



The wounds of love
are in the almond trees
Lisa Tcham



OUTSOURCING

STAYING ON COURSE IN AN ACTIVE MARKET

The Outsourcing Services discipline, which employs nearly 13,500 people worldwide and generates about 30 percent of the Group's total revenue, has become a driver in Capgemini's structural development and a lever for growth.

Throughout 2003, the Outsourcing Services discipline was able to resist the tough economic pressures experienced everywhere, formidably to defend its top position in Applications Management (AM) in Europe, and to consolidate its key position in outsourcing worldwide. To move forward faster in this very active market, Capgemini also created a European entity devoted to outsourcing.

There were many achievements during the year: the Inland Revenue deal in the U.K. – the largest outsourcing contract signed anywhere in the world in 2003 – for a total of € 4.3 billion, or the agreement with American automobile supplier Visteon for € 470 million. Both these wins went a long way toward strengthening the Group's reputation and ability to compete in outsourcing.

An ideal combination known as Rightshore™

In terms of organization during the year, work was carried out to globalize and standardize production centers, harmonize methods and tools, and revitalize sales and support teams. The strong progression of offshore in Applications Management, along with its "industrialization" objectives, have led Capgemini to create an original service offering known as Distributed Delivery, or *Rightshore*. What this means is that a given customer is proposed the most ideal combination of quality, cost and delivery options, which

may include *onshore* (at the client site), *nearshore* (from a Capgemini center close to the client), and *offshore* (a Capgemini center in a distant location). In this way, the client has access to a 24/24h, multi-lingual network.

Business Process Outsourcing as a development strategy

As early as 2002, it was already anticipated that the growing demand for BPO – delegating one or several IT systems-related processes to an outside supplier – would lead Capgemini to develop this offering. Because BPO calls upon the Group's three basic disciplines (Consulting, Technology and Outsourcing), it is considered a critical development "axis." The scope of the processes concerned goes from procurement, finance and accounting, to client relationship management, human resources management and payroll. The Group operates from BPO centers in North America, China, India and Poland, meeting the needs of clients such as HydroOne, International Paper, and Dairy Farm, to name a few.

These trends will continue in 2004 and beyond. Capgemini intends to stay on course without losing sight of its original strategy, which is to be a complete outsourcing partner, providing a full range of services worldwide – Infrastructure Management, Applications Management, or Business Process Outsourcing – to companies large, small and medium-sized.