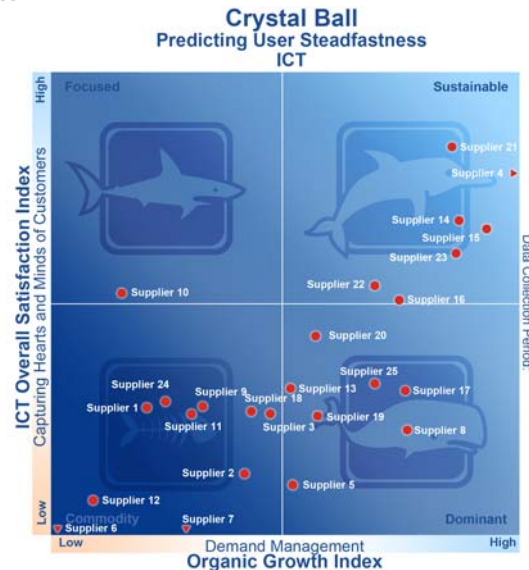


## ICT Service Supremacy: The Crystal Ball Rationale

The purpose of the report is to:

- Predict future competitive advantage of key suppliers selected from the ICT industry.
- Define and measure World Class
- Produce a Voice of the Customer Scoreboard comparing supplier performance to the market average and to the market leader.
- Produce a league table ranking ICT suppliers according to their measure of perceived strategic success.

## Benefits



The ICT Crystal Ball that predicts user steadfastness allows you to consider 8 crucial questions at each update:

- What is your Positioning Score?
- Where are you Positioned?
- Has your Positioning Score increased or decreased in last six months?
- What is your trend over time?
- How does that compare to Best Practice?
- What do you have to do to match or beat the Best Practice?
- What do you have to do to achieve the target you desire?
- Have you set a deadline?

## Table of Contents

- Abstract
- Crystal Ball: ICT Suppliers
- World Class
- Positioning Score
- Methodology
- Appendix of league tables and time trends

## Scoreboard

Telemark has introduced a scoreboard and league table to help managers' measure strategic success against best practice in the ICT market. The metric used for strategic success is the Positioning Score with a range between 1 -100.

Voice of the Customer		
ICT Service Supremacy		
%Positioning Score 2008		
Date	Jan	July
Leader	81.1	82.5
<b>Supplier 25</b>	<b>73.9</b>	<b>74.9</b>
Market	<b>68.5</b>	<b>71.8</b>
Sonar Scoreboard		

## Assumptions

The underpinning assumption is that competitive advantage is secured by two variables:

### *Capturing hearts and minds of customers*

The unique sum of experiences an individual builds up with a particular company, product or service. This is measured using the Telemark Overall Customer Satisfaction Index (CSI). It is a measure of the level of customer commitment to its suppliers.

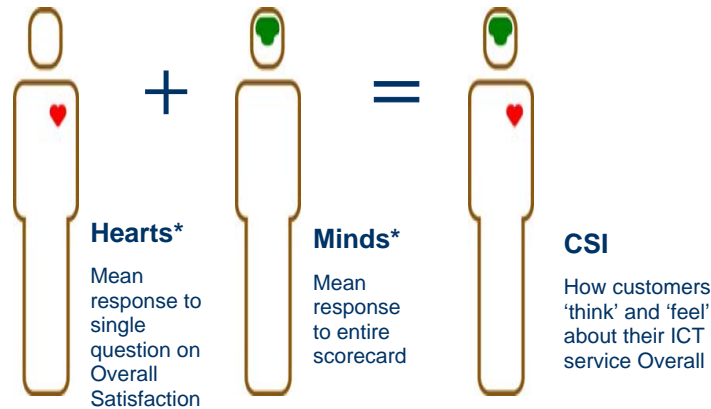
### *Demand management*

The brand value of a company defined as 'the total effect' of the combined skills of the vendor workforce in pricing, promoting, producing and distributing products and services, profitably, to their chosen markets through its success at anticipating and adapting to its environment. The probability of success in 'demand management' is measured using the Telemark Organic Growth Index (OGI)

## Features

### Overall Customer Satisfaction

Telemark uses a Customer Satisfaction Index (CSI) to measure perceived operator performance. The Overall CSI is based on how customers think and feel about their supplier. It is preferable for both hearts and minds to score highly and at parity.



\* Weighted by attribute importance.

### Organic Growth

The more successful a vendor is at winning, keeping and nurturing customers the higher the likelihood it will grow organically. By comparing the percentage of Advocates to Critics, Telemark measures likely demand for offerings and so the potential for organic growth.

The Organic Growth Index is calculated using an equation which considers users declarations of:

1. Likelihood of recommendation to peers
2. Likelihood of contract renewal on due date
3. Purchase intent in the next 12 months

## Points of principle

### Customer Acquisition, Retention and Commitment

Telemark recognises that customer acquisition, and customer retention is not the same as customer commitment. Customers with little or no choice, perceived or real, often feel relatively dissatisfied. Where a monopoly, pseudo monopoly or notionally competitive situation exists in practice the cost, difficulty, or inconvenience of changing supplier is so great that customers will do it only as a last resort. Satisfaction levels can be low for a considerable time before switching supplier or dropping the service. Such reluctance to change suppliers cannot be described as commitment because it involves little or no allegiance, duty or devotion. Commitment therefore is based on the strength of regard for a company, product or service, and the level of emotional attachment to it. For this reason the probability of organic growth can be high even where customer satisfaction is low.

### Innovation, Education and Oversupply

Conversely, where customer satisfaction is high but there has been inadequate investment in time, money or skill to achieve success in innovation or education (or where there is oversupply in the defined market segments) the probability of organic growth will be low. This means a high CSI can exist with a low OGI.

## Awards

Top quadrant ICT suppliers in the Crystal Ball are permitted to use the insignia below to demonstrate World Class status.

