



The face of interaction



Innovative Service Provider – ISP

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Capital Markets Day

Feb 19-20, 2001

The logo for Atlas Copco, featuring the company name in a blue, italicized serif font, centered between two horizontal blue bars.

Atlas Copco

ISP - Mission

- ▶ To provide best quality support and service functions to **Atlas Copco Rental Service Business Area**, in the most efficient way and at the most competitive cost
- ▶ To provide these services utilizing the **most motivated and competent workforce** in the industry
- ▶ To **add value** by providing services and support operating the most modern, **innovative and efficient processes** in the industry
- ▶ To utilize **state of the art technology** to provide these services

ISP - Framework

- ▶ The business area needed to **take advantage of synergies** when it comes to support and back office activities
- ▶ The best way to do this is to create a **business area service provider** - an independent service unit that will **deliver back office and support** services to both companies
- ▶ The shift to using the service provider should be viewed as an **internal outsourcing** activity with all operational responsibility staying in the company

ISP - Vision

- ▶ A business area service provider should be able to operate and **deliver service** and support functions **on time**, with **better quality**, more **efficient processes** and at the most **competitive cost**
- ▶ The divisions will “purchase” these services from the service provider and focus operational resources to **provide services to the customers** and to grow the business

ISP - Vision (cont.)

- ▶ The service provider will be a **separate** well identifiable entity with its own management and a general manager with full accountability.
- ▶ The service provider will be **co-located** with activities where they best serve their customer, in Scottsdale, Houston and in the field.
- ▶ The service provider will be **managed** by an executive committee with representatives **from the business area and operations**

Organization

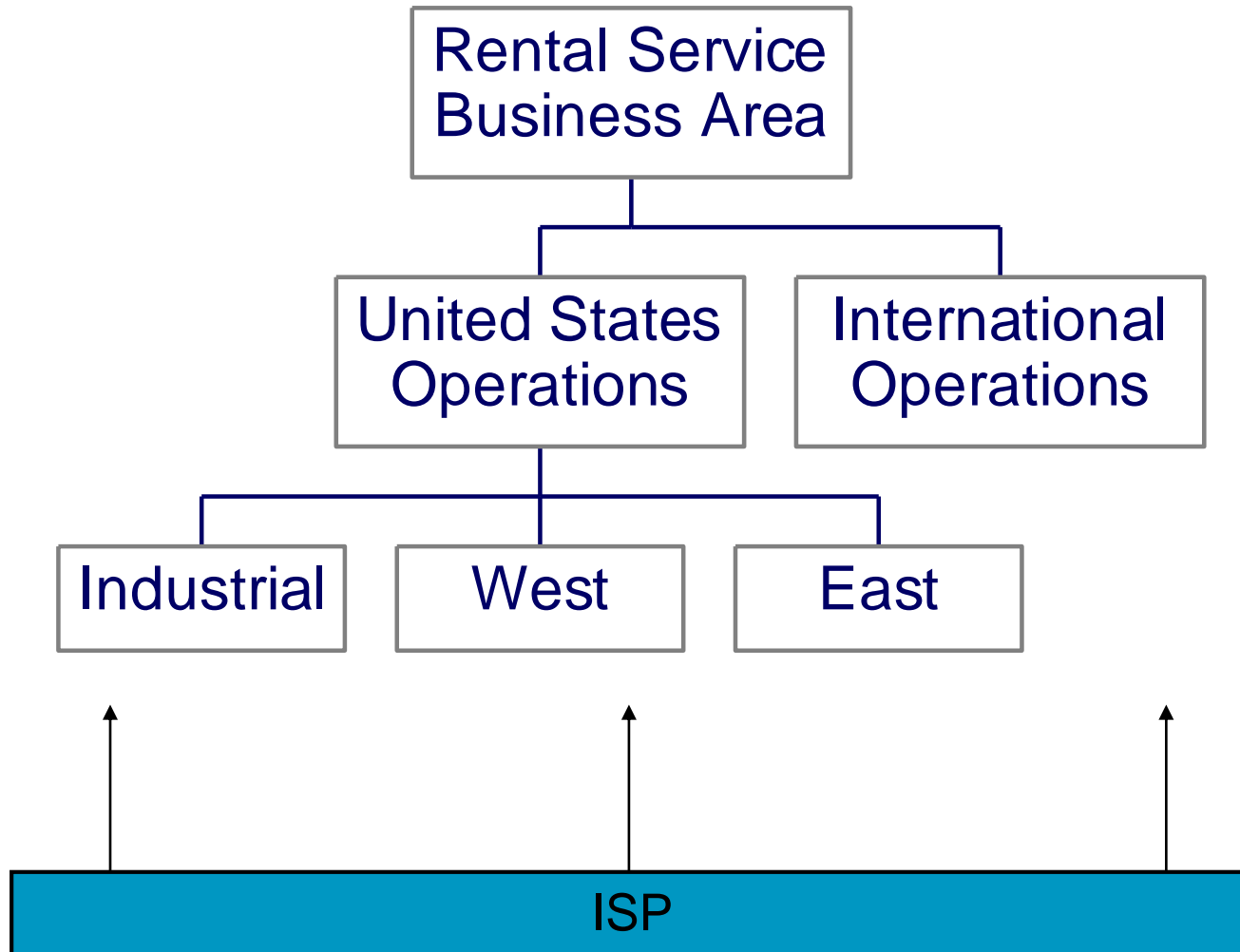
Support and service functions by ISP

- ▶ finance/accounting/
reporting (excluding
business control)
- ▶ management information
systems
- ▶ receivables/payables
- ▶ real estate &
environmental
- ▶ communications
- ▶ training
- ▶ insurance
- ▶ risk&safety
- ▶ claims
- ▶ office administration
- ▶ business development
- ▶ human resources
- ▶ payroll

Efficiency Gained

- ▶ The efficiencies of this new structure will give smoother operations and a reduction of approximately 100 people.
- ▶ This reduction will payback any restructure costs in relation to this change within one year.

Innovative Services Provider



Success Formula

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Cautionary Statement

- ▶ “Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially effected by other factors like for example, the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and the major customer credit losses.”