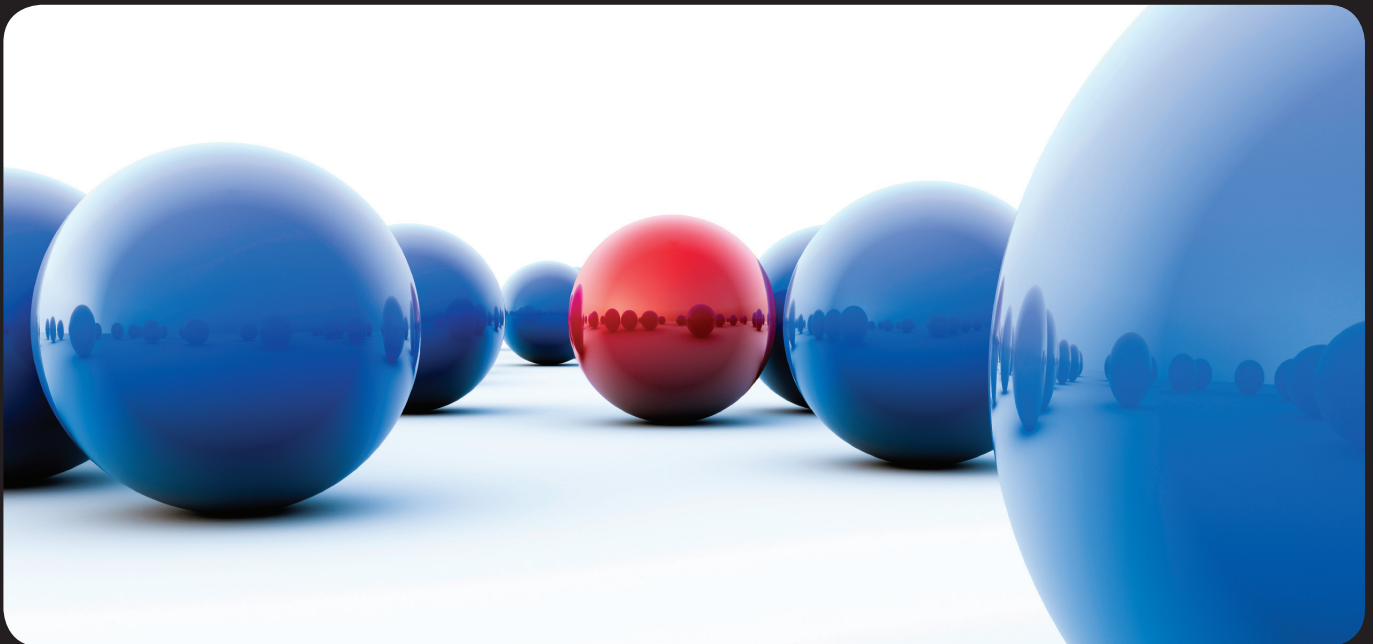


Why do our competitors seem to be performing better than we are?

Are we facing a company problem or a market problem?

How can we improve our competitive position while reducing costs?



“As a result of the benchmarking project with AMR we got a far more detailed understanding of our competitors’ operations, and some insight that has caused us to really challenge our own level of performance and approach.”

Andy Hobart, Divisional Managing Director, Rentokil

“AMR’s work gave us real insight into our markets and an understanding of our competitors which helped us take some crucial strategic decisions.”

Debbie Hewitt, Managing Director, RAC

Performance improvement through competitive analysis

In recent months, AMR has increasingly been called on to assist businesses to formulate a pragmatic response to a tough competitive environment. This is because senior managers are concerned about making pivotal decisions based on a mix of received wisdom, internal data, and generic industry sources, particularly at a time when there is little margin for error and under-pressure managers are sceptical of change.

AMR provides clear, objective insight and the solid evidence needed to build support for decision making and to generate consensus before taking performance improvement action. This involves a straightforward and reliable process (lasting typically five to eight weeks) that fosters a collaborative approach without disrupting ongoing business operations.

Step 1: Get the facts

- How are we performing relative to the market?
- Are our competitors doing better than we are?
- To what extent are customer budgets being cut and orders cancelled?
- How much worse are things likely to get and over what timeframe?

Step 2: Understand the reasons for underperformance

- Do we understand evolving customer needs and are we responding appropriately?
- How do our competitors seem to achieve superior margins?
- Are any aspects of our competitors' business models fundamentally better than ours?
- Do they have a fundamental operating advantage?
- In what area of operations is our structure inefficient?

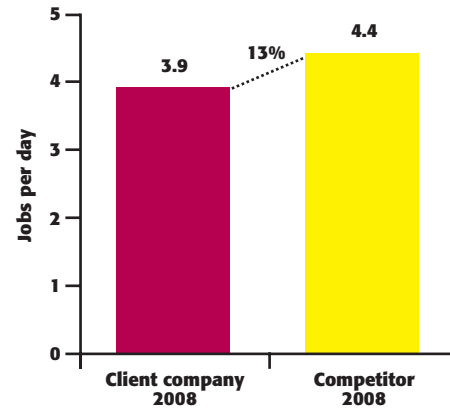
Step 3: Take action

- What steps can we take to win and retain business, at a time when customer budgets are under pressure?
- Where can processes be streamlined and costs cut without affecting service levels?
- How far can costs be cut without driving customers to our competitors?

Step 4: Address strategic issues

- What is the competitors' strategy and what can we learn from it?
- Should we change our own strategic focus?
- Are there any markets that we should retreat from?
- Where should we redeploy resource and where should we invest?
- Should we make an acquisition or are there parts of the business we should divest?

The competitor achieves greater productivity: 13% more jobs per technician per day



Key to the success of AMR's work is our unique methodology, grounded in a market-based approach. We recognise that there are times when detailed analysis of internal processes is best complemented by a broader perspective. Instead of sending a team of consultants to subject your business and staff to close scrutiny, the majority of AMR's time is spent building a discreet and comprehensive view of competitor operations. Every year we conduct over 5,000 highly sensitive industry interviews in-house, so we know how to obtain vital information without drawing unnecessary attention.

The results speak for themselves. Examples include:

- A national service and repair business was underperforming its more profitable competitor because it was promoting the sale of expensive replacement parts rather than gaining the broader benefits of conducting rapid, high margin repairs
- A leading events logistics outfit was consistently losing out on tight price-driven tenders because its competitor had a more sophisticated approach to recouping costs over the lifetime of the contract
- A major insurance group was able to strip out overheads by duplicating the simpler and more effective approach of its more profitable rival

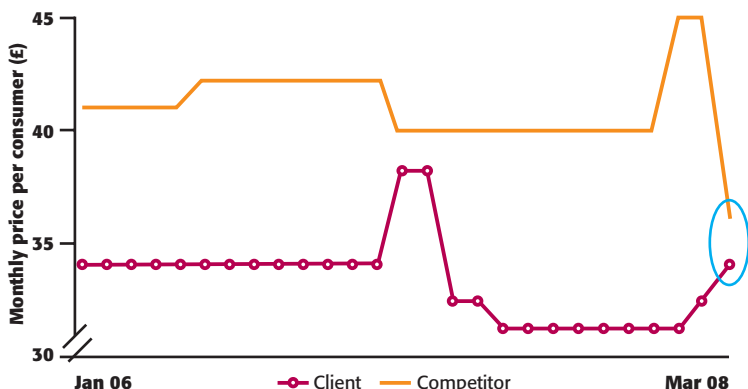
In each case, the businesses were able to extract significant value from recommendations made by AMR.

Inevitably, businesses face increasingly tough decisions in a more difficult economic climate. But at least our clients can make these decisions in a confident and timely manner, ensuring that their business retains its competitive strength and can continue to generate long term value for shareholders.

About AMR International

AMR International is a management consultancy with 18 years of experience in competitor intelligence, strategic benchmarking and other market based strategy work.

The competitor has decided to abandon its price advantage in pursuit of greater volume and scale



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