

# The value to industry of PSI: the business sector perspective

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# MICUS – Business@Government

## **Management:**

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## **Sectors of activity:**

- Management Consultancy
- eGovernment
- Market Studies

## **Clients:**

- Public Sector
- Energy Sector
- Service Sector

## **Offices:**

- Düsseldorf
- Berlin

## **MICUS**STUDIE

- **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



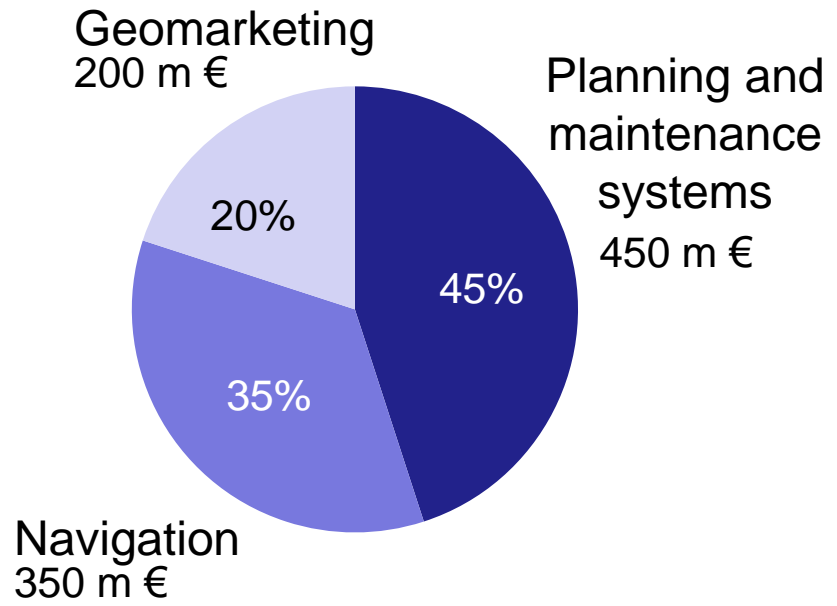
- Yellow dots: weather stations from the DWD (Germany's National Meteorological Service)
- Red dots: weather stations from a private meteorological information provider

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

Source: [www.wetterstationen.meteomedia.de](http://www.wetterstationen.meteomedia.de)

# The shares in the market for geoinformation have changed since 2000

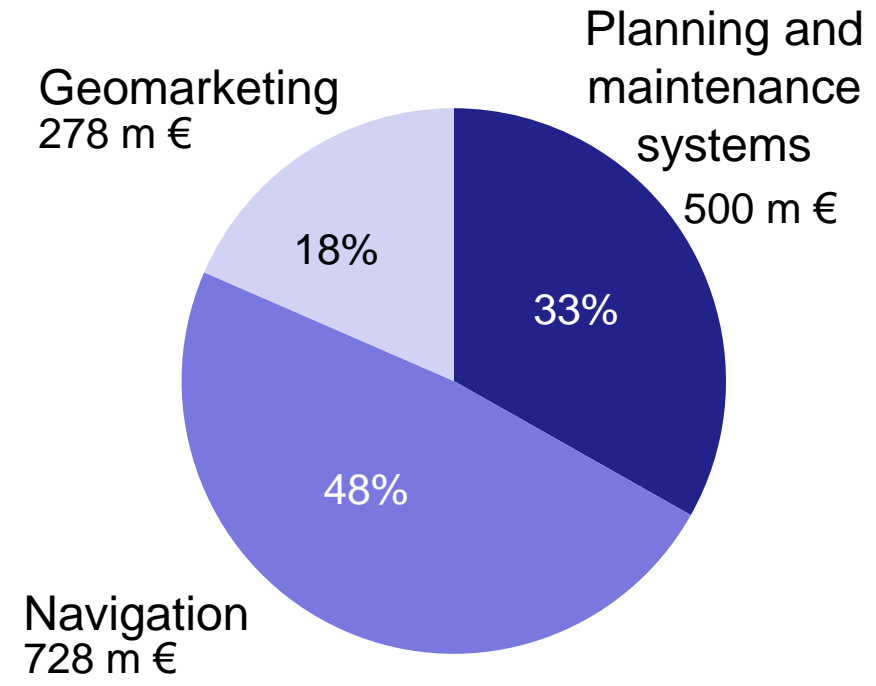
## 2000



Total: 1.0 bn Euro

Source: MICUS Management Consulting, 2001

## 2007

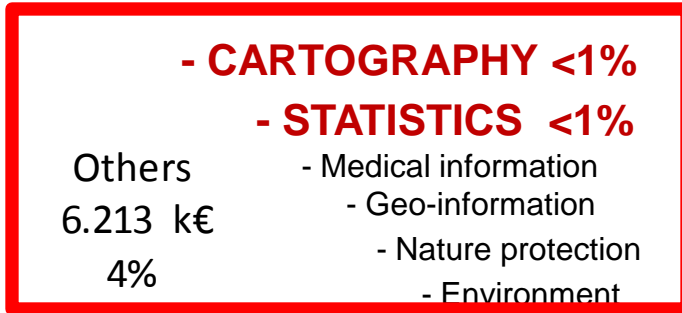


Total: 1.51 bn Euro

Source: MICUS Management Consulting, 2008

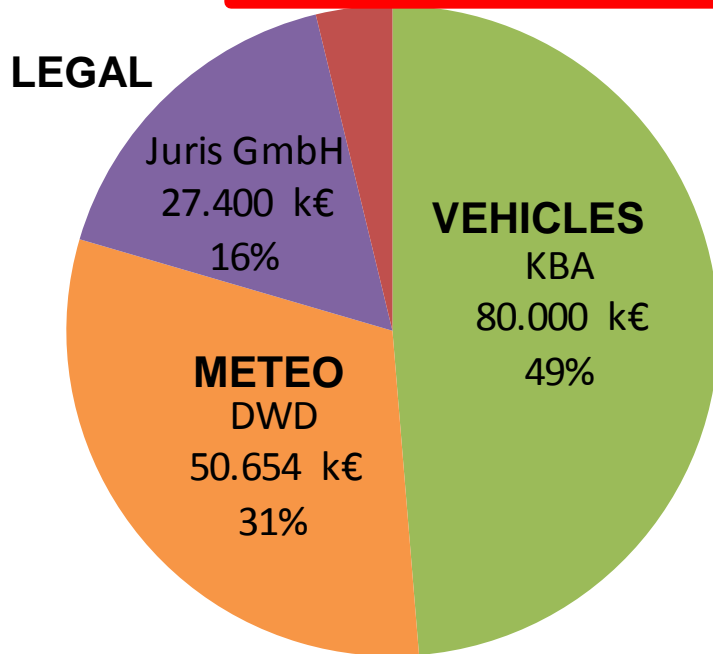
# Direct effects of PSI re-use:

There are unexploited potentials for PSI re-use in Germany



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

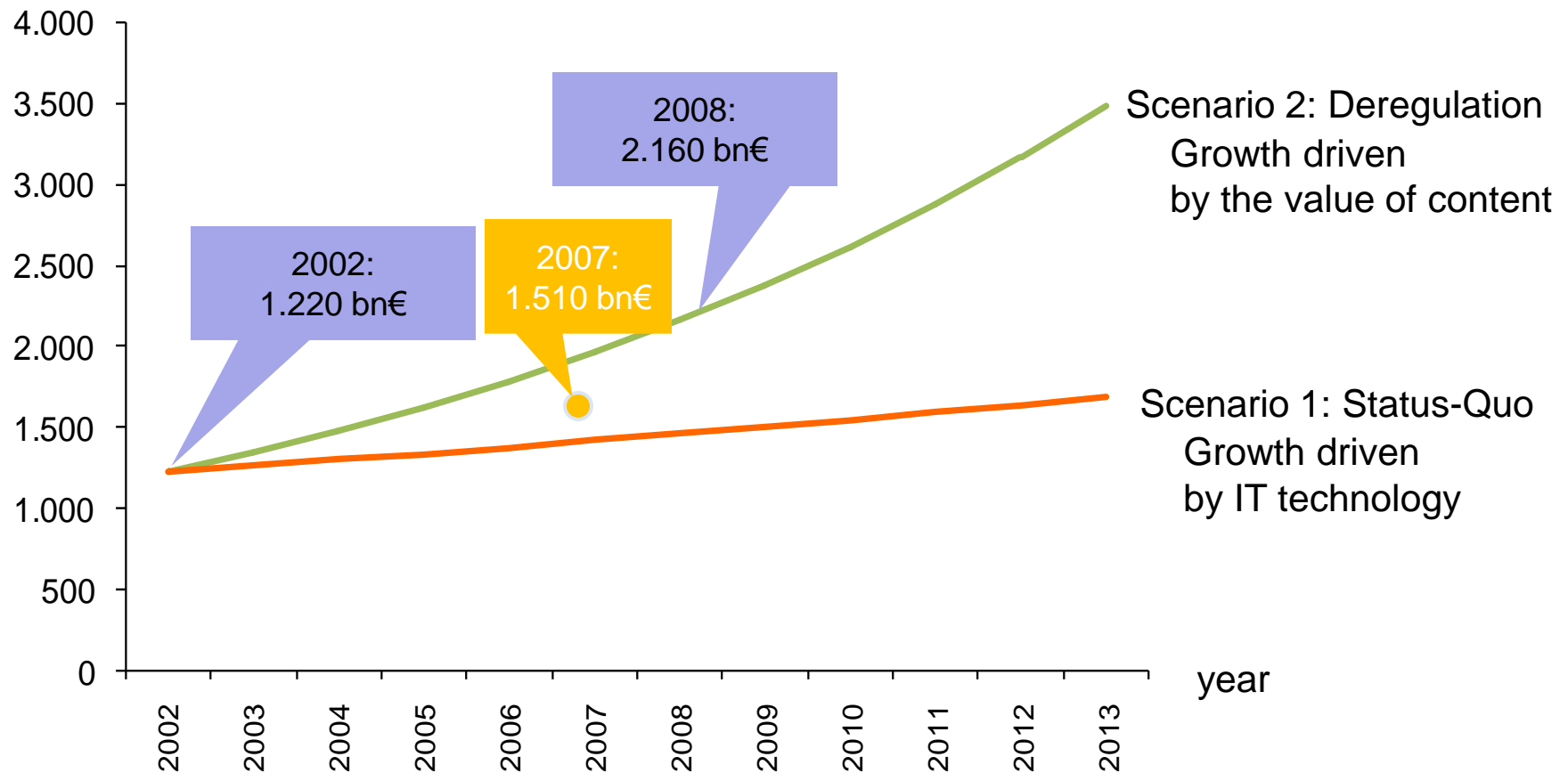
Source: Federal Budget 2007, Juris



- **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

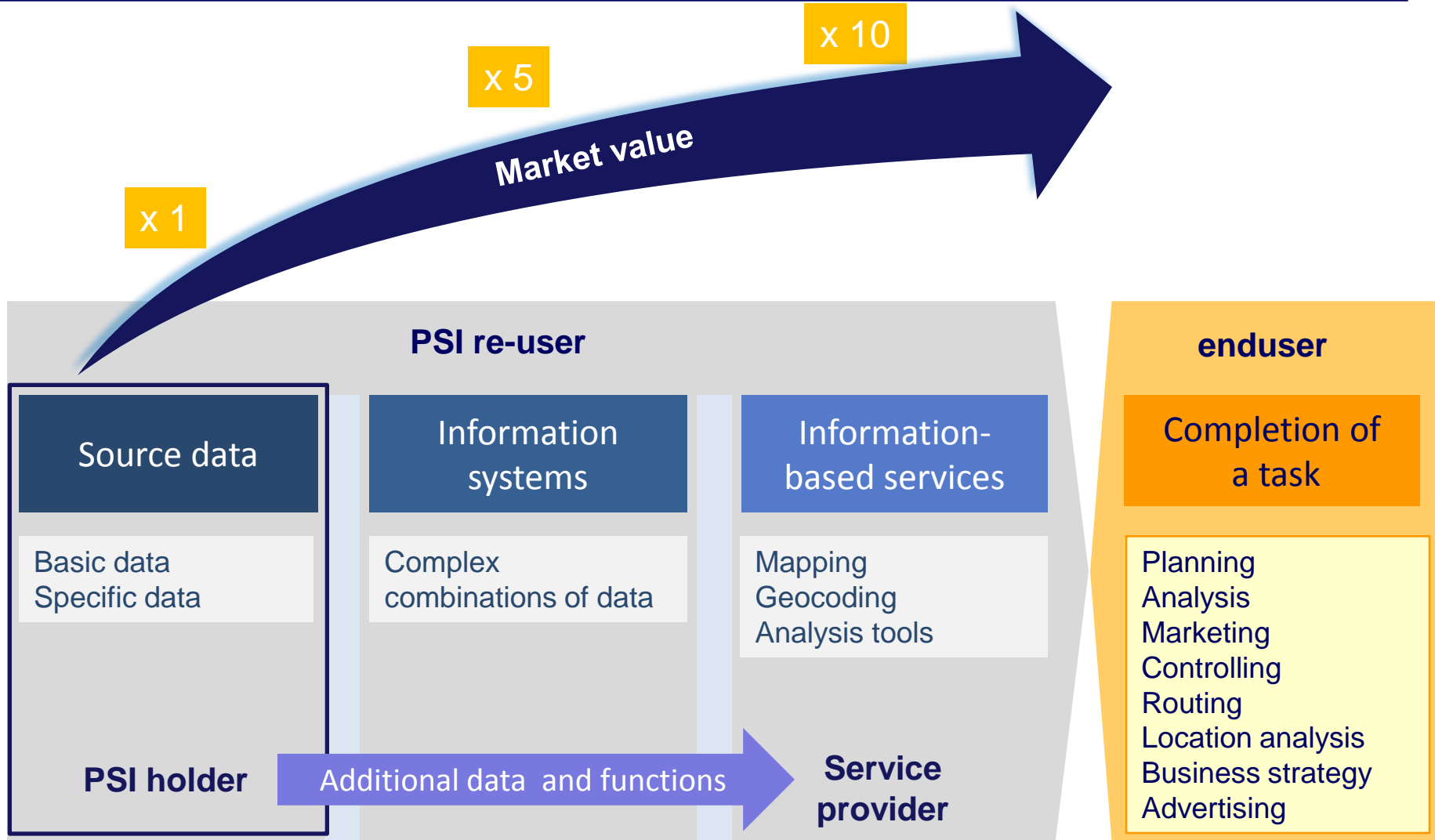
Market value ( bn€)



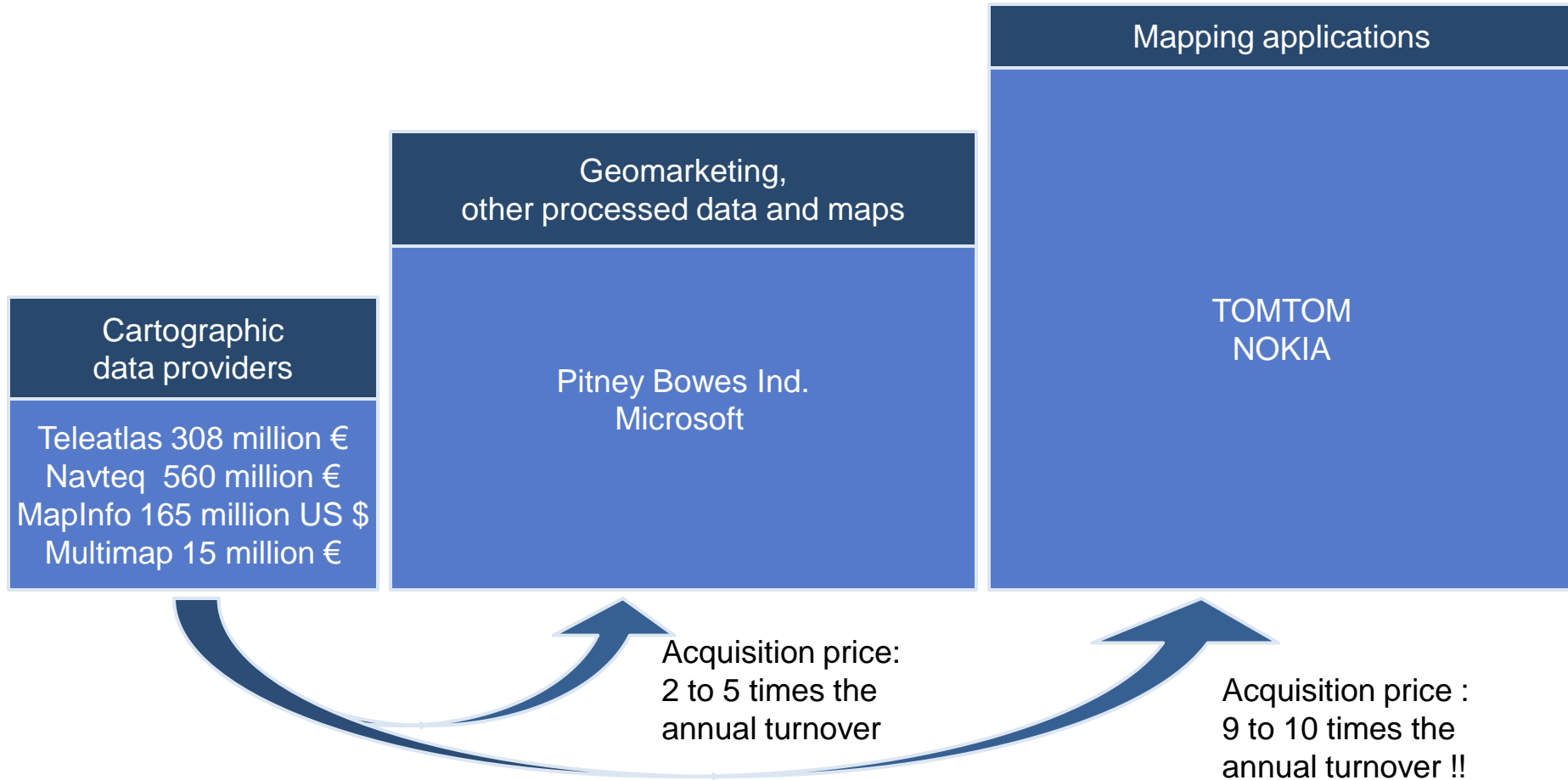
Source: MICUS Management Consulting, 2003/ 2008



# Consider the whole value chain: Seeing the value added factors



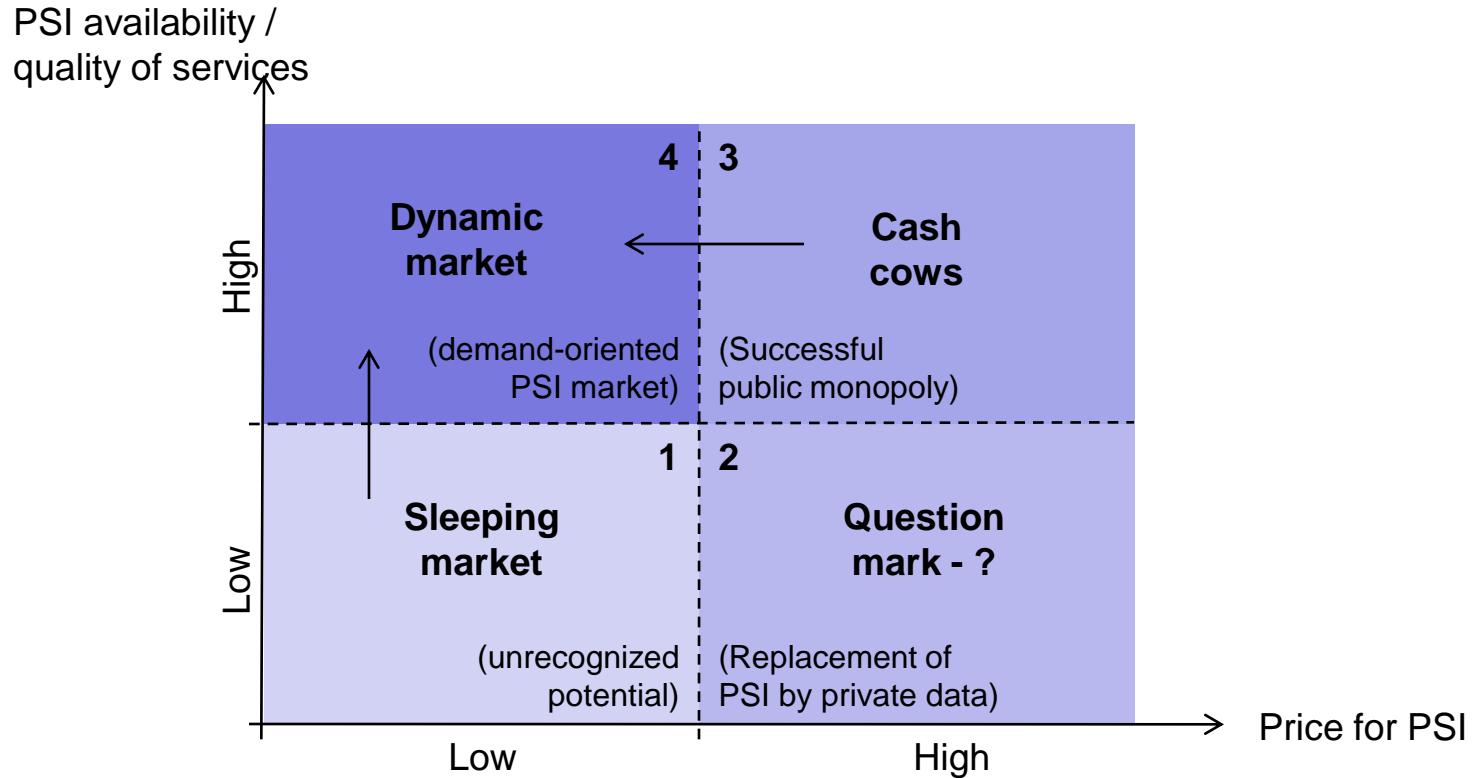
# Recent acquisitions of private companies are indicating the market potential



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



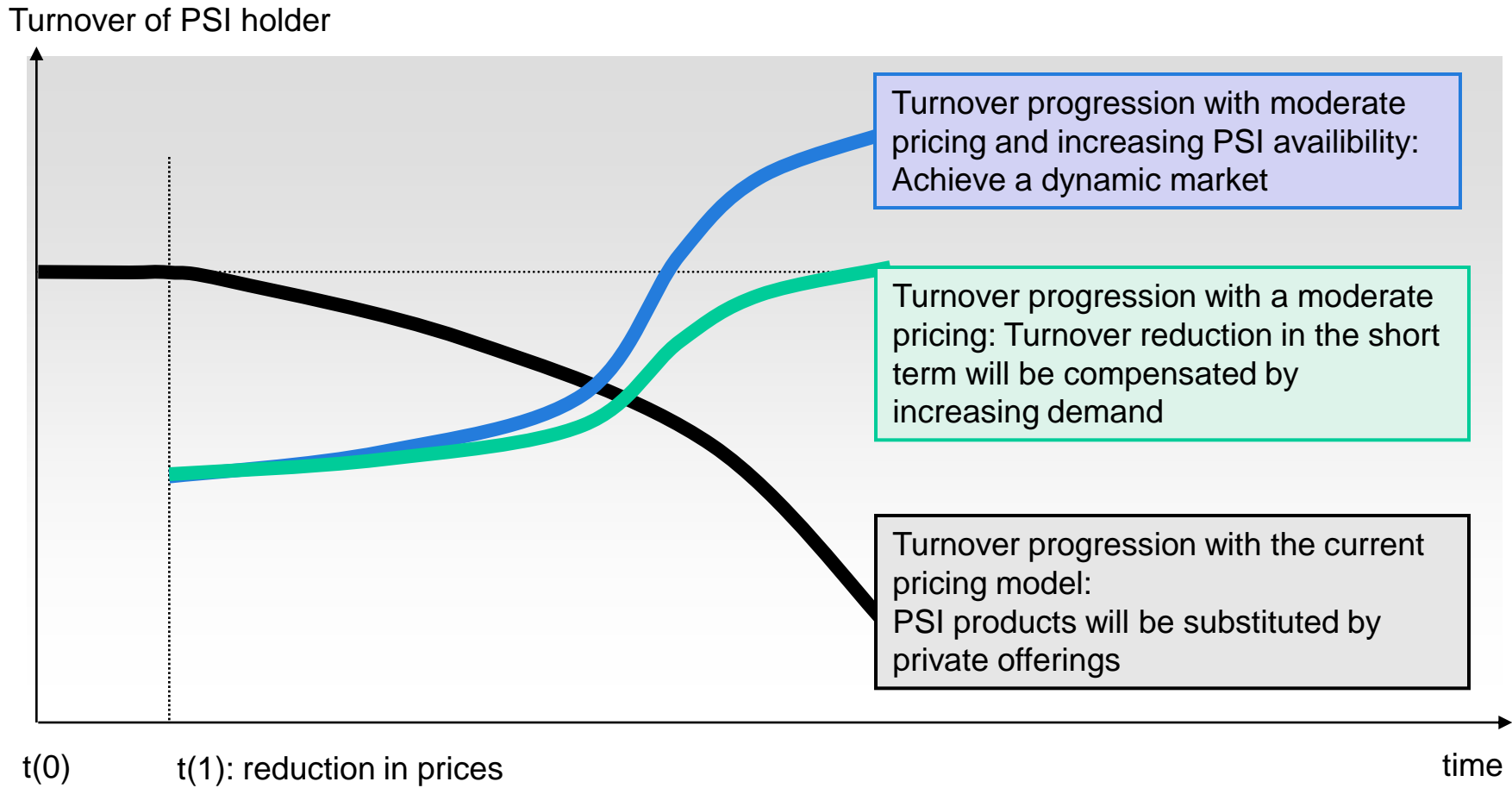
# Positioning PSI-holders in a performance matrix facilitates strategic development



- 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



## Recommendations

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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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