



2. Invest in organic growth, customer service and operational excellence

Customer focused

Following the strategic review undertaken in 2013, we concluded that the group had been under-investing in organic growth opportunities and since then we have established a number of programmes designed to strengthen organic sales and business development.

2014 highlights

£5.5bn

annual value of sales pipeline as at end December 2014

£1.1bn

annual contract value of new business won

c.90%

contract retention rate for existing contracts

c.£20m

annualised additional investment in sales and business development

- Group-wide initiatives to improve organic growth and customer retention rates
- Investing in a more rigorous approach to customer relationship management
- Investment in technology development and sales
- Roll out of standardised sales operations system commenced

2015 priorities

- Implement our standardised customer satisfaction survey tools across the group
- Complete roll out of standard sales operations
- Continue to improve pipeline management
- Increase multi-service offerings to existing and new customers

Achievements

Investing in organic growth opportunities

Group-wide initiatives to take advantage of the organic growth opportunity including:

- sales capability assessment and recruitment
- mandatory implementation of standard sales operations systems
- sales performance in all businesses
- customer engagement and retention
- global account management
- pricing policy and management

In the past 18 months, we have appointed new sales leaders in all of our six regions and at group level.

Across the group as a whole, we have appointed 391 additional new employees into sales and business development roles, including industry sector specialists in a number of our regions. We have also been implementing a standard tool for measuring customer satisfaction. Through regular customer surveys and feedback, we will be better able to identify and quickly address service issues and deepen and strengthen customer relationships.

Customer relationship management

We are also investing in a more rigorous approach to customer relationship and global account management.

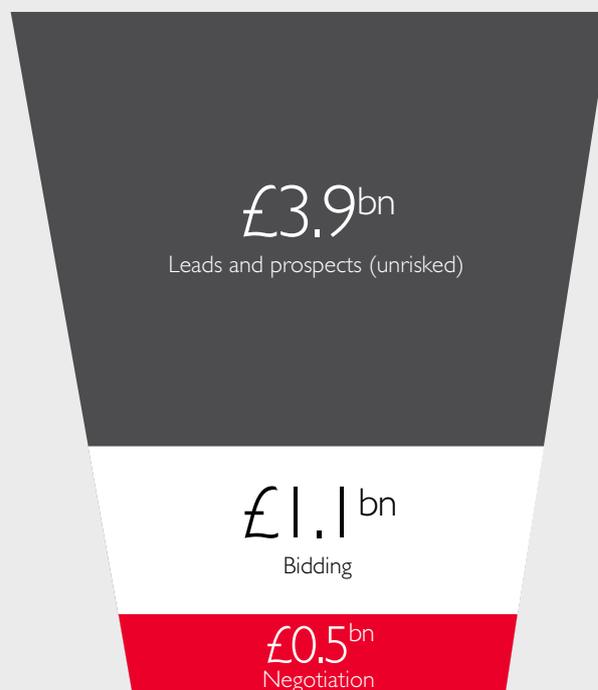
We are placing greater emphasis on managing and retaining the existing customer base and have continued to invest in new service development and innovation for existing customers. We have also begun to export commercially proven services across countries and regions.

Our investment in organic growth implemented through these programmes provides long-term support for our sales pipeline. During 2014, we won new work with an annual contract value of over £1.1 billion and a total contract value of £2.1 billion. See the Business review on pages 34 to 41 for a description of the type of new contracts won per region. We continue to build and to replenish our pipeline which, after taking into account strong conversion in 2014, had an annual contract value of £5.5 billion at the end of December 2014.

Annual contract value of sales pipeline at end of December 2014

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Large, diversified sales pipeline



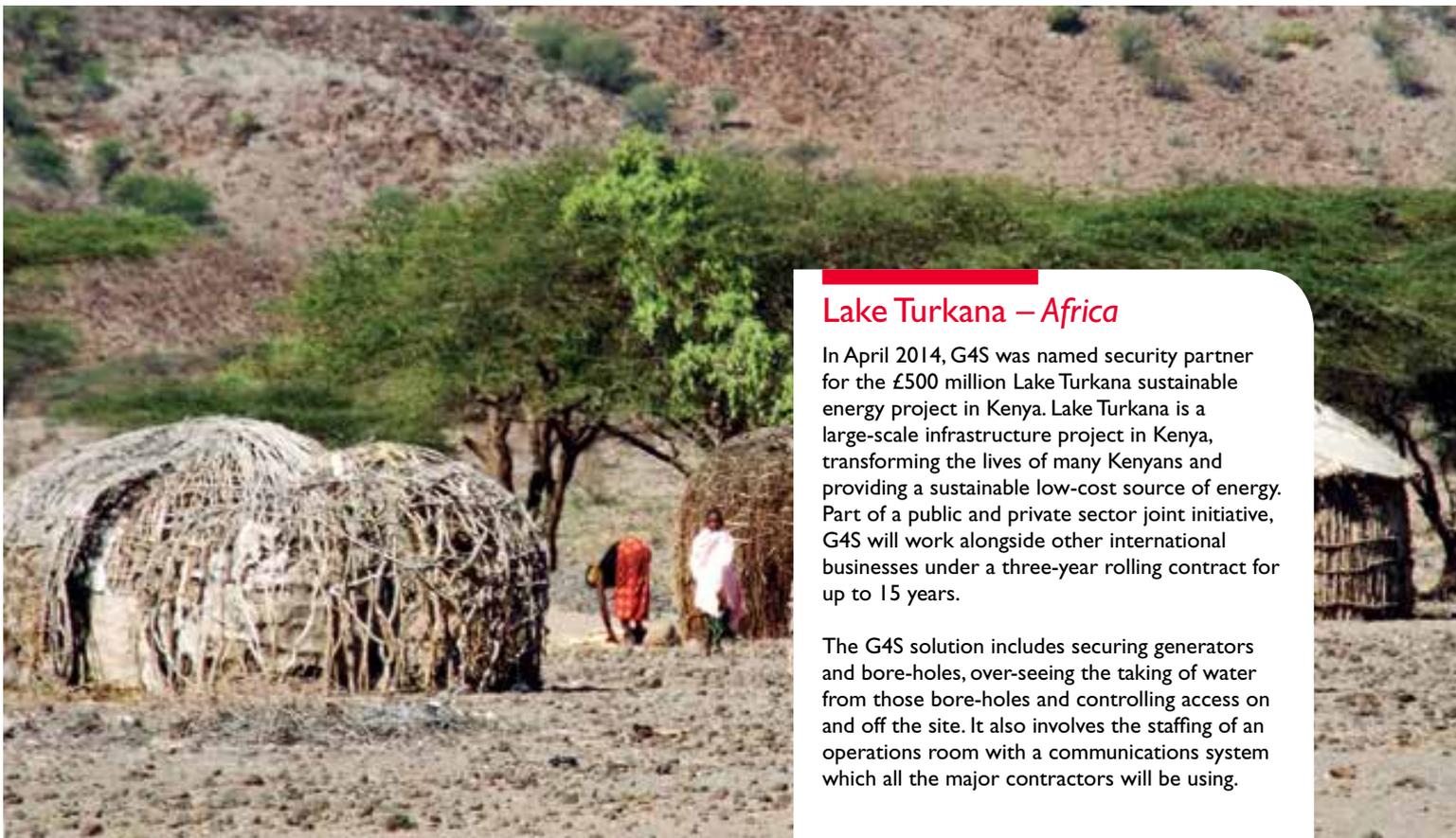
Global agriculture – Latin America

G4S provides secure solutions to one of the world's leading global agriculture companies that has operations in more than 90 countries. In Latin America, G4S services more than 30 customer locations in Brazil, Argentina, Colombia, Chile and Mexico, incorporating risk mitigation, integrated security solutions and world-class technology.



Bank of America – global

With operations in more than 40 countries, serving 48 million consumers at 4,800 retail banking offices and 15,800 ATMs, the needs of a global customer like Bank of America are complex and dynamic. G4S partners with them to provide total security including software, systems and over 5,000 security officers posted at more than 1,300 buildings and banking centres across the world.



Lake Turkana – Africa

In April 2014, G4S was named security partner for the £500 million Lake Turkana sustainable energy project in Kenya. Lake Turkana is a large-scale infrastructure project in Kenya, transforming the lives of many Kenyans and providing a sustainable low-cost source of energy. Part of a public and private sector joint initiative, G4S will work alongside other international businesses under a three-year rolling contract for up to 15 years.

The G4S solution includes securing generators and bore-holes, over-seeing the taking of water from those bore-holes and controlling access on and off the site. It also involves the staffing of an operations room with a communications system which all the major contractors will be using.

Strategy in action *continued*

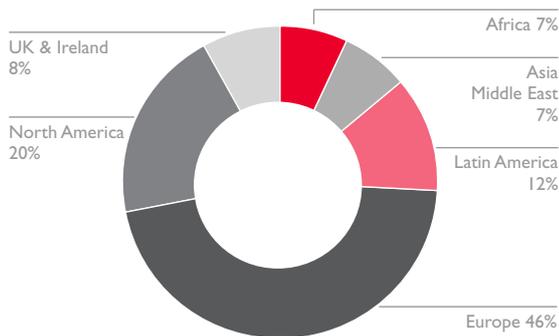
Customer focused

We have also started to strengthen our sales operations so that we can manage our pipeline more pro-actively and improve the alignment of sales incentives with sales performance and customer satisfaction. Sales incentives have been redesigned for 2015 to better align them to drive growth, customer retention and customer satisfaction.

Investment in technology specialists

In 2014, the group initiated a strategic review of capabilities in technology addressing IT and back office technology, operational technology and customer-facing technology. The opportunity for using technology to drive back office efficiencies for areas such as payroll and accounts payable through shared service centres is outlined on page 24 and operational technology such as telematics is outlined on page 27. In terms of customer facing technology, the group derived 8% of revenue from security systems revenue in 2014 but this is largely concentrated in the North America and Europe regions.

Security systems revenue (%)



The global security systems market is a large, growing market (source: Freedonia World Security Services Report, November 2014).

We believe specific technologies with significant market potential include:

- advanced access control systems
- video and image analytics software. Through constant automated digital screening and filtering, video analytics can identify and notify operators of potential issues, allowing security officers to make quick, informed decisions
- integration software for connecting and controlling multiple devices to create an end-to-end security solution
- data analytics software for pooling and rapidly synthesising large volumes of data and
- automated cash management systems.

The group has proven in-house product development capabilities in a number of these areas:

- United States – OneFacility™ technology solution spanning security, safety and facilities management, Secure Trax™ automation of typical security communication including incident reporting via a handheld device and Risk360 security incident information capture, investigation and analysis tool,
- UK – Symmetry™ access control and building management system, electronic monitoring equipment;
- South Africa – Deposita end to end cash management solution for retail customers and
- Europe – CASH360™ end to end cash management for retail solutions (see page 26) and localised product centres (e.g. Hotelo access control technology).

Regional markets vary widely in terms of competition, products sold and customer segments, and our approach is adapted to meet each customer's unique requirements.