



December 2011

www.whitespaceinsight.com

Contents...

- Who we are
- What we do
- What our clients think of us
- Case studies:
 - 1. Customer Experience Strategy in Retail
 - 2. Market Entry Support in Healthcare
 - 3. Credit Control Analysis in Telecoms

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Who we are:

White Space consists of 4 business units: Consumer Strategy, B2B Strategy, Competitor Strategy, and Data Analysis...

Consumer Strategy

B2B Strategy

Competitor Strategy

Data Analysis



One philosophy: *“the right information, and the right analysis, drives the right actions”*

Capability & infrastructure: Oxford-based with 15 staff primarily from Oxbridge backgrounds, drawing on wide range of proprietary techniques, databases and IP

Blue chip clients: have worked with 15% of the FTSE 100

Client satisfaction: >85% of clients repeat purchase, with several household names working with us for >5 years

Global Experience: have delivered projects across >50 countries, and are on long term frameworks partnerships with the US and Canadian embassies

Who we are:

We differentiate through our 360° market analysis approach, combining deep competitor and customer analysis to provide a bedrock for strategy support...

Competitor Analysis

Deep primary research, going well beyond information in the public domain

Customer Analysis

Statistically robust, strategy-driven customer research

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graph TD; A[Competitor Analysis] --> B[Accurate View of Supply, Demand and Best Practice]; C[Customer Analysis] --> B; B --> D[Recommendations & Strategy]; D --> E[Revenue Growth & Performance Improvement];
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Accurate View of Supply, Demand and Best Practice

Recommendations & Strategy

Revenue Growth & Performance Improvement

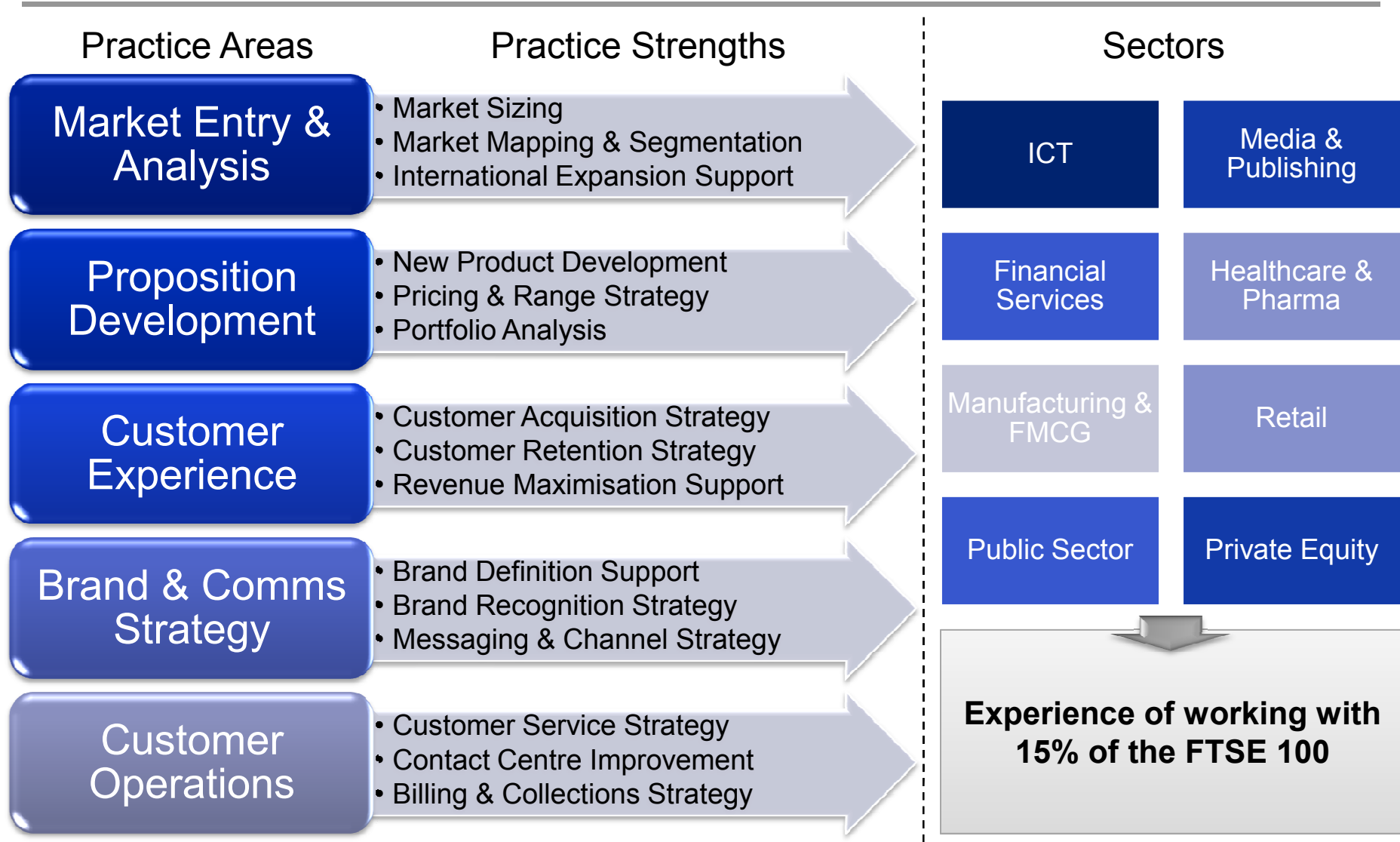
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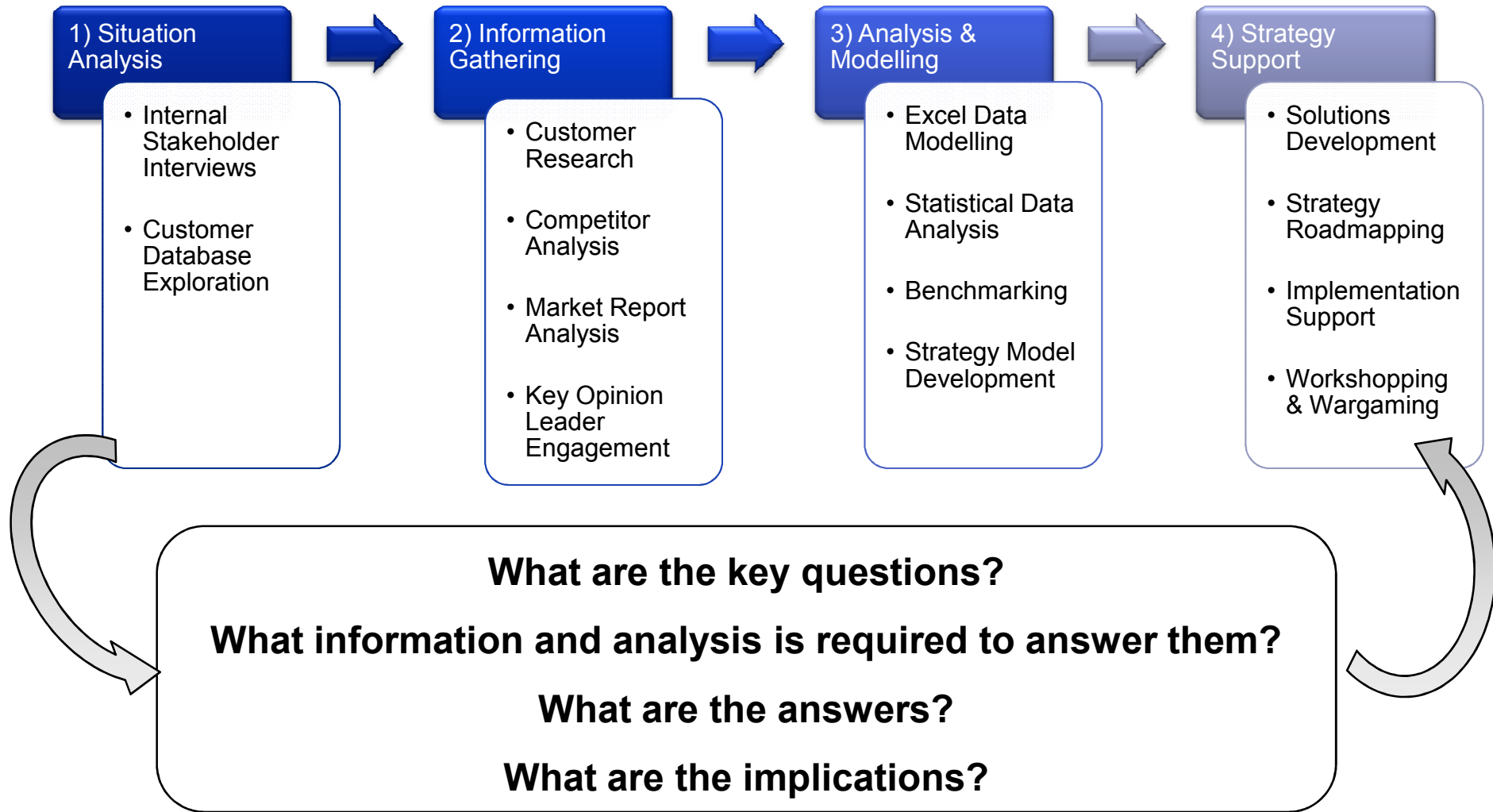
What we do:

White Space has five core practice areas, all based around increasing sales or identifying new revenue streams...



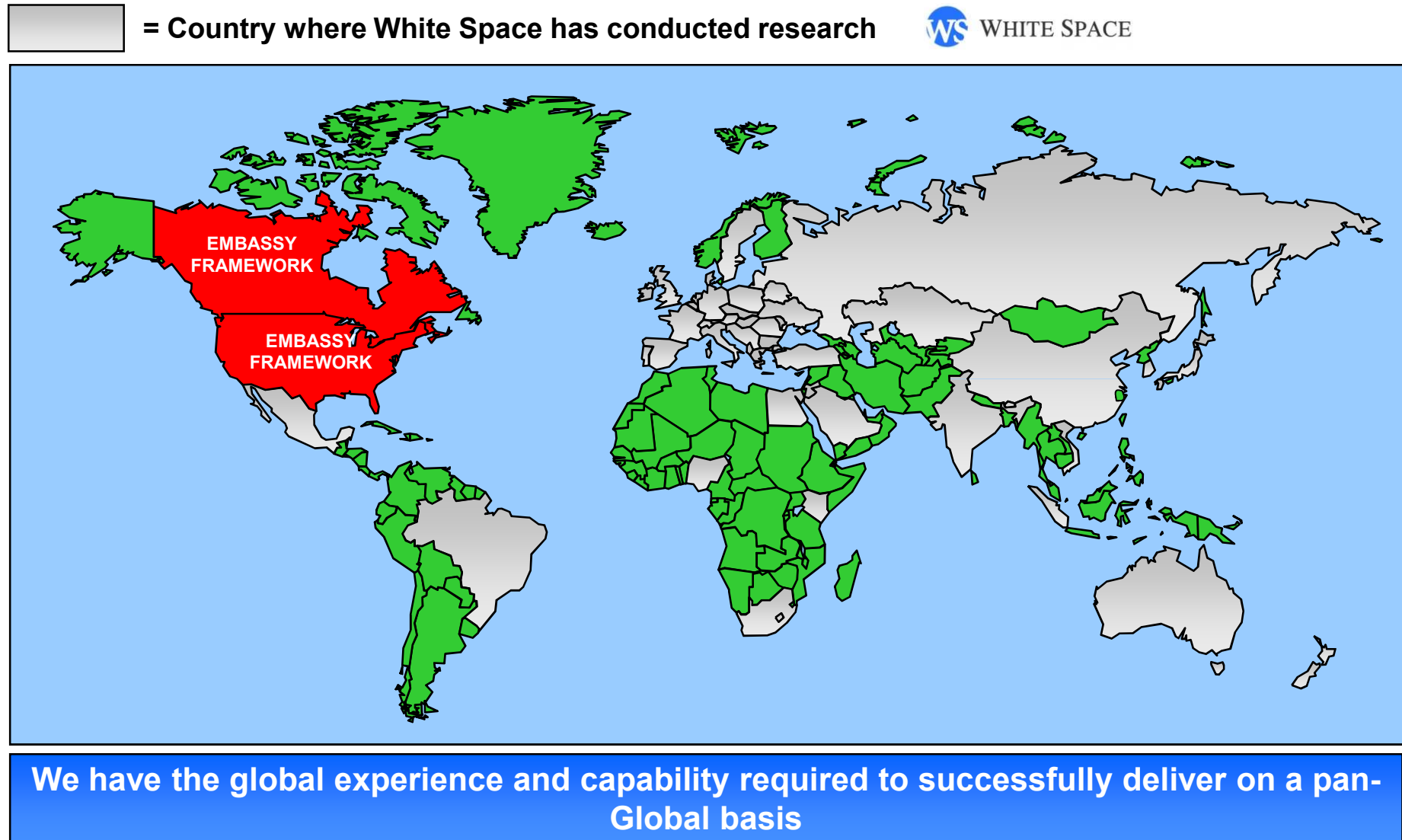
How we do it:

A typical project draws on the following strategy support 'toolkit' to deliver commercially viable recommendations...



Capability & Experience:

White Space has worked across over 50 countries worldwide, often supporting international expansion and market entry...








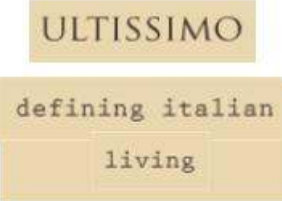
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What our clients think of us:

We have exceptionally satisfied clients – Over 85% repeat purchase...

	<ul style="list-style-type: none">• Brand positioning: <i>“White Space delivered a truly excellent piece of work for us. Not only in terms of their thorough approach to the research, but with their value added insights covering customer, competitor and industry views, they have truly helped us shape our customer communications. They were a pleasure to work with and we would definitely work with them again in the future”</i> Marketing Manager, Easynet Connect
	<ul style="list-style-type: none">• Customer strategy: <i>“On the several occasions I have worked with White Space, they have responded quickly and decisively to the briefs, both looking at rewards and current accounts. The insight delivered has helped our teams to develop customer communication that promotes product features and propositions in an increasingly competitive marketplace. I look forward to working with White Space again”</i> Research & Insights Manager
	<ul style="list-style-type: none">• Strategy consultancy: <i>“White Space really do deliver what they say they do: excellent strategy consultancy based on hard data which fundamentally changes the way we do business. I have worked with John Bee and White Space for many years, and cannot fault their dedication, intelligence and analytical capability as well as the commercial viability of their recommendations. Their statistical analysis methods turn survey data into hard metrics which pack a punch at Board level. In addition, they provide excellent value, allowing key strategic projects to be delivered which would otherwise fall outside of budget. I wholeheartedly recommend them to you”</i> Commercial Strategist
	<ul style="list-style-type: none">• Market analysis: <i>“Everyone at Carphone Warehouse who has worked with White Space has been unable to fault their professionalism and excellent work. We look forward to working with them more in the future”</i> Head of Research
	<ul style="list-style-type: none">• Customer strategy analysis: <i>“This is the first time we have used White Space, but it won't be the last. They impressed from start to finish”</i> Market Intelligence Executive
	<ul style="list-style-type: none">• Business launch: <i>“Of the dozen firms we approached, White Space stood out from the pack as having a much more thoughtful and different approach, directly tailored to our needs. White Space are good at ideas and readily discussed and adjusted approach to get the very best result for our business. Throughout the two month project communication was easy with both phases of the project completed on time with immediately useful outputs based on thoroughly good analysis. The acid test of quality of outputs is whether they are accurate and give the right direction. I am delighted to say they were and did – we have successfully built our client base ahead of plan since launch and the insight from White Space gives us a lot of confidence that we are doing the right things. I will have no hesitation in turning to White Space again”</i> Managing Director, Ultissimo Property

What our clients think of us:

Further client testimonials...

	<ul style="list-style-type: none">• Marketing strategy: <i>“White Space helped us to clarify our thinking and challenge the preconceptions we had of a market that had become stagnant for us. Their feedback and insight led to us revising segmentation, repositioning our offer and subsequently winning an important customer - although this wasn't part of the original brief”</i> Marketing Director
	<ul style="list-style-type: none">• Product launch: <i>“On time and on budget White Space produced a piece of research which gave us the ability to make a decision on a new product. The White Space team gained a rapid understanding of our marketplace and produced a deliverable which was impressive in its depth, relevance and accuracy. They were a pleasure to work with and I wouldn't hesitate in recommending them to others”</i> UK BD Director• Global market analysis: <i>“White Space have worked with me on two competitor analysis projects, both of which provided us with the necessary insight to better understand our global competitors, in several different geographies. With their expert know-how, they delivered their projects on time, and their findings proved to be right on target”</i> Head of Global Business and Market Analysis
	<ul style="list-style-type: none">• Rapid response insight: <i>“White Space managed a very rapid interpretation of our requirements and a past working knowledge of the sector and subject matter assisted”</i> Managing Director
	<ul style="list-style-type: none">• Operational strategy: <i>“What impressed me most about the team at White Space was their structured response to an initial brief, which significantly contributed to the development of our own thinking regarding what we wanted to achieve with the market research. The final presentation of the research findings was then not only rich in detail, but represented an intelligent interpretation of the research data, which will support both our strategic and operational decisions”</i> Proposition & Marketing Manager
	<ul style="list-style-type: none">• Sales strategy: <i>“White Space's output has been very useful to me in the development of a business strategy and regional plan. It is also being used by my newly appointed Business Development Manager as a starting point for developing longer term opportunities”</i> BD Director
	<ul style="list-style-type: none">• Market entry: <i>“White Space developed a detailed understanding of target markets, a willingness to go the extra mile and a genuine interest in the topic”</i> CEO

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Case studies:

Case study 1: Customer experience strategy for a global electronics retailer...

Client	Global electronics retailer
Issue	Declining revenues and sales conversion in a major category
Approach	<ul style="list-style-type: none">• White Space worked extensively with the client to deconstruct the category into 6 customer experience areas and 43 satisfaction drivers (see next slide)• Exit survey (n = 3,000) used to gain customer satisfaction data across the proposition and on output measures such as basket size, likelihood to repeat purchase and overall satisfaction• Mixed effects regression modelling on the survey data revealed the key causes of customer satisfaction and purchasing behaviour• Depth interviews and competitor analysis were then conducted to gain further understanding of potential solutions in each of the identified key areas
Results	<ul style="list-style-type: none">• White Space pinpointed the true causes of customer satisfaction, loyalty and spend. Alongside an analysis of current customer satisfaction across the proposition, this allowed us to identify key improvement areas• Improvement roadmap delivered to client – Currently being implemented

Case studies:

We divided our client's proposition into 6 customer experience areas and 43 satisfaction drivers...

Products	Pricing & Promotions	Staff	Customer Service	Store Proposition	Purchasing Options
Factor 1	Factor 12	Factor 21	Factor 27	Factor 33	Factor 40
Factor 2	Factor 13	Factor 22	Factor 28	Factor 34	Factor 41
Factor 3	Factor 14	Factor 23	Factor 29	Factor 35	Factor 42
Factor 4	Factor 15	Factor 24	Factor 30	Factor 36	Factor 43
Factor 5	Factor 16	Factor 25	Factor 31	Factor 37	
Factor 6	Factor 17	Factor 26	Factor 32	Factor 38	
Factor 7	Factor 18			Factor 39	
Factor 8	Factor 19				
Factor 9	Factor 20				
Factor 10					
Factor 11					



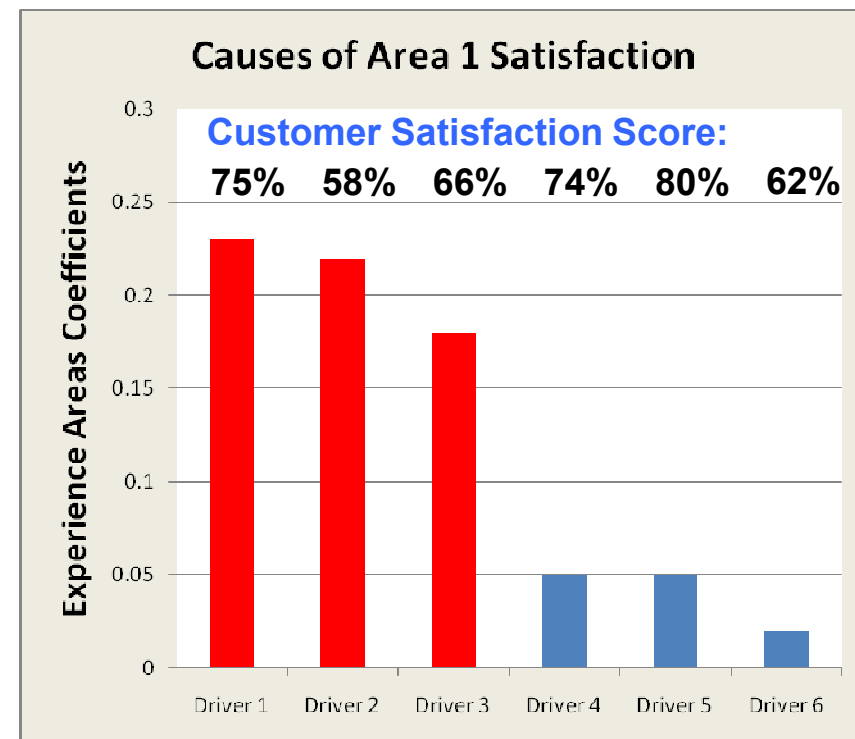
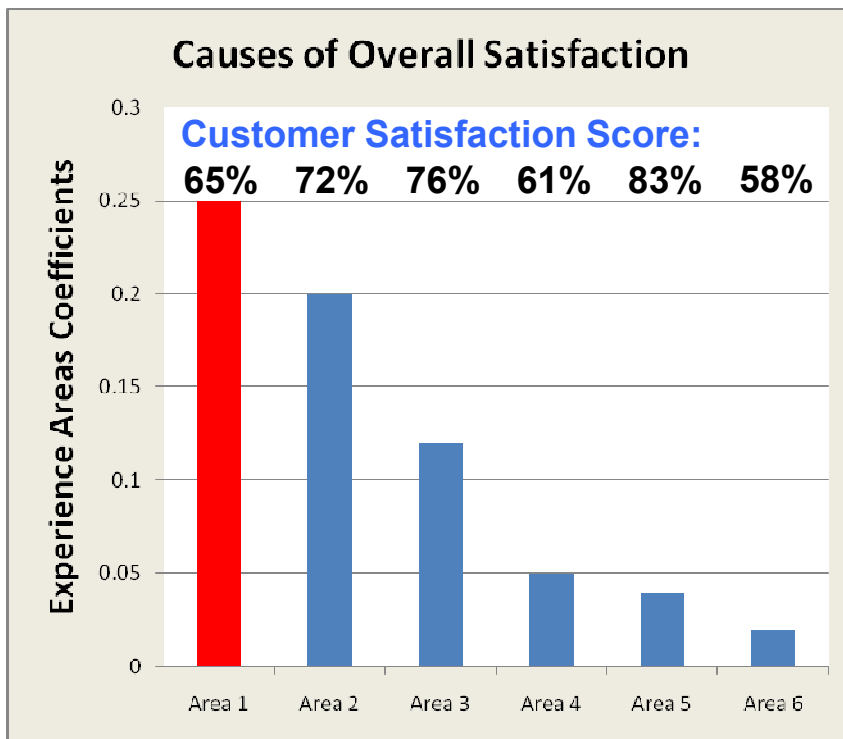
- 1** Questionnaire developed to gain customer satisfaction data on each of the areas listed above, as well as on overall satisfaction, basket size during last visit, likelihood to recommend and likelihood to repeat purchase
- 2** Data collected through store exit survey across 50 store locations (n = 3,000)
- 3** Data analysed using mixed effects regression to reveal the true causes of overall satisfaction, basket size, likelihood to recommend and likelihood to repeat purchase

Case studies:

Regression analysis revealed the relative importance of each of the six customer experience areas and of each of the 43 satisfaction drivers underpinning them...

A 1% increase in satisfaction with Area 1 causes a 0.25% increase in Overall Satisfaction

Drivers 1, 2 and 3 all have strong influence on satisfaction with Area 1



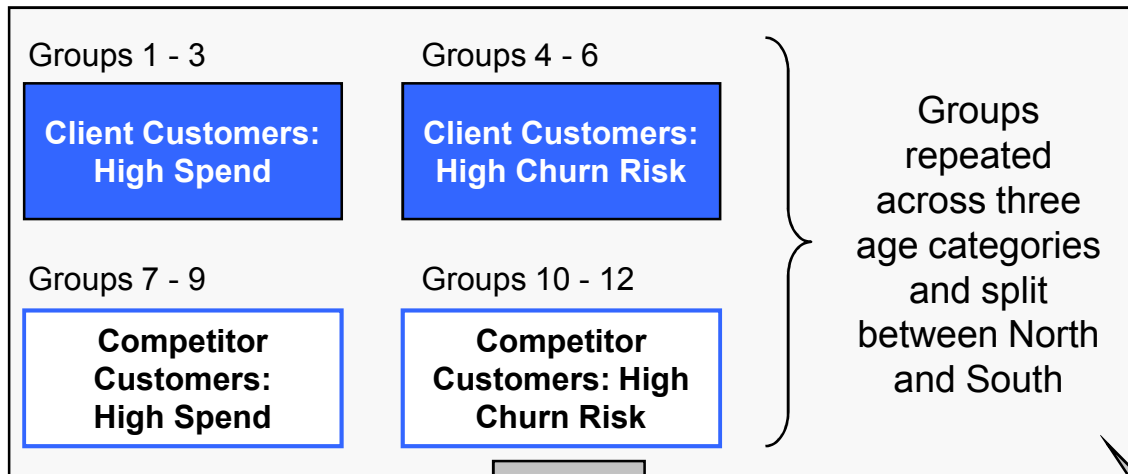
Conducting this level of analysis on all six Satisfaction Areas allowed us to pinpoint priority areas for investment and improvement...

Case studies:

Focus groups and competitor analysis revealed solutions around key areas, driving strategic recommendations around our client's approach...

We used 12 focus groups to identify, test and refine solutions in key areas:

Recruitment targeted key customer groups



We then used competitor analysis to identify 'real world' best practice relating to the potential solutions emerging from the exit survey and the focus groups

Competitor A : Solution 1

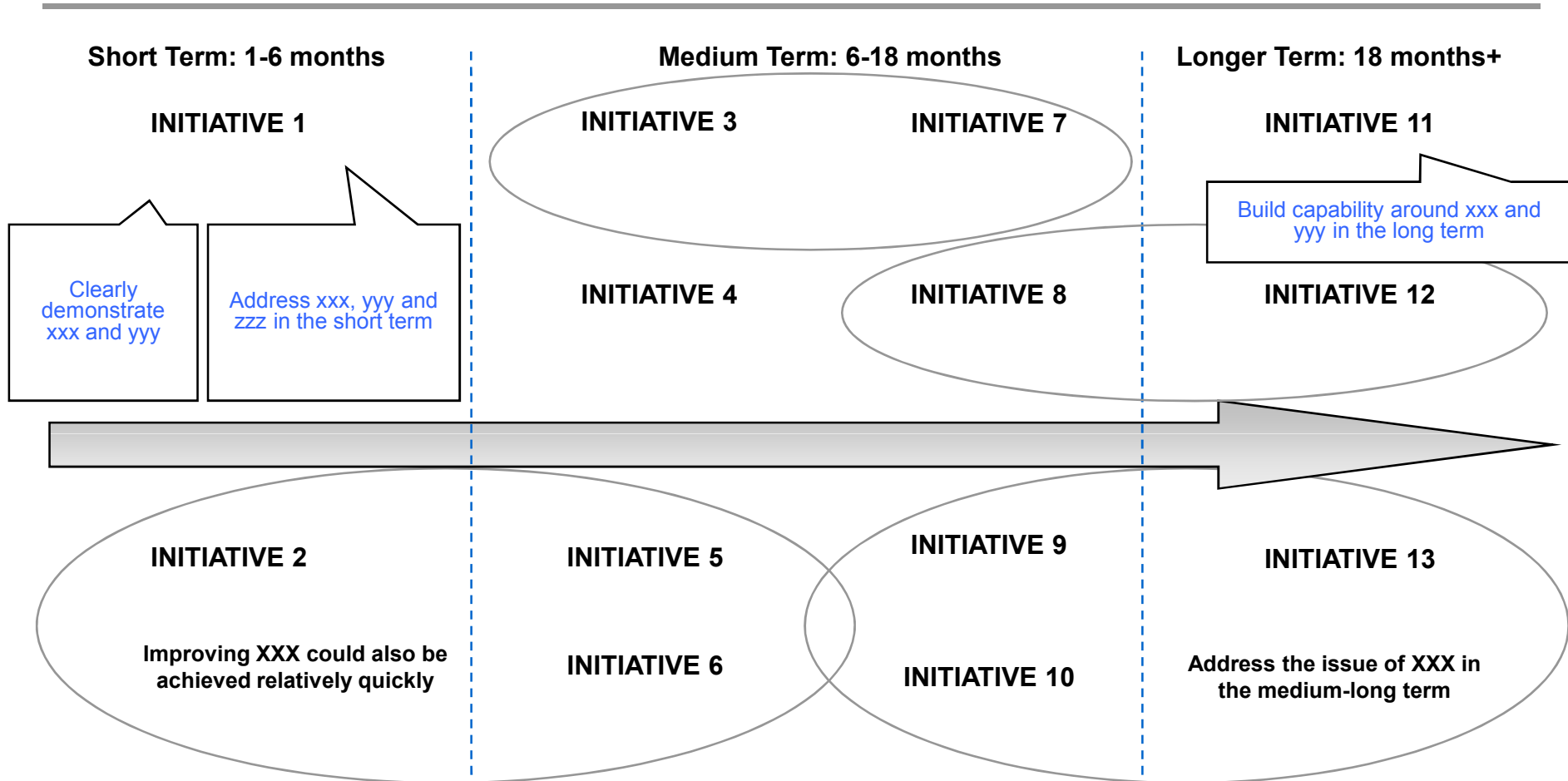
- Competitor A are renowned for delivering in this area and have invested heavily in new approaches
- Successful solutions include:
 - A
 - B
 - C
 - D
- *“By far the best thing we’ve ever done in this area is xxxx – We spent £5m which paid for itself in 12 months”*

Competitor B : Solution 2

- Have invested £10m to develop IT capability to support this, and increased sales by 10% as a consequence

Case studies:

We worked with our client's Board to develop a sales growth roadmap driven by our research...



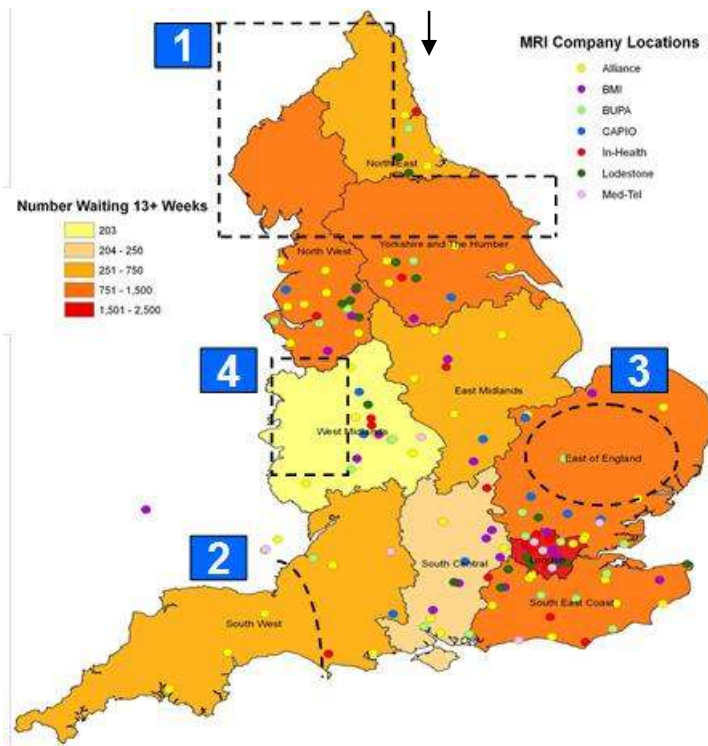
We are currently working with the client to support the implementation of this roadmap

Case Study 2: Market entry strategy in Mobile MRI scanning...

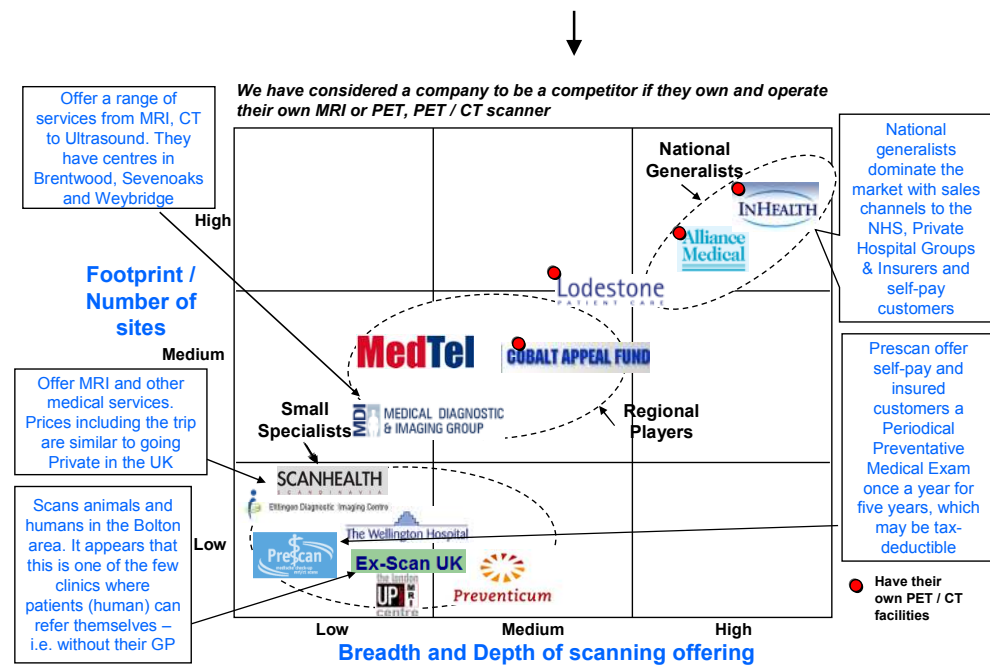
Overview

- Venture Capital Group wished to fund setup of a mobile MRI scanning business and wanted to understand optimal market entry models within the UK
- White Space researched the market intensively and highlighted geographic areas of opportunity, created cost and revenue models, and recommended an optimal proposition in relation to competitive positioning and market demand

Regional Demand vs Supply Analysis



Competitor and Market Positioning Analysis



Case studies:

Our work revealed that the UK was actually a poor choice of market to enter and that other markets would be more suitable...

Market Sizing, Revenue and Cost Modelling

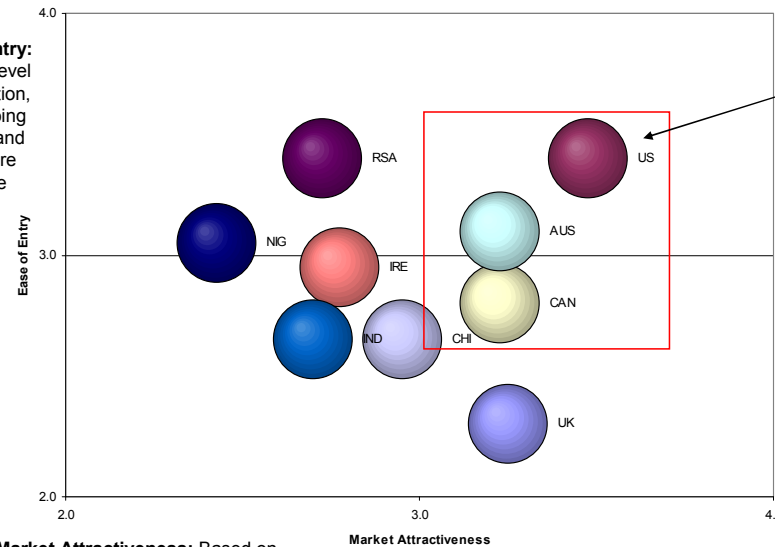
Calculation	East Anglia	North	S Wales	South West	England	Global
Population	5,491,293	4,474,726	2,900,000	2,831,954	50,690,000	8,323,247
# of Operators	66	34	57	57	2,324	13,239
# of MRI referrals per month	2	2	2	2	3,400	23,449
Total MRI referrals per annum	1,584	616	1,368	1,368	40,800	281,388
# of Osteopaths	150	73	48	48	3,400	6,000
# of MRI referrals per month	2	2	2	2	4,000	28,566
Total MRI referrals per annum	3,600	1,752	1,152	1,152	48,000	342,792
# of Physios	260	89	76	48	4,000	9,724
# of MRI referrals per month	2	2	2	2	1,152	9,724
Total MRI referrals per annum	6,240	2,136	1,924	1,152	13,824	116,688
Total # of private pay MRI scans	11424	4704	4344	3972	24,144	114,240
£ per scan	£300	£300	£300	£300	£250	£300
Total private pay revenue	£3,427,200	£1,411,200	£1,303,200	£1,191,600	£6,036,000	£34,272,000
% NHS	20%	25%	25%	20%	20%	20%
Addressable market	£3,741,760	£1,656,400	£1,577,400	£1,434,400	£6,734,400	£34,272,000
Potential uplift through better pricing	20%	10%	5%	5%	5%	5%
Uplifted market	£3,290,512	£1,164,240	£1,026,270	£771,120	£6,384,000	£34,272,000
Annual growth	4%	4%	4%	4%	4%	4%
Scans 2008	11424	4704	4344	3972	24,144	114,240
Scans 2009	11881	4852	4518	3919	24,601	118,810
Scans 2010	12356	5088	4696	3972	25,057	123,560
Scans 2011	12850	5291	4886	4131	25,514	128,510
Scans 2012	13364	5503	5082	4296	25,971	133,560
Market share	53%	53%	53%	53%	53%	53%
Total Market Revenue 2008	£1,085,737	£394,199	£338,669	£254,470	£1,073,075	£4,972,610
Total Share of Scans 2008	3816	1564	1475	1369	8546	38160



Analysis of self-pay market driven by customer purchasing survey: n = 2,000

Analysis of Alternate Markets for Entry

Ease of Entry: Based on level of competition, ease of doing business and health care structure

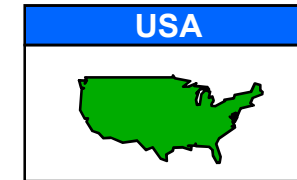


The US, Australia and Canada appear to have the most potential

Market Attractiveness: Based on population size, GNI per capita, level of MRI scanning infrastructure, population density, and health care expenditure per capita

Our analysis showed that the UK was an extremely competitive market, and that the US, Australia and Canada provided much more attractive target markets

The US market is characterised by high levels of scanning activity but also strong competition...



Socio-Economic Indicators

- The US is a highly prosperous and heavily populated country but one which suffers from increasing levels of inequality and social exclusion
- Population = 300m
- GNI PPP = \$43,000
- Population density = 80 / square mile
- Total state health expenditure per capita = \$5,283

Healthcare Overview

- System relies heavily on private provision
- 248m are covered by private or government-sponsored insurance
- Medicare – provides a critical level of insurance for 40m people >65 and the disabled
- Medicaid – provides insurance for 40m low income individuals and families
- 47m are not covered by any form of insurance

Scanning Overview

- The US is one of the most heavily served countries in terms of scanning equipment, with technology levels increasing significantly over recent years
- ~11,000 MRI scanners across the US (2006): 37 per million of population
- Figure has increased by 22% in past 2 years
- 1,100 PET/CT scanners
- 83.2 MRI exams per 1,000 population (2005)



Level of Opportunity

High

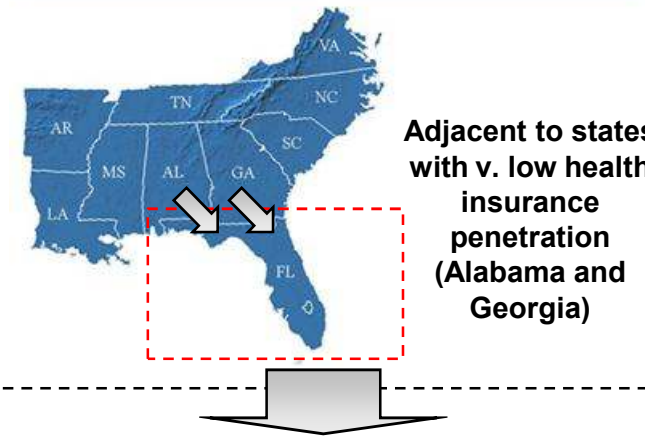
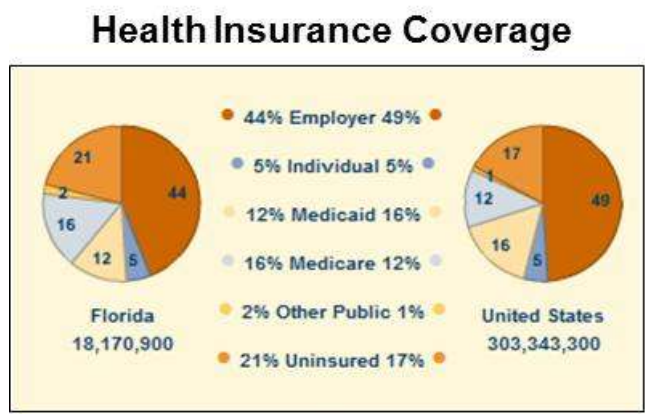
- High level of opportunity driven by overall large size of market, ease of doing business and structure of health system
- Could be an opportunity to serve population without medical insurance but this would depend on their capability to pay for treatment following on from scans

Case studies:

As a whole Florida may not be the most attractive state. However, its population of well-to-do retirees represent an attractive market...

Socio-Economic Indicators

- Florida is the 4th most populous state in the US with a population of 18m
- Florida’s population is relatively elderly with a median age of 40 making it the fifth highest in the US
- Per capita personal income in Florida is lower than the US average \$37,780 vs. \$40,166
- State spending on healthcare was £5,483 per capita – marginally higher than the US national average of \$5,283



Scanning Provision

- Provision within Florida is broadly in line with the rest of the US with 588 ACR accredited MRI facilities in the state. 33 per million of population
- In terms of other types of scan there are 420 ACR accredited CT facilities and 123 ACR accredited PET facilities

Level of Opportunity

High

• *“Although Florida does have a large population of economically disadvantaged residents who cannot afford insurance, it is also home to a very large population of retirees – not only do these people have the need for scanning services they also have the money to pay for them”*

US Healthcare Expert

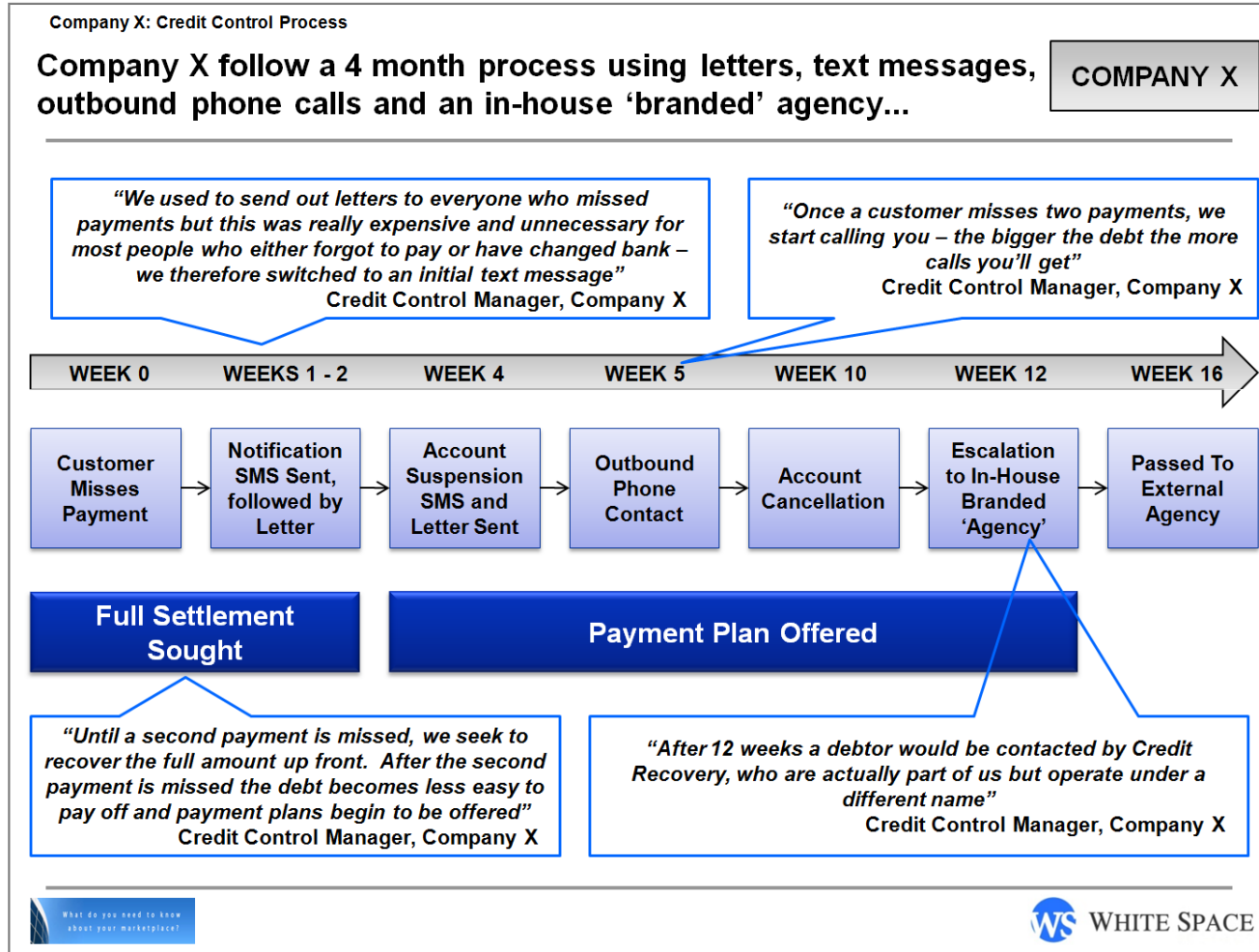
Case study 3: Process analysis and benchmarking of competitor credit control methods in telecoms...

Client	UK Telecoms Company (>£1bn turnover)
Issue	Need to reduce exposure to customer debt during the recession
Approach	<ul style="list-style-type: none">The client wished to conduct a competitor process analysis and messaging project to understand how competitors were approaching credit control within the context of the recession, in order to drive internal process improvementWe analysed the credit control operations of 8 competitors and 4 out of industry comparators to benchmark our client and identify market best practice: <div style="display: flex; justify-content: space-around; text-align: center;"><div style="border: 1px solid black; padding: 5px; width: 150px;">Credit Control Processes</div><div style="border: 1px solid black; padding: 5px; width: 150px;">Credit Control Communications</div></div> <div style="display: flex; justify-content: space-around; text-align: center; margin-top: 10px;"><div style="border: 1px solid black; padding: 5px; width: 150px;">Strategy & Operations</div><div style="border: 1px solid black; padding: 5px; width: 150px;">Out-of-Industry Best Practice</div></div>
Results	<ul style="list-style-type: none">We laid out a series of recommendations based on the intelligence gathered, including changes to team structures, processes and segmented messagingClient is currently implementing a pilot roll out of the new approach – we are assisting by monitoring the customer response to this

This is what we found out...

Credit Control Processes

We mapped out the end-to-end credit control processes of 6 of the 8 competitors, including what tactics and structures are engaged when:



Case studies:

This is what we found out...

Credit Control Communications

We obtained over 50 examples of credit control letters, text messages and emails, allowing us to map out the entire end-to-end comms. pathways of 5 of the competitors:

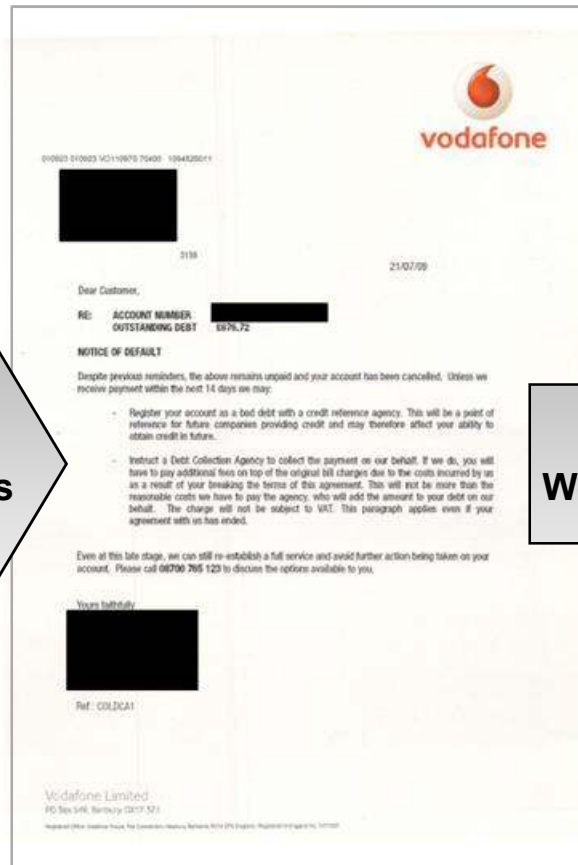
Initial Letter: Account Suspension

Follow-Up Letter: Account Cancellation

Agency Letter: Threat of Legal Action



2 Months



+2 Weeks

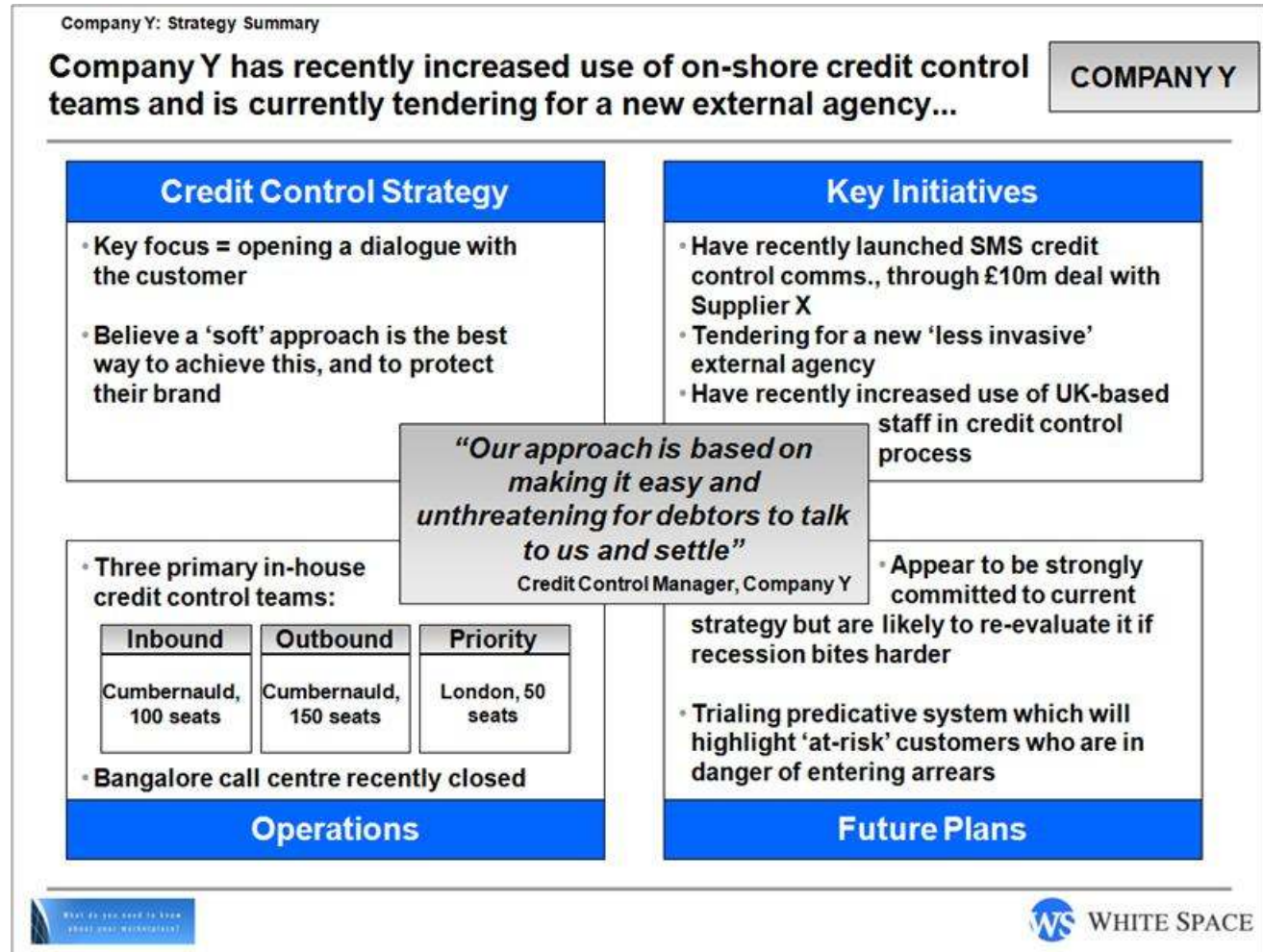


This is what we found out...

Strategy & Operations

We revealed the strategies, drivers and future plans of 4 of the competitors in depth and the other 4 at a summary level, and also mapped the credit control organisational structures of all 8:

Company Y Strategy Summary:



This is what we found out...

Out of Industry Best Practice

We analysed the credit control processes, strategies, success levels and future plans of 4 leading companies in comparable sectors:

Company Z: Recovery Rate

Company Z have improved their recovery rate to 72%, and are aiming to increase this to 75% despite the recession...

COMPANY Z

Year	Average Recovery Rate	Change
2006	68%	N/A
2007	65%	-3%
2008	67%	+2%
2009	72%	+5%

Company Z Recovery Rate (2006 – 2009)

Reasons For Improvement

All quotes from Director of Credit Control, Company Z

New Call Centre

“We opened a new credit control call centre in 2007 increasing our overall operatives number by 100”

Increased Early Stage Intensity

“Increasing staff numbers allowed us to begin phoning high priority customers in the first two weeks”

Segmented Approach

“We used to segment purely on the basis of value of debt – in 2008 we extended this to include ease of collection”

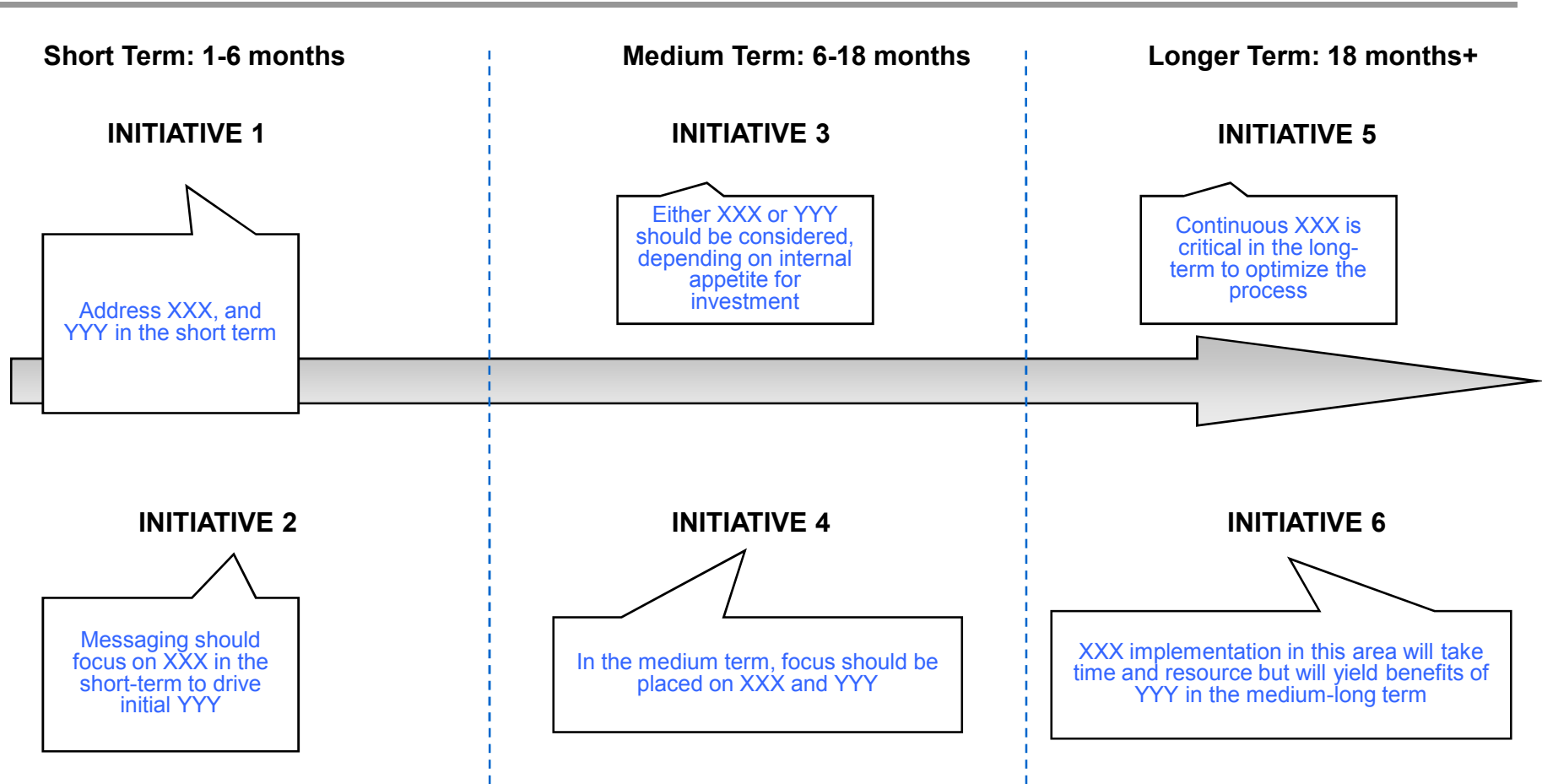
You may wish to consider increasing staff numbers and using this extra resource to target high value customers who are likely to pay

What do you need to know about your marketplace?

WS WHITE SPACE

Case studies:

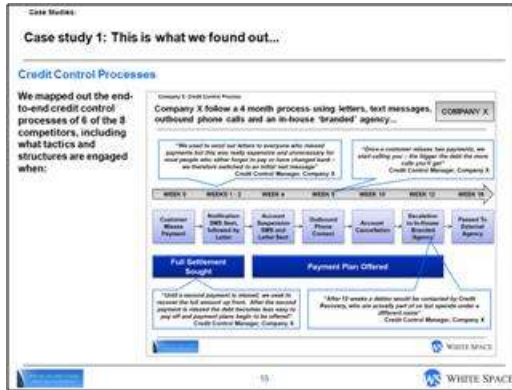
This is what we delivered to the client's Board, summarising a 20 slide strategy development debrief...



Our recommendations focused on both quick wins and longer term goals

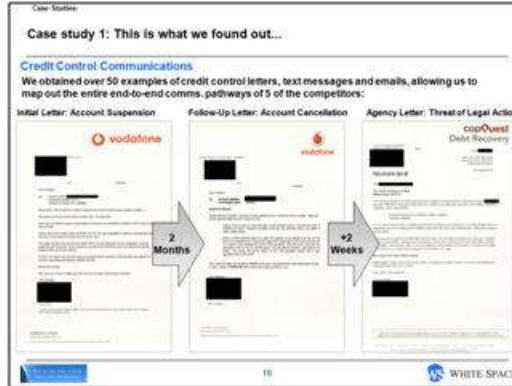
Case studies:

This is how we did it, using entirely ‘above board’ methods...

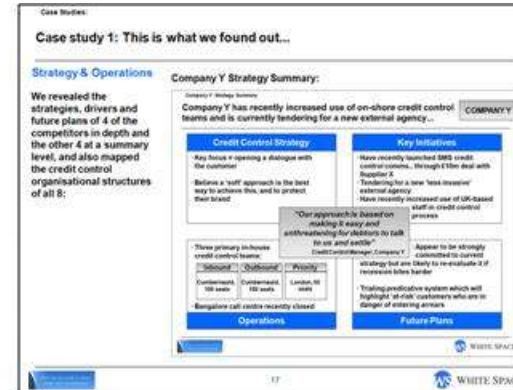


- Over 400 extremely pushy ‘mystery shop’ phone calls to sales, customer services, billing and credit control

- Angle: “I’m really worried about what happens if I fall into debt. I would like to know how you collect money and whether this will change in the future. Can I speak to a manager about this...?”

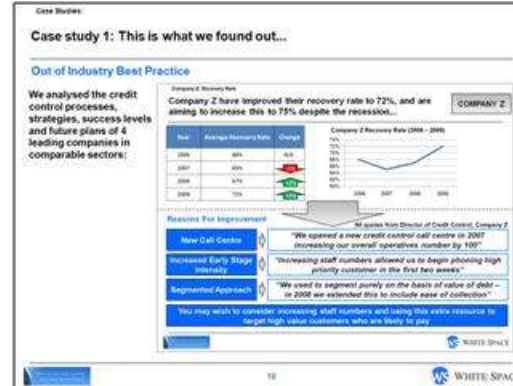


- Recruitment of 50 competitor customers who were in possession of credit control letters, with incentive paid to provide them to White Space



- Over 400 extremely pushy ‘mystery shop’ phone calls to sales, customer services, billing and credit control

- Angle: “I’m really worried about what happens if I fall into debt. I would like to know how you collect money and whether this will change in the future. Can I speak to a manager about this...?”



- 10 telephone interviews with Credit Control Directors and Senior Managers at out of industry companies

- Angle: “We’re working for a major telecoms company and are prepared to share information on approaches to credit control...”

All methods were entirely ‘above board’ and in principle very easy – The hard part was working this out and having the right mindset to do it