



LATITUDE

EXECUTIVE CONSULTING

Technology and Consulting - Newsletter

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May 2011

Welcome to Latitude Executive Consulting's latest newsletter, reviewing recent marketplace activity. The newsletter focuses on the Technology and Consulting sectors, with the material sourced from a range of media and business contacts/partners.

1. Capgemini

- Capgemini has won a £7 million, 15-month contract to implement an enterprise resource planning (ERP) system at the heart of Cornwall Council.
- Capgemini estimates 130 of the 150 largest councils in the UK already use Oracle or SAP ERP systems and the county now plans to save £20 million over the next five years. This should generate income by taking on finance and HR services for other public sector organisations.
- The ERP system will be based on Oracle software and will replace largely paper-based processes inherited by the council from the old county and district councils.
- Michael Crich, Cornwall Council Director of Resources, commented: "The ERP system and new business processes will make an enormous difference to the way we work. At present, we have staff across the organisation processing the same types of paperwork in different ways using the various systems that belonged to the old councils. Things are overly complex and time-consuming. The ERP will modernise our processes, bringing us in line with other large councils."

2. PA Consulting

- Vice Admiral Tim Laurence, the husband of HRH the Princess Royal, has joined PA Consulting as a Senior Advisor in its defence and security consultancy practice.
- He was previously Chief Executive of Defence Estates, where he headed up an infrastructure organisation that manages the majority of the UK Ministry of Defence's UK and overseas property assets. Laurence has also been involved in defence reform since the 1998 Strategic Defence Review. He worked for 37 years in the Royal Navy which included four warship commands and several posts in the strategic management of defence.
- He commented: "PA is known for its excellence in defence and security in the UK and around the world. I am looking forward to working with a team that is both expert in its field and highly dedicated to its clients."
- Nick Chaffey, Global Head of Defence and Security Consultancy at PA, added: "I am delighted that Vice Admiral Laurence will be joining PA. His appointment further strengthens PA's world-class team in defence and security consulting. He brings a wealth of experience and insight that will strengthen our capability to help address the most complex problems facing the defence sector, both at a government and industry level."

3. Accenture

- Accenture has posted a 22% rise in quarterly profit and 17% leap in turnover, suggesting the consulting marketplace is gaining momentum.
- Accenture's second-quarter net profit reached \$566 million (£352 million) and turnover \$6.0 billion - beating previous revenue forecasts of \$5.6-5.8 billion. The firm's consulting revenue for the quarter to 28 February rose 20% to reach \$3.5 billion, ahead of outsourcing revenue that rose 13% to \$2.5 billion.
- New bookings in the quarter also reflected this pattern with consulting achieving new bookings of \$3.8 billion, or 54% of total new bookings, and outsourcing achieving \$3.2 billion, or 46% of total.
- Accenture CEO Pierre Nanterme commented: "With quarterly bookings of \$7 billion, including our second-highest consulting bookings ever, demand for our services remains strong and our growth trajectory demonstrates that we continue to execute our business strategy extremely well. We remain focused on growing market share and, as always, on delivering value to our clients as well as our shareholders."
- There were revenue gains across all five of its operating groups, with resources and financial services showing the most growth. The company's three regional areas also showed growth, with EMEA pushing revenue up 9% to \$2.4 billion, the Americas up 21% to \$2.7 billion and Asia-Pacific up 34% to \$787 million.

4. Ernst & Young

- Steve Varley, a former Accenture Partner who joined Ernst & Young in 2005 to rebuild the firm's advisory practice, has been named Managing Partner of E&Y's UK & Ireland business.
- Varley is moving into the post on 1 July and will manage more than 11,000 staff. He will be responsible for growing UK revenue that reached £1.3 billion in 2010 and succeeds Scott Halliday, who led the UK and Ireland business for four years but who is now moving back to the US. He will become Managing Partner for E&Y's northeast Americas region, including the New York and Boston offices.
- Varley, 42, has been a member of E&Y's UK & Ireland leadership team since 2006, in the past two years as Markets leader with responsibility for executing growth strategy across all service lines. Mark Otty, Managing Partner of E&Y's Europe, Middle East, India and Africa region, described Varley as "an inspirational leader who has a track record of success in professional services".

5. Infosys

- Infosys has announced it has been named a "Leader" in The Forrester Wave™: Global IT Infrastructure Outsourcing, Q1 2011 as well as recognized as offering strong consulting-led Infrastructure transformation.
- According to the March 2011 Forrester Research, Inc. Wave report, Infosys offers strong consulting-led infrastructure transformation and has a solid roadmap for planned enhancements. It is a rising power in the IT infrastructure management space.

- The research report further states that Infosys “has diverse geographic client distribution across the globe, a robust partner ecosystem, and a stand-out story on innovation and continuous improvement.”
- The report highlighted that Infosys received the highest possible scores for the following: customer value proposition and vision; innovation and continuous improvement; operations and strategy consulting; planned enhancements and investments to support strategy; ecosystem participation and global client geographic distribution.

6. IBM

- IBM has announced the opening of a new branch office in Dakar, Senegal, as part of the company's geographic expansion initiative to strategically increase its presence in key growth markets.
- The new subsidiary will enable IBM to deliver high-value solutions and services to meet the growing needs of clients in Senegal and West Africa, where the company is working closely with a number of business partners. IBM already serves a number of key clients in West Africa, spanning sectors including telecommunications, oil & gas, finance and government. The expanded presence in Senegal will allow the company to increase its level of service, and deliver more complex and high-value solutions such as cloud computing and business analytics.
- For example, the Customs Directorate of Senegal's Ministry of Finance recently chose IBM to help modernize Senegal's import and export processes. Together with business partner CFAO Technologies, IBM is helping the Ministry put its import and export processes for 30 border crossings on-line, while also digitizing its payroll and Human Resources processes. In another West African agreement with CFAO Technologies, IBM has provided a mainframe system to the Cameroon Ministry of Finance to help modernize the Ministry's payroll processes. In Nigeria, IBM is also working with several West African banks to help increase efficiencies and with Bharti airtel across 16 African countries to help transform its telecommunications operations.
- "Today's expansion into Senegal demonstrates IBM's commitment to the African market as we work to build out high-value solutions for our clients and partners across the continent," said Bruno Di Leo, General Manager, IBM Growth Markets. "Dakar will become one of more than 230 IBM branch offices across 54 growth market countries. Our success in Africa is a pivotal part of our overall growth markets strategy. Expanding into Senegal offers IBM a significant opportunity for doing business with suitable market conditions, established IT infrastructure, telecommunications and transportation."

7. Microsoft

- Microsoft's Founder, Bill Gates, has said he advocated the company's takeover of Skype, and urged other board members to support the move. Last week Microsoft agreed to pay \$8.5bn (£5.2bn) for the loss-making internet phone service. "I was a strong proponent at the board level for the deal being done," Mr Gates, Microsoft's Chairman told the BBC's Hardtalk programme. The multi-billion dollar deal is Microsoft's largest ever acquisition. "I think it's a great, great deal for Skype. I think it's a great deal for Microsoft," he added.
- Skype enables its users to contact each other over the internet for free, while charging for calls made to both traditional landline phones and mobiles. The Luxembourg-based company, which has 663 million users worldwide has however struggled to make a profit. But in the interview with the BBC's Stephen Sackur, Mr Gates said the decision to buy Skype was strategic. "The idea of video conferencing is going to get so much better than it is today. Skype actually does get a fair bit of revenue," said Mr Gates. "It'll be fascinating to see how the brilliant ideas out of Microsoft research, coming together with Skype, what they can make of that."

8. Atos Origin

- Atos Origin, worldwide IT partner to the Olympic and Paralympic Games, has opened a new IT equipment deployment centre where thousands of pieces of technology equipment will be configured and then deployed to London 2012 venues for test events, the Olympic Games and the Paralympic Games. By the start of the London Olympics, over 10,000 pieces of equipment will have gone through the centre and been deployed to 95 competition and non-competition venues.
- The centre will focus on supplying equipment to the first test events this summer, as well as to the IT operations centre that opens later this summer and will be the technology mission control base for the games. Atos will work under the direction of the London 2012 technology department as lead integrator.
- Gerry Pennell, CIO at London 2012, said: "Every single device, and there are thousands, must be properly configured, tested and prepared for deployment to the venues. The equipment deployment centre is critical in these preparations and will play an important role in ensuring everything is in the right place at the right time for the test events and the games."

9. Wipro

- Wipro Technologies has reaffirmed its leadership position as the Number One third party 'Global R&D Service Provider' in a 2011 report released by Zinnov Management Consulting Pvt. Ltd, a leading Globalization Advisory and Management Consulting firm. Wipro Technologies' constant innovation curve, strong business model, superior engineering and steady growth has contributed to the company becoming the world's top third party R&D service provider for the second consecutive time.
- Innovative solutions like Wipro's Collaborative Design, Manufacturing & Sustenance (CDMS) program that enables system companies meet 'concept-to-product' service needs, managed printing services, remote patient monitoring solution and connected TV solution, has won Wipro this acclaim. Zinnov has rated Wipro as a leader in third party R&D Services in

Semiconductor, Peripherals & Storage and Cloud Computing. Wipro was also positioned in the leadership zone of 'Zinnov Zones' for R&D Services in the ISV (Independent software vendor), Telecom, Communication Stack & Automotive segments.

- Zinnov analyzed third party R&D service providers using the analytic hierarchy process (AHP) modeler which assigned weights to multiple parameters like financial strength - the long term sustainability of the services provider, and capabilities - the ability of the service provider to help customers innovate, reduce time to market and deliver high quality products.

10. Vodafone

- Vodafone has reported a sharp rise in full-year profits, thanks in part to the increasing popularity of smartphones. Pre-tax profits for the 12 months to the end of March were £9.5bn, up almost 10% on the £8.7bn recorded a year ago. Revenue rose 3.2% to £45.9bn, slightly higher than analysts had forecast. The company said it was entering the new financial year in a “strong position” despite “challenging macroeconomic conditions”. “Customers have adopted data services in increasing numbers, as smartphones proliferate and the tablet market begins to take off,” said Chief Executive Vittorio Colao. He added that emerging market performance had been strong, while some European markets had seen signs of renewed growth.
- Revenues from selling data to customers, which allows users to browse the internet and check emails on their phones, rose by 26%. Revenues from emerging market customers rose by 12%. The company, which has its headquarters in Newbury, gave an upbeat outlook for the coming year, but warned that markets in southern Europe remained “challenging”. Last month, Vodafone agreed to sell its 44% stake in the French mobile phone operator SFR to Vivendi for 7.95bn Euros (£6.9bn; \$11.3bn). The group has been slimming down its portfolio, and recently sold stakes in Chinese and Japanese mobile operators. Independent media and telecoms analyst Theresa Wise said Vodafone had a sensible approach to doing business in the Bric countries - Brazil, Russia, India and China. “A lot of the international companies have gone hell for leather to go into the so-called Bric countries,” she told the BBC. “Sensibly, Vodafone has actually pulled out of China because sometimes China's very difficult to do business in. But India is doing well for them.” She added: “Growth in the more mature markets they're in in Western Europe is challenging.”

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Latitude Executive Consulting, founded in 2003, has a wealth of experience in hiring senior leadership and commercial profiles spanning every major sector and geography. Our teams of experienced, market-specific Consultants and multi-lingual Researchers ensure the successful delivery of assignments globally.

Our expertise has created an exacting and contemporary recruitment service that is thorough yet agile. We have the flexibility to source people expediently, enabling our clients to hire the best possible talent in the shortest practical timescales.

Through the utilisation of market leading technology, processes and infrastructure we engage in a combination of methodologies to maintain, update and grow a community of function and sector specific contacts. Through constant communication with this network we are kept apprised of all market developments and are able to track individuals throughout their careers.

Our approach applies the highest standards of professionalism through a proven delivery mechanism that never compromises on quality.

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