

Client Transformation Profile: Pitney Bowes

Refocusing for the New Economy

The e-business revolution has been daunting for many well-established, old-economy companies. Without a dot.com in their name, these companies find themselves suddenly, and often irrationally, overlooked or misunderstood in the new economy. Many of these veteran corporations are looking to Benchmarking Partners to assist them in the fundamental transformation of their businesses to establish them as e-business market leaders.

Client Background: Established Messaging Company

Pitney Bowes is over 80 years old. It grew from a mail and meter manufacturing company to a global leader in fax and copier systems, integrated communication solutions, and business outsourcing and digital document management with 1999 revenues of \$4.4 billion.

Business Challenge: Steering Toward e-Success

The company recently faced some challenging times. Market enthusiasm over the initial public offerings of two Internet competitors raised questions about Pitney Bowes, which saw its stock value eroded by almost 40%. While those competitors' market capitalization have since lost significant ground, Wall Street continues to discount the excellent fundamentals of the company, which remains one of the top performers by almost every business metric in the market. Market perception has inspired the company to examine their overall business structure, products and strategies.

Pitney Bowes turned to Benchmarking Partners to help them engage in frank, far-reaching self-analysis. The end goal: to develop the right e-business strategies for Pitney Bowes to flourish in the New Economy.

Approach: "As Is" Evaluation, Best Practice Comparison, and Opportunity Identification

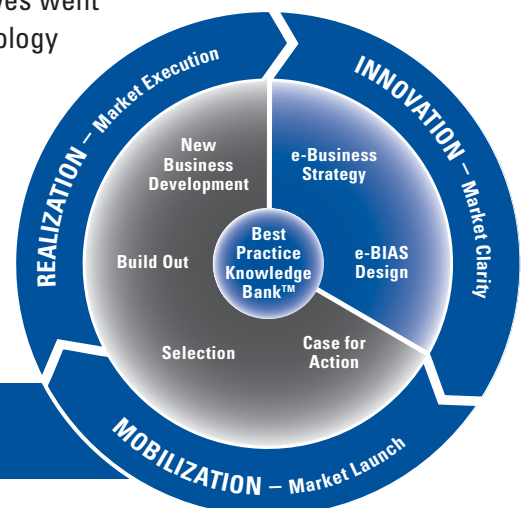
Benchmarking Partners consulted with the highest level of Pitney Bowes management and used its research resources to conduct in-depth analysis of the company's market position, internal structures, business processes and products. Benchmarking Partners then evaluated all of these areas against business and technology best practices.

Once Pitney Bowes strengths and weaknesses were gauged, Benchmarking Partners and Pitney Bowes went to work developing business and technology strategies that would both revamp the company's infrastructure to support new economy business, and leverage Internet technology to improve business processes.



" Benchmarking Partners' unique approach in mapping out a comprehensive set of business and technology strategies has led the successful repositioning of our organization as an e-service, e-solution-focused model."

—Gregory E. Buoncontri,
Vice President and CIO,
Pitney Bowes



**Benchmarking Partners'
E-Business Strategy Process**

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Result: Go-to-Market and Go-to-Internet Strategies

Benchmarking Partners developed a comprehensive set of business and technology strategies designed to reposition Pitney Bowes. The change moves Pitney Bowes away from a product-centered model toward a more e-service and e-solution-focused model, an approach devised to drive Pitney Bowes to the forefront of its industry in e-business. Each strategy was developed and measured against these success factors:

- What opportunity would it exploit?
- What business drivers would it accommodate?
- What enabling initiatives were required for execution?
- What company strengths would it utilize?
- What industry examples would it follow?
- What next steps would lead to execution?

The strategies were divided into three key areas:

Business Units

EMC was adept at using the Web to communicate with the investment community via online analyst updates and interactions. Benchmarking Partners explored ways to leverage experience and know-how EMC has in this area. The strategies and Initiatives to reorient company components and product lines, such as e-enabling all new products and services, and developing strategic partnerships to adapt to new value chains.

Enterprise-Wide

Strategic plans to transform the company, including launching a service business that would deliver a range of messaging solutions and create an industry marketplace.

Enabling Factors

Tactics and initiatives that would help Pitney Bowes prepare for the fundamental changes in the Net economy, including the development of new Architecture for business processes and applications.

With Benchmarking Partners continuing advice and assistance, Pitney Bowes is implementing the strategies developed.

Insight: Clarity in Strategy Direction

Benchmarking Partners extensive e-business go-to-market experience and knowledge mean that our clients can travel the road to e-business that is clearly signposted and mapped out. Clients are able to identify the concrete steps they need to take to reach their goals, and rest assured, that the methodologies they employ have been researched, applied in practice and proven.

Deliverables:

Pitney Bowes received critical information in the following areas:

- An agreed set of goals and objectives for Pitney Bowes e-business strategy
- A detailed plan for the development of Pitney Bowes e-business strategy
- An ongoing process and leadership
- model to manage the program going forward
- An estimation of the resources—financial and human, internal and external—required to successfully develop the plan