Market Brief: Project On Demand Services (PODS) Digital Transformation (DX)

Market Description: PODS-DX are a concept pioneered by IBM in the 1970s to fill technology roles in a marketplace of novices moving from typewriters and paper files to the mainframe. It found its niche in the animation industry, where employing a top-rated artist for keyframes and leaving the filler frames to low-paid offshore animators is the norm. The convergence of JIT and Agile with the Gig economy and COVID remote work in IT has created a potent service product that leverages these advantages to deliver work of higher quality, lower cost, and shorter delivery times. 3SG Plus productizes this service under the name PODS-DX.

Criteria	X Market
Market Size/yr in US *	• 2023: $167.9B with a CAGR of 6.7% projected through 2028. • 2024: Approximately USD $179.15B • 2025: Approximately USD $191.15B • 2026: Approximately USD $203.96B
Service Needs in the Market**	• Navigating Macroeconomic Trends and Improving Customer Experience: Enterprises face challenges in dealing with macroeconomic trends like inflation and budget constraints, as well as the need to improve customer experience. • Cybersecurity: Bolstering cybersecurity to deal with the latest wave of attacks is a constant focus. Enterprises are looking to automate cyber defenses while also focusing on the human element of cybersecurity. Cybersecurity remains a significant challenge due to the increasing frequency, scope and sophistication of cyberattacks. The adoption of hybrid work models has added complexity to maintaining secure IT environments. • Balancing Cost-Cutting and Innovation: Enterprises need to balance cost-cutting initiatives, such as automation and modernizing infrastructure, with digital transformation programs that include developing new products, growing digital sales channels, and delivering new AI/ML capabilities. • Talent Retention and Skillset Gaps: Finding, landing and retaining skilled talent is a major concern. The competition for talent has increased, especially considering remote and hybrid work environments and the increased independence of the post-COVID freelancer mentality, leading to a shortage of people with the necessary skills and a brain drain from companies with high turnover.
3SGPlus Position in the Market	██ ██ ██████████████████
Existing Clients	
Net Revenue in 2023 Forecast Yr End	
Potential with Existing Clients for 2024	Significant. ██████ and ████████████ both have project pipelines at scale, ██████ and other state agencies also have one-offs for PODs and are able to use OST (recruiting) funding to pay for it. Existing customers of other service lines are also potential customers for PODs with more innate receptiveness.
Market Pricing Multiplier Target/Range Pricing Strategy	Cost-Plus pricing model for service, Staff Aug model for personnel. Professional Services prices based on rates for projected development hours, onsite personnel placement through OST.
3SGPlus Target Services	1- Network/Infrastructure (██████████ 2- Cybersecurity Risk Mitigation/Remediation, Microsegmentation 3- Web Application Development ███████) 4- (Other use cases on PODS | Cybersecurity | Networking | Assessment | Migrations | 3SG Plus)
3SG Plus Differentiators	• True gig-economy approach employs top talent in off hours for off peak rates and only uses them for the hours needed, rather than weeks or months on staff • Huge breadth of service offering because we don't have to staff it with our own people • Also connected to full-service, permanent recruiting and can place onsite consultants • Customer can turn dials to increase speed (by increasing price) or reduce price (by

	reducing speed)
	• Outcome rather than hourly based (but we still price it out hourly, we just take all the risk).
	• One foot firmly – perhaps even more firmly – in the government space, when many/most competitors are wholly focused on the private sector, and others are government-only.
New Target Clients	██████████████████████████████████████
3SG Plus Target Geographic Location	US market, national scope.
Competitors	UpWork, Fiverr, Toptal, etc (DIY). Accenture, Capgemini, IBM, InfoSys, Cognizant, and other multinational IT Consulting/Services. At Local level, players like G2O Partners (600+ employees, $45M in revenue), MapSys (71 employees, $18M in revenue) and Pillar (which still exists as a brand but was acquired by Accenture in 2018) compete in the IT services and staffing space. A pay-to-play listing of IT Service providers in Ohio has 142 companies willing to pay to get on a list likely seen only by marketing researchers; NAICS codes suggest 100,000 or more companies in North America competing in the same space.
Competitor's Strategies	Difficult to generalize; ranges from 'we're literally IBM' to 'Metaverse – Blockchain – DeFi' buzzwords – but overall leaning into either hypo or hyper-specialization. G2O is an interesting case with at least 3 other IT companies in their DNA – Clutch in the 2000s, Information Control Company – ICC in the 1990s, and originally called DEC VAX VAR, founded in 1979. The rebrands/reorgs were all driven to maintain product-market fit as the market itself evolved. The lesson behind their continued significant success is that polymorphism is an important part of any long term strategy in this market.
Barriers to Entry for 3SG Plus	• Lack of awareness in a sea of noise (lack of presence physically and digitally) with significant barriers (cost, focus, lack of brand depth) hampering brand awareness • Missing necessary certifications to perform some work with some clients (SOC-2) • Steep pay-to-play expenses associated with ad campaigns, events, content placement, influencer marketing, etc in this space due to high demand and prominence/influence of global providers
3SG Plus Sales/Investment in 2024	████ Marketing Investment Direct: (specific events, media valuable for PODS-DX only, etc): ████ Proportional value in shared messaging (3/10 of remaining budget) = ████
3SG Plus Sales/Investment in 2025	████ Marketing Investment +15%; Direct ████ Shared ████
3SG Plus Sales/Investment in 2026	████ Marketing Investment +15% Direct ████ Shared ████
Marketing Initiatives to Penetrate or Build the Market	1. Awareness push in 5 nearest markets via content/branding and 3x Columbus events sponsorships in partnership with Bizjournals/Cols Business First to establish credibility and improve noise-to-signal ratio with business/IT buyers 2. Columbus CEO 4x quarterly branding 2/3-page insertion + digital campaign for 1 year awareness saturation in C-suite locally 3. Govtech/eRepublic media and event(s), highlighting PODs solutions 4. Aggressive structured markup, SEO organics, and Paid SEM activities to capitalize on blank-slate searches 5. Leverage CrowdStrike annual conference as TrueFort VAR 6. Significant manual/automated RFP collection across supplier platforms (Ariba, Coupa Supplier, etc) 7. Leverage listings inside aggregator sites (UpWork, Fiverr, Toptal) for our own services 8. Targeted LinkedIn awareness and direct response advertising 9. Email + Landing Page campaign through website

	10. Significant website content library to satisfy visitor desires and support awareness campaign results (Critical turn – transform awareness into consideration and negotiation stages)
Sales Initiatives to Penetrate or Build the Market	1. Build out PODS at ███████ 2. Lookalikes for ███████████ etc.

* Source: IT Services - United States | Statista Market Forecast

**Sources:
- https://www.techtarget.com/searchcio/tip/Top-7-CIO-challenges-and-how-to-handle-them
- https://enterprisetalk.com/featured/top-challenges-it-leaders-will-face-in-2022/

- https://enterprisersproject.com/article/2023/1/it-leadership-top-5-challenges-expect-2023
- https://www.dataprise.com/resources/blog/top-challenges-2022/

Supplemental:
Competitor Sources/Info
G2O (Dublin, OH) https://www.bizjournals.com/columbus/news/2021/04/16/g2o-adding-100-jobs-following-move-to-dublin.htm

List of 142 competitors in Ohio Best IT Services Companies in Ohio Reviews 2023 | GoodFirms

NAICS lists 59,187 competitors in North America in 541512: Computer systems design services - Census Bureau Profile, 67,328 competitors in 541511: Custom computer programming services - Census Bureau Profile and 11,396 competitors in 541519: Other computer related services - Census Bureau Profile