

Simplified notification of concentration

between  
Accenture AS  
and  
Einr Norge AS

Oslo, 27 April 2023

*Confidential*  
*Contains business secrets*

Ref.: #3102960

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## 1. CONTACT DETAILS

### 1.1 The notifying party

Name: Accenture AS  
Reg. no.: 992 037 601  
Address: Rolfsbuktveien 2, 1364 Fornebu

Representative: Advokatfirmaet BAHR AS  
Contact person: Jone Berge  
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### 1.2 The target company

Name: Einr Norge AS  
Reg. no.: 930 662 305  
Address: Kongens gate 14, 0153 Oslo

## 2. THE NOTIFIED CONCENTRATION

### 2.1 Description of the concentration

- (1) This notification concerns the proposed acquisition by Accenture AS (“**Accenture**”) of Einr Norge AS (“**Einr**”).
- (2) Accenture AS is part of the global Accenture group and operates primarily within the market for IT-services.
- (3) Einr is a Norwegian company active within the market for IT services, mainly focusing providing such services to the retail sector. At the time of the Transaction, Einr will be owned by Einr Holding AS (the “**Seller**”), which, in turn, will be owned by several individuals working in the company.<sup>1</sup>
- (4) On 27 April 2023 Accenture entered into a share purchase agreement with Seller regarding the acquisition of 100 percent of the shares in Einr (the “**Transaction**”).
- (5) As a result of the Transaction, Accenture will obtain sole control over Einr within the meaning of Section 17 of the Norwegian Competition Act. In light of the turnover achieved by Accenture and Einr in Norway, as set out in Section 5 of this notification, the Transaction constitutes a concentration notifiable to the Norwegian Competition Authority, cf. Section 18 of the Norwegian Competition Act.

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<sup>1</sup> Prior to the conclusion of the Transaction, Einr's group will perform an internal restructuring, as further described in Section 4.2 below.

- (6) Closing of the Transaction is subject to authorisation from the Norwegian Competition Authority. The Transaction is not notifiable to any other competition authorities.

## 2.2 Strategic rationale

(7)



## 3. THE CRITERIA FOR SUBMITTING A SIMPLIFIED NOTIFICATION ARE MET

- (8) It follows from the Norwegian Regulation on the Notification of Concentrations (the “Regulation on Notification”) Section 3, first paragraph, item 3, letter b, that a concentration can be notified by way of a simplified notification where there is a horizontal overlap between the parties, but the combined market share does not exceed 20 %.

- (9) As described in further detail below, Accenture and Einr are both active within the Norwegian market for IT services. They do however not have a combined market share exceeding 20 % in this market. There are no vertical relationships between the parties. As such, the criteria for submitting a simplified notification are met.

## 4. THE PARTIES

### 4.1 Accenture and the Accenture group

#### 4.1.1 Accenture

- (10) Accenture is a Norwegian company primarily active within the IT services sector. For further details on Accenture’s activities, see the description of the Accenture group in Section 4.1.2 below, as this also applies for Accenture.

- (11) Accenture employs approximately 1 100 people. In 2022, the company had a turnover of approximately MNOK 2 607. Accenture’s main office is located in Bærum, but the company also has offices in Bergen, Stavanger and Trondheim.

#### 4.1.2 Accenture group

- (12) Accenture is ultimately controlled by Accenture plc, which in addition to Accenture controls companies all over the world (the “Accenture group”). The Accenture group is a global organization providing management consulting, technology, and outsourcing services. It has offices and operations in more than 200 cities in 50 countries. Accenture’s customers are active in many sectors, such as banking, capital markets, media, chemicals, insurances, consumer goods, transport, healthcare, life science, energy supply, raw materials or in the public sector.

- (13) Accenture structures its business into four service groups which provide the following services:

- **Strategy & Consulting** provides business strategy, technology strategy and operation strategy services as well as technology, business and management consulting.
- **Song** (previously referred to as Accenture Interactive) helps clients to design, build, communicate and run experiences across the entire journey for their customers, employees, patients or citizens. This includes growth, product and culture design; technology and experience platforms; creative, media and marketing strategy; and campaign, content and channel orchestration.

- **Technology** focuses on application services, spanning systems integration and application outsourcing; intelligent platform services; cloud and infrastructure services; software engineering services; security services as well as research & development.
- **Operations** provides business process services for specific functions, including finance and accounting, sourcing and procurement, supply chain, marketing and sales, as well as industry-specific services, such as platform trust and safety, banking, insurance and health services.

(14) The Accenture group employs approximately 738,000 people. The group had a global turnover of approximately MUS\$ 61 594 in 2022. The group's headquarter lies in Dublin, Ireland. Further details on the Accenture group can be found at <https://newsroom.accenture.com/fact-sheet/>

(15) The portfolio companies that generated turnover from sales in Norway in 2022 in addition to Accenture are described in further detail below.

#### 4.1.3 Portfolio companies generating turnover from sales in Norway

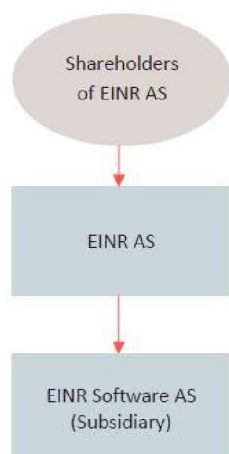
(16) In 2022, the following portfolio companies generated turnover from sales in Norway in addition to Accenture:

<b>Avanade Norway AS</b>	Avanade is a provider of innovative digital, cloud and advisory services, industry solutions and design-led experiences across the Microsoft ecosystem. The Avanade group was established as a joint venture between Accenture and Microsoft. The group is present in 26 countries and employ around 50 000 people globally. The Norwegian subsidiary generated a turnover of approximately MNOK 272 in 2022.
<b>Gren utvikling AS</b>	Gren utvikling offers software development services mainly through coding. In 2022, the company generated a turnover of approximately MNOK 12,3.
<b>Accenture Services AS</b>	Accenture Services' activities are to a large extent integrated with the services of Accenture, located in the same offices with the same management. The company generated a turnover of approximately MNOK 7,4 in 2022.
<b>Hytracc Consulting AS</b>	Hytracc Consulting is active within IT systems directed towards the oil and gas industry. The company generated a turnover of approximately MNOK 4,3 in 2022.

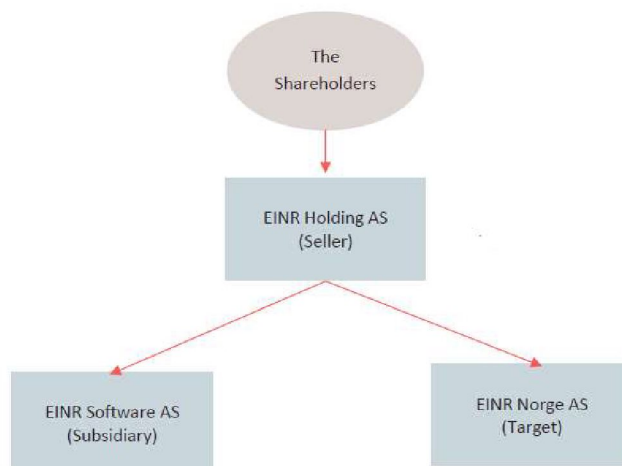
## 4.2 Einr

- (17) Einr is a Norwegian IT consulting company that specializes in retail, high-volume logistics & system solutions from SAP<sup>2</sup>.
- (18) At the time of the conclusion of the Transaction, Einr will be owned by Einr Holding AS (Seller), which, in turn, is owned by several individuals working in the company.
- (19) Prior to the reconstruction, Einr's business is run through Einr AS. As part of the reconstruction, Einr Norge AS (Einr) will be merged with Einr AS. Einr's group structure before and after the restructuring is illustrated below:

**Group structure before the restructuring:**



**Group structure after the restructuring:**



- (20) Einr Holding AS (Seller) also owns Einr Software AS, which will not be part of the Transaction.
- (21) Einr's services are primarily targeted towards the retail segment. This is illustrated by [REDACTED]  
[REDACTED]  
[REDACTED]<sup>3</sup> The company however also targets the high-volume logistics sector.
- (22) Einr's core competences can be divided into six areas:
- **Store Sales and operations:** Develops advanced mobile apps for in-store sales and operations utilizing power of efficient micro-services and APIs.<sup>4</sup>
  - **Omnichannel order management:** Configuration of SAP-based order management solutions used by both online and physical stores with the required scalability.
  - **Logistics Solution:** Configures and integrates supply chain solutions, automated flow of goods from warehouses to stores and consumers, efficient route planning and vehicle management.

<sup>2</sup> SAP stands for system, applications and products and is a software developed by one of the largest software companies in the world, SAP.

<sup>3</sup> In 2022, sales to [REDACTED].

<sup>4</sup> API stands for Application Programming Interface.

- **Product onboarding:** Extensive knowledge of automated entry of product master data and with product lifecycle management and how it relates to assortment management and replenish.
- **Assortment and promotion management:** Advisory in building efficient store and online assortments, utilizing automatic product pricing algorithms and enhancing efficient promotion management.
- **Warehouse management system (WMS):** Assisting clients build and implement automated warehouse management systems using SAP and related integrated systems.

(23) Einr employs 42 people and generated a turnover of approximately MNOK 104,9 in 2022. Einr's office is located in Oslo.

## 5. TURNOVER

Turnover in Norway, 2022 (MNOK)	
Accenture group	2 898,7
Einr	104,9 <sup>5</sup>

## 6. MARKET DEFINITION

### 6.1 Product market

(24) Einr and Accenture are both active within the market for IT services. The market intelligence company Gartner states that "IT services refers to the application of business and technical expertise to enable organizations in the creation, management and optimization of or access to information and business processes."<sup>6</sup>

(25) The EU Commission has previously considered whether IT services should be viewed as one single market or if it should be segmented further based on functionality and industry sector.

(26) When it comes to functionality the Commission considered segmentations into (i) consulting; (ii) implementation; (iii) IT outsourcing; (iv) business process outsourcing; (v) software support; and (vi) hardware support.<sup>7</sup>

(27) All these potential segmentations were based on Gartner's report on the IT-service market, and in particular the segmentation outlined in what Gartner refers to as Service Level 2. Since the Commission's decision in *Capgemini/Altran*, Gartner has reorganised its Service Level 2 categories to comprise the following: Consulting, Application Implementation & Managed Services, Infrastructure Implementation & Managed Services, Infrastructure as a Service, Business Process Services and Hardware Support.

<sup>5</sup> Given that Einr Software AS is not part of the transaction, its turnover of approximately MNOK 5,3 has been deducted from Einr's revenue as it appears from the annual report.

<sup>6</sup> <https://www.gartner.com/en/information-technology/glossary/IT-services>

<sup>7</sup> See Case M.9460 - Capgemini/Altran para 10.

- (28) When it comes to industry sector the Commission considered segmentations into (i) banking & securities; (ii) communications, media & services; (iii) education; (iv) government; (v) healthcare providers; (vi) insurance; (vii) manufacturing & natural resources; (viii) retail; (ix) transportation; (x) utilities; and (xi) wholesale trade.<sup>8</sup>
- (29) The Commission has however in previous cases not considered it necessary to conclude on the product market definition and has thus left the exact market definition open.<sup>9</sup>
- (30) The parties consider separate markets based on functionality not being justified. Due to efficiency gains and economies of scale very few IT service companies offer only one type of IT service. Many companies deliver a complete range of IT services and are active within all the segments mentioned above. Further, it is also rare for customers to procure only one type of IT-service. When both supply and demand suggest that a market definition into functionality segments is too narrow, this is a clear indication that the relevant market should be considered as IT services as a whole.
- (31) The parties also consider separate markets based on industry sector not being justified. Most IT service companies deliver IT services to several industry sectors. The IT services delivered across different industry segments are also to a large extent the same or very similar. Supporting this is a Commission decision regarding outsourcing services where the respondents to a market investigation executed by the Commission confirmed that “IT outsourcing services are becoming increasingly standardised across all sectors, which makes it easier for providers to gain new customers in other sectors.”<sup>10</sup>
- (32) While smaller boutique firms sometimes focus on particular software products or client industries, as these firms grow they almost always expand their service offerings across different software products or industries and become, like Accenture, technology neutral.
- (33) Following this, the parties consider that the relevant market constitutes IT services as a whole, without any further segmentation into functionality or industry sector.
- (34) In any event, the parties consider that the precise market definition can be left open since the Transaction does not raise concerns under any plausible market definition.

## 6.2 Geographic market

- (35) The Commission has considered the relevant geographic definition for the IT services market in previous cases but has always left the exact definition open.<sup>11</sup>
- (36) The parties consider the geographic market for IT services to be national in scope.
- (37) Firstly, a wider scope e.g. encompassing the EEA would not be justifiable since clients prefer to use IT service companies with local resources that are familiar with the local language. Rate card data differing per geography also supports this market being national in scope. The notifying party also considers that it needs to have local offices in almost all countries in which it operates in order to be competitive. It is also the impression of the notifying party

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<sup>8</sup> See Case M.9460 - Capgemini/Altran para 10.

<sup>9</sup> See for example Case M.9460 - Capgemini/Altran para 15

<sup>10</sup> M.7458 IBM/ INF Business of Deutsche Lufthansa (2014), para 29

<sup>11</sup> See for example Case M.9460 - Capgemini/Altran para 28.



that most companies delivering IT services in Norway have a local presence.<sup>12</sup> The parties also refer to Einr only being active in the Norwegian market.

- (38) Further, regional or local markets would not be justifiable as the parties and their competitors are able to serve customers all over Norway. In addition, customers do not limit their procurement of IT services to suppliers located in close regional or local presence.
- (39) Following this, the parties consider that the relevant geographic market for IT services is limited to Norway. The precise geographic market definition can however be left open since the Transaction does not raise concerns under any plausible market definition. Should the geographic market for example be considered to include the Nordics, the EEA or be considered global, the competition will be even stronger than for Norway.

## 7. COMPETITION ASSESSMENT

### 7.1 No significant harm of competition in a Norwegian market for IT services

- (40) The Transaction will not lead to a significant restriction of competition in the Norwegian market for IT services.
- (41) Gartner data from the report *Market Definitions and Methodology: IT Markets* estimates the total revenue generated in the Norwegian IT-service market in 2022 to approximately MNOK 66 505.<sup>13</sup> The Gartner data further estimates that Accenture received a turnover in this market of approximately MNOK 5 582, which provides a market share of 8,4 %. The turnover figure applied for Accenture is incorrect, as Accenture only received approximately MNOK 2 898,7 in the Norwegian IT services market in 2022. The market share figures applied by Gartner is however in line with Accenture's own estimates. This could indicate that Gartner has applied accordingly incorrect numbers for all companies. Nevertheless, since the Gartner market share data is considered accurate, these will be applied in this notification.
- (42) The Gartner data does not include Einr, and its market shares will be based on actual revenue figures combined with the estimated total markets from Gartner, also adjusted for Gartner potentially overestimating the total markets. Einr had a turnover in the Norwegian market for IT services of approximately MNOK 104,9 in 2022. This represents a negligible market share, even if the total market size as estimated by Gartner is reduced in the same ratio as the difference between the actual Accenture turnover figure and the Accenture turnover estimated by Gartner.
- (43) With a combined market share of 8,4 % and a negligible increment, it is clear that the Transaction will not lead to a significant harm to competition in the Norwegian market for IT services.
- (44) Further, there are many strong competitors in the Norwegian market for provision of IT services, several of them being part of large global companies like Capgemini, Cognizant, Microsoft and Tata. According to the Gartner data Tietoevery is the largest IT service company

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<sup>12</sup> See the Norwegian Competition Authority decision V-2019-23 Tieto/Evry where they considered a software segment to have a national scope and referred partly to the fact that all players in the market were established in Norway.

<sup>13</sup> All Gartner figures in this notification are calculated from USD to NOK based on the average exchange rate for 2022 from Norges Bank.

in Norway with a market share of 15,1 %. Based on this, it is clear that strong competition will remain in the market also after completion of the Transaction.

- (45) The combined market share of the parties is also well below 20 % in the different Service Level 2 functionality segments as outlined by Gartner, see Section 6 above. The parties have overlapping activities in the segments Consulting<sup>14</sup>, Application Implementation & Managed Services<sup>15</sup> and Infrastructure Implementation & Managed Services.<sup>16</sup>
- (46) Gartner estimates the total market size of the segment Consulting to MNOK 13 022. Gartner further estimates the market share for Accenture in this segment to 8,6 %. Einr estimates that approximately [REDACTED] of their total turnover in 2022 was generated from Consulting. This indicates a turnover in this segment of approximately [REDACTED] providing Einr with a market share [REDACTED], also when applying a total market size reflecting the same ratio as the difference between the actual Accenture turnover figures and the turnover figure estimated by Gartner for Accenture within IT services.
- (47) Gartner estimates a total market size for the segment Application Implementation & Managed Services of MNOK 29 153. Gartner estimates a market share for Accenture in this segment of 10,0 %. Einr estimates that approximately [REDACTED] of their total turnover was generated from Application Implementation & Managed Services. This indicates a turnover in this segment of approximately [REDACTED] providing Einr with a market share [REDACTED], also when applying a total market size reduced as described above.
- (48) Gartner estimates a market size of MNOK 14 396 for the segment Infrastructure Implementation & Managed Services and a market share for Accenture of 5,4 %. Einr estimates that approximately [REDACTED] of their total turnover was generated from this segment, which provides a total turnover of about [REDACTED]. Following this, Einr's market share within Infrastructure Implementation & Managed Services is [REDACTED], also when applying a market size reflecting the same ratio as the difference between the actual Accenture turnover figures and the turnover estimated by Gartner for Accenture within IT services.
- (49) For the sake of good order, the notifying party argues that even when applying a segmentation on functionality and industry sector combined the Transaction will not lead to a significant impediment of effective competition. There are three subsegments in which the parties overlap: Consulting for retail, Application Implementation & Managed Services for retail and Infrastructure Implementation & Managed Services for retail.
- (50) Within the subsegment Consulting for retail, Gartner estimates a total market size of MNOK 847. Gartner estimates a market share for Accenture in this subsegment of 12,7 %. Einr has a turnover in this subsegment of approximately [REDACTED]. This provides Einr with a market share of about [REDACTED] within Consulting for retail when applying a total market size reflecting the same ratio as the difference between the actual Accenture turnover figures and the turnover figure estimated by Gartner for Accenture within IT services. This gives the parties

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<sup>14</sup> Gartner includes data on both Technology Consulting and Business Consulting. Technology Consulting is IT consulting in which, for example, encompasses advisement on the best IT products for the client's needs. The parties do not overlap within Business Consulting.

<sup>15</sup> Application Implementation refers essentially to software implementation or integration.

<sup>16</sup> Infrastructure Implementation almost always refers to implementation of cloud solutions, but it can cover more traditional, on-site, server implementation as well.

a combined market share of approximately [REDACTED] within this subsegment. The significant number of retail customers in the IT Consulting segment, [REDACTED]

- (51) Within the subsegment Application Implementation & Managed Services for retail, Gartner estimates a total market size of MNOK 2 098. Gartner estimates a market share for Accenture in this subsegment of 14,1 %. Einr’s revenue in this segment is estimated to approximately [REDACTED]. This provides a market share within Application Implementation & Managed Services for retail of around [REDACTED] when applying a market size reflecting the same ratio as the difference between the actual Accenture turnover figures and the turnover figures estimated by Gartner for Accenture within IT services. This suggests a combined market share for the parties of approximately [REDACTED] within this subsegment.
- (52) Within the subsegment of Infrastructure Implementation & Managed Services for retail Gartner estimates a total market size of MNOK 808,4. Gartner estimates a market share for Accenture in this subsegment of 9,8 %. Einr’s turnover in this subsegment is estimated to approximately [REDACTED]. This provides Einr with a market share within Infrastructure Implementation & Managed Services for retail of around [REDACTED] when applying a market size reduced as described above. This indicates a combined market share for the parties of approximately [REDACTED] within this subsegment.

## 7.2 No vertical overlaps or conglomerate effects

- (53) Accenture and the Accenture group on the one hand and Einr on the other hand are not active on any markets upstream or downstream from one another, meaning that the Transaction will not create any vertical relationships or allow for conglomerate spillover effects between their activities.

## 8. CUSTOMERS, COMPETITORS AND SUPPLIERS

### 8.1 The Parties’ most important customers within the Norwegian market for IT services

Accenture	Einr
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

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<sup>17</sup> [REDACTED]

## 8.2 The Parties' most important competitors within the Norwegian market for IT services

Accenture	Einr
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

## 8.3 The Parties' most important suppliers within the Norwegian market for IT services

Accenture	Einr
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

## 9. ANNUAL REPORTS

(54) The 2022 audited annual reports and financial statements of Accenture and the Accenture group are publicly available. The same applies for Einr. These are therefore not attached.

## 10. CONFIDENTIALITY

(55) The notification contains business secrets. The business secrets are marked with a **green** background. Reasons for an exemption from public disclosure are set out in Annex 1.

**Annex 1** Basis for redaction and exemption from public disclosure

Yours sincerely,  
for Advokatfirmaet BAHR AS



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Senior Associate  
Lawyer in charge: Beret Sundet