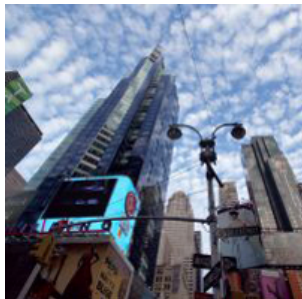


## Introduction

The business services industry is exactly as it sounds: companies providing business-related services to fellow companies. Companies in this industry offer a variety of services, including marketing and advertising, consulting, legal services, logistics and shipping, human resources, staffing, leasing, security, outsourcing, and facility management.



## Industry Composition

The business services industry is a very broad industry encompassing many different categories of business operations; all of them provide some sort of non-financial service to other companies. These services include advertising, marketing, consultation, logistics (including travel and facilities services), waste handling, staffing services, shipping, administration, and security services to name a few. Nearly every business in operation has need for at least one of the different kinds of service offered by the industry.

- Marketing companies are responsible for increasing the sales of a client company by helping the company gain new customers as well as keep current ones
- Legal services are needed to deal with business transactions, as well as for litigation purposes
- Logistics and shipping companies are responsible for connecting businesses to other businesses or consumers by collecting, storing, transporting, and delivering products
- Staffing companies match people in need of jobs, temporary or permanent, with companies in need of qualified employees
- Leasing companies fill a client's need for certain items without requiring full purchase
- Security companies are responsible for keeping a company's assets secure
- Consulting companies are in the business of fulfilling needs for expertise that clients cannot fulfill themselves. These companies may offer

## Industry Leaders and Fragmentation

\* All amounts are given in Billions USD

| Company               | Country | Sales | Profits | Market Value |
|-----------------------|---------|-------|---------|--------------|
| United Parcel Service | 161     | 84.4  | 1.4     | 156          |
| FedEx                 | 161     | 78.7  | 3       | 76.3         |
| Marubeni              | 179     | 58    | -1.7    | 14.6         |
| Wuchan Zhongda Group  | 173     | 56.6  | 0.4045  | 3.8          |
| Xiamen C&D            | 173     | 55.6  | 0.8084  | 3.8          |



## Profitability and Demand Drivers

### Primary Demand Drivers:

- Level of business spending, which is determined by the health of the overall economy

### Profitability Drivers:

- Efficient operations
- Effective marketing

## Trends

It is only logical to assume that the business service industry will be wherever the businesses are. As businesses are created in emerging markets, such as China and India, the business service industry is following.

Among business-to-business shipping, there is increased demand for complete solutions in which warehousing services are integrated with transportation and other logistics functions. This includes value-added services such as sorting bulk goods into customized lots, packaging goods, controlling and managing inventory, order entering and fulfillment, labeling, performing light assembly, and marking prices, all of which has helped improve the efficiency of relationships between manufacturers and customers.

Firms rely on new technologies and the coordination of processes to expedite the distribution of goods.

Voice control software allows a computer to coordinate workers through audible commands to reduce errors and increase efficiency.

Radio Frequency Identification Devices track and manage incoming and outgoing shipments.

Just-in-time shipping is a process whereby goods arrive as they are needed, saving recipients money by reducing their need to carry large inventories.

The personnel staffing market has been changed dramatically by the rise of online websites such as monster.com, theladders.com, and jobs.com, where companies will list their available jobs, eliminating the need for a traditional personnel staffing company.

professional, scientific, or technical consulting, management or strategy consulting, or human resources consulting

For globalEDGE's purpose, all work related to money or asset management that a business needs is filed under Financial Services, while all of the other miscellaneous help a business may need is classified under Business Services. Aside from logistics and shipping, all other segments of the transportation industry are classified in Transport Manufacturing.