

package provided through a public cloud and sold on a utility basis rather than a license fee i.e. the client is only charged for when it is active and running. This has been considered successful and now commands nearly 40% of the US market. However, the US company involved has also been operating in Europe over the last five years. The competitor represented less than 3% of the European market in 2015 but their CEO has claimed in the press that they are growing rapidly and almost doubling in size each year with £15M in revenue in 2015. Though the competitor has not announced its final figures for 2016, it's estimated by some reports to be around £25M. The head of sales adds that this is not a truly digital business as it still requires install of the sensor (either by the client or through a consultancy) and connection of the sensor to the public service. They state *"the US competitor might have a cloud based solution but they lack our relationships"*.

The CIO comments that the US solution provides some features that Phoenix does not have including cross company reporting, industry analytics and a public API. There are also a number of other companies building products on top of this competitor's public API and their CEO describes a *"fairly active development community is growing around this"*. The Chief Digital Officer (who also runs the product group) adds that we will be building a cloud service. You sense a bit of tension here. You're aware that the organisation was recently restructured with a younger and more dynamic CDO brought into the company. The CIO (the last remaining member of the original team who founded the