

Figure 35. Vodafone–Hutchison 3G market ecosystem

HP takeover of EDS

The acquisition of EDS by HP was a major event in the IT market, adding a substantial services component to HP’s largely product-centred business.

The depiction in figure 36 of the HP–EDS market ecosystem shows a number of points of connections as well as a good number of unique connections now being brought together under the HP banner.

Oracle takeover of Sun

Another megamerger currently in progress is that of Oracle and Sun Microsystems. The Oracle–Sun market ecosystem identifies a more substantial suite of complementary connections, indicating that there are some good complementary relationships that could ease the integration issues if and when the acquisition does materialise. Major systems integrators like IBM, EDS, Telstra, ASG, and CSC will provide the bridge for an effective integration.

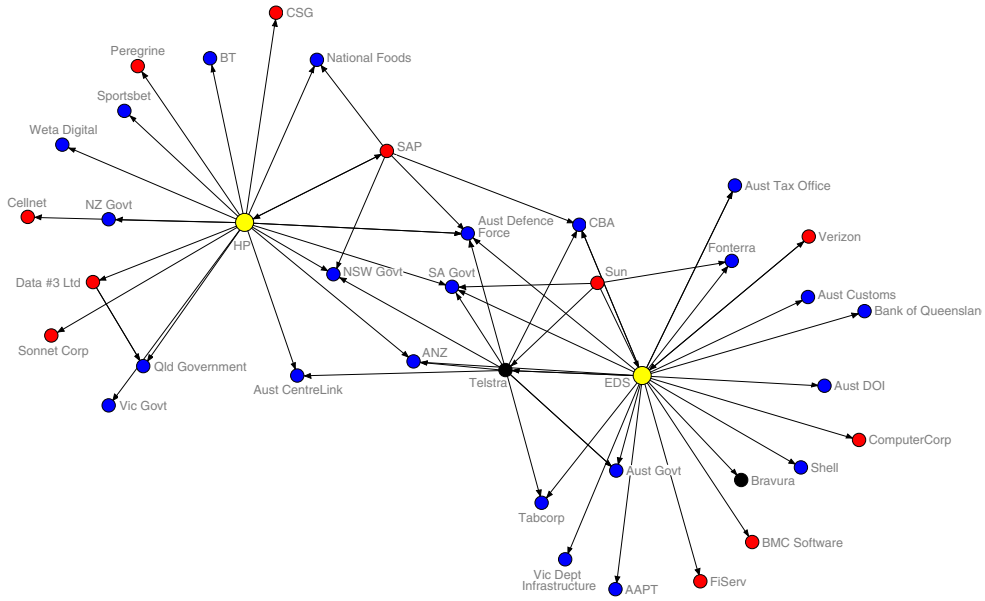


Figure 36. HP-EDS market ecosystem

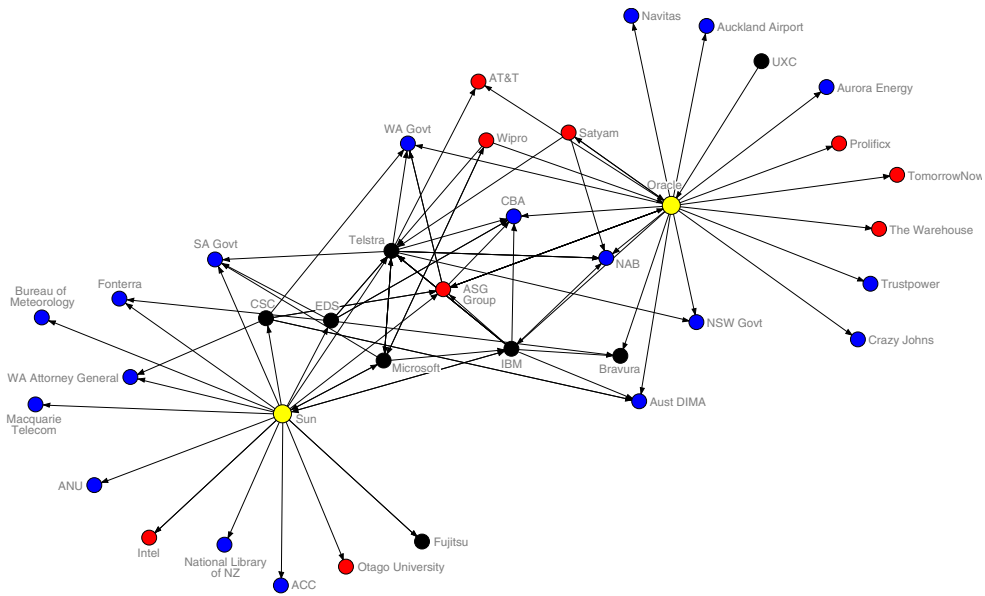


Figure 37. Oracle-Sun Microsystems ecosystem

Megamergers and acquisitions like those profiled above can have a major impact on the overall marketplace ecology. Visual Markets analysis can provide insight into the potential of prospective mergers or acquisitions to better inform market players as to how such actions can affect the competitiveness of not just the merged entity but also its future competitors.

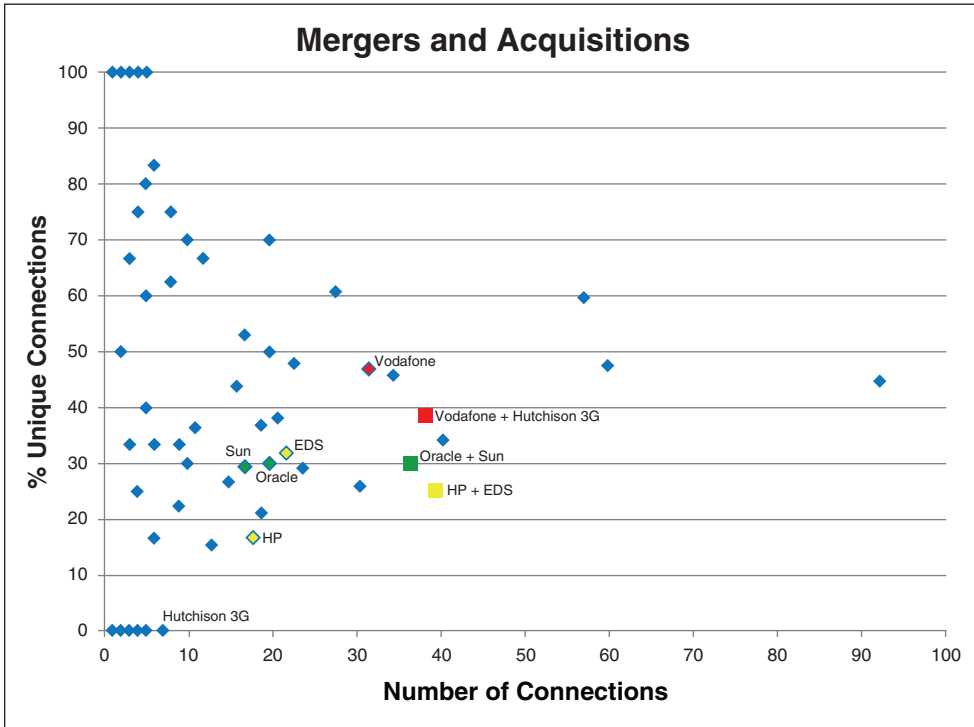


Figure 38. Merger and acquisition effect on competitiveness

One can see that each of the profiled mergers improves competitiveness in the “Number of Connections” dimension. However, the uniqueness of connections will invariably be a compromise between the merged entities and therefore detract from the competitiveness of at least one of the parties. For the Vodafone–Hutchison 3G merger, Hutchison 3G is the major beneficiary in improved competitiveness. Hutchison 3G has no unique market connections at present and therefore will benefit from Vodafone’s relatively high number of unique connections. The Oracle–Sun and HP–EDS merged entities look to have improved the competitiveness of each of the individual firms (marginally at first). The challenge facing the merged entities is to win new and unique clients or partners as a consequence of their new and expanded profile and thereby further enhance their competitiveness over time.