Data#3 (DTL)
Strategy update
Managed Services

21st May 2012

Introduction

John Grant
Managing Director
Data#3 Limited

Laurence Baynham
Group General Manager

28 years IT experience (software, hardware and consulting)

18 years at Data#3

Business degree

Fellow Australian Institute of Company Directors (FAICD)

Established Licensing and Data Centre business

Member of Asia Pacific Advisory Boards Cisco, HP & IBM

Overall responsibility for revenue, profit and customer satisfaction

Patrick Murphy
General Manager Managed Services
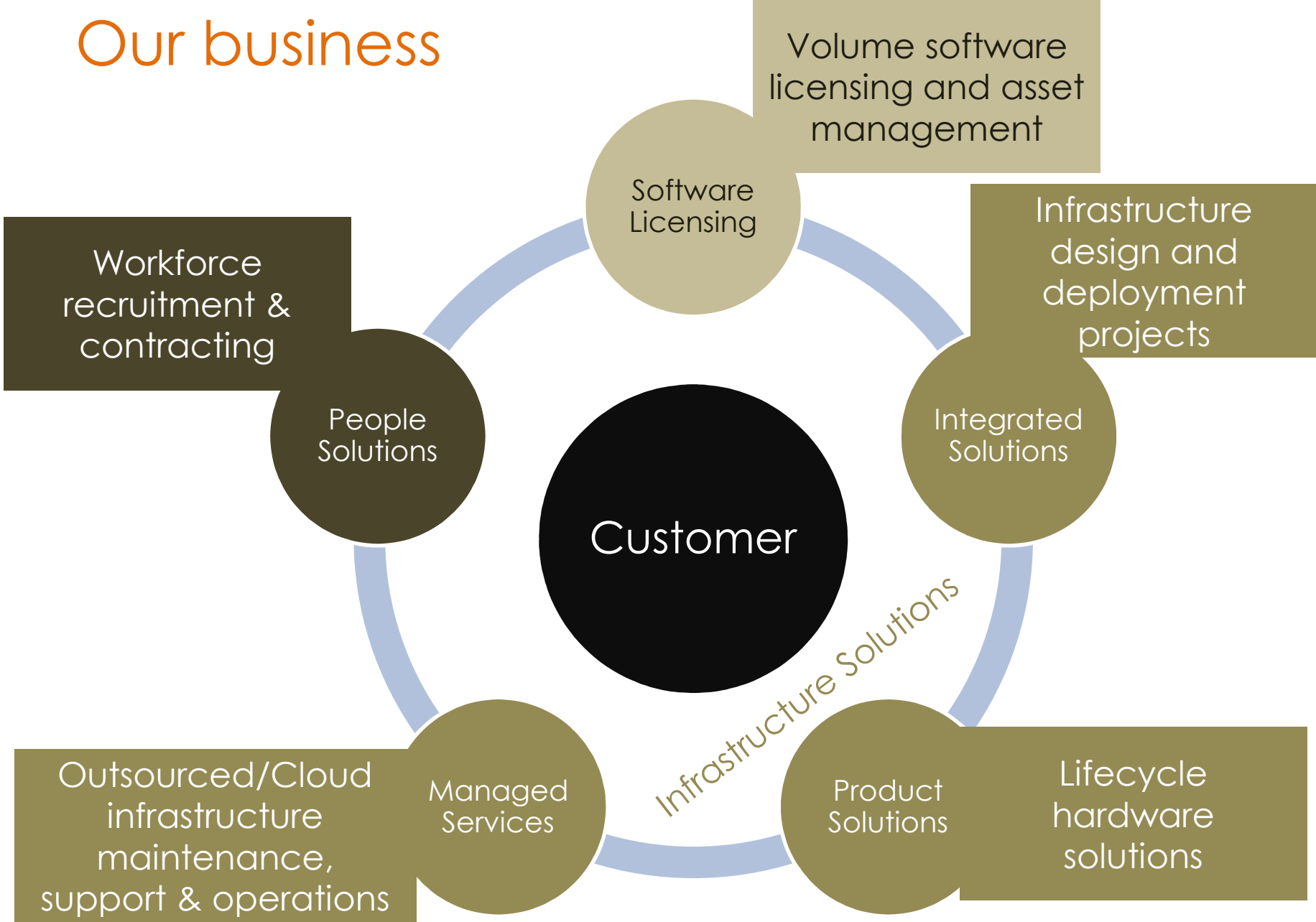
21 years in the IT Industry

13 years at Data#3

Prior roles in IT and infrastructure management within Financial Services industry
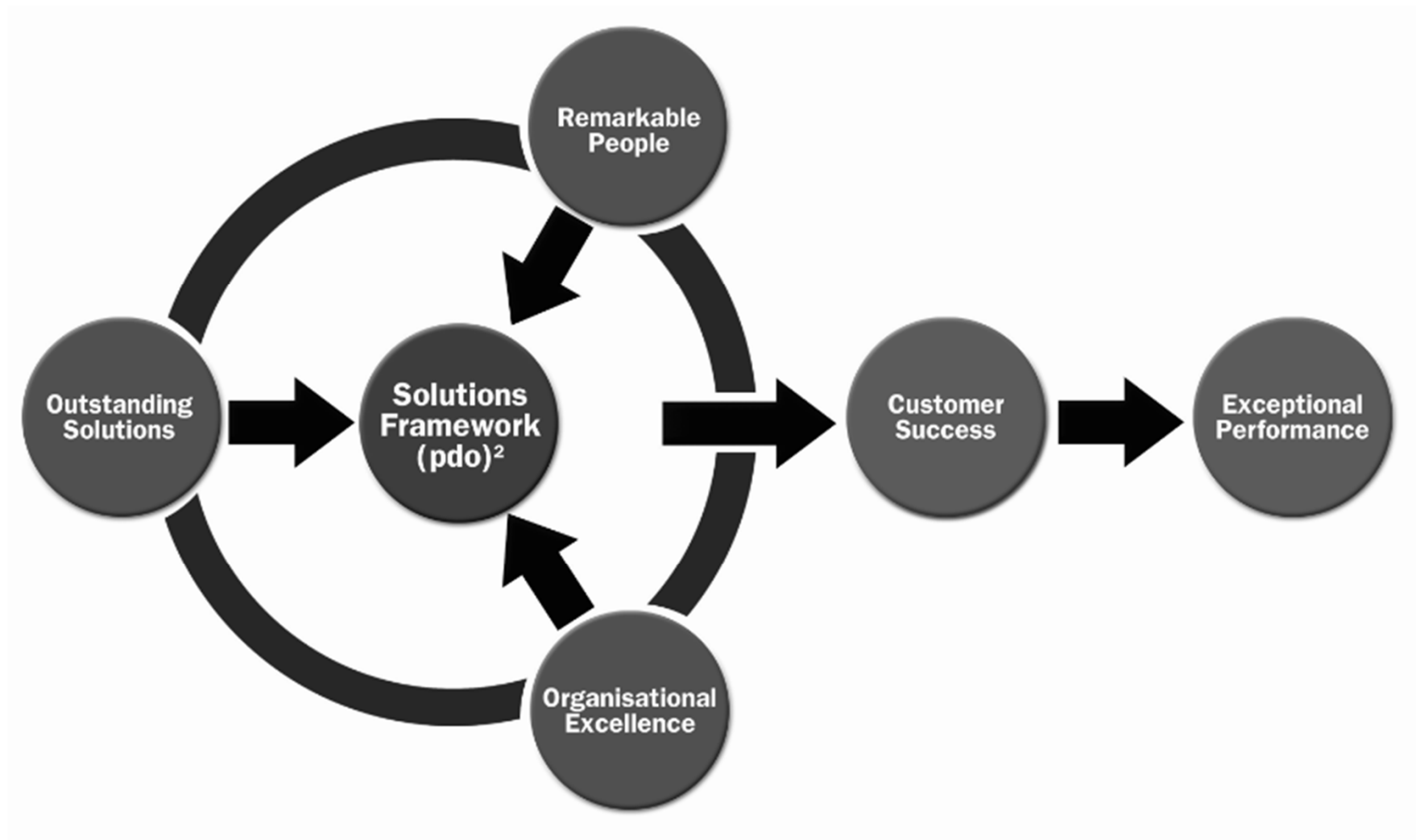
Responsible for revenue/profit and customer satisfaction for Managed Services

Leads strategy and investment for Data#3 Trusted Cloud and Datacentres

Our business

Volume software licensing and asset management

Software Licensing

Infrastructure design and deployment projects

Integrated Solutions

Workforce recruitment & contracting

People Solutions

Customer

Infrastructure Solutions

Outsourced/Cloud infrastructure maintenance, support & operations

Managed Services

Product Solutions

Lifecycle hardware solutions

Well articulated and connected strategy

The environment

Global / national factors

Political & financial markets uncertainty

Productivity declining

Costs increasing

Competitiveness declining

> 2 speed economy

2012 CIO Gartner survey – trends in business priorities

Business strategies	Ranking of business strategies CIOs selected as one of their top 3 in 2012				
Ranking	2012	2011	2010	2009	2008
Increasing enterprise growth	1	1	*	*	*
Attracting and retaining new customers	2	2	5	4	2
Reducing enterprise costs	3	3	2	2	5
Creating new products or services (innovation)	4	4	6	8	3
Delivering operational results	5	9	*	*	*
Improving enterprise efficiency	6	8	*	*	*
Improving profitability (margins)	7	21	*	*	*
Attracting and retaining the workforce	8	12	4	3	6
Improving marketing and sales effectiveness	9	18	*	*	*
Expanding into new markets and geographies	10	11	13	10	4
Improving governance, compliance, risk and security	11	10	11	12	14
Implementing finance and management controls	12	25	*	*	*
Improving business processes	13	5	1	1	1

*Not an option that year

The environment

Macro technology trends

The world is mobile

Technology is commoditising

Data is BIG

Enterprise IT is on the back foot

Users are driving the agenda

2012 Gartner CIO Survey - trends in technology priorities

CIO technologies	Ranking of technologies CIOs selected as one of their top 3 priorities in 2012				
Ranking	**2012**	**2011**	**2010**	**2009**	**2008**
Analytics and business intelligence	1	5	5	1	1
Mobile technologies	2	3	6	12	12
Cloud computing (SaaS, IaaS, PaaS)	3	1	2	16	*
Collaboration technologies (workflow)	4	8	11	5	8
Virtualization	5	2	1	3	3
Legacy modernization	6	7	15	4	4
IT management	7	4	10	*	*
Customer relationship management	8	18	*	*	*
ERP applications	9	13	14	2	2
Security	10	12	9	8	5
Social media/Web 2.0	11	10	3	15	15

*Not an option that year

NB: global survey 4500 respondents approx 10% A/NZ

The environment

Conclusions

In flux

Growth slowing

Delaying investment and reducing costs

Technology an imperative

Tussle between Enterprise IT and users

Tender flow

	Full Year 2010	Full Year 2011	1H 2012	End March
Submitted bids	357	345	207	286
Decided bids	271	238	69	127
Won	126	119	42	72
% won	46%	50%	61%	57%
Undecided			138	159
% undecided			67%	56%

Data#3 Solution Strategy

Laurence Baynham
Group General Manager
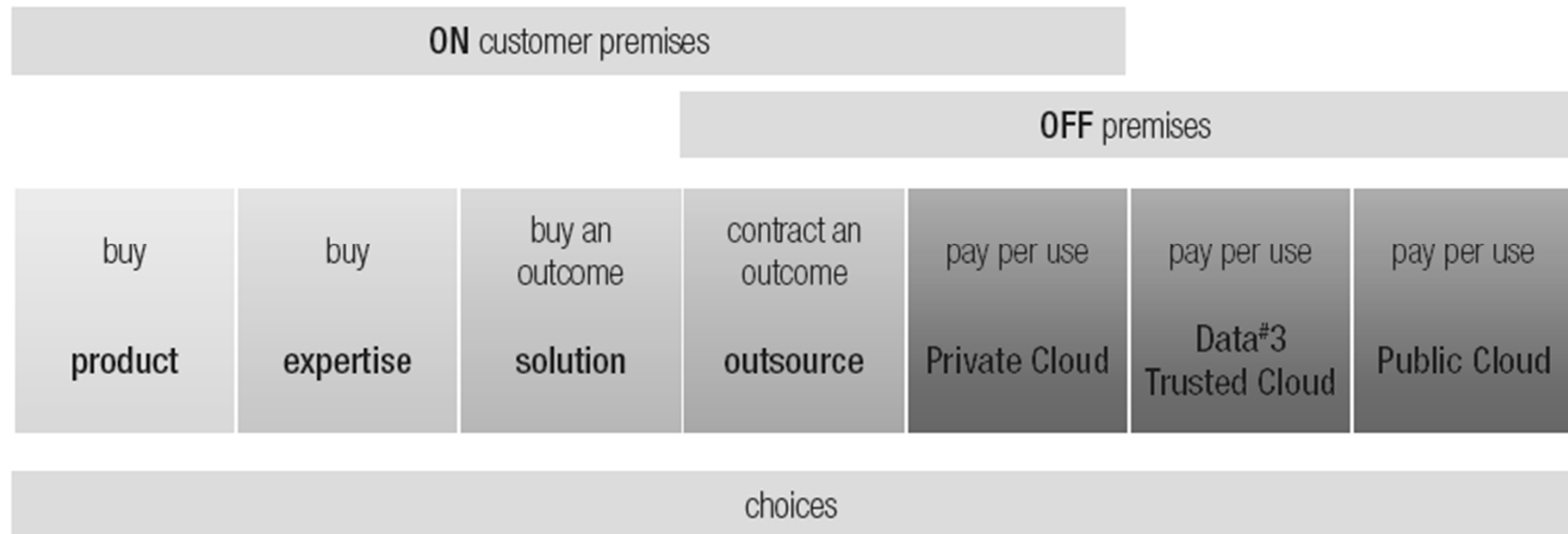Data#3 Limited

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Customer Solution Lifecycle

Structures the engagement from ICT solution planning, through implementation, and ultimately optimisation
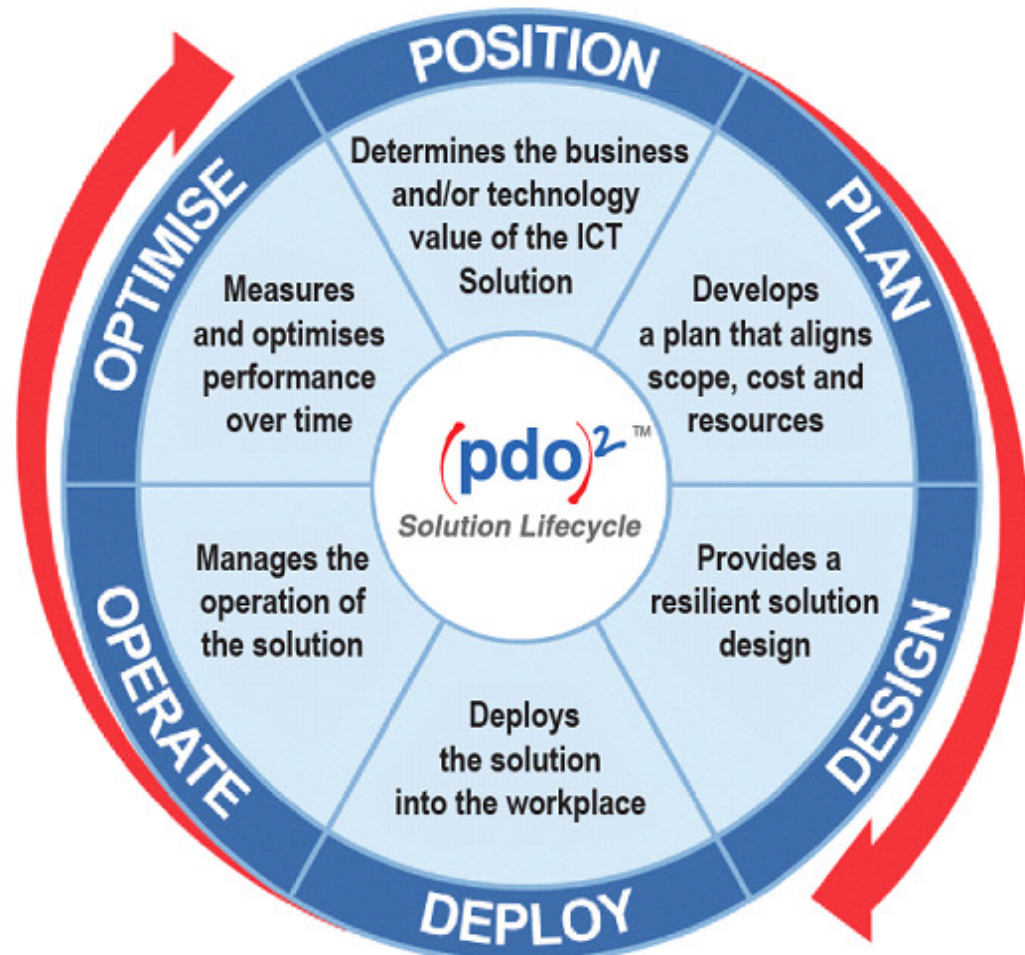
Background to Managed Services

- Customers over 15 years
- Mature offerings
- Resilient technology
- Difference between project vs. annuity contract
- Strategic decision to elevate and focus on Managed Services as a line of business
- Consistent growth since that decision

Technology Consumption Model

ON customer premises				OFF premises		
buy **product**	buy **expertise**	buy an outcome **solution**	contract an outcome **outsource**	pay per use Private Cloud	pay per use Data#3 Trusted Cloud	pay per use Public Cloud
choices						

Managed Services Overview and Strategy

Patrick Murphy

General Manager

Managed Services

Managed Services helps customers...

- Maintain infrastructure
  - Through cost effective vendor supported maintenance contracts

- Manage infrastructure
  - Through remote Infrastructure monitoring and proactive support services

- Support users
  - Through remote and onsite services

- Access "as a service"
  - For infrastructure, software and disaster recovery

Compelling customer value through...

- 24 X 7 Services
- Consolidation of multiple supplier agreements
- Services based onshore in Australia
- A proven engagement methodology
- Processes and procedures based on recognised standards
- Underpinned by world leading systems
- Flexible contracts

Customer choice across the full spectrum
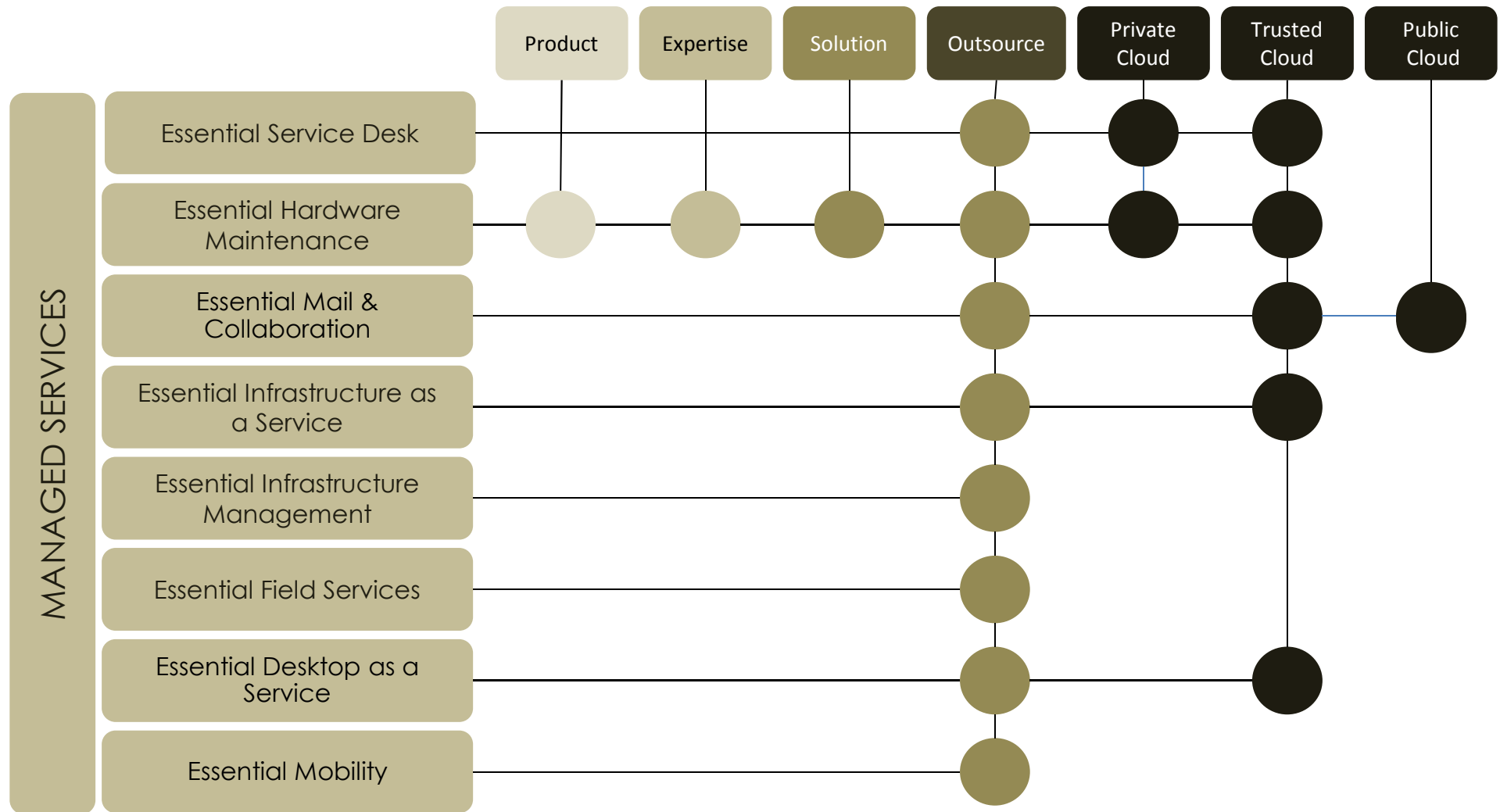
A real customer engagement

1 Data#3 Strategic Consulting engaged into startup mining joint venture. Business challenge – no capital, enterprise class infrastructure and applications required, immediate ramp up in remote locations, outsource and cloud services determined appropriate solution.

2 Outsourcing sales team flesh out detail to align Data#3 services to customer requirements
- Infrastructure as a Service
- Software as a Service
- Desktops and Devices as a Service
- Fully supported by blended mix of centralised and remote field teams

A real customer engagement

3 Transition team mobilises resources from within Data#3 and through Data#3 People Solutions. Work with Data#3 Integrated Solutions to build infrastructure environment and deploy. Processes and procedures put in place, hand over to Essential Support Centre.

4 New business user joins firm, a single service request mobilises desktop or laptop, all applications, mobile devices and support for a single fee per month.

Broad spectrum of customers across a variety of industries

Mining & gas
Retail & commercial
Government
Education

Key market differentiators

- 24 X 7 Australian based
  - For service desk and datacentre
- Recognised global best practice approach implemented across full service - ITIL
- Flexible approach to contract
- Multi-vendor
- Experience in supporting mining sites
- Access to full breadth of Data#3 capability, coverage and complimentary services
  - Expertise
  - People
  - Vendors

Market leadership recognised by partners

HP Highest Growth Services Contracts

IBM Maintenance Partner of the Year

Cisco Finalist Global Services Partner of the Year
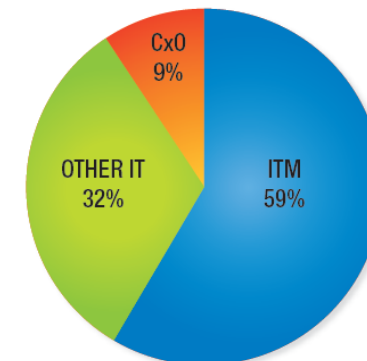
Premier marketing events

JuiceIT

2012 | A DATA#3 EVENT

- 27 vendors

- 800+ customers

- Brisbane

- Adelaide

- Perth

Target Audience

Approximately **800** current and prospective customers, consisting of Business Decision Makers, CTOs, CIOs, IT Managers, Infrastructure Managers, Data Centre Managers, Desktop Managers, Solution Architects, IT Technicians, Licensing Managers and Procurement Managers are expected to attend JuiceIT across three cities in 2012.
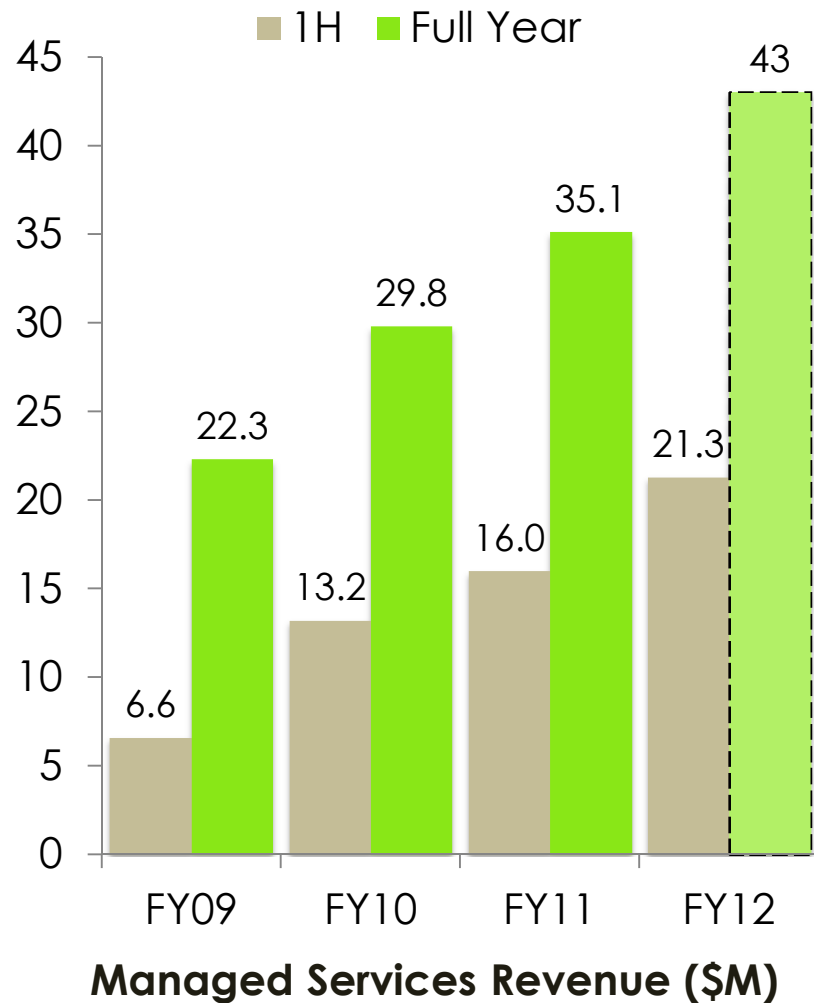
CxO 9%

OTHER IT 32%

ITM 59%

2012 | A DATA#3 EVENT | JuiceIT

Juiceit
A DATA#3 EVENT 2012

Track record of strong growth

Managed Services Revenue ($M)

Chart legend: 1H, Full Year

Year	1H	Full Year
FY09	6.6	22.3
FY10	13.2	29.8
FY11	16.0	35.1
FY12	21.3	43

FY2012

- 1H revenue up 33% over PCP
- Forecast revenue growth of approx. 23% for full year
- 100% under contract
- 3 year CAGR 24.5%
- National coverage
- Investing in 'Trusted Cloud' in a network of datacentres

The way forward

- Investing to expand offerings and capability

  - Extending Data#3 'Trusted Cloud'

    - Geographically

    - Capacity

  - Introducing datacentre space

  - Resources sector domain expertise in sales

- Investing to lower costs and improve customer access

  - Systems automation

  - Selective sourcing for low value services

  - Industry recognised certifications

The way forward

- Increasing our market access

  - Via our partners

  - Via 'cross selling' to Data#3 customers

  - Via consulting led engagements

  - Via changes to customer technology consumption e.g. cloud

- Managing risks

  - Leveraging our strengths to offset new competitors in market

  - Extending customer base size to offset reliance on large contracts

In summary

- Solutions relevant to every organisation

- Loyal and growing customer base

- Ready to support a hybrid world

- Uniquely positioned to address changes in the ways customers use technology

- Opportunity to grow associated services strongly

- Proven financial track record

- Delivers contracts and annuity revenue to Data#3

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Data#3