metrics

Benchmarking Services

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OVERVIEW OF BENCHMARKING SERVICES

We are Metrics

Amsterdam – London – Milan – Munich – Vienna – Zurich

Metrics Maturity UK Ltd

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Our focus is on data about IT usage in companies - from 2001 to 2020 under the name Maturity. The data comes from top European organisations in all industries and was collected and validated in our own projects. We are driven by individual questions on efficiency, effectiveness and agility of IT, the fact-based foundation of strategic decisions - in short: **D**ata **D**riven **D**ecisions

1	> 20	> 500	> 4.000	> £60 B
Data Lake	Years Of Experience	Clients	Projects	Sourcing-Volume

Portfolio Overview

IT-Sourcing

Design, procure, manage

- Sourcing-Strategy
- Sourcing-Design
- IT-Procurement
- Sourcing-Management
- Mediation

IT-Excellence

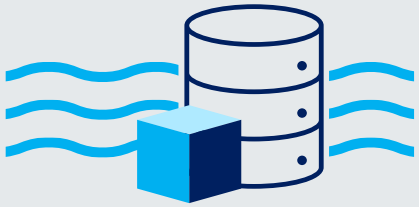
Future mode of operations

- Operational excellence
- IT operating models
- Application-TCO
- Planning, controlling and accounting
- Trends and Scenarios : Cloud, Digitalisation
- IT cost optimisation

IT-Benchmarking

Measure, control, optimise

- Prices and services: in line with the market
- Costs and productivity: optimised
- Employees and processes: well-rehearsed
- Customers and users: satisfied



Our origin is data about IT used in companies. They come from top European organisations in all industries and were collected and validated in our own projects. This allows our clients to learn from decisions of the best performers.

What makes us different

Independent

Metrics is owner-managed and independent of other companies. Neither individual clients nor service providers have any influence on our results. The focus is on the project business.

Experienced

The Metrics predecessor Maturity was founded in 2001 by experts in IT benchmarking and IT sourcing. More than 4,000 projects range from the working level up to the C-level, from the financial sector to any other industry, from user companies to IT service providers.

Premium

Our information is based exclusively on current data that we have collected, validated and quality-assured by ourselves. They enable well-founded decisions even in individual situations - **Data Driven Decisions**.

Efficient

Instead of rigid questionnaires, we rely on workshops, templates and close coordination to collect the client's data. This way we can understand what drives them and take their individual situation into account.

Flexible

Our clients range from upper medium-sized businesses to large international corporations in all industries. We have learned to adapt flexibly to requirements, expectations and corporate cultures, even in international organisations.

Holistic

We evaluate decisions and business cases from the angle of all possible options. The focus is on benefits, feasibility and risks. Our focus is on balancing effectiveness, efficiency and agility for the benefit of the client.

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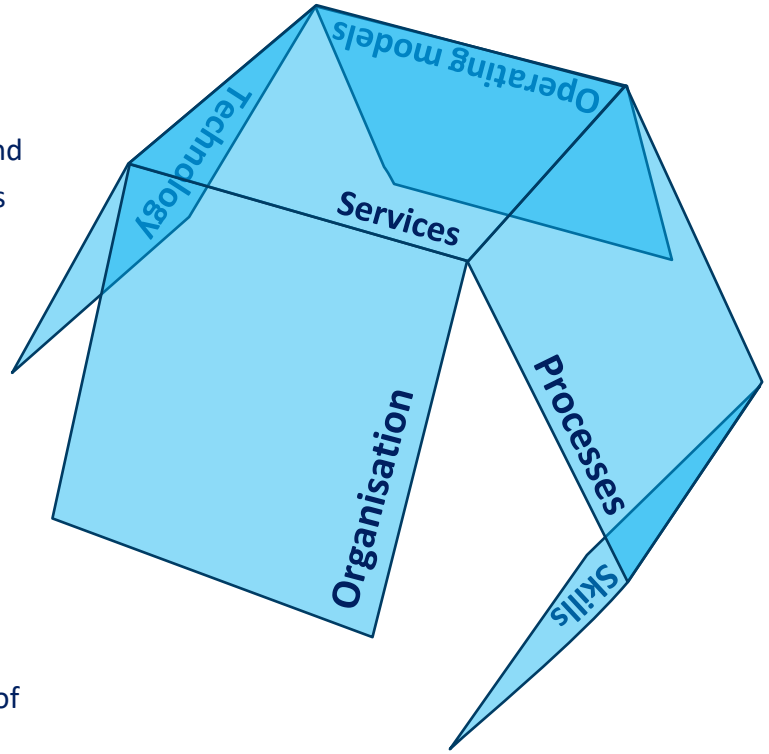
Benchmarking

Because there are always different perspectives and facets – you can not see all of them at first glance

Prices and services:
in line with the market

Procuring IT services externally is essential nowadays – which makes it even more important to plan the design and the cost involved, and to review it regularly. Metrics offers support in all phases of the IT sourcing cycle through.



IT staff and processes:
well-rehearsed

IT employees with sought-after skills are a valuable asset. Metrics helps you to examine costs and prices as well as supply and demand and how to align these.

Costs and productivity:
optimised

A focus on costs, services, complexity and quality – a cost benchmark provides detailed facts, allowing CIOs and financial experts to optimise the price-performance ratio of their IT organisation in a targeted manner and take the necessary strategic decisions.

Clients and users:
satisfied

In IT, client and user satisfaction is becoming increasingly important. Targeted analyses cast light on the charged relationship between costs and benefits.

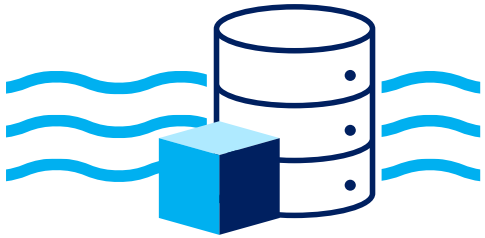
Metrics Data Lake

- Based on more than 4,000 projects, the volume of data has grown steadily and each additional project increases the data volume
- In addition to text and number-based data, images, videos and other data formats and data sources can also be relevant for data analytics
- The data lake accommodates both structured and unstructured data in raw format
- Access to the Metrics Data Lake is only allowed to our data analytics team through role-based control

Advantages and added value

- The data is prepared contextually
- The evaluation is flexible and comprehensive
- Meaningful and in-depth analyses

Data Lake



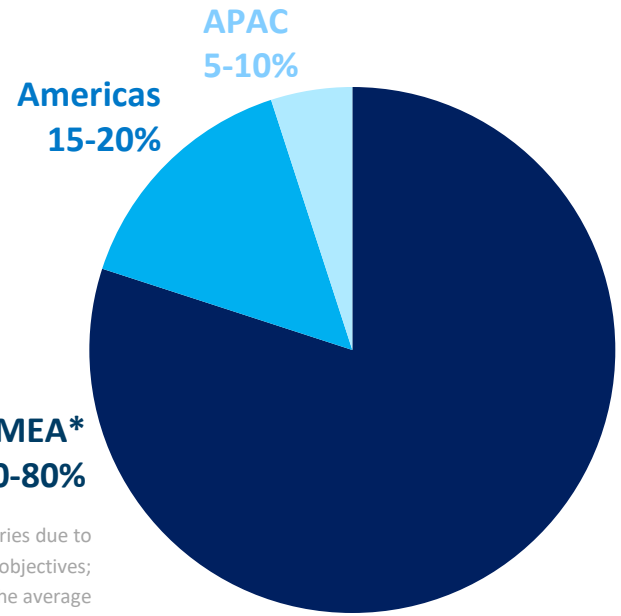
All data comes exclusively from projects carried out by ourselves at companies from the enterprise segment, (upper) medium-sized companies, non-captive service providers and captive service providers

Market and price data come from projects with:

- Clients commissioning a benchmark of an existing outsourcing contract in order to check the price-performance ratio of the services provided by the service provider
- Clients who are pursuing an outsourcing project and engage Metrics as a sourcing advisor (RfP management until contract signature)

Cost and productivity data come from projects with:

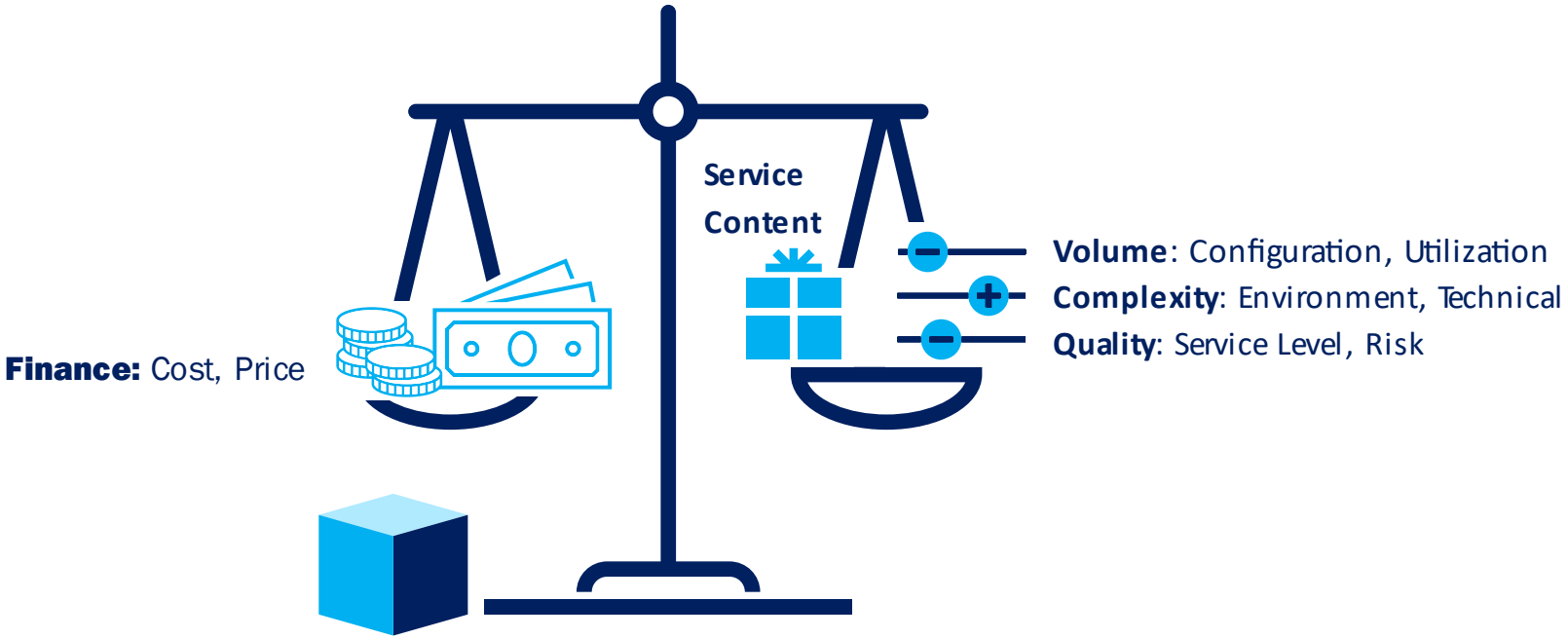
- Clients commissioning an internal cost benchmark to review the efficiency of service provision and delivery
- Clients pursuing an outsourcing project and engaging Metrics as a sourcing advisor (Make-or-Buy Analysis)



* Percentage distribution varies due to project content, scope and objectives; following Ranges represent the average of the last 5 years.

Information model

Core of the benchmark process is the consideration of the parameters "volume", "complexity" and "quality" and their influence on costs or prices. Metrics' methodology is characterised in particular by the fact that the client's individual environment forms the basis for the benchmark.



Establishing comparability

A high-quality group of six to eight comparable companies (peers) is selected from more than 500 companies in a combined top-down / bottom-up approach. In this way, the frame conditions and the current situation of the client are taken into account as best as possible. The comparative values are a maximum of 15 months old.

Bottom up – Service Rating
Metrics' data analysts classify the components, complexity, quality and volume of each service to identify the peers that have the greatest similarity and least need for standardisation.

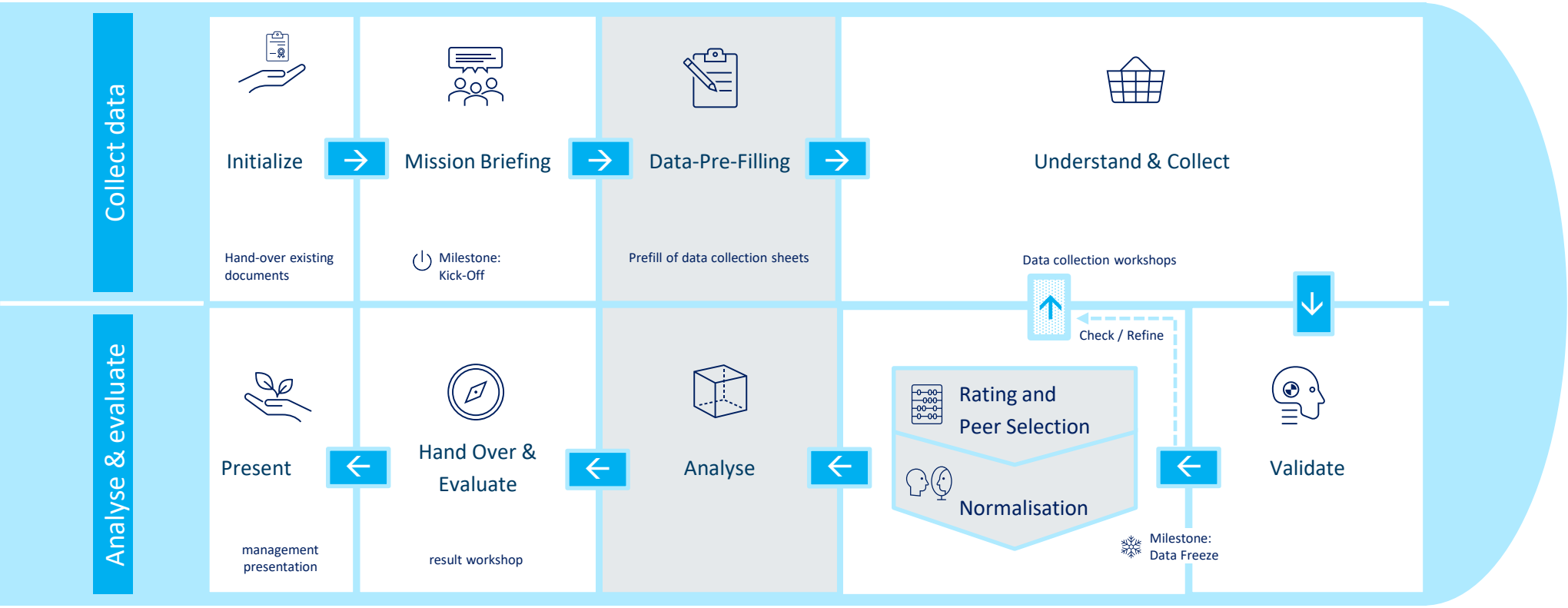
Top down – Peer Selection
We can further narrow down the peers if needed:

- Industry, size, geography
- Special frame conditions e.g. regulation
- Characteristics of the relationship between IT and client (e.g. sourcing, internal service provider)
- General service features and characteristics of service delivery

Normalisation of the remaining differences at the peers

Our approach

Metrics carries out the benchmarking according to a standardised process which is transparent for the client. Each individual process step is completed with a defined quality gate; the start of a subsequent phase only takes place after the previous milestone has been jointly agreed. This significantly increases the acceptance of the later results.



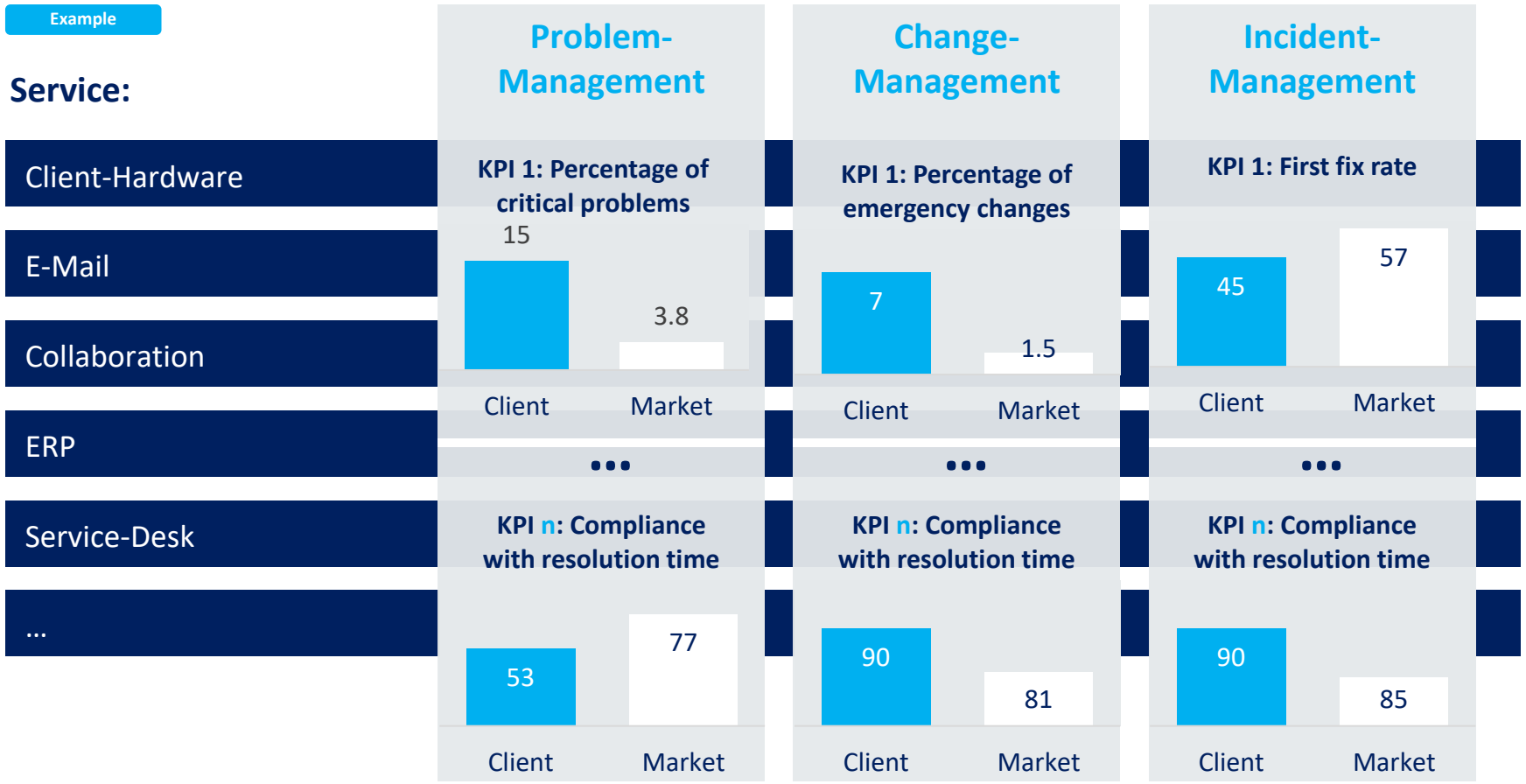
CLIENT's effort is reduced by Metrics pre-filling the data collection sheets for the joint workshops based on the documents provided.

Metrics tasks
Joint tasks

Result - Project sample

Result example: Process efficiency

The graphs are for illustrative purposes and the values are fictitious.



Metrics conduct a benchmark of selected process performance KPIs based on

- information on service content, volumes, quality and complexity
- current performance indicators of the client and optionally on artefacts and documents

In addition to the Client's current performance indicators, market comparison values as well as observations and notes are presented.

Result - Project sample

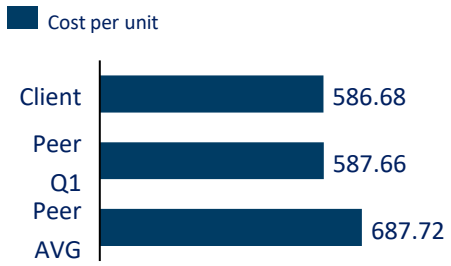
High Level: Metrics/KPI Sample

The graphs are for illustrative purposes and the values are fictitious.

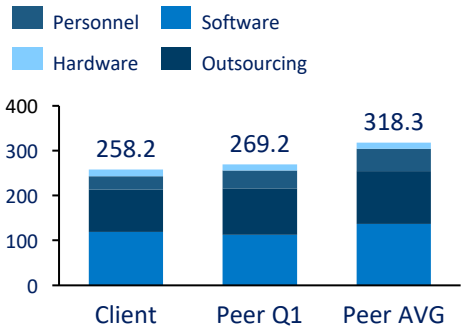
Infrastructure

Tower	Product	Gov.	Support	Market	Tech.
Service	Server Based Computing				
Unit	Concurrent User				
Remarks	Technology refresh due next year				

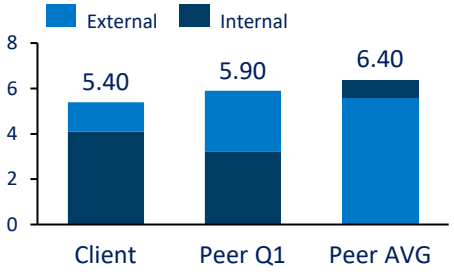
Unit costs (£)



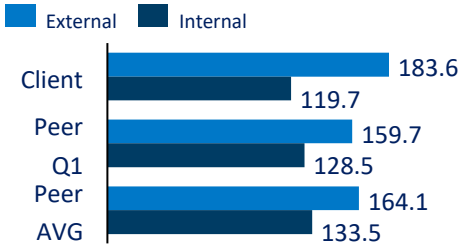
Total costs (£K)



Number of FTEs



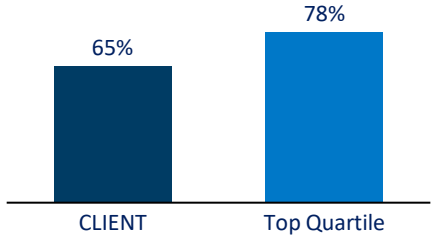
Cost per FTE (£K)



First Contact Resolution Rate

FCR at CLIENT shows above average and close to Top Quartile rates.

Project Sample

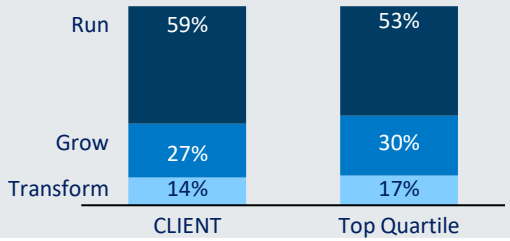


Comments:

- The CLIENT value climbed to 65% in the first quarter 2020 (from 55% in 2019).
- Indicative statement as an update from the Overview Benchmark:
  FCR in the peer group increased by 2 points, which results in a Benchmark of 78% for the Top Quartile of the peer group.

IT cost in Run, Grow & Transform

CLIENT is leading in the Transform area. Spending for Transformation is higher than peer Top Quartile.



Comments:

- Run: Operation of the existing business model “to keep the lights on”.
- Grow: Operational improvements mainly of the existing business model.
- Transform: Developing new markets, products or business models.
- Peer: Top Quartile for "Transform“ with corresponding values for Run and Grow.
- IT costs refer to the business area "Delivery" (application development, maintenance and operation).

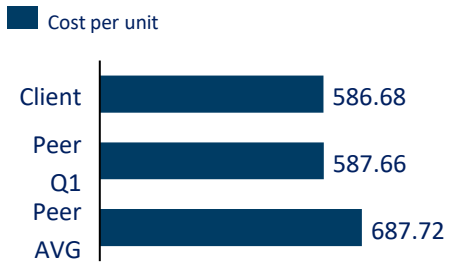
Result - Project sample

Deep Dive: Project Sample

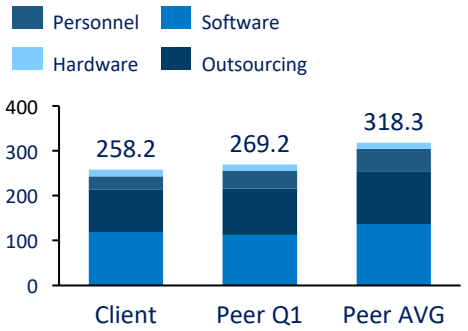
The graphs are for illustrative purposes and the values are fictitious.

Tower	Product	Gov.	Support	Market	Tech.
Service	Server Based Computing				
Unit	Concurrent User				
Remarks	Number of FTEs drives lower overall costs				

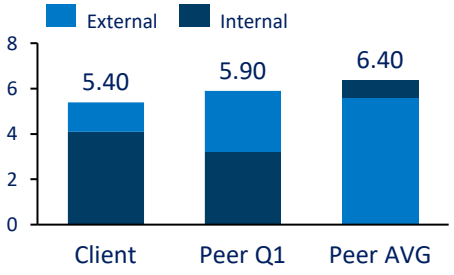
Unit costs (EUR)



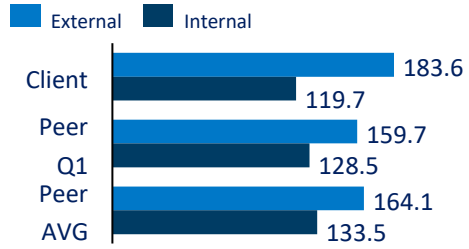
Total costs (TEUR)



Number of FTEs



Cost per FTE (TEUR)



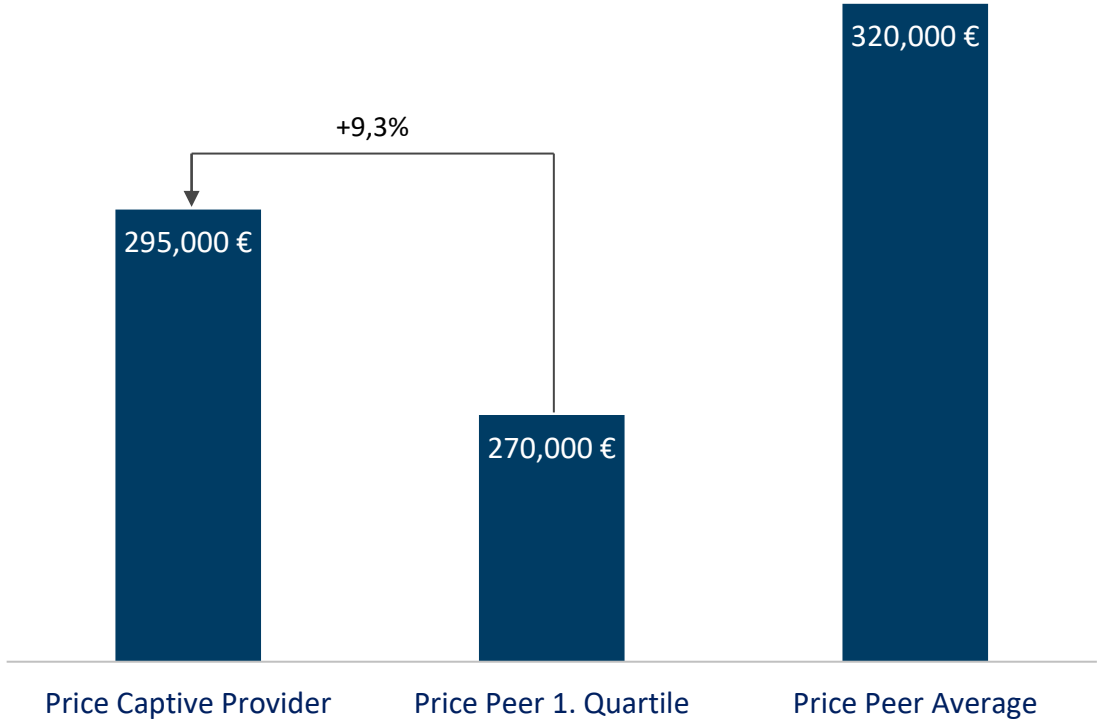
		Project Sample
Infrastructure	DC Premises, DC LAN	x (Tech)
Hardware	HW depreciation and maintenance server platform	x (Tech)
Software	OS Licenses and maintenance	x (Tech)
	Application Software Licenses and Maintenance	x
	Application AddOns (Data import / export) Maintenance	x
Operations	Strategy, Planning, Design, Key user training	x
	Operations and monitoring, User Administration	x
	Patches, Updates, Upgrades, Implementation and Testing	x
	Support, Incident- Problem and Change Mgmt., Capacity-, Availability- and Security Mgmt.	x
	Support of print forms and plotters	x
	End user release-notes	x
Volume	Concurrent user	400
Quality	Service time / Support time	7 x 24 / 5 x 24
	Reaction time Prio 1	2h
Complexity	# different interfaces / products	4 / 3
	# Support locations / User locations	4 / 58

Result - Project sample

Basic Workplace: Prices of the 1st quartile would be 9.3% below those of the captive service provider in 2022 without price adjustment

Total price per month

The graphs are for illustrative purposes and the values are fictitious.



Market penetration **High**

The service usually has significant penetration (>25%) in the relevant market.

Life cycle **Established**

The service is established. Many of the comparable companies offer as analyzed herein.

Reliability **High**

The analyzed values are very reliable. They are very likely to lie within an interval of +/- 5 % and can be used for pricing.

Market observation:

- Administration rights: Different models can be found on the market, from complete restriction to complete freedom.
- Service times: Longer service times are established at the market.
- Maintenance of reports and documentation: Here, the captive service provider has higher expenses compared to the market.

Price trends:

2023	+ 1,2%	**2024**	+ 0,8%

Result - Project sample

Result example: Measurement of IT user satisfaction

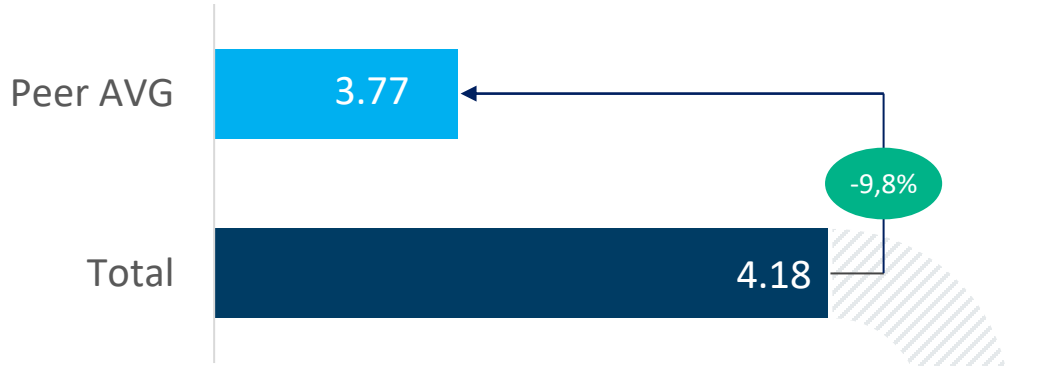
For the standard questions of Metrics, you will receive a corresponding benchmark value in order to better classify your own results.

The graphs are for illustrative purposes and the values are fictitious.

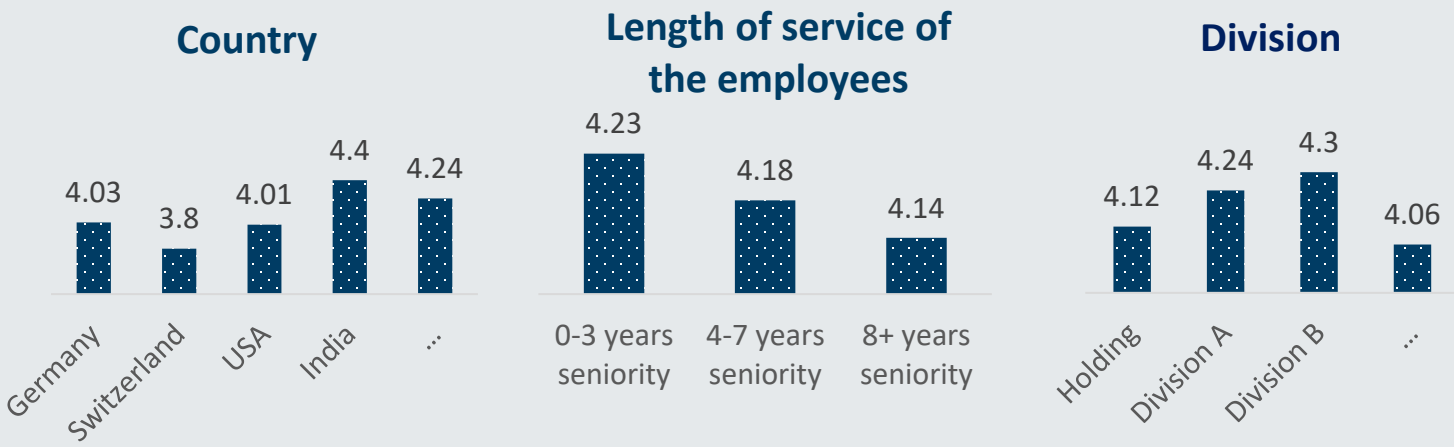
Project sample

How satisfied are you with the competence of the IT service staff?

Answers from 1= "bad" to 6 = "excellent"



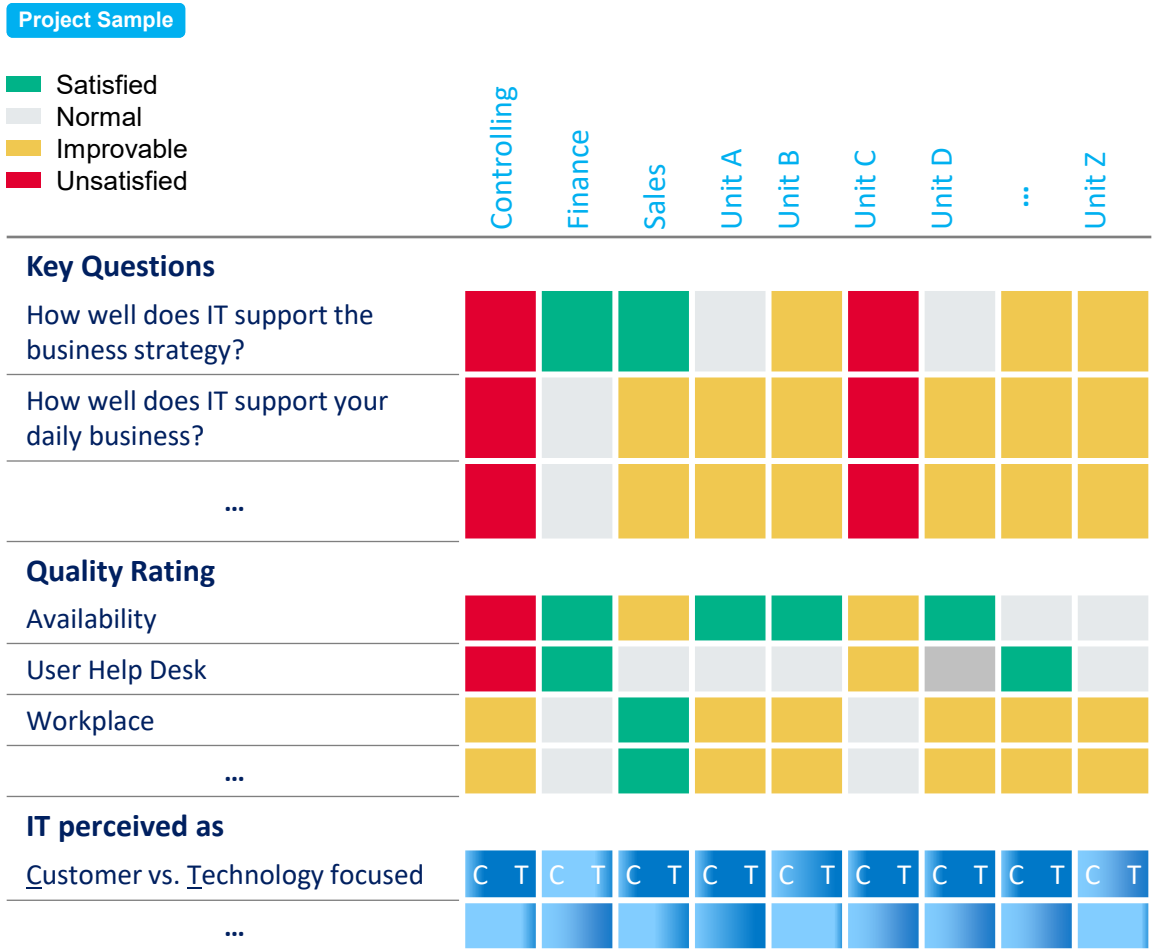
Further selected evaluation options:



Result example: Effectiveness heat map

The analysis from the interviews results in an overall "dark orange" picture.

Departments feel their feedback is not take into account and they are left alone with failures and performance issues. They often see IT as too technical and as an “ivory tower”, making decisions on their own. However, there has recently been a trend towards improvement and the expectations of a more positive future are correspondingly high.



Result - Project sample

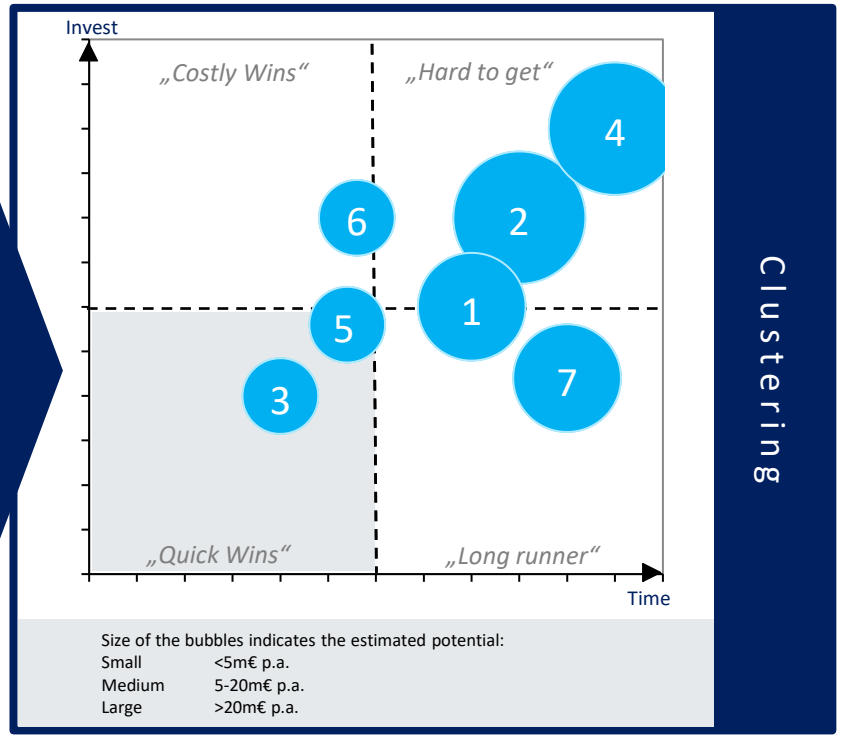
Optimization potential – Levers for cost savings

The graphs are for illustrative purposes and the values are fictitious.

The potential savings are evaluated based on the client figures and savings from cost optimization initiatives of comparable companies from the Metrics Data Lake. An estimation of the TOP 5 clusters shows a potential of ~100m€ classified by both invest needed and time needed to realize.

Identified potentials

No	Cluster	Areas
1	Shoring	• Operations (Server, Storage, Capacity Management, Patching, Service Desk) → Nearshoring • Application (Development, Maintenance, Testing) → Near-/ Offshoring
2	Shared IT Services	• Centralization of IT services and decrease local IT -> Economies of scale



Clustering

metrics

Costs and staffing levels are required for scenarios and solid business cases

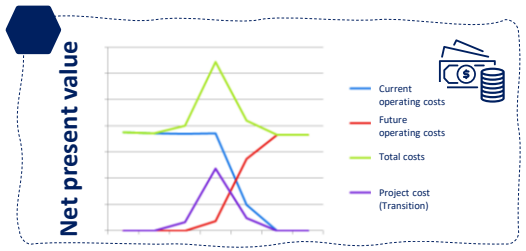
Operating Scenario

Cost

Benefits

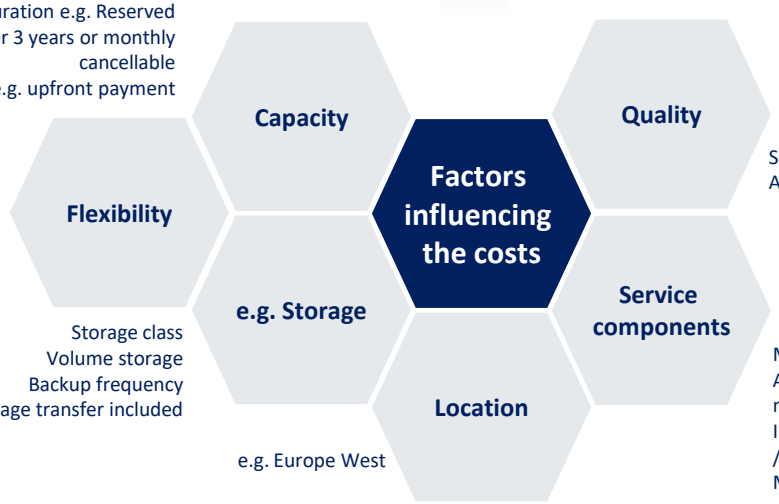
Risks

- The factors influencing costs are suitable as a basis for defining and designing suitable scenarios.
- Frame conditions for a solid business case:
  - Time period
  - Financial targets e.g., for depreciation
  - Cost trends and inflation
  - Corporate strategy e.g., on growth
  - Interdependencies
  - …



Operating system
Quantity vCPU
Volume vRAM

Contract duration e.g. Reserved Instance for 3 years or monthly cancellable
Pricing model e.g. upfront payment



Service Level Agreements
Agreed availabilities

Storage class
Volume storage
Backup frequency
Storage transfer included

Monitoring
Administration/Patch management
Incident Management / Response time
Manager on Duty

e.g. Europe West