

Claude3 Opus Sales Report
It Spend, '14-Q3 vs '14-Q4
Prepared: 23 April 2024

This report uses charts designed according to the International Business Communication Standards (IBCS) to ensure clarity, consistency, and information density.

Key elements:

1. **Consistent chart design:** All charts follow a uniform design, making it easier for readers to understand and compare data across different visualizations. This includes consistent use of fonts, sizes, and positioning of elements.
2. **Simplified and focused content:** Charts are designed to be easily readable, with a focus on essential information. Unnecessary decorative elements are avoided to maintain clarity.
3. **Proper labeling and titling:** Each chart includes clear, descriptive titles and labels to ensure that the data is easily understood without additional context.
4. **Standardized notation:** IBCS-compliant charts use standardized notation for elements such as time periods, units, and scenarios, making the information more accessible and comparable.

The following conventions are used throughout the report:

- **Black** represents actual values for the current year
- **Grey** represents data from the previous year
- **Red** indicates negative or "bad" performance
- **Green** indicates positive or "good" performance
- **"PY"** is used to denote the previous year values
- **"AC"** refers to the actual current year values
- **Underscore "_"** is used to represent year-to-date data
- **Tilde "~"** indicates a rolling year or 12-month period

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Global IT Spending: North America leads global IT spending at 85%, with Europe a distant second at 13%. Infrastructure and Office & Administrative areas see the highest investment, while Latin America, Africa & Asia, and Oceania have minimal contributions. Despite lower overall spending, Oceania and Africa & Asia are experiencing higher growth rates than Europe and North America.

Strategic Investments: IT spending grew across most regions, driven by infrastructure and labor costs. Targeted investments are evident, though some areas like Latin America, governance, and depreciation may need attention. The negative Capex and substantial negative balance suggest strategic shifts and factors not detailed in the report.

Cost Optimization: Class A accounts for nearly 79% of total costs despite having only 19.3% of the VPs, highlighting the need to optimize this segment. The top 19% of VPs significantly impact overall performance, while the bottom 2 VPs' negative costs erode gains. The company is strategically focusing on technology and operational efficiency, with increased spending in related areas and a shift from heavy investment to more operational spending.

Expansion and Efficiency: The company is expanding operations in less traditional regions, investing more in certain IT functions, and strategically shifting cost management with increased spending on external labor and telecommunications, while decreasing internal labor costs and depreciation. Cost management trends vary across the organization, with robust growth in some areas indicating expansion or increased investment, while others remain stable or reduce costs due to efficiency improvements.

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At a glance: IT spending grew across most regions, with North America leading, driven by infrastructure and labor costs. Targeted investments are evident, though some areas like Latin America, governance, and depreciation may need attention. The negative Capex and substantial negative balance suggest strategic shifts and factors not detailed in the report. Pages 8 to 14.

Sales breakdown: North America dominates global IT spending at 85%, with Europe a distant second at 13%. Infrastructure and Office & Administrative areas see the highest investment, while Latin America, Africa & Asia, and Oceania have minimal contributions. Despite lower overall spending, Oceania and Africa & Asia are experiencing higher growth rates than Europe and North America, with Africa & Asia showing significant variability across IT areas, from 122% growth in 'Bu Support' to a drastic -624% decline in 'Infrastructure'. Pages 16 to 22.

Data insights: Class A accounts for nearly 79% of total costs despite having only 19.3% of the VPs, highlighting the need to optimize this segment. The top 19% of VPs significantly impact overall performance, while the bottom 2 VPs' negative costs erode gains. North America leads in independent IT spending and overall set size, indicating a strong investment strategy and diverse market conditions. Pages 24 to 30.

Trends: The company is strategically focusing on technology and operational efficiency, with increased spending in related areas and a shift from heavy investment to more operational spending. Cost management trends vary across the organization, with robust growth in some areas indicating expansion or increased investment, while others remain stable or reduce costs due to efficiency improvements. The company is expanding operations in less traditional regions, investing more in certain IT functions, and strategically shifting cost management with increased spending on external labor and telecommunications, while decreasing internal labor costs and depreciation. Pages 32 to 37.

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The IT spending report reveals a concentration in North America, particularly the USA, with infrastructure and labor costs dominating the expenditure (p.9). Costs increased by \$23.4 million from Q3 to Q4 2014, entirely due to changes in prices, unit costs, and product/service mix (p.10). Every region except Latin America grew during this period, with North America showing the most substantial growth of \$19.7 million (p.11).

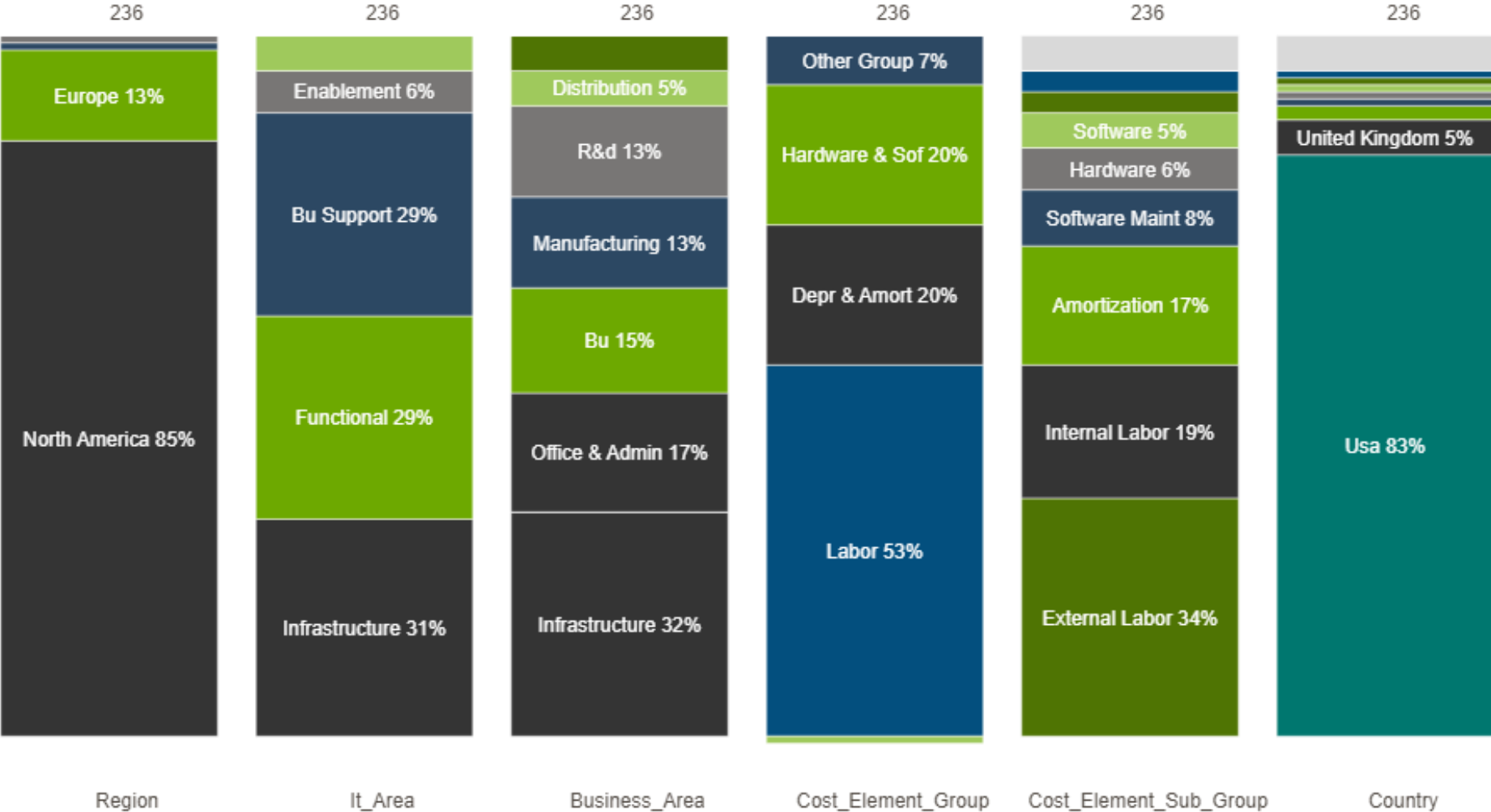
The data highlights strong costs performance in North America, especially in the infrastructure business area under VP Sara Berg's leadership (p.12). IT spending is increasing across most dimensions, with significant increases in North America and Europe (p.13). Targeted investments are suggested by spending increases under specific VPs, although decreases in governance, internal labor, and depreciation & amortization may need addressing (p.13).

Labor and Hardware & Software costs are major drivers of the increasing IT spending across regions (p.14). The Other Group category significantly increased in North America and Europe, possibly due to reallocating or increasing miscellaneous IT expenditures (p.14). However, the substantial negative balance suggests there are significant factors or changes not detailed that have adversely affected overall costs growth (p.12).

The negative Capex suggests potential fiscal adjustments or a strategic shift away from new capital investments this quarter (p.9). While the report indicates overall growth and targeted investments, it also highlights areas that may require attention to ensure balanced IT operations and address any concerning trends, such as the slight decline in Latin America (p.11).

IT spending is heavily concentrated in North America, especially the USA. Infrastructure and labor costs dominate the expenditure, with a focus on external labor. Substantial costs are associated with various business areas, highlighting strategic priorities. The negative Capex suggests potential fiscal adjustments or a strategic shift away from new capital investments this quarter.

It Spend
 Costs in mUSD by dimension
 '14-Q4

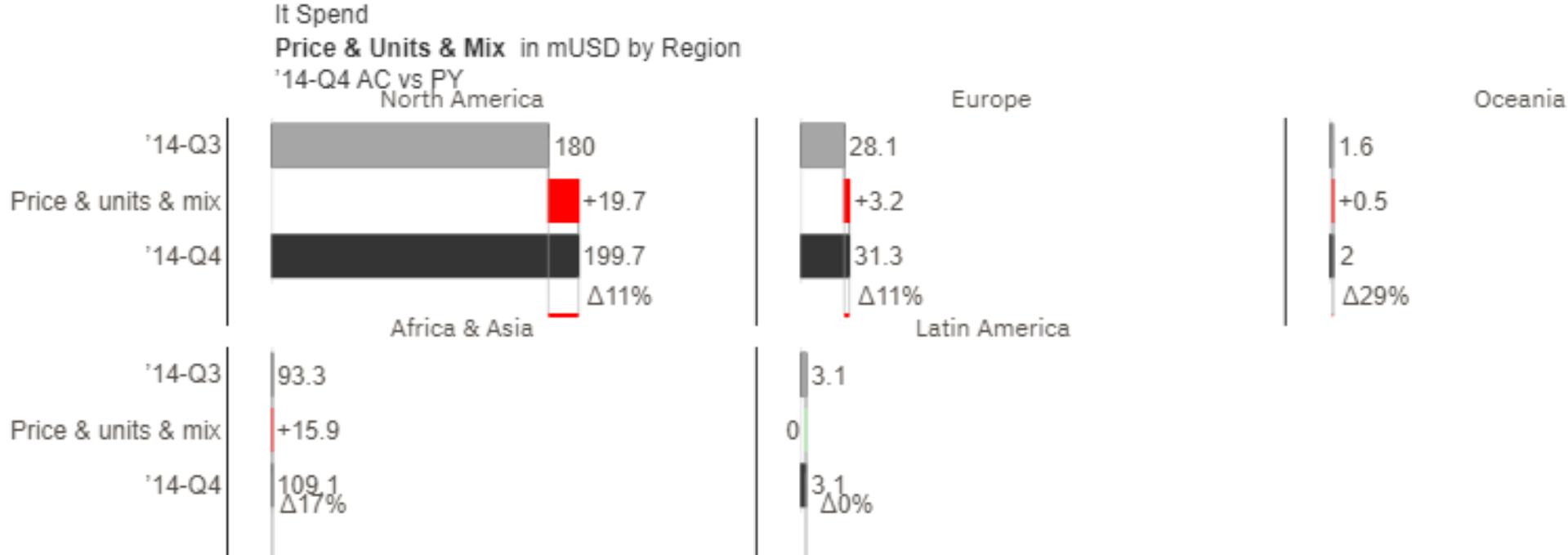


Costs increased by \$23.4 million from Q3 to Q4 2014, rising from \$212.8 million to \$236.2 million. The \$23.4 million increase, about 11.0% of Q3 2014 costs, was entirely due to combined changes in prices, unit costs, and product/service mix.

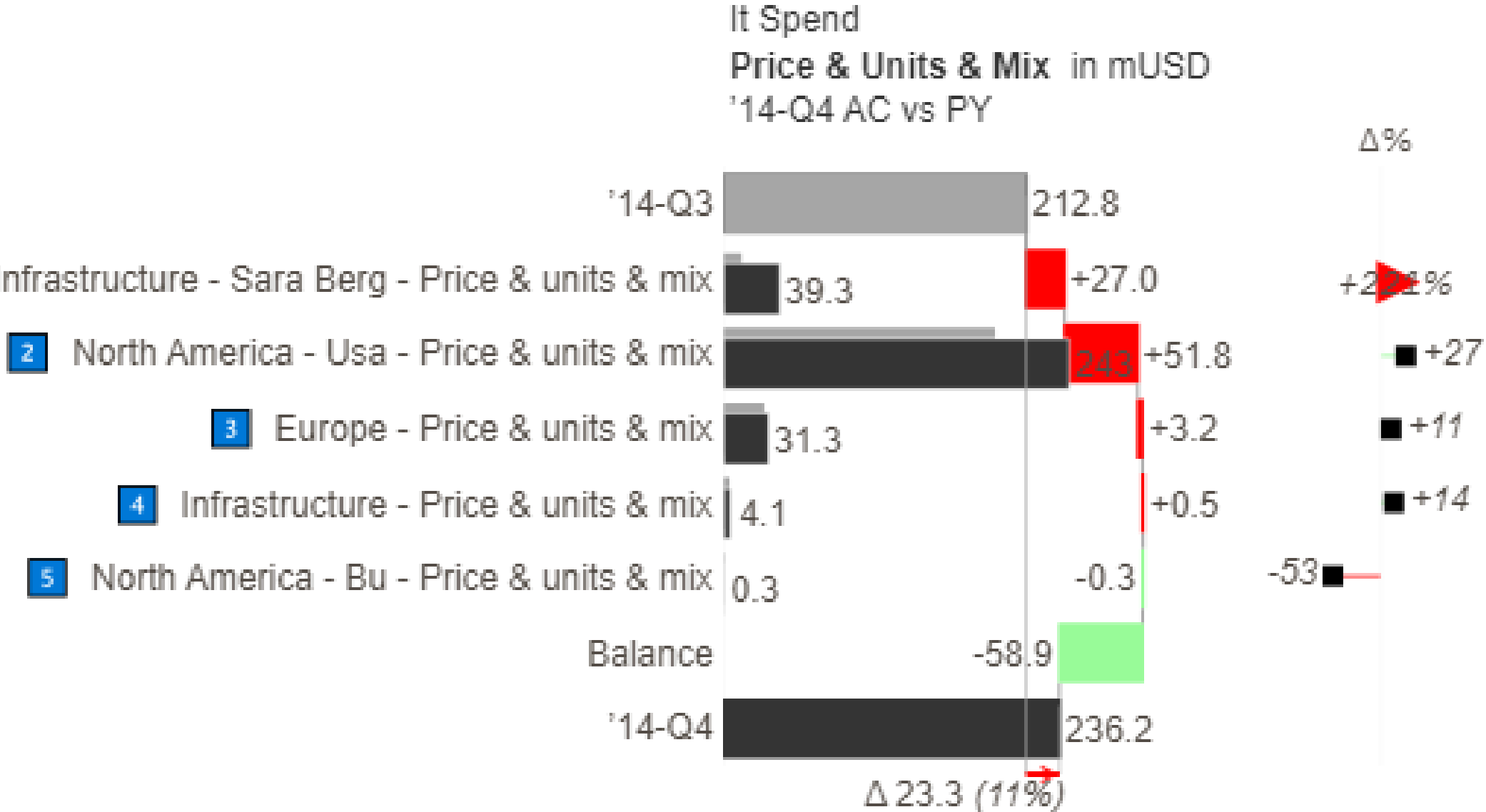
It Spend
Price & Units & Mix in mUSD
'14-Q4 AC vs PY



Every region except Latin America grew from Q3 to Q4 2014, thanks to positive changes in price, units, and mix. North America showed the most substantial growth, increasing by about \$19.7 million, suggesting a strong market presence and effective strategies there. Latin America was the only region that declined slightly, by \$14k, which could be concerning if the trend continues.

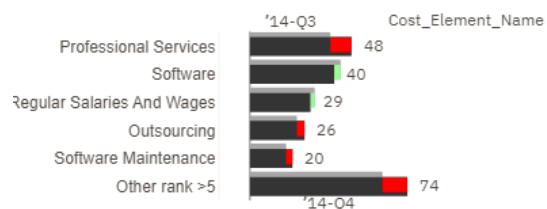
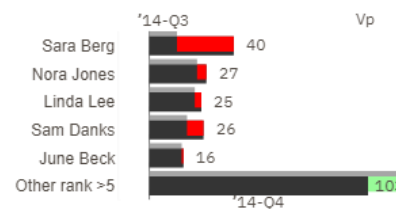
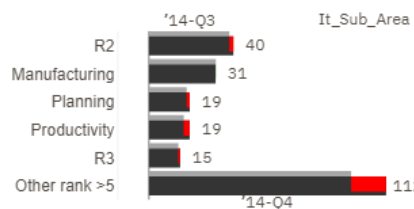
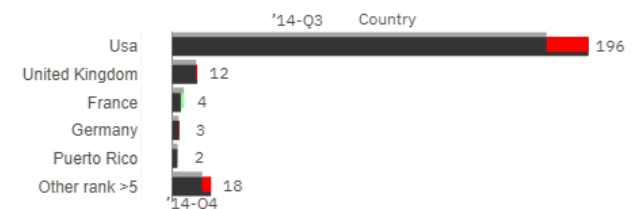
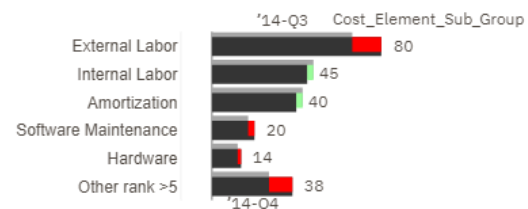
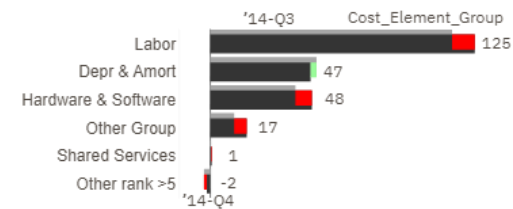
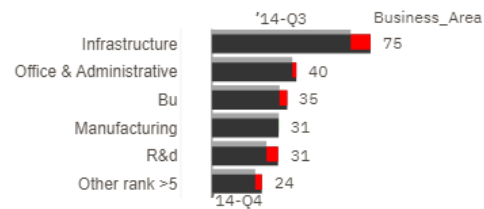
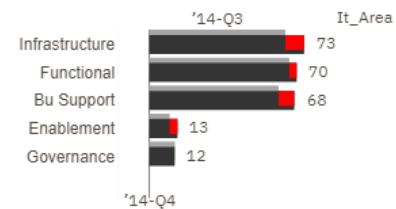
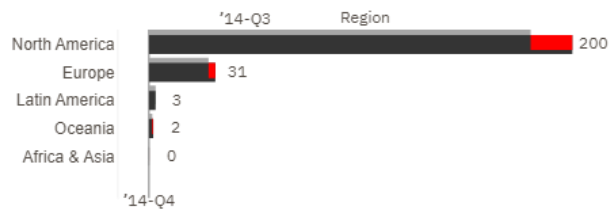


The data highlights strong costs performance in North America, particularly the USA, which contributed the most to the costs increase. Infrastructure business area had a significant positive variance, especially under VP Sara Berg's leadership, suggesting effective management and strategies. However, the substantial negative balance suggests there are significant factors or changes not detailed that have adversely affected overall costs growth.



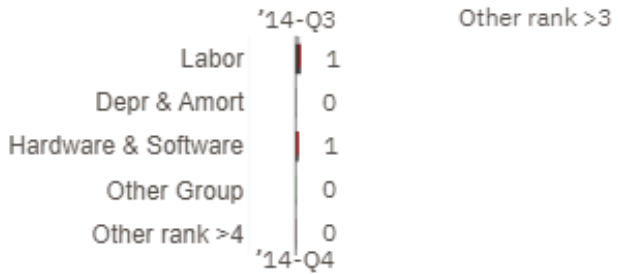
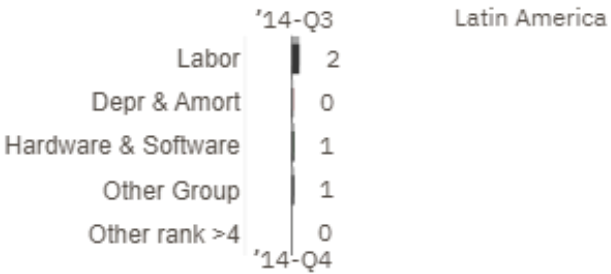
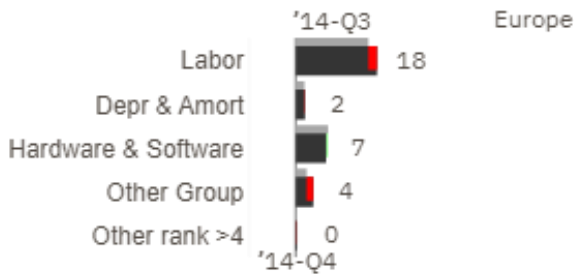
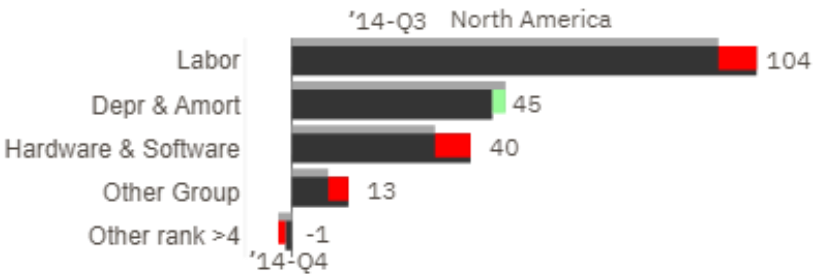
IT spending is increasing across most dimensions, especially infrastructure, external labor, and software maintenance. North America and Europe show significant increases, with North America leading in absolute growth. Targeted investments are suggested by spending increases under specific VPs. However, decreases in governance, internal labor, and depreciation & amortization may need addressing to ensure balanced IT operations.

It Spend
Costs in mUSD by dimension
'14-Q4 AC vs PQ



IT spending is increasing across regions, with a focus on upgrading hardware, software, and labor. Labor and Hardware & Software costs are major drivers, generally showing increases. The Other Group category significantly increased in North America and Europe, possibly due to reallocating or increasing miscellaneous IT expenditures.

It Spend
Costs in mUSD Region by Cost_Element_Group
'14-Q4 AC vs PQ



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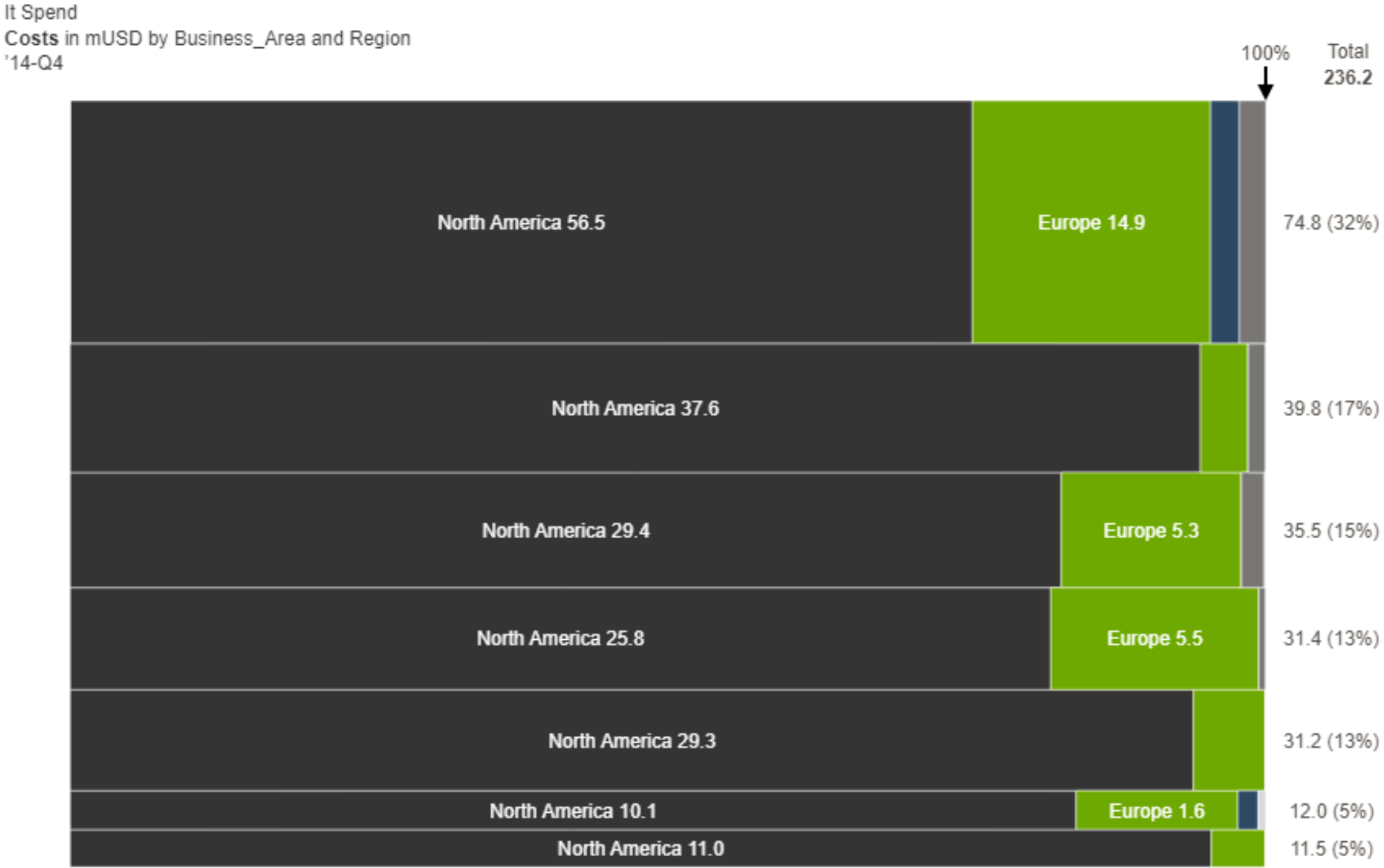
Backup

North America dominates IT spending across all business areas, accounting for 85% of the total, with Europe following as a distant second at 13% (p.17). Infrastructure leads in total spending, reflecting its critical role in supporting a company's foundational IT needs, while Office & Administrative also sees significant expenditure, likely due to costs associated with general business operations and admin functions (p.17, p.21, p.22). Latin America, Africa & Asia, and Oceania have minimal to no contributions in several IT areas, likely due to underdeveloped IT infrastructure or different strategic focuses (p.18).

Oceania and Africa & Asia are seeing higher growth rates than Europe and North America, which may be due to varying economic conditions, IT adoption, or investment priorities across regions (p.19). Africa & Asia show the most significant variability in growth rates across different IT areas, ranging from a high of 122.0% in 'Bu Support' to a drastic low of -624.0% in 'Infrastructure' (p.20). The -624.0% growth rate in 'Infrastructure' is an extreme outlier and significantly impacts the overall performance perception of IT spending in that region, while the 122.0% growth in 'Bu Support' suggests a possible reallocation of resources or a strategic focus shift towards business support services (p.20).

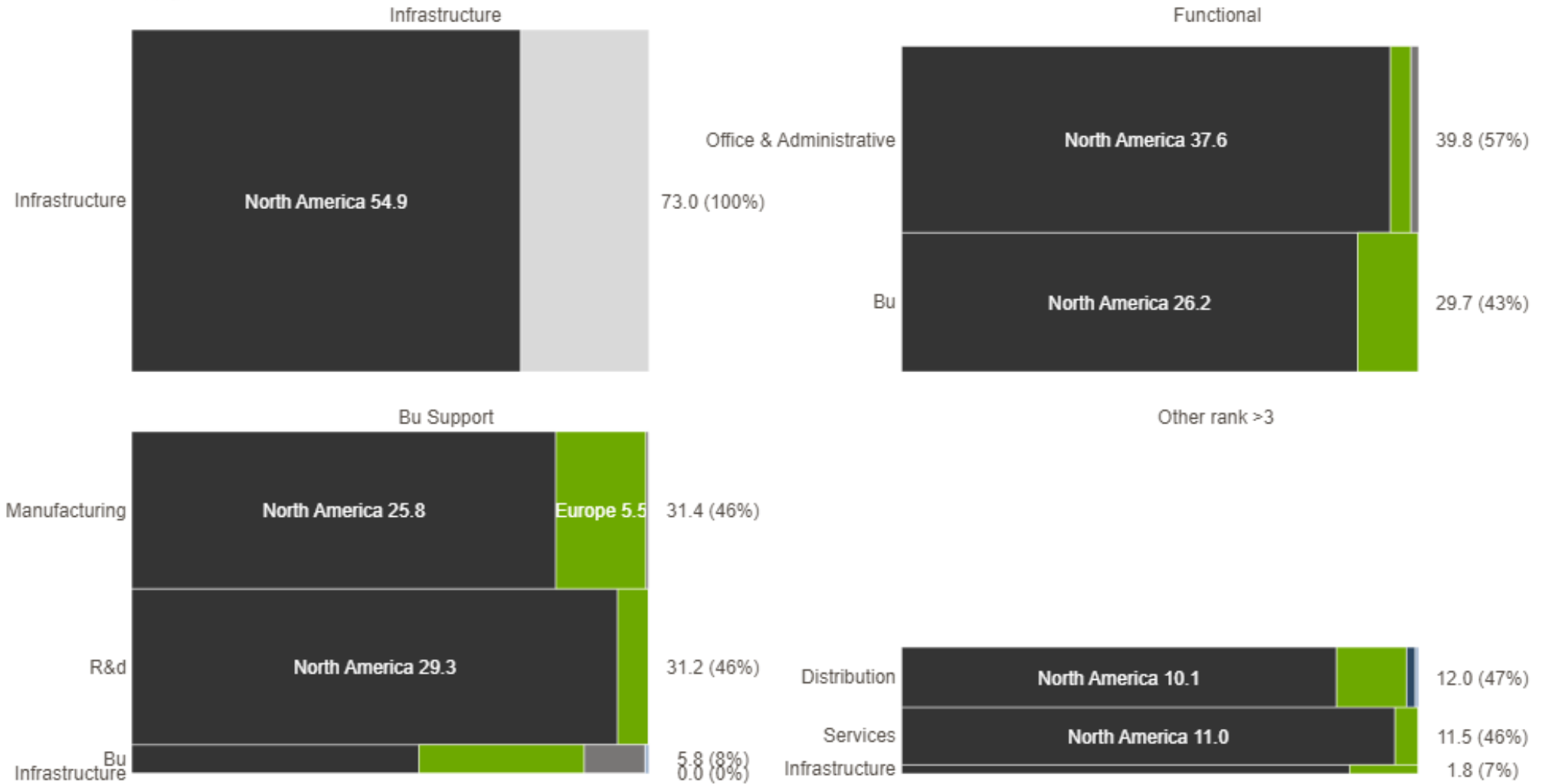
North America leads in IT spending, especially in 'Infrastructure' and 'Functional' areas, with Europe also investing significantly across IT Areas, focusing on 'Infrastructure' (p.21, p.22). Overall, the 'Infrastructure' IT Area receives the highest investment, particularly in North America and Europe, suggesting a focus on upgrading or maintaining IT infrastructure in these regions (p.22).

North America dominates IT spending across all business areas, accounting for 85% of the total. Europe follows as a distant second at 13%. Infrastructure leads in total spending, reflecting its critical role in supporting a company's foundational IT needs. Office & Administrative also sees significant expenditure, likely due to costs associated with general business operations and admin functions.

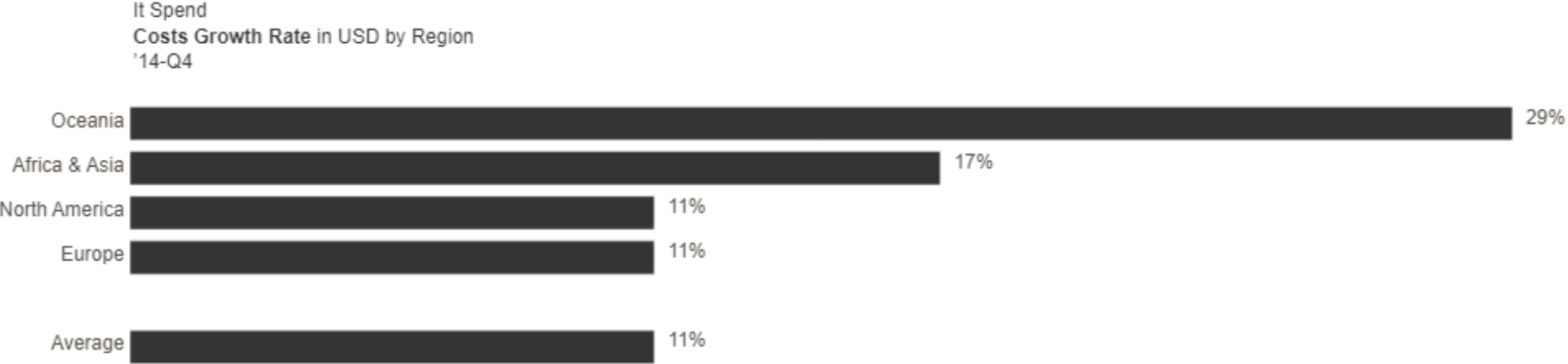


North America dominates IT spending across all areas. Latin America, Africa & Asia, and Oceania have minimal to no contributions in several IT areas, likely due to underdeveloped IT infrastructure or different strategic focuses.

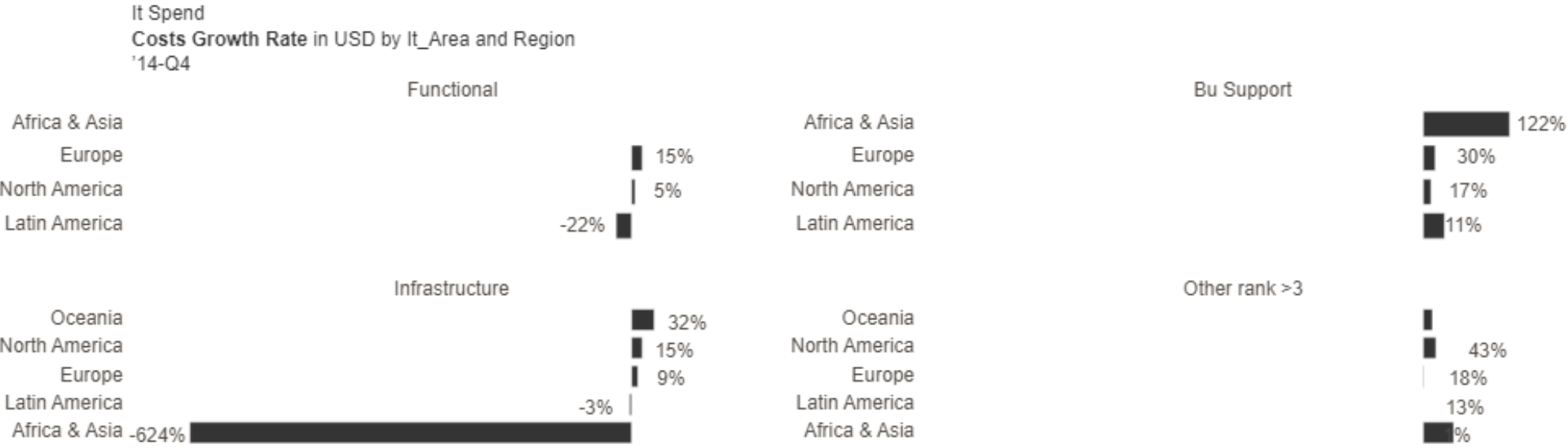
It Spend
Costs in mUSD by It_Area, Business_Area and Region
'14-Q4



Oceania and Africa & Asia are seeing higher growth rates than Europe and North America. This may be due to varying economic conditions, IT adoption, or investment priorities across regions.

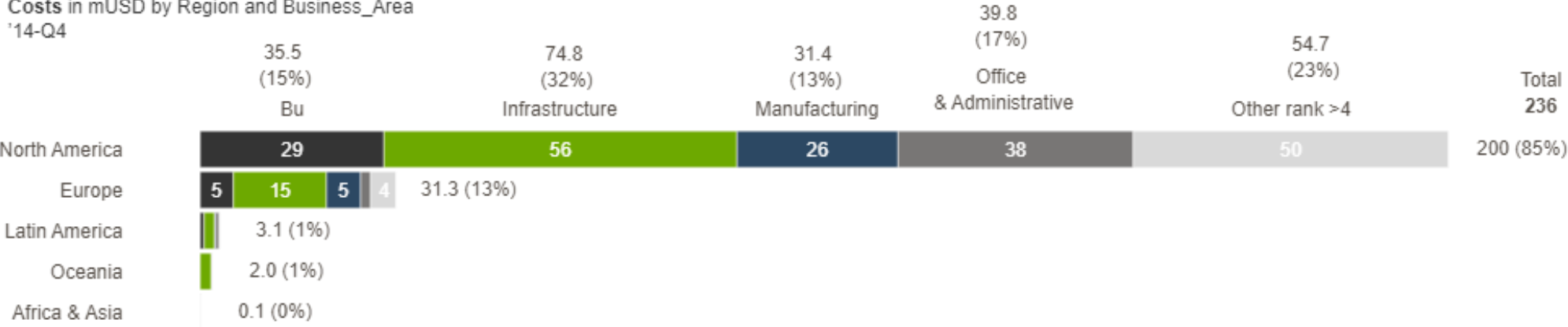


Africa & Asia show the most significant variability in growth rates across different IT areas, ranging from a high of 122.0% in 'Bu Support' to a drastic low of -624.0% in 'Infrastructure'. The -624.0% growth rate in 'Infrastructure' is an extreme outlier and significantly impacts the overall performance perception of IT spending in that region. The 122.0% growth in 'Bu Support' suggests a possible reallocation of resources or a strategic focus shift towards business support services.

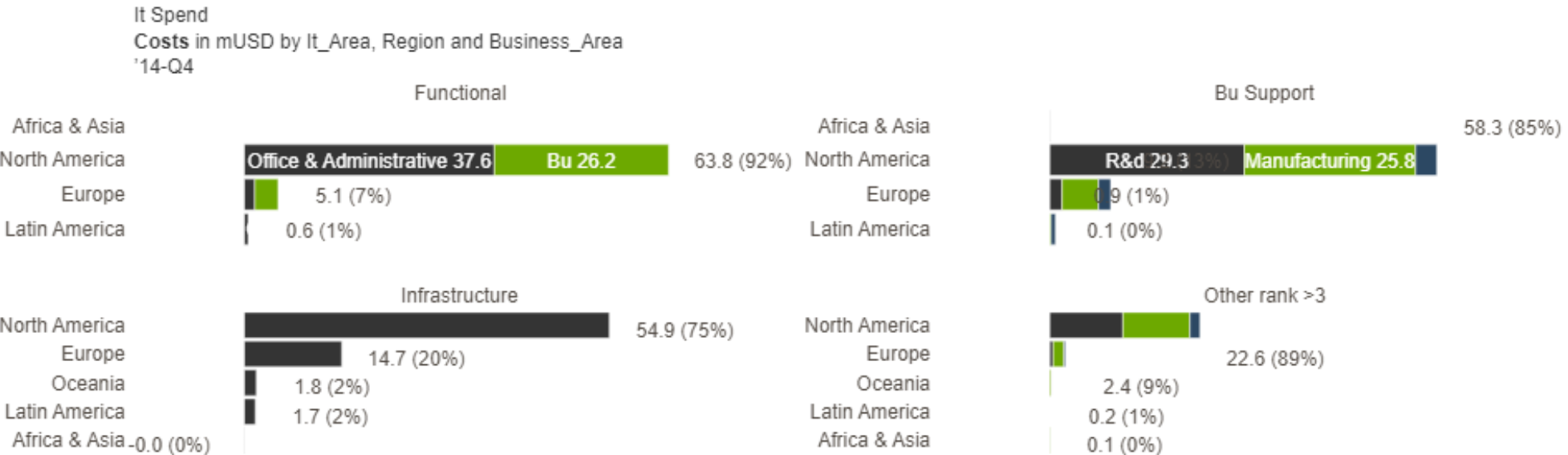


North America dominates IT spending across all business areas, with the highest expenditures in every category. Infrastructure sees the highest spending in most regions, particularly in North America and Europe. Office & Administrative expenses are notably high in North America.

IT Spend
Costs in mUSD by Region and Business_Area
'14-Q4



North America leads in IT spending, especially in 'Infrastructure' and 'Functional' areas. Europe also invests significantly across IT Areas, with a focus on 'Infrastructure'. Overall, the 'Infrastructure' IT Area receives the highest investment, particularly in North America and Europe, suggesting a focus on upgrading or maintaining IT infrastructure in these regions.



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The analysis reveals a significant concentration of costs in Class A, which accounts for nearly 79% of total costs despite having only 19.3% of the VPs (p.25). This highlights the importance of optimizing and increasing productivity in Class A to improve overall cost performance (p.25). However, Class A falls slightly short of the Pareto principle's 80% target, and the presence of negative costs in some Cost Element Groups is a concern that requires review and potential restructuring (p.26).

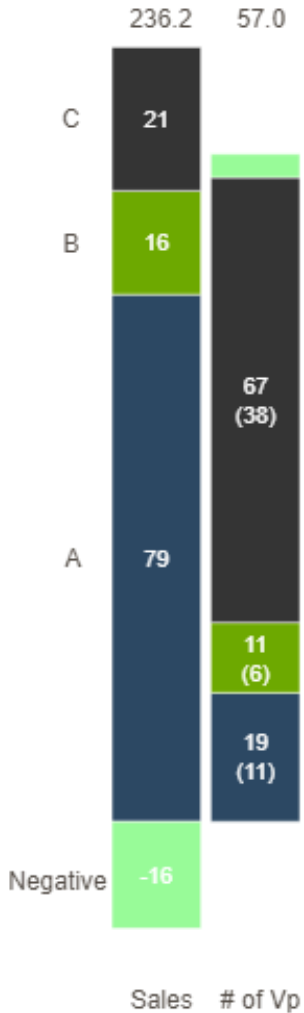
The performance of individual VPs varies, with Sara Berg and Brian Jinc showing strong positive costs growth and high costs figures, while Jim Wheeler and others face significant challenges with negative costs growth rates (p.27). Jim Wheeler's consistently negative Costs Growth Rate across regions, except for "Other," suggests issues with his projects or strategies (p.28).

The top 19% of VPs hold a disproportionate weight in the organization's performance, emphasizing the importance of top contributors and the potential underutilization or underperformance of the remaining VPs (p.29). The impact of negative costs from the bottom 2 VPs stresses the need for a granular review of underperforming segments to prevent erosion of gains made by top performers (p.29).

North America has the highest independent IT spending at 12 units and the largest overall set size at 23 units, indicating a strong, independent IT investment strategy in the region (p.30). The region also has a slightly wider spread in Costs compared to others, suggesting diverse market conditions or business performance strategies (p.28).

Class A, with only 11 VPs (19.3% of total), accounts for nearly 79% of the costs. This high cost concentration can be described as 'intense'. Class A is the most efficient in terms of cost contribution per VP, making it crucial for overall cost performance. Optimizing or increasing productivity in Class A could yield significant benefits.

It Spend
 ABC by sorted Vp Costs in USD
 '14-Q4

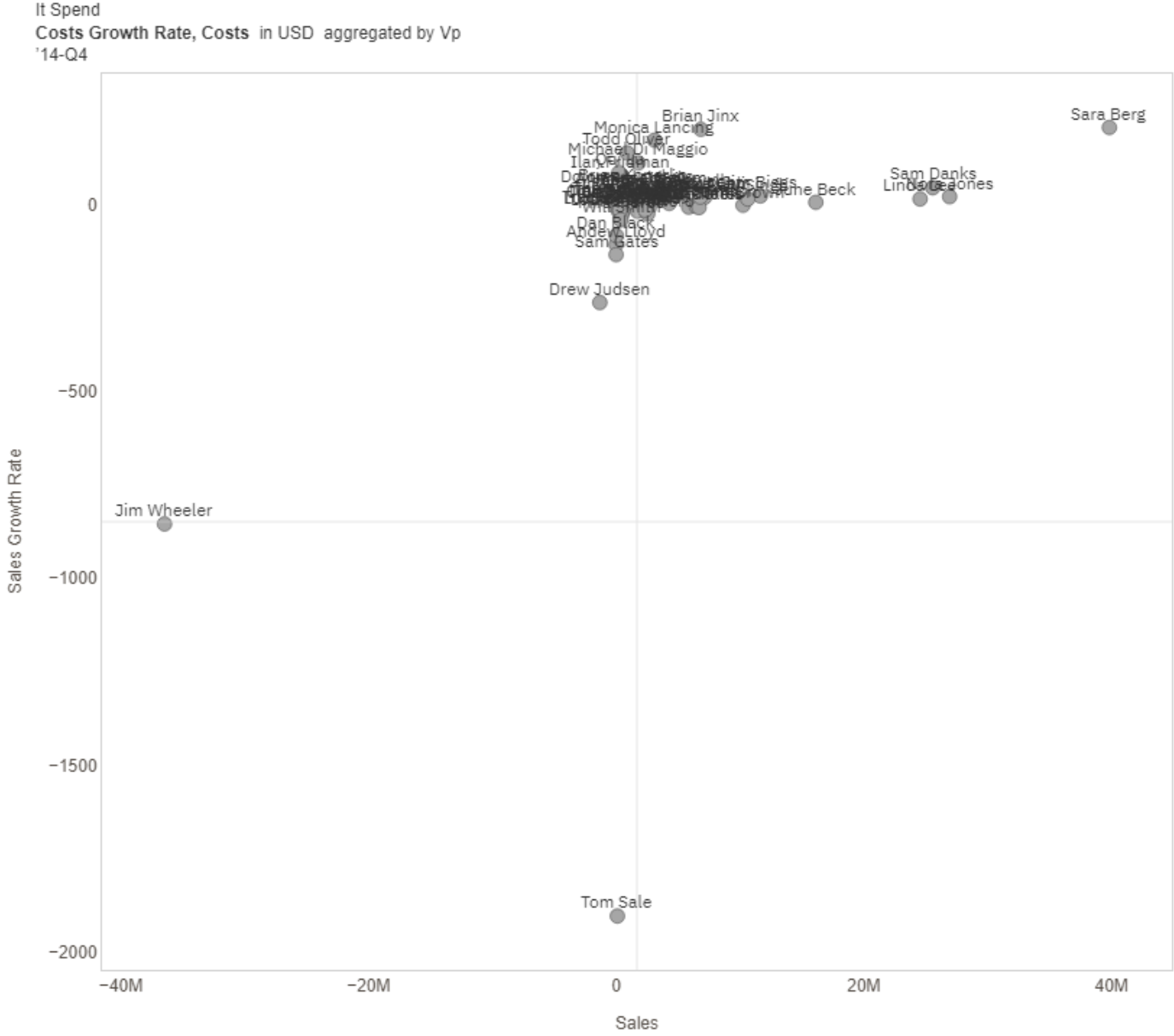


Class A accounts for 73.1% of total costs, slightly below the 80% target based on the Pareto principle. The presence of negative costs in some Cost Element Groups (Class Negative) is concerning and requires review. These groups are reducing profitability and should be analyzed for potential discontinuation or restructuring.

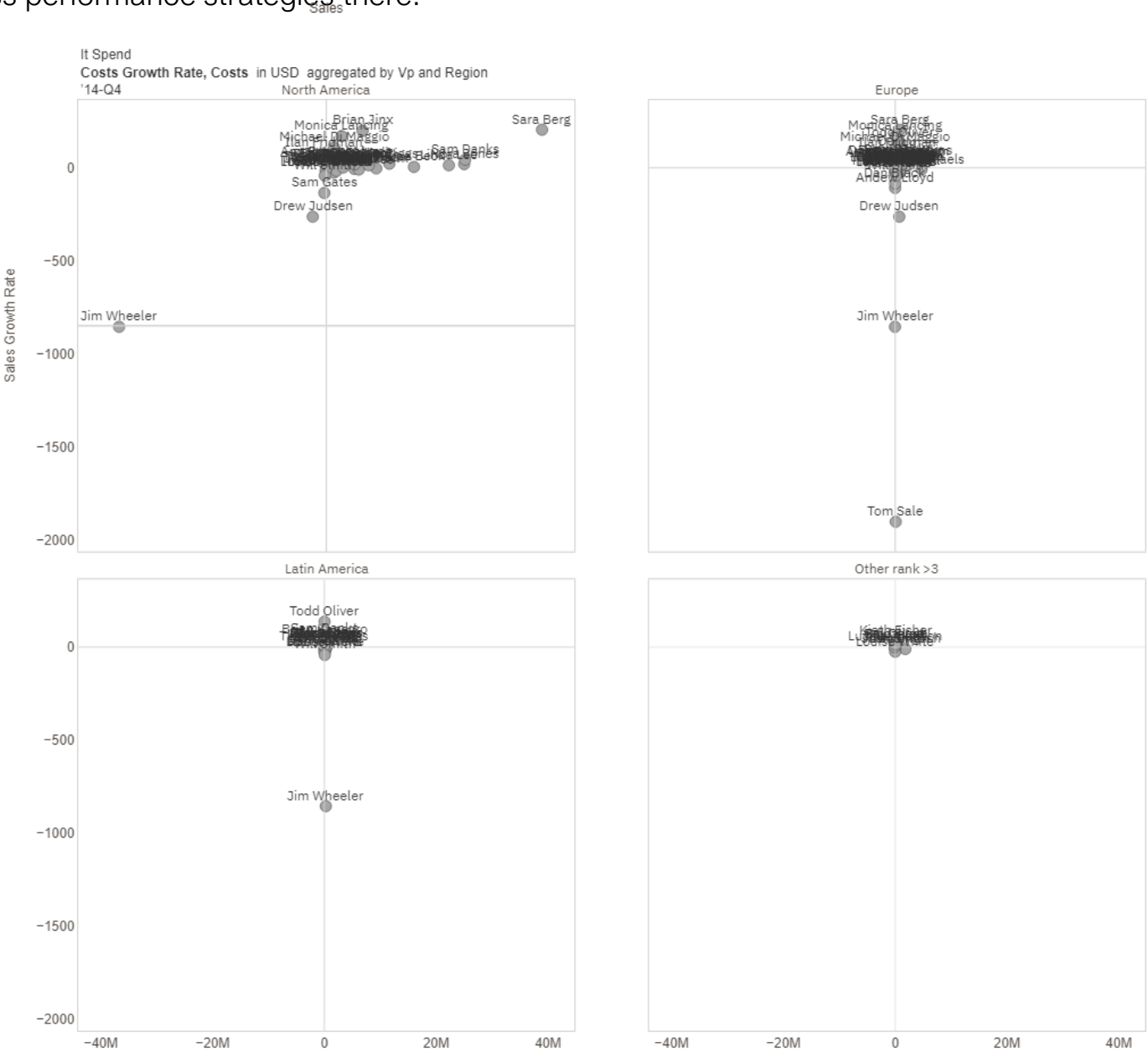
It Spend
 ABC by sorted Cost_Element_Group Costs in I
 '14-Q4



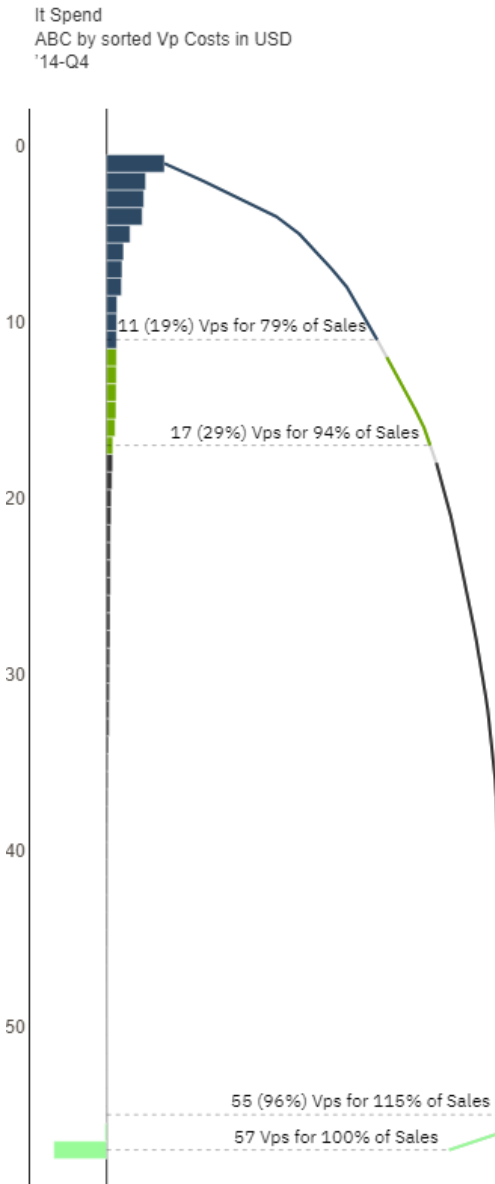
Sara Berg and Brian Jinx are in the top right quadrant, experiencing positive costs growth and achieving high costs figures, indicating robust performance. Jim Wheeler in the bottom left and some unreadable labels in the bottom right due to image quality indicate significant challenges, with strong negative costs growth rates.



Jim Wheeler shows a severely negative Costs Growth Rate in each region except "Other." This consistent pattern may indicate issues with his projects or strategies. Europe has a slightly wider spread in Costs compared to other regions, suggesting diverse market conditions or business performance strategies there.

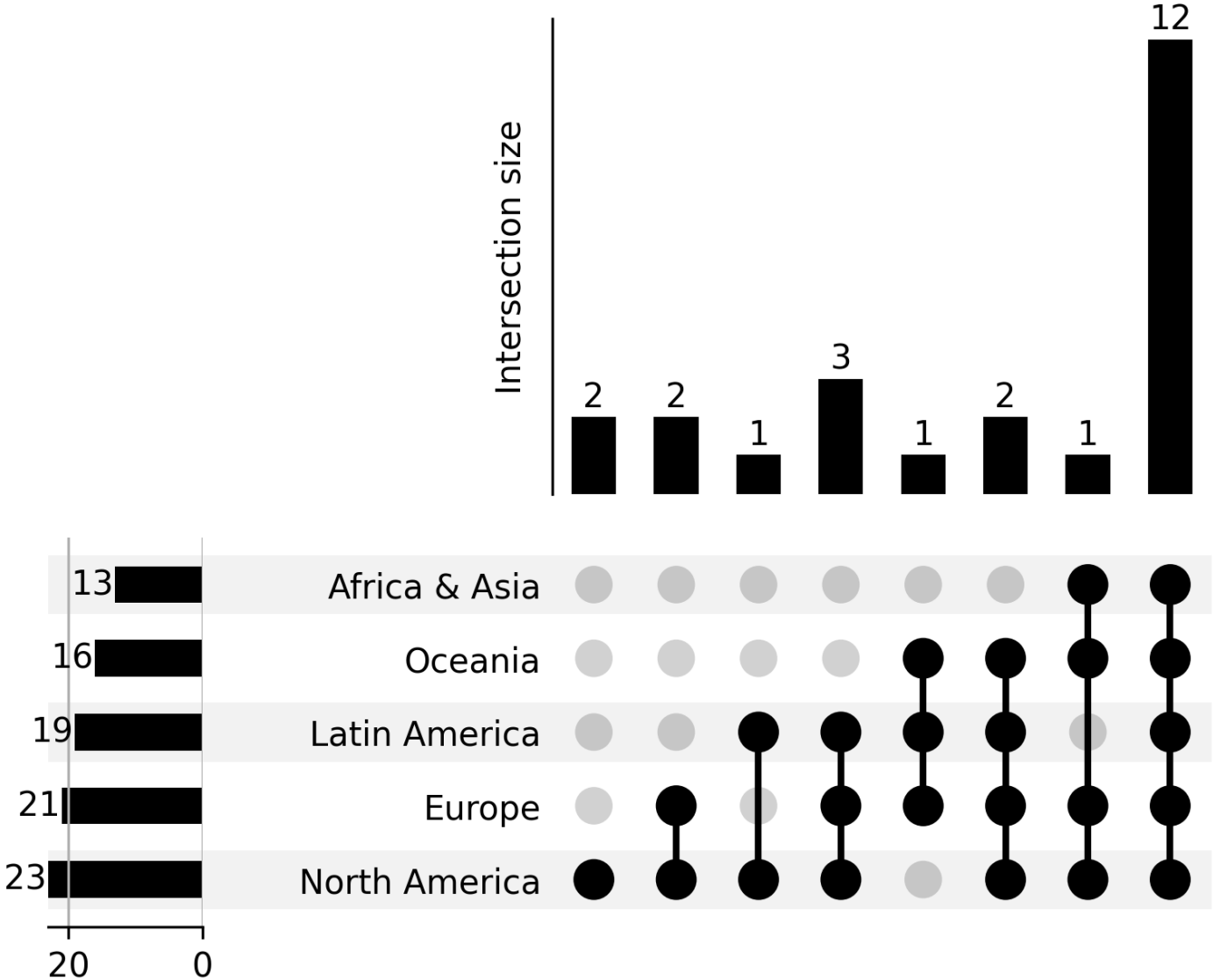


The top 19% of VPs hold disproportionate weight in the organization's performance, indicating a strategic dependency on a limited group for costs generation. The relative value of each subsequent VP diminishes drastically from A to C Classes, emphasizing the importance of top contributors and possibly underutilization or underperformance of the rest. The impact of negative costs, potentially from the last 2 VPs, stresses the need for a granular review of underperforming segments to prevent erosion of gains made by top performers.



North America has the highest IT spending at 12 units when considered alone, without intersection with other regions. This suggests a heavy concentration of IT spending in North America compared to collaboration or shared projects with other regions. North America also has the largest overall set size at 23 units, indicating a strong, independent IT investment strategy in the region.

It Spend
Region overlap by Cost_Element_Sub_Group
 '14-Q4



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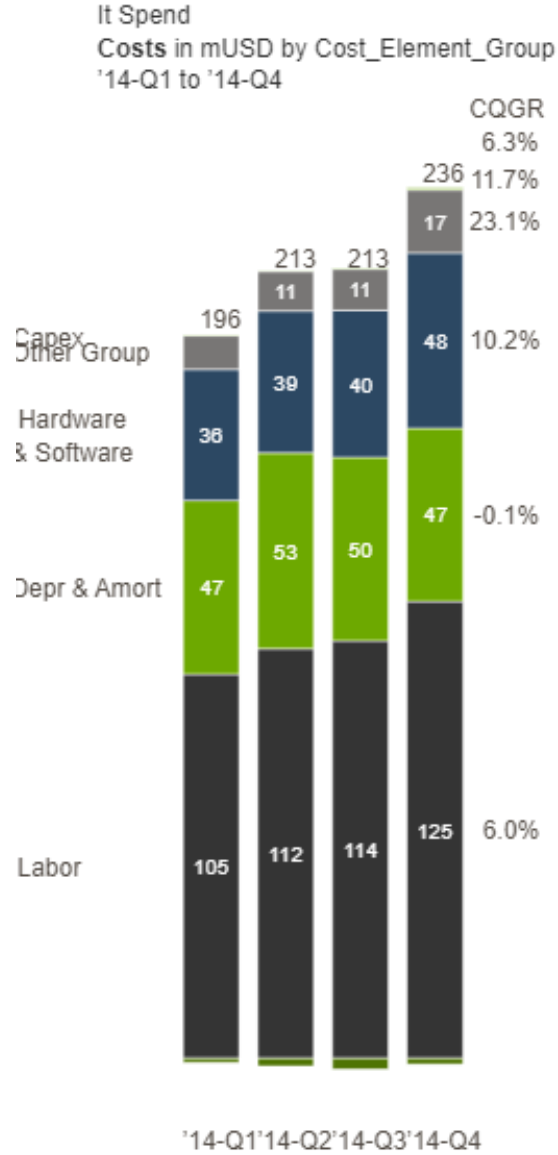
The company's strategic focus on technology and operational efficiency is evident through increased spending in related areas, while reduced capital expenditures and depreciation suggest a shift from heavy investment to more operational spending (p.33). This could be a strategic pivot or optimization due to changing business needs or economic conditions.

Cost management trends vary across the organization, with some areas showing robust growth, indicating potential expansion or increased investment, while others remain stable or reduce costs, likely due to efficiency improvements (p.34). The significant rise in costs in the "Other rank >8" category requires attention to ensure alignment with strategic goals and financial stability.

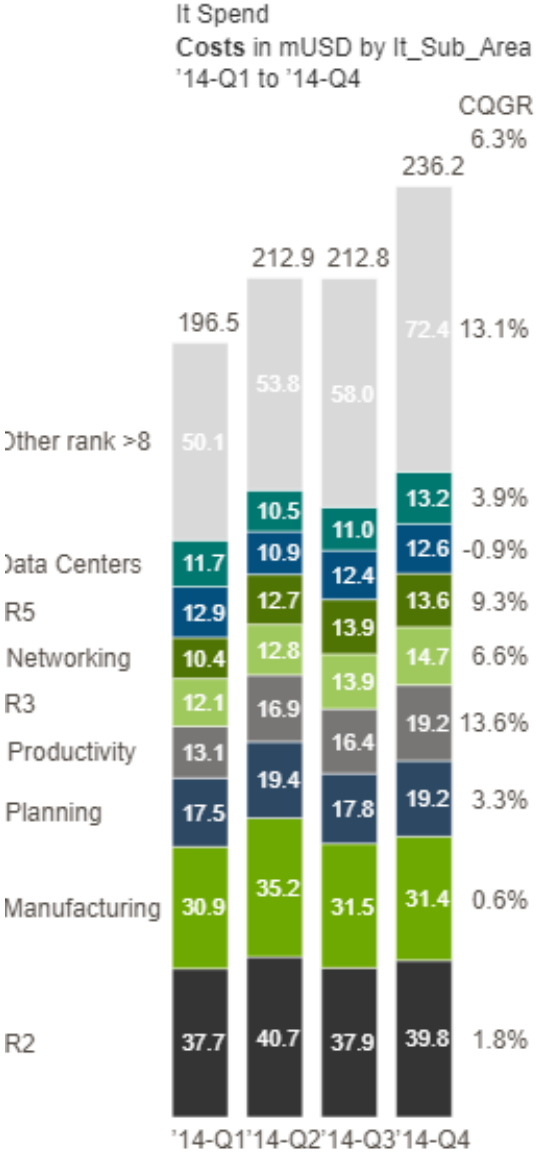
The company is expanding operations in less traditional regions like Africa, Asia, and Oceania, while maintaining investment in established North American and European markets (p.35). Additionally, the company is investing more in certain IT functions, possibly aligned with strategic priorities or operational demands, with costs increasing across most IT sub-areas in 2014, emphasizing planning and other high-ranking areas (p.36). However, the negative growth in the R5 area might need further investigation to understand the causes.

The data suggests a strategic shift in cost management, with increased spending on external labor and telecommunications, possibly indicating operational expansion or technological upgrades (p.37). Internal labor costs and depreciation decreased, suggesting cost-saving measures and a realignment of capital usage. The company is investing in new technologies through software costs while maintaining existing systems.

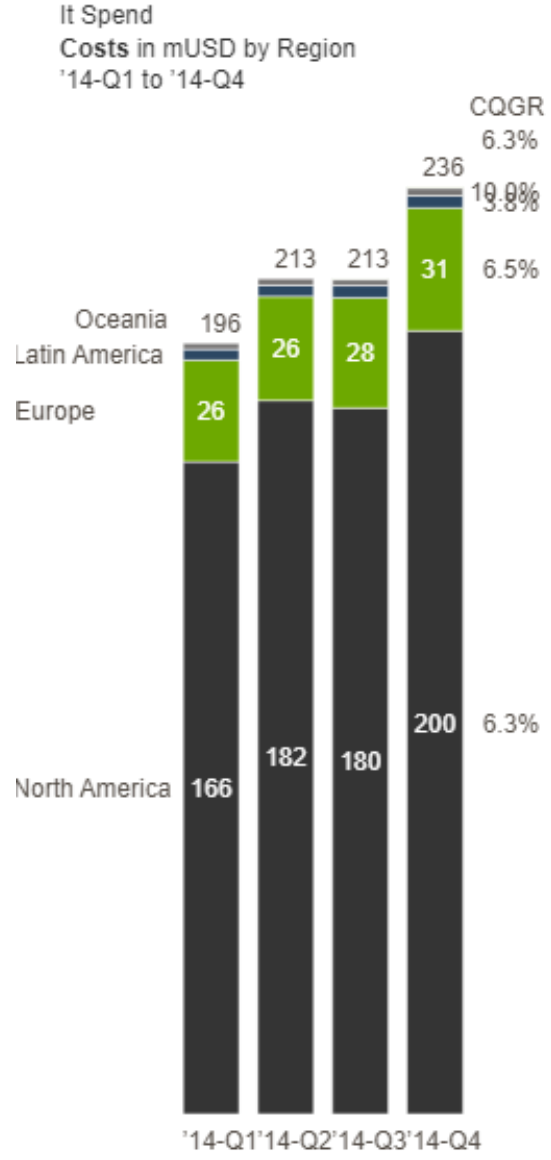
The company's strategic focus on technology and operational efficiency is shown by growth in related costs. But reduced capital expenditures and slightly lower depreciation hint at a shift from heavy investment to more operational spending. This could be a strategic pivot or optimization due to changing business needs or economic conditions.



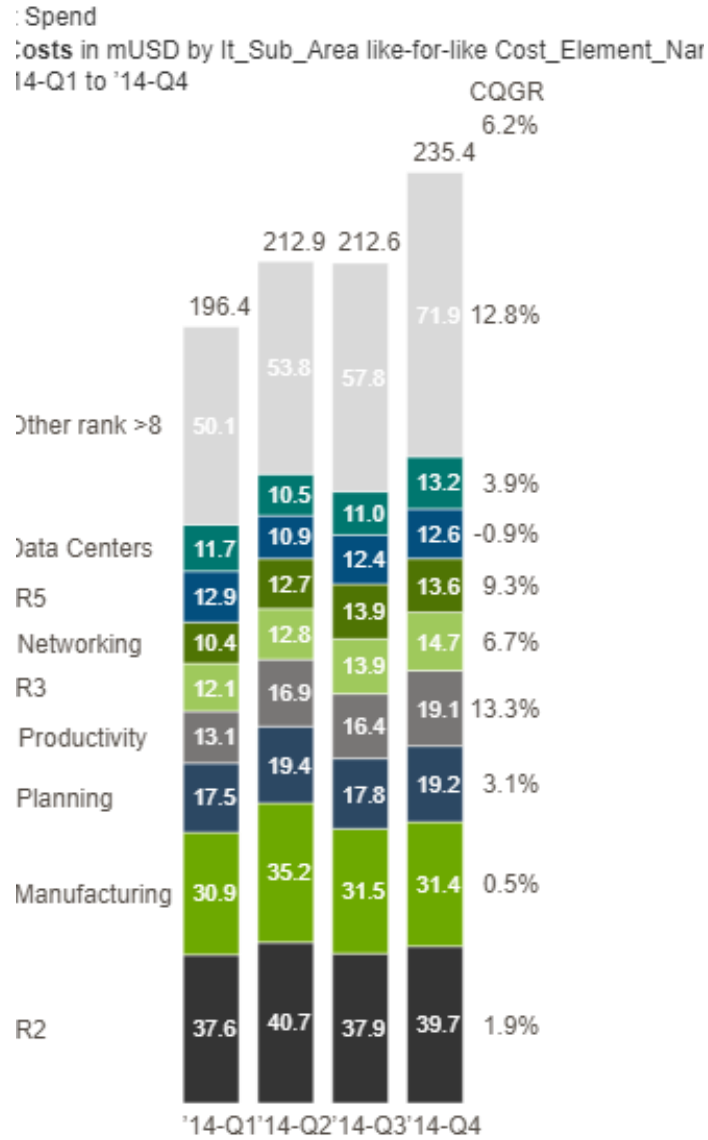
The data shows varied cost management trends across the organization. Some areas have robust growth, suggesting potential expansion or increased investment. Others are stable or even reducing costs, likely due to efficiency improvements. The significant rise in costs in the "Other rank >8" category needs attention to ensure it aligns with strategic goals and doesn't hurt financial stability.



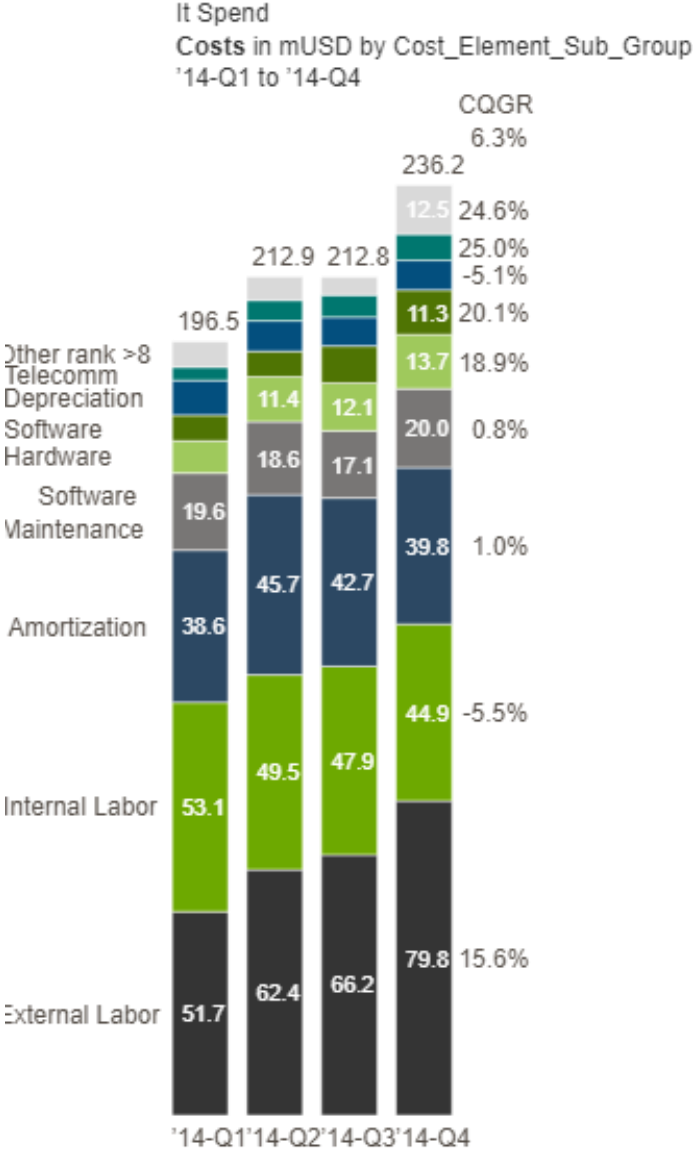
The data suggests expanding operations in less traditional regions like Africa, Asia and Oceania, while maintaining investment in established North American and European markets.



The company is investing more in certain IT functions, possibly aligned with strategic priorities or operational demands. Costs increased across most IT sub-areas in 2014, emphasizing planning and other high-ranking areas. The negative growth in the R5 area might need further investigation to understand the causes. Manufacturing costs remained stable, potentially a positive sign of controlled expenses.



The data shows a strategic shift in cost management. External labor and telecommunications spending increased, possibly indicating operational expansion or technological upgrades. Internal labor costs and depreciation decreased, suggesting cost-saving measures and a realignment of capital usage. The company is investing in new technologies through software costs while maintaining existing systems.



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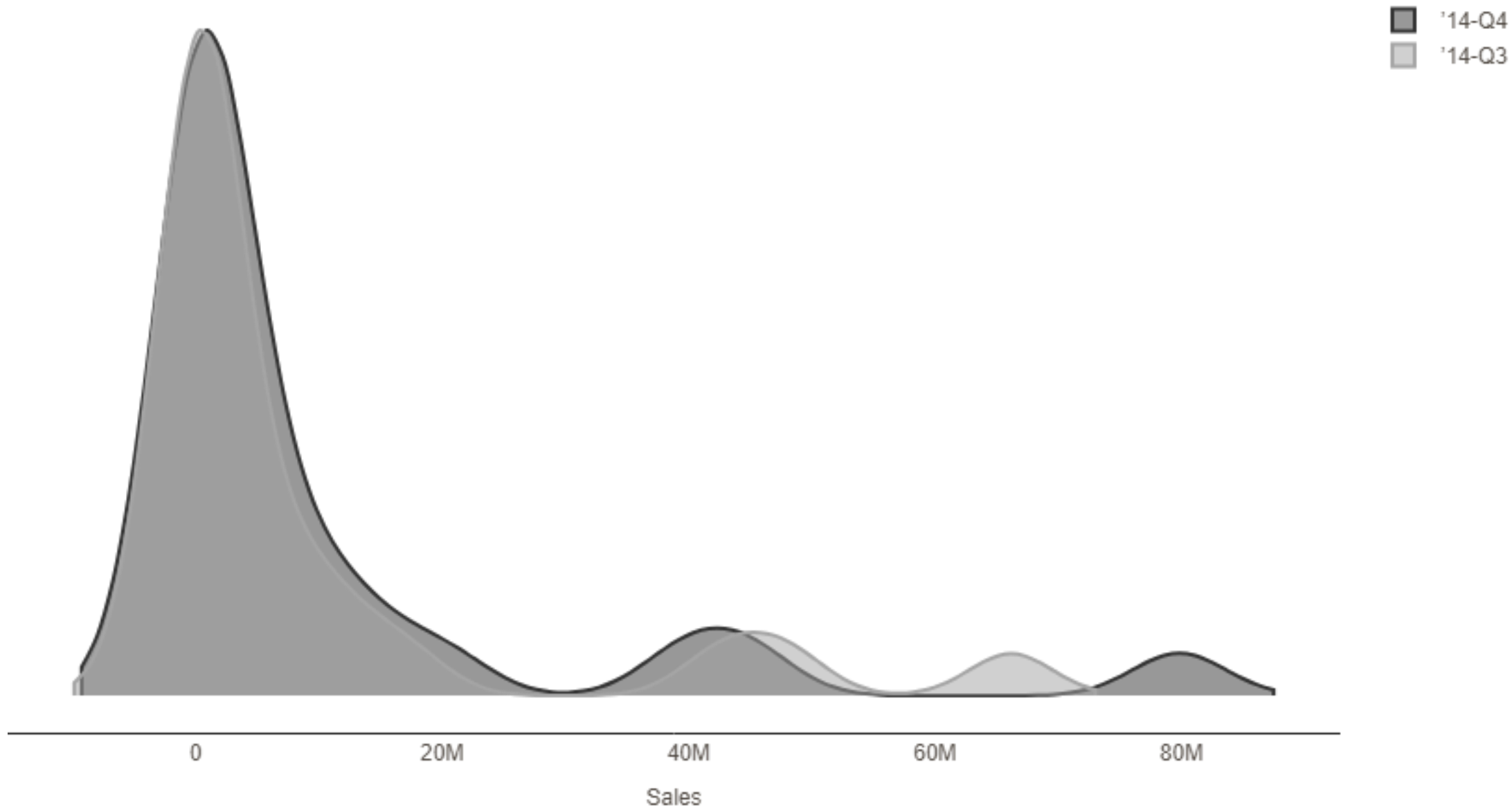
It Spend

Costs in mUSD

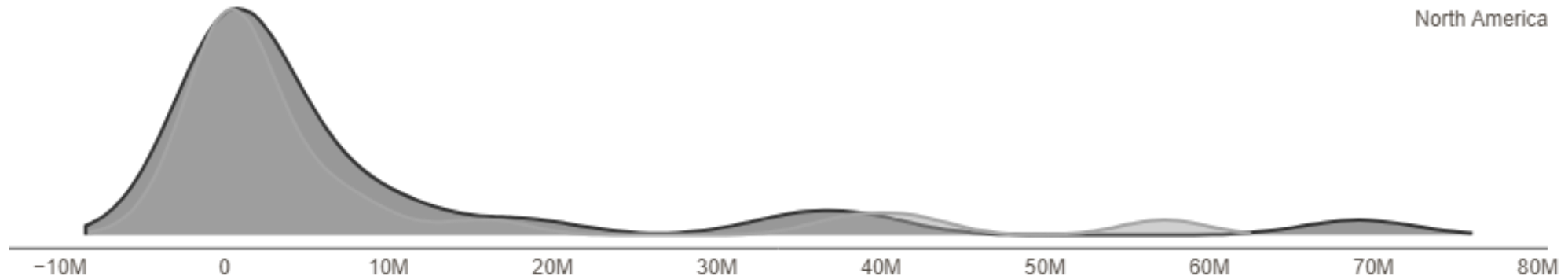
'14-Q4 AC vs BQ



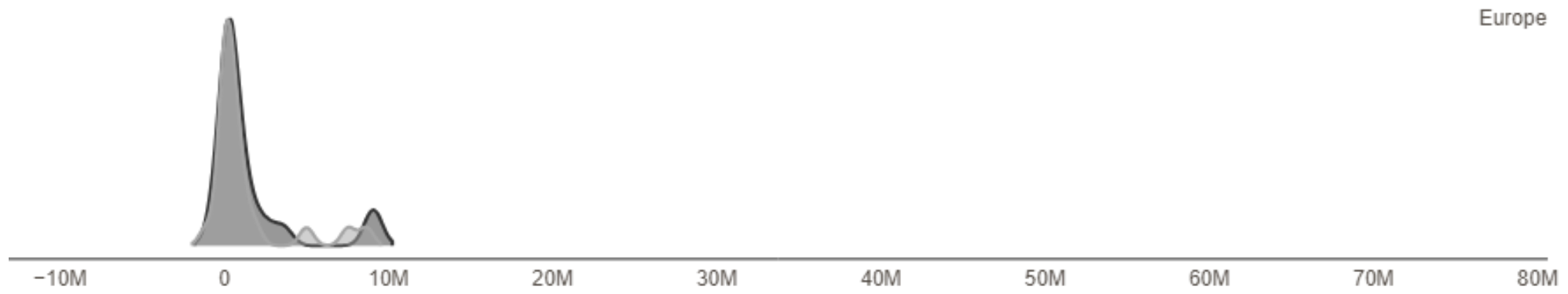
It Spend
Costs in USD, aggregated by Cost_Element_Sub_Group
'14-Q3 vs '14-Q4



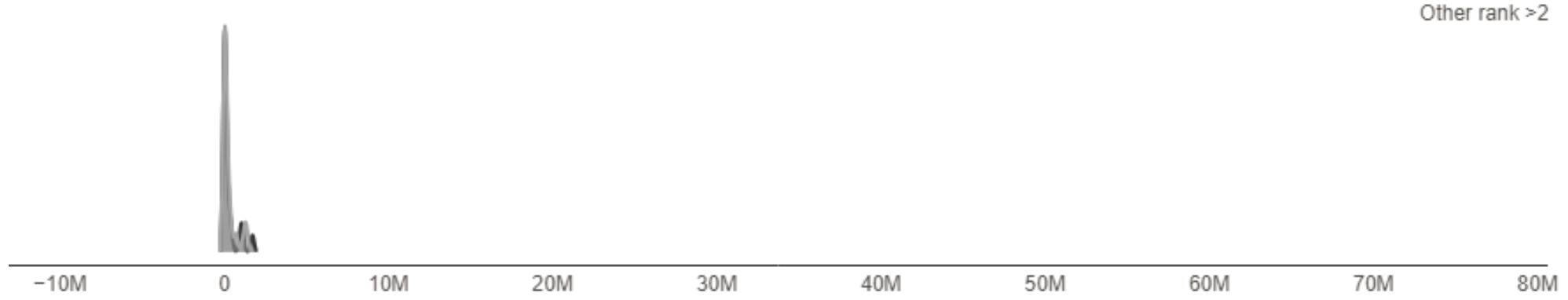
It Spend
Costs in USD, aggregated by Cost_Element_Sub_Group by Region
'14-Q3 vs '14-Q4



North America
'14-Q4
'14-Q3



Europe



Other rank >2

Sales