

The value to industry of PSI: the business sector perspective

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Sectors of activity:

- Management Consultancy
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- Public Sector
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MICUSSTUDIE

- **The market for geospatial information:
potentials for employment, innovation and value added**
For the German Ministry of Economics, 2003
- **The Impact of Broadband on Growth and Productivity**
For the German Ministry of Economics, 2006

Outlook

Market studies to be published in 2008:

- **Business models for German companies in international geo-information markets**
For the German Ministry of Economics
- **The Impact of Broadband on Growth and Productivity**
For the European Commission, DG Information Society and Media
- **Assessment of the re-use of Public Sector Information in the Geographical information, meteorological information and legal information sectors**
For the European Commission, DG Information Society and Media

Negotiations about PSI re-use often fail



Barriers linked to PSI re-user

- Lack of information: what kind of data is available?
- Lack of information: which public body owns data?
- Bad experiences in the beginning of 2000
- Gradual emergence of economic alternatives

Barriers linked to PSI holder

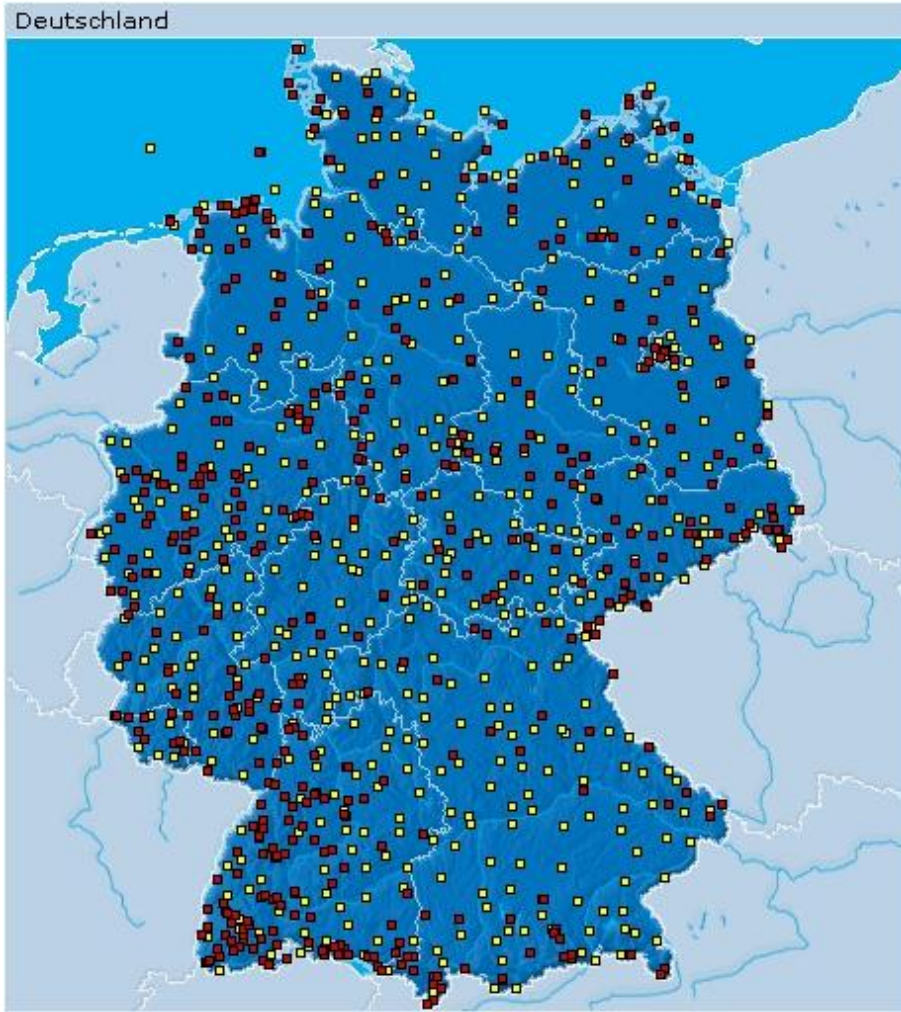
- Lack of knowledge about market prices
- Over-estimation of the products
- No professional distribution structures
- Restrictions due to fiscal restraints

Consequences of failed negotiations:

- High prices for PSI
- Substitution with alternative private sources
- Too high barriers to market entry for PSI: unexploited business potentials

Example for partial substitution

The private sector is setting up parallel infrastructures



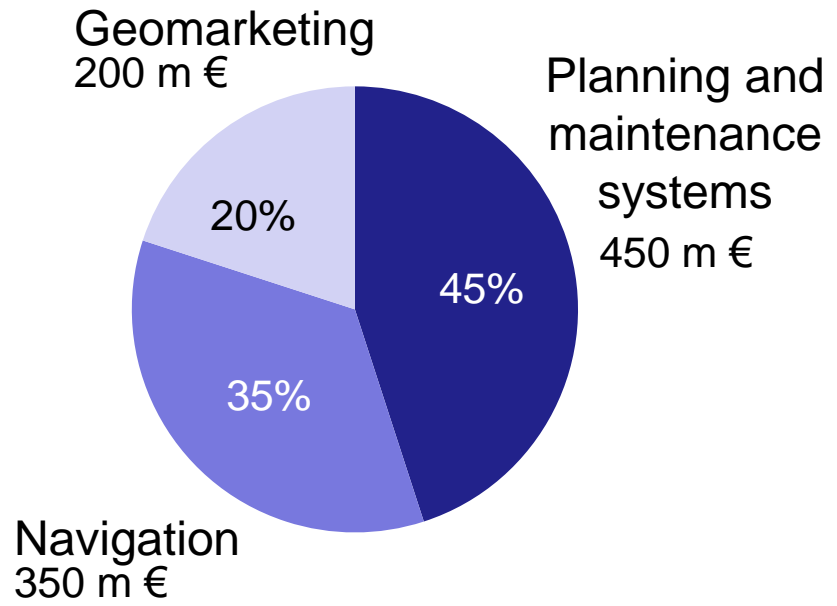
- Yellow dots: weather stations from the DWD (Germany's National Meteorological Service)
- Red dots: weather stations from a private meteorological information provider

The private company's own network of weather stations were built after negotiations with the DWD failed

Source: www.wetterstationen.meteomedia.de

The shares in the market for geoinformation have changed since 2000

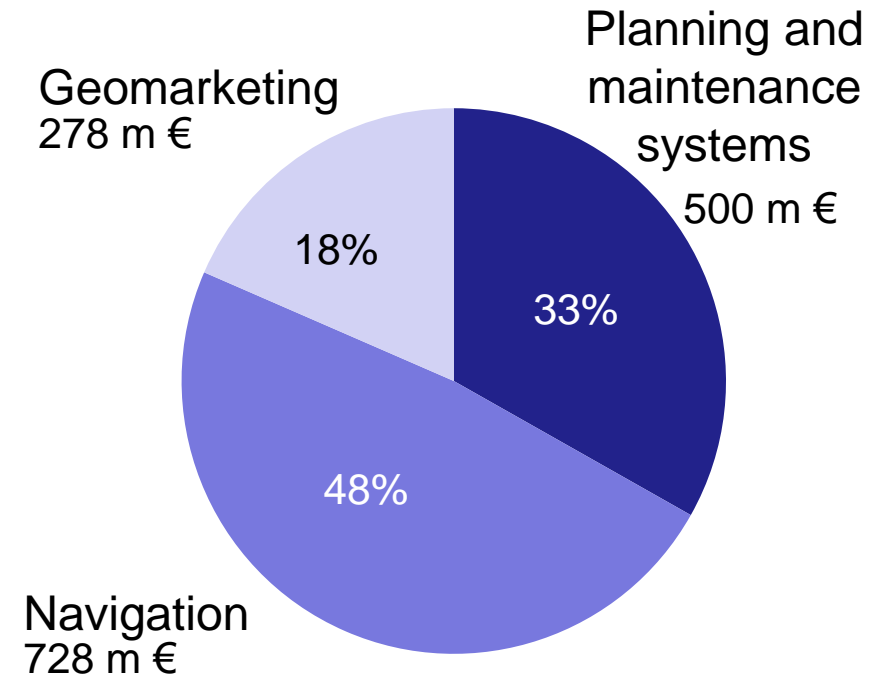
2000



Total: 1.0 bn Euro

Source: MICUS Management Consulting, 2001

2007

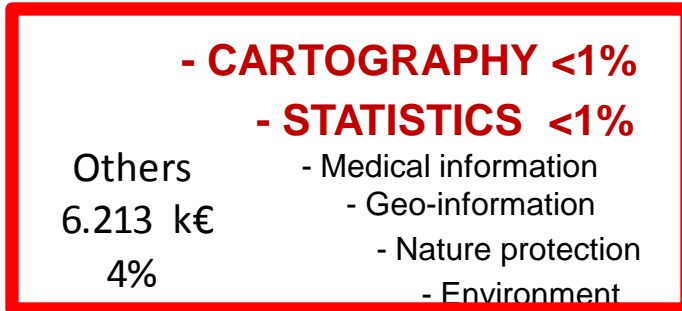


Total: 1.51 bn Euro

Source: MICUS Management Consulting, 2008

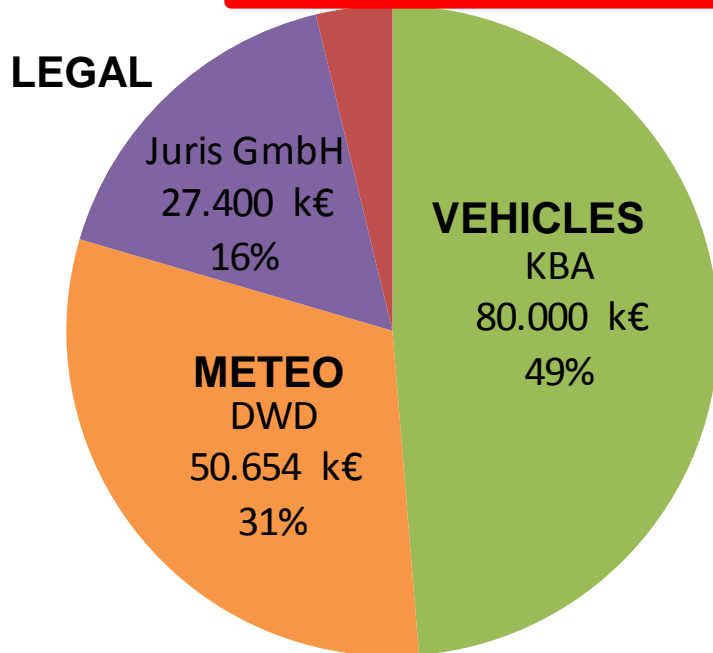
Direct effects of PSI re-use:

There are unexploited potentials for PSI re-use in Germany



Public earnings from PSI re-use in Germany
Total: 164,267 k€

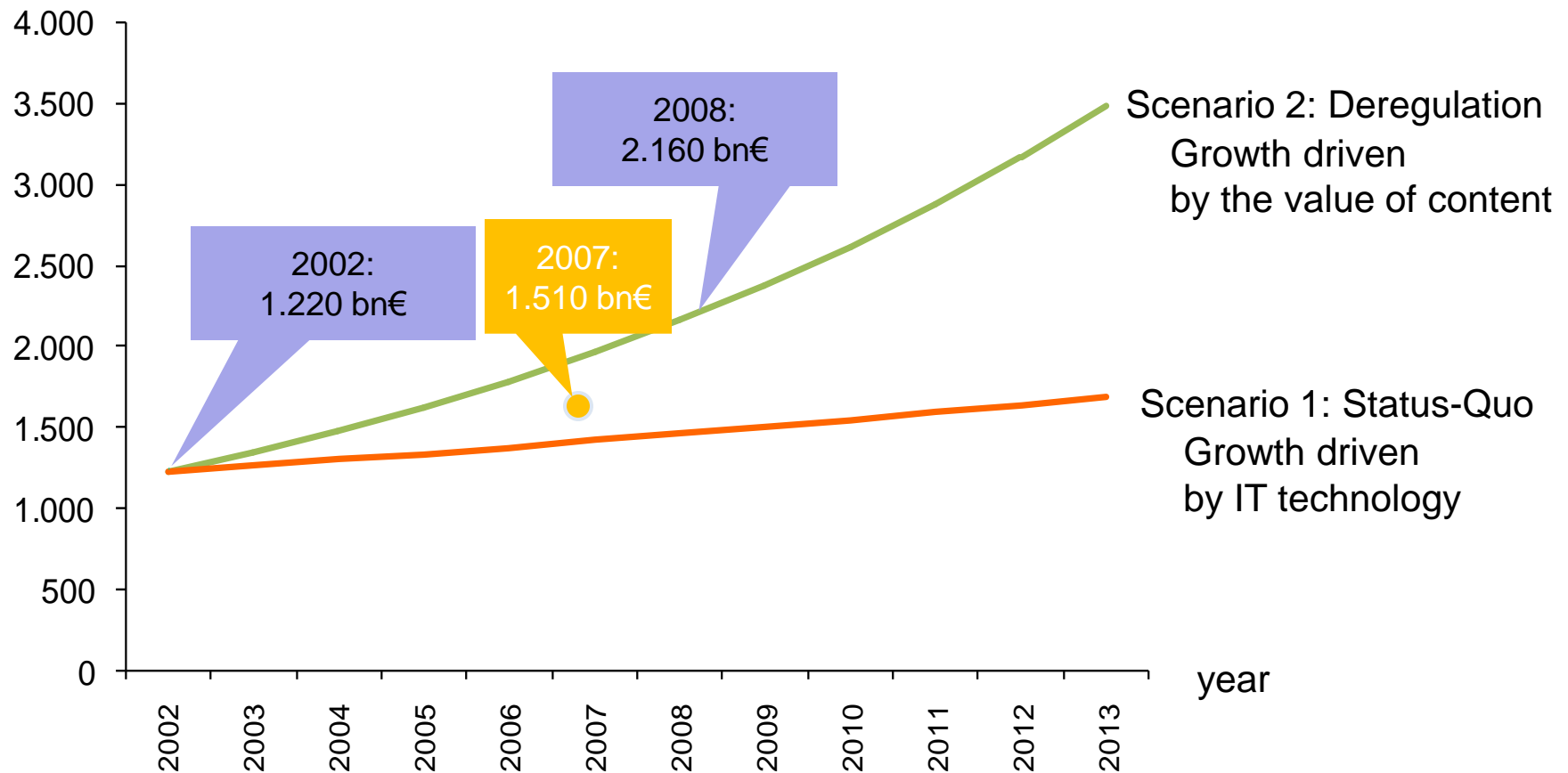
Source: Federal Budget 2007, Juris



- **Legal information, vehicles** (car register information), **meteorological data** have found a successful business model
- **Statistics and cartographic** information basically represent more value, but they did not find a way to take advantage of this potential

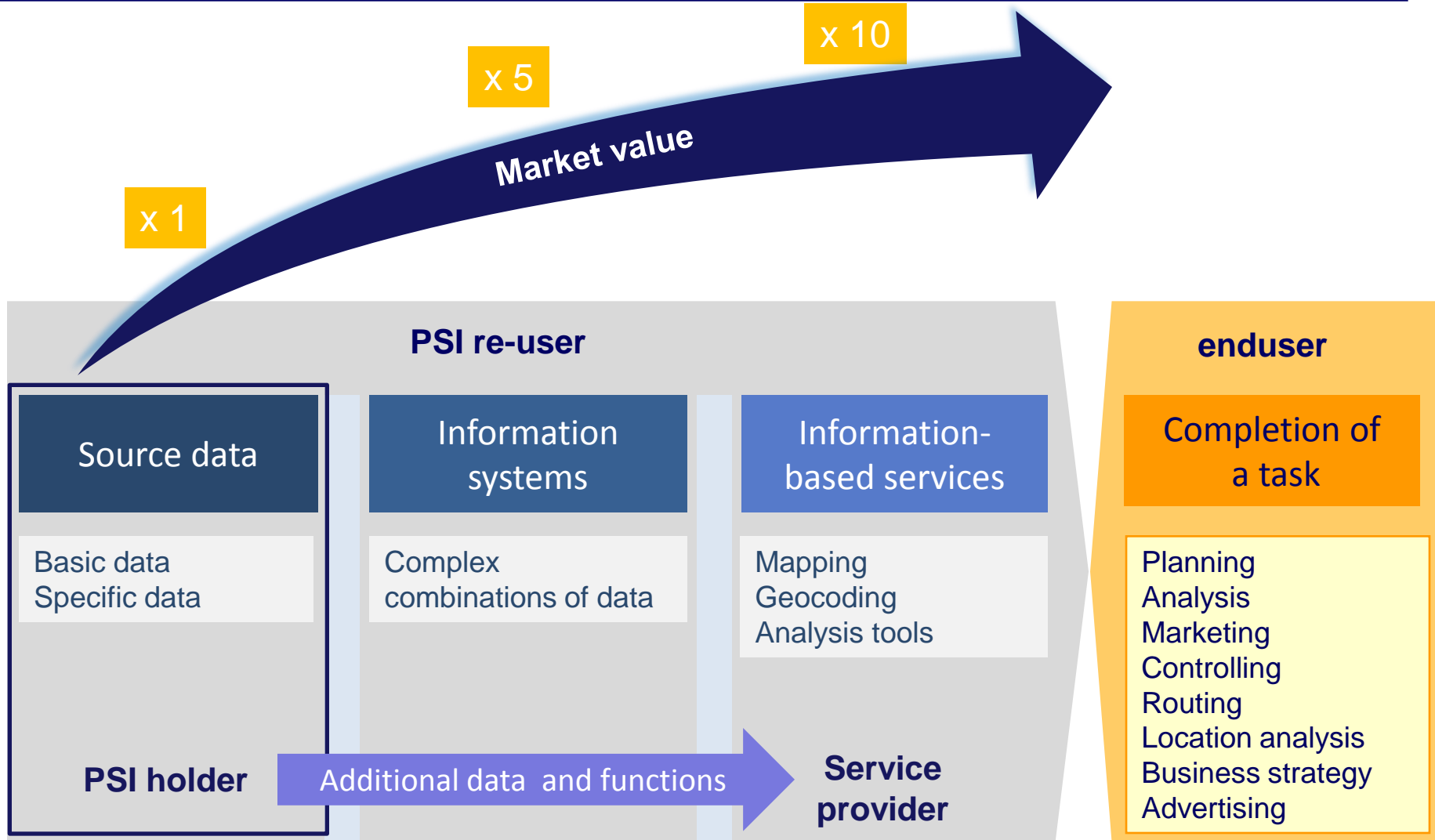
The market value of the private sector develops according to the deregulation scenario, the public sector remains in the status-quo

Market value (bn€)

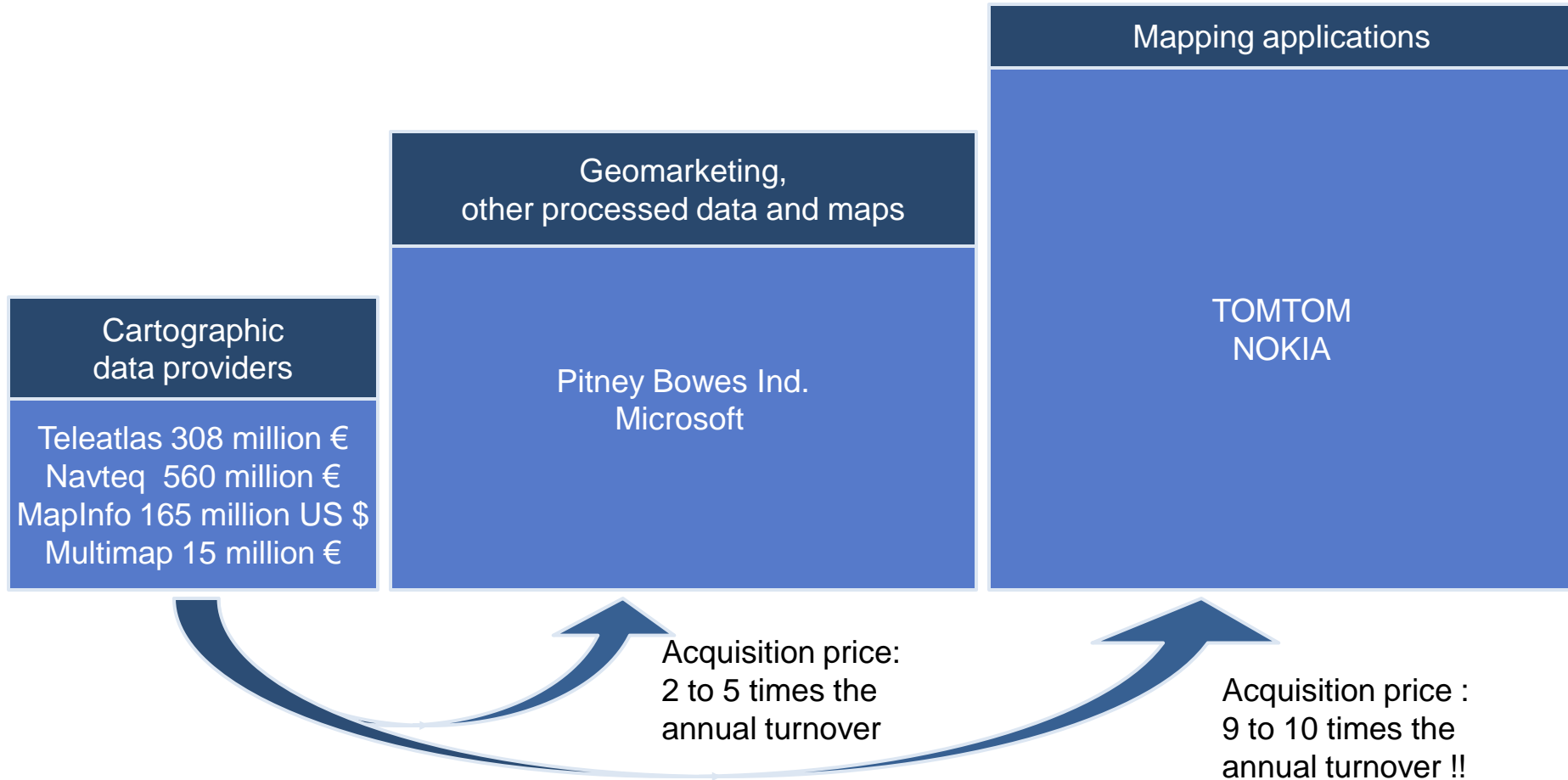


Source: MICUS Management Consulting, 2003/ 2008

Consider the whole value chain: Seeing the value added factors



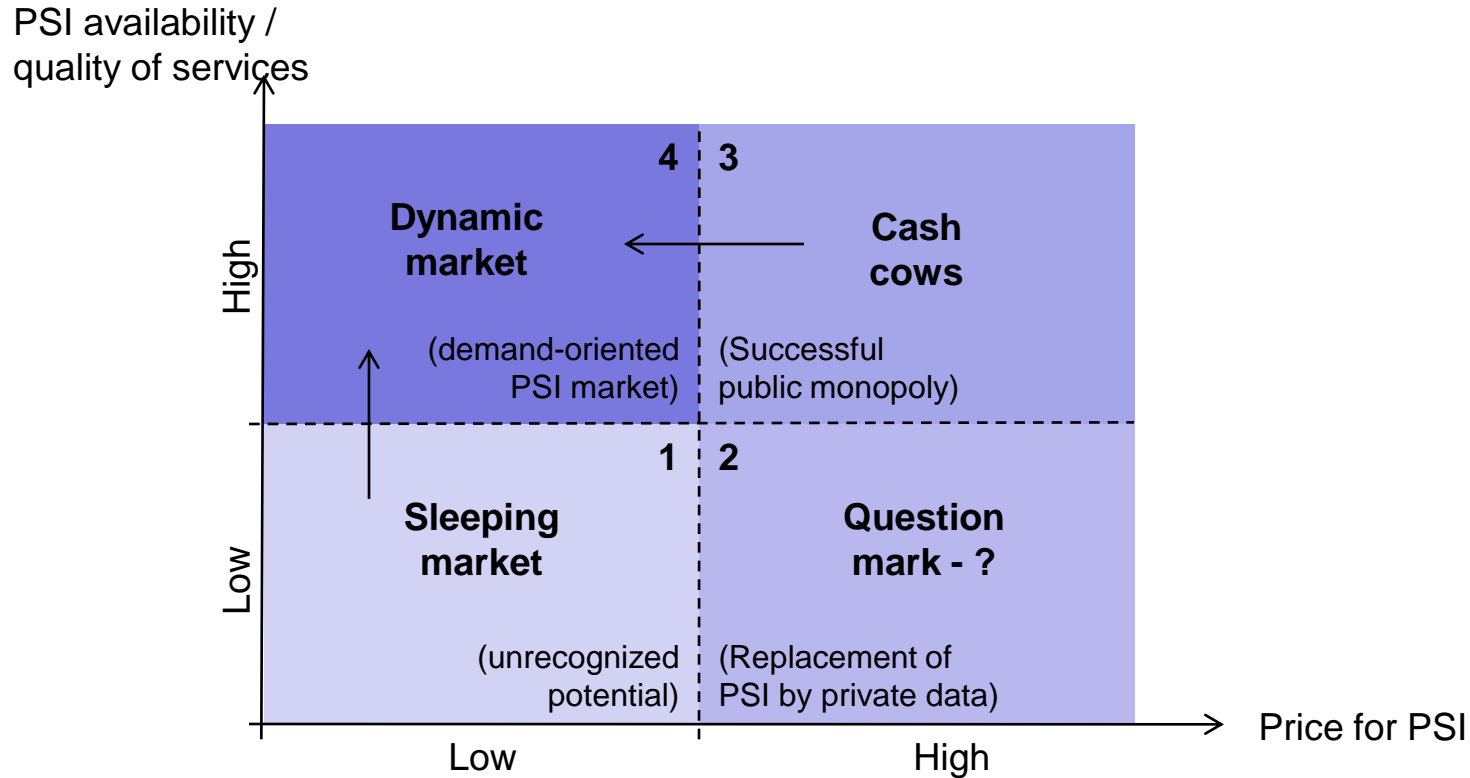
Recent acquisitions of private companies are indicating the market potential



... meanwhile, geographical PSI re-use lags !!



Positioning PSI-holders in a performance matrix facilitates strategic development

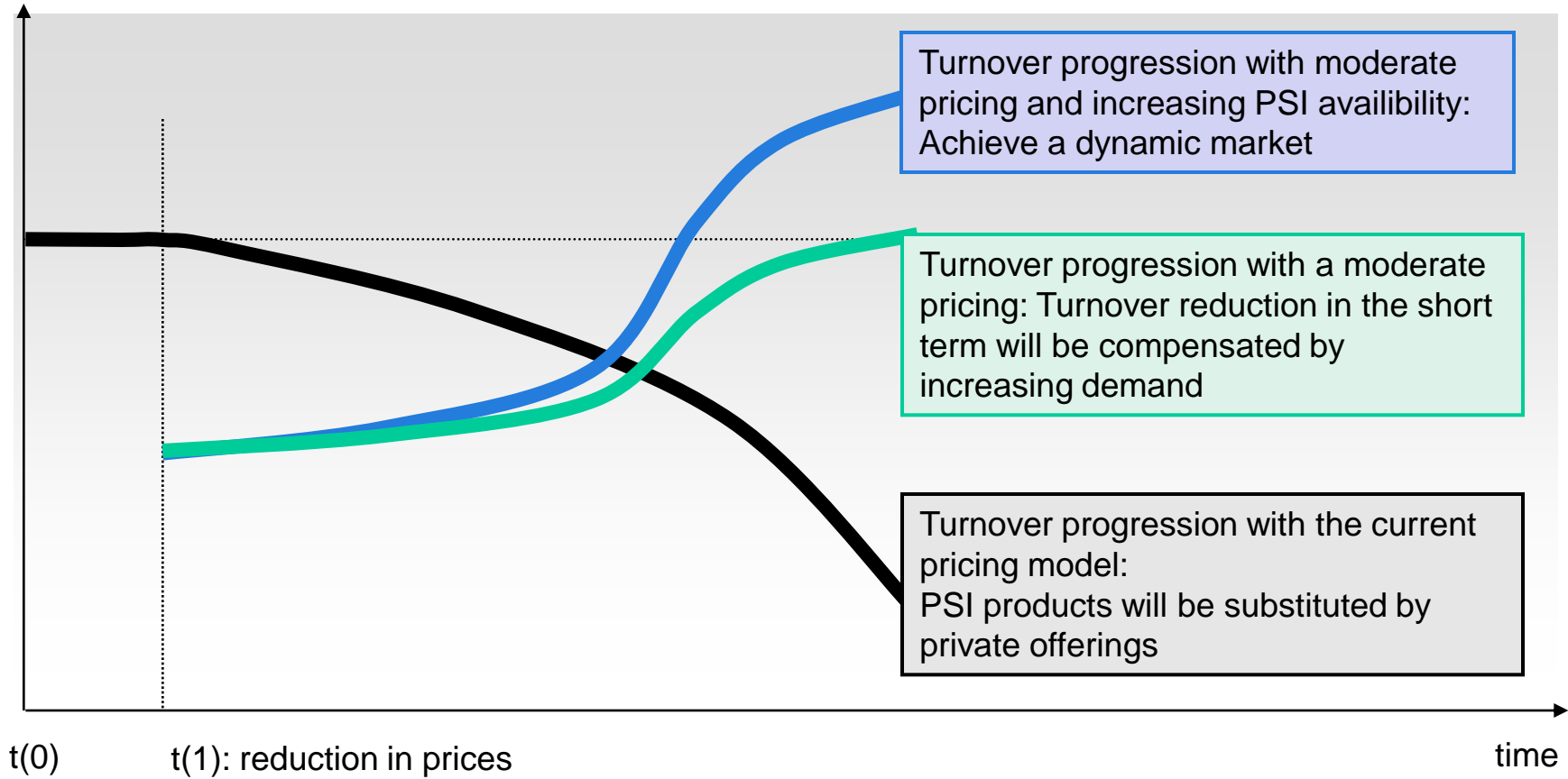


- Sleeping market: improve services and marketing
- Question mark: rethink your PSI strategy!!
- Cash cows: increase the PSI re-use by reducing the prices



Implementation of market focused pricing models will boost the market

Turnover of PSI holder



Recommendations

1. Raise awareness of the potential in the reuse of public sector information.
2. Exploiting the potential in the PSI-market requires lower pricing and less restrictive licensing agreements.
3. There is no such thing as a free lunch!
Reusable, high quality information requires investment.
4. Be aware of substitution.
Rethink and review the need for public services.

Thank you for your attention



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