to pass on this saving is dependent on many factors including (1) the prospect of more work from the client in question, and (2), the opportunity cost of pursuing alternative business.

75% busy

more busy than this

upto middle junior staff } lower 75-80%.

top 3 part. prin. m/cons. } 75-80%.

You can see from cash flow the down-time ample scope..

Realistical max 75%-80% for lower level.

upscale - mgmt/sales/dumpt

VP - AT. Keamey 20%.

remove.

International Full Service Vendors

- Andersen Consulting
  - full lifecycle offering; “business integration”
  - movement towards *management services*
  - leveraging thought leadership

- EDS
  - development of high-end presence
  - focus on value based assignments
  - on-going depth of capital resource

INPUT

Tasks for Wednesday.

1. Sort out Natwest - call.
2. IBM - Call. £4200.
3. Expenses.

ext'l billing rate = 140% of internal billing rate. → 2240 : 140% :: x : 100%

$x = \frac{2240 \times 100}{140}$

$x = 1600.$

Coopers.		Ex	Int	~~Ex less 20%~~ Int plus 20%	~~Ex less 20%~~ Int plus 20%
P.	2450	2450	1750	2100	
AP		2240	1600	~~1505~~ 1920	
M		1652 1650	1180	1416 1475	
C		1386 1385	990	1188	1287 1285
C.		966 985	690		897 895
AC		770 770	550		715 ~~770~~ ~~715~~
Ac*	385				

Calculations which scaled down external charge out rates to internal + then allowed a profit margin.

Methodology

Information will be drawn from the following INPUT Software Product Support Programme reports:

- European Market Futures 1994 - 1999
- Software Product Support Trends and Forecast, Europe 1995 - 2000
- The Influence of Support on Software Product Selection, Europe 1996
- European Software Product Support, New Open Market Opportunities.

From our extensive database, & research mat'

The material will be supplied in the form of a 6 to 8 page pamphlet, comprising a combination of quantitative and qualitative analysis suitable for replication and distribution by IBM throughout the ISV marketplace and in various media. It is understood that nominated IBM personnel will be involved report development and finalisation.

Timeline

If IBM UK Ltd. can authorise commencement of the study by Friday, 10 May, 1996, INPUT can deliver the results by Monday, 20 May, 1996.

Experience and Responsibility

INPUT feels well placed to conduct this study for IBM UK Ltd. as it is focused on an area already thoroughly researched by INPUT through its Software Support Programme. Chris Harris, INPUT's Senior Consultant for Custom Consulting, would be responsible for the overall conduct of the study and has direct software support experience.

Professional Fees

The professional fees for this research will be £4,000 (excluding V.A.T.) and excluding any expenses which would be unlikely to exceed 5% of the total project fee.

Haskyns	ex	int	int plus 20%	int plus 30%
P 1620	~~1620~~ 1620	1157	1388 1390	
AP	1465	1046	1255	
M	1365	975	1170 (13.5.46)	~~1267~~ 1265
C	1310	936	1123	1217 1215
C	1110	793		1031 1030
Ac	885	632		822 820
Ac 725				

Groupware

2, net slow

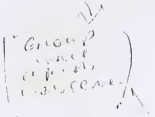
Lotus Notes (this) 60-70%.

(going towards that model) will have shifted to that application by 1998-99. (2-3 window).

?

Novell. groupwise

groupwise XPTs.



Notes needs a proprietary client

doc.
Flow?
if it just
mimics the
web browser,
but virtual
non-totally within just one eg product (Web shared) Action Automatic. (Action workflow, Metro.)

interface
Java,
Forms...

Why is Stall [illegible] which needs proprietary client using windows

AT. Kearney		EX	INT	Int plus 20%	Int plus 30%	actual
P	4000	~~4600~~	2857	3428 2430		
AP		2550	1821	2184 2180		
M		1800	1286	1543 1540		1600
C		1400	1000		1300	1200
C		—				
Ac		—				
AC	800	~~800~~				

Objectives and Scope

Based on primary user research, INPUT perceives that users are generally dissatisfied with the customer technical support they receive in a multi-vendor and platform environment, and yet this issue is becoming an increasingly critical business differentiator.

In this context, IBM wishes to use INPUT market research to establish an independent assessment of the service offerings of Independent Software Vendors (ISVs).

The scope of the study will address the following issues:

S/W

- The provision of post sales technical support
- The hours of support provided 24X7 · ✓ Measurable
- The geographical restrictions currently imposed by vendors across Europe ✓
- The response times currently experienced
- The quality of support provided
- Additional services required such as installation and customisation of the products
- The breadth of support provided in conjunction with the platform and complex environment in which the software is to operate.

Based on existing INPUT research, specific reference will be made to the following:

(1) Users' perceptions that Equipment Vendors are perceived to offer a higher quality of service and better value for money than either third party channels or independent software vendors

(2) The importance of software support to users by platform vendor, for IBM versus non-IBM product users, which shows the major influence IBM has in establishing market demand

(3) INPUT's view that Vendors' breadth of service and geographic spread have a direct bearing on ability to provide quality of service and timeliness of delivery for software support services.

PA Cons

	Ex	Int	int plus 20%	int plus 30%	actual bottom end
P	1850				1750
AP	1650	1178	1414		1550
M	1290	921		1197	1190
C	1200	857		1114	1100
C	1100	786		1021	900
Ac	–				
Ac	–				

Pan-European Service Vendors

- CGS

- still attempting to leverage Gemini
- international perceptions of French background
- market is moving away from body-shopping

- CMG

- imperative to develop more than a two country focus
- lower-level IT, non-business led, perception
- flotation increases vulnerability

INPUT