

# Business Solutions for Today's Market



AUTUMN/WINTER 2001

FOR MARKETING, FINANCIAL AND IT DECISION-MAKERS

## Snippets that caught our eye ...

### A drop in eurozone growth is

predicted by The European Commission, from an estimated 1.6% this year to 1.3% in 2002, before recovery to 2.9% in 2003. ([www.ft.com](http://www.ft.com))

### Nanotechnology: boffins at Bell

Labs have made a transistor from a single molecule. ([www.Silicon.com](http://www.Silicon.com))

### Harsh facts: Cap Gemini Ernst &

Young told its staff via voicemail that the 9,000 strong UK unit will see 750 positions closed ... leaving a voicemail message was the only way of reaching so many people at such short notice. ([www.Silicon.com](http://www.Silicon.com))

### Digital Blunders Survey: Almost

63% said email had not reduced real-life interaction with their managers - over 20% had 3 e mail addresses - 10% had over 20. ([www.Silicon.com](http://www.Silicon.com))

### Senior Brains use Internet: Nobel

Prize winners were asked for their views on the internet. The median age of those questioned was 72 and almost 90% use the internet and e mail. ([www.Cisco.com/nobel](http://www.Cisco.com/nobel))

### Storage strong: As most sectors of

the IT industry are witnessing a sharp downturn the enterprise storage market is predicted to grow at more than 52% in 2001. (Forrester Research)

## Welcome to our World ...

In the current pressured climate - with sliding profits and cuts in investment around every corner - standing still is not a viable option. Running round in aimless circles is not recommended either!

In a downturn economy, focus shifts to the bottom-line, but you need more than a quick-fix. Long-term strategies cannot be abandoned. To compete more effectively, you need something more than a return on investment. Moving forward in this kind of economic climate actually means doing something positive!

Amongst other steps needed to meet the competitive challenges of the market, action involves examining existing costs.

## How many business solutions providers regularly achieve around 35% cost-savings for their clients?

Paragon is confident that, through their knowledge, proven experience and a close scrutiny of efficiencies, they can achieve this for clients.

## Small is beautiful - less is more .....

A substantial knowledge-base helps underpin the flexibility needed to react rapidly and adjust to the changing nature of business needs. This agility is often a factor that gives small specialists the edge over a large IT services provider whose very structure makes it less able to respond swiftly to customers' needs.

This information leaflet gives you a brief idea of our approach but a more detailed company pack is available.

What have you to lose by having a telephone conversation? We invite you to give us a call on 01252 719950 or e mail: [paul.ronayne@paragon.ie](mailto:paul.ronayne@paragon.ie)

## Contents:

- Messages from the Marketplace
- Key Cost-Saving Strategies
- Economies and Efficiencies
- Problems Need Solutions

# Messages from the MARKETPLACE

"Facing a faltering economy, many enterprises are considering scaling back their technology spending plans ...

... they should examine where, and why, they are spending their scarce IT funds."

Excerpts from a Letter From the Editor for the "SMB IT Spending: Look Closely Before Cutting the Budget" issue in the Small and Midsized Business Spotlight.

[www.gartner.com](http://www.gartner.com)

"Investing in the right areas of technology can provide SMBs with opportunities to realize solid rates of return on their investment choices ...

... SMBs should assess their IT portfolio to identify potential redundancies, conflicting initiatives and investments that are not paying their way. After identifying and classifying all IT initiatives and their associated costs, SMBs will be in a better position to develop budgets that ensure a positive return on investment.

CEOs and other business leaders .... should understand their enterprise strategies, market trends and the traditional tools to track the "business" worth of IT investments.

Through 2002, the funding for IT will require a clear and convincing case of economic analysis. Implementing appropriate assessment, planning and business-oriented measurements will better position SMBs to grow their core business and reduce overhead, while maintaining innovation and market leadership."

"Cost-saving is still cited as the most popular driver (29%) for adopting outsourcing."

**CW360.com** (Computer Weekly) joined forces with **Morgan Chambers** to produce a definitive study on outsourcing in the FTSE 100.

"The report shows that there is now a far greater appreciation by top management that outsourcing can be used as a powerful executive tool to perform sophisticated and extensive financial engineering on a company's balance sheet and its investment programme."

CW360 and Morgan Chambers believe that there is compelling evidence that strategic outsourcing delivers a 5.3% increase in the share price.

"... first develop an IT strategy to improve customer service and drive revenue, and then explore hardware and software systems."

Six ways to cut costs: How companies can improve service and save money  
**Financial Post - Canada**;  
Nov 20, 2001  
[www.ft.com](http://www.ft.com)

A number of major consultancy firms (Accenture, Cap Gemini, DMR, IBM Global, Morochove, and Xwave) participated in Services Showdown 2001. The challenge was to help a hypothetical manufacturer find its way in an increasingly high-tech, low-budget world.

"Almost universal was the advice to study the problem before spending money on technology. That might sound patently obvious advice, but it is sensible given the billions of dollars companies have already blown in cyberspace."

Balancing IT Support Needs and Costs in a Tough Economy

"Today's enterprisewide IT complexity can make cost reduction painful and potentially harmful."

[www.gartner.com](http://www.gartner.com)

"The economic downturn has placed pressure on IT service and support budgets ...

During the boom-spending era since 1996, enterprise consumption of hardware devices and software applications has been meteoric. With the economic hardship of today, senior management is looking for areas in which to reduce or, at a minimum, contain costs. ... it is important to weigh financial decisions against business initiatives, the impact on end-user productivity and overall quality of service."

# Economies and Efficiencies

With wise IT investment,  
IT spend and other overheads are reduced  
Business benefits are enhanced

## Reduce:

- Wasted time
- Duplication of effort
- Duplication of data
- Mismatch of IT systems
- Errors that can lose business
- Out of date computer-held information

## Enhance

- Accessibility of data - information sharing - multi-access
- Reliability of business-critical systems
- IT compatibility and interoperability
- Communications - internal, external, mobile
- Visibility of trends to facilitate forecasts
- Speed of transactions
- Administrative efficiencies
- Productivity

---

## Key Cost-Saving Strategies

Ensuring you invest in the OPTIMUM levels of IT to meet your specific requirements

To have the fastest, most powerful, most expensive technology is not necessarily the wise thing to do. We will advise on what is the best for your business needs and ensure that your IT hardware, software and systems are future ready, designed and implemented with in-built flexibility. Your systems can then be adapted to work with future technologies, without major overhaul and investment. You need to be able to extend into next-generation platforms with minimum expense.

### Reducing your cost of ownership

It is possible to pare down existing costs by examining software licenses held within your organisation - are you getting the most from your software agreements?

### Taking a creative approach

Different problems require appropriate solutions, methodologies and tools. People may be accessing data on the road, in dimly-lit buildings, abroad, or across many different locations. Various communication methods - on-line, intranets, hand-held devices - need to be considered to secure the most cost-effective and efficient communications technology.

### Improving on quality and value of support

Communicating with technical support through a fog of terms and jargon can be intimidating and it really does not need to be like that. Training internal IT Managers to quite a high technical level such that they can discuss IT problems with an outside provider is another cost that most companies can do without. Is the support you receive time-effective and there when you need it? Poor quality software support hinders productivity.

# Problems Need Solutions

Just 5 out of hundreds ...

Understanding a company's business strategies, processes and objectives is crucial. Any problems are clearly defined, with the optimum technology utilised to enable the best possible solution.

A cellular phone company needed a real-time production monitoring and analysis system.

A comprehensive specification and database design were delivered to the company, effecting regulatory compliance and resulting in a significant reduction in operating costs.

An international petroleum company needed a company-wide financial performance reporting system.

Working in close consultation with the client, Paragon produced a system design that gave senior executives instant visibility of the status of stocks held, supply and demand. Reports generated were immediate, accurate and flexible, giving this global oil company a new competitive advantage.

A software company needed high quality delivery of their software. This was currently undertaken by technical resource - taking them away from their core activity, the development of the software.

A delivery and installation service was provided to handle delivery, installation and upgrades, so that the company's roll-out objectives were met. The benefits of outsourcing were clear. The service was available as and when needed, resulting in high levels of customer satisfaction and representing significant cost savings.

A global mobile satellite communications company needed to harness the Internet to run a secure on-line system to register and transmit details of new phones to a central database.

Paragon developed Oracle software to provide a secure, scalable, reliable and manageable on-line database system to support requirements. Costly distribution of software via CDs plus phone calls from shops around the world, were both replaced by an on-line system that dramatically reduced costs.

A global FMCG company had a database system based in Microsoft Access, that had become unwieldy to maintain and suffered performance problems. It needed to be fast and where possible, automated.

Paragon converted to an Oracle-based system bringing immediate business benefits, saving time and costs. By migrating to an Oracle-based system and outsourcing their Oracle support, a 60% reduction in maintenance and support costs was achieved.

for further information on Paragon services,  
please call or e mail:

Telephone: 01252 719950  
e mail: paul.ronayne@paragon.ie



Paragon Group  
Craven House  
West Street  
Farnham  
Surrey GU9 7EN