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BACCHUS'S WEDDING YVES CASS



A SHARED BLUEPRINT FOR SUCCESS THE COLLABORATIVE BUSINESS EXPERIENCE

The best way to find out whether your strategy works or not is to ask your clients. Capgemini does this every year in a number of ways, one of which is by testing the appropriateness of its general approach through case studies, like the eight stories that feature in this year's annual report.

These client studies provide a context in which to talk in depth with senior executives about how Capgemini goes to market, the relationships developed and the capabilities offered to these clients. These studies lead to wide-ranging discussions and provide priceless insights concerning the attitudes and business vision of client companies. They also make it possible to understand how Capgemini figures in their plans as partners for the future.

This year's studies are especially interesting because they come a few months after the launch of the *Collaborative Business Experience*. By discussing the collaborative approach with clients, Capgemini has been able to find out, directly from them, how relevant it is for their needs, and how well they feel collaborative working has contributed to their own success.

The results of this approach are fascinating and reveal significant changes in outlook and partnering requirements across different sectors and geographies.

In Outsourcing, clients **TXU** and **Mölnlycke Health Care** noted Capgemini's ability to be a risk-sharing partner, rewarded on outcome, as a critical factor in the clients' own strategic planning.

In Consulting Services, both a major UK Government department, **DfES**, and a large Norwegian company, **AKOP**, spoke of how Capgemini's support helped them to become more collaborative themselves: an essential change for their own future success.

With regard to Technology Services, **Vodafone España** cited Capgemini's ability to work internationally, with multi-disciplinary collaboration, in helping their own competitive performance. The **IFP** also showed how a greater focus on collaborative working is essential to delivering complex technology projects smoothly.

Finally, it was striking to see how in Local Professional Services, both the **Minneapolis Police Department** and automotive giant **PSA Peugeot Citroën Group** noted the vital importance of their flexible, collaborative partnership with Sogeti-Transiciel as being a key factor in delivering successful projects.

Last year, Capgemini told the world that it believed collaborative working would perhaps be the single most important factor in achieving competitive advantage and long-term success for organizations of every different sort, in every sector and in every geography. From this year's case studies, it really does seem that a lot of senior executives agree with this judgment.



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TXU

Vision for a better future

One of 2004's most exciting developments was the visionary, collaborative partnership between TXU, the leading Texas based energy company, and Capgemini. The creation of Capgemini Energy to deliver a range of shared services has helped TXU refocus on its core business, and will help others do the same.

Written in collaboration with:

John Wilder
CEO
TXU

Dan Farell
Former CFO
TXU

Bob Pryor
CEO
Capgemini Energy
LP

When John Wilder became CEO of TXU in February 2004, the company had been through a difficult few years. TXU needed to rethink its strategy and move ahead at high speed. Says Mr. Wilder: "We had to move from being a highly regulated utility to being an effective competitor in an open market, where customers choose on service quality. We needed transformation, not just change."

Action was needed to improve customer service quality and drive efficiency gains in other core processes. During an intense 90-day period, TXU management concluded that traditional technology outsourcing could not deliver the scale and breadth of benefits required. Something much more ambitious was required.

John Wilder's vision was to move TXU away from the utility model and become, instead, a genuine industrial company. That meant developing processes, skills, service levels and, above all, an ability to innovate and evolve with the market on a much higher level than before.

A fresh start

That is the basis for the ground breaking partnership between TXU and Capgemini announced in mid-May 2004, leading to the launch, just six weeks later, of Capgemini Energy, in which TXU has a small stake. Capgemini Energy now has responsibility for six core processes, ranging from customer service to financial management.

Capgemini Energy uses distributed delivery techniques, combining resources in Texas with others in Poland, India and China. Utility companies across the U.S. now have the opportunity to use this advanced capability for their own processes, with TXU benefiting from Capgemini Energy's continuous innovation, cost leadership and service level improvements.

The sheer speed of change was unprecedented within the utilities industry. As Bob Pryor, CEO of Capgemini Energy tells us: "We had to transfer almost 2700 staff on one day. We needed to show immediate service improvements while cutting 30 percent of the operating costs, roughly \$150 million (€110 million) annually, out of the business, even as the new approach was taking shape."

Performance breakthrough

Has it worked so far? Dan Farell, TXU's senior executive for the project, says that: "Transferring all those people was like swallowing an elephant! And we were going through constant evolution of our own business model even as the change was taking place. Yet Capgemini is delivering on its promises, despite the incredible speed of execution and magnitude of changes they are implementing."

During 2004, TXU underwent a major overhaul that resulted in an increase in market capitalization of \$6 billion (€4.4 billion); put \$3 billion (€2.2 billion) of cash back into the business and achieved a 175 percent stock price appreciation. That's a pretty strong illustration of a winning strategy, one where the Capgemini Energy partnership is a significant driver of future growth.

The last word belongs to John Wilder, whose bold vision has driven the entire partnership. He says: "Competitive advantage will be driven through innovation: ideas we cannot even guess at today. Now we have an innovation partner that can bring us the new ideas we can adapt to make us long-term winners." No wonder the entire industry is watching this partnership with such intense interest.

MÖLNLYCKE HEALTH CARE

Meeting the challenges of success

Mölnlycke Health Care is one of the world's leading providers of single-use surgical and wound care solutions to the professional health care sector. The company has been on an aggressive growth track since it became independent in 1998, and has doubled in size during that time. Outsourcing has always been a key part of its business model, and Capgemini has made a significant contribution to its success.

Mölnlycke Health Care has now become a truly global company, with a significant position in most major markets. From an IT perspective around 75 percent of all key functions and resources are now outsourced, and Capgemini has been the main technology partner from the start. As Klas Bendrik, the CIO says: "We could not be where we are today without Capgemini."

Further change is now being planned to fulfill management's vision of Mölnlycke as a rapidly growing global leader. The business will become more agile and entrepreneurial than ever, requiring even greater flexibility within core processes and functions.

Value through innovation

Mölnlycke is changing the balance between "business as usual" and new developments. As Klas Bendrik puts it: "We need to spend less on keeping the shop open and more on innovative solutions." Putting this more ambitious vision into practice has led to a fundamental change in the business relationship with Capgemini.

The outsourcing contract was renewed in 2004, but on a broader and far more collaborative basis. Capgemini will take more responsibility for processes, rather than technology; be rewarded on outcomes, rather than just on Service Level Agreements and will be a true global risk-sharing partner. Capgemini will also be more proactive in developing innovative new solutions as Mölnlycke continues to develop its strategy for the future.

Global presence

Capgemini's leadership both in BPO and "Rightshore"™ has been fundamental to this new vision for the future. Though account management remains in Sweden, day to day activities are now being located in best of breed offshore centers such as Mumbai. From a single point of contact, Capgemini will now be able to deliver cost effective service support in any country where it is needed.

The collaborative approach means that Capgemini will support Mölnlycke's growth strategy through fast integration of new assets onto common platforms. Existing processes will be continuously improved, as new technologies and methods make change possible. Collaboration also means delivering projects through joint Capgemini-Mölnlycke teams in order to transfer knowledge, build skill levels and focus skills on value creation.

As Klas Bendrik points out: "The IT function is measured on our contribution to business strategy. We have to enable fast growth and we have to support a global, 24-hour company. Capgemini is a key factor in achieving these business requirements."

This is a step change for the Mölnlycke-Capgemini relationship: from IT support to global strategic partnership, based on deep and effective collaborative working. Expectations are high but so are the potential rewards. After five successful years, an even more successful future is in prospect.

Written in collaboration with:

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Arnold Stifors
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DEPARTMENT for EDUCATION and SKILLS

Building schools for the future

The Department for Education and Skills (DfES) has responsibility for the entire UK educational system: a high profile policy area that concerns virtually every citizen. Capgemini was given the privilege of facilitating rapid evolutionary change in one of the most interesting consultancy projects of the year.

Written in collaboration with:

Stephen Crowne
Director General for the Schools Capital Division DfES

Joan Minogue
Executive Consultant, Capgemini

Change has been most dramatic in the area of capital investment, where the annual budget has seen tenfold growth between 1997 and 2005. This brings new opportunities, combined with great responsibility for ensuring that additional investment makes a positive difference to outcomes.

In response, the DfES set up the “Building Schools for the Future” initiative, in which public bodies and private companies team to create risk-sharing local partnerships. The DfES, with its national relationship facilitator Partnerships for Schools, acts as partner and guide: a truly collaborative approach to educational policy.

As Stephen Crowne, Director General for the Schools Capital Division tells us: “Businesses act as risk partners from an early stage. They are rewarded for working more efficiently and delivering better quality and value. Collaborative working is the key to mutual success”.

Educational inspiration

The program focuses on secondary schools, with a budget of over £2 billion (€2.8 billion) each year, and is encouraging architects, designers, educationalists and construction companies to create exciting, visionary places for children to study. Projects funded by the scheme are now winning awards, while arousing the enthusiasm of children and parents.

This scheme has also led to major change within the DfES, itself. As Stephen Crowne tells us: “We had to change in three main ways: We are becoming policy innovators, and we needed different skills to do that job. We are moving from administration to strategic management. We also need specialist capability for new activities we had never carried out before.”

Facilitating evolution

Working with consultants from Capgemini, the Department has achieved rapid development in culture, behavior and working practices, while meeting all its delivery targets without disruption. Capgemini has helped in delivering new skills when needed, and in managing and mitigating risks as the Department moved rapidly into unknown territory.

Stephen Crowne summarizes the experience: “We are fostering a truly collaborative approach to creating excellent educational environments, and we have found that the best way to do this is by collaborating with an expert outside company. Thanks to Capgemini, we have been able to switch resources flexibly to deal with urgent matters while enabling our policy experts to focus on delivering our policies.”

Educational investment in the UK is going through a revolution, and Capgemini has made a real contribution to making it a success.





YOUR HEALTH! VOLODIA POPOV



AKER KVAERNER OFFSHORE PARTNER

Transforming for growth

Aker Kvaerner Offshore Partner (AKOP) is the strongest supplier of maintenance services to offshore oil and gas producers on the Norwegian continental shelf. Yet despite steady growth, senior management felt that core performance indicators were not improving strongly, and major change was needed to compete in a rapidly evolving market.

Written in collaboration with:

Tore Sjusen
President
AKOP

Lars Henningson
Principal
Capgemini

In maturing oil and gas production areas, the key aim is to prolong the useful life of existing assets by managing operations more efficiently. To help achieve this, AKOP had to become a genuine partner in providing complete, end-to-end services.

AKOP's main assets are the skill and professionalism of its people, together with the quality and efficiency of its processes. There could be no performance breakthrough without a strong emphasis on people development. AKOP also decided to share its clients' vision; to act as a true partner in securing the right outcomes and be rewarded according to results.

AKOP knew that it would need expert help in transformation and turned to Capgemini because, as President Tore Sjusen says: "They understood that our need was rooted in culture and behavior change, not just re-engineering." Capgemini was also ready to stay on board for the full two years needed for change to take root. "I have known projects fail through lack of long-term execution," Says Mr. Sjusen. "Capgemini emphasized the importance of stamina and that was a lesson we were ready to learn."

Mobilization and development

The project started at the beginning of 2004, with full scale mobilization across the company. Every employee went to open meetings where the management team explained the current position, including potential threats, and the future vision. "I was so proud of our people," Comments Tore Sjusen, "because they understood the position and took an active part in making transformation happen."

A range of clients was also convinced by the new vision from AKOP: 2004 was a highly successful year for new business, with several vital new contracts being won on the basis of shared risk and reward related to outcomes. At the end of the year, success could be clearly measured by the results. Revenue was up, sales were up, profits and margins were up and AKOP could report its best year ever.

Building on success

As Tore Sjusen concludes: "We have to be a real partner to our clients if we are to stay ahead. To do that, we had to become a different company ourselves. There will be challenges in the future but we are now in a strong position to grow, to compete successfully and to extend our operations into new markets."

AKOP made this successful transformation happen by forming a joint team, in which Capgemini and AKOP people work side by side as colleagues following a shared vision. Working collaboratively with Capgemini helps AKOP to work with its clients in the same way. That has been a true breakthrough.

VODAFONE ESPAÑA

Gaining competitive edge

The mobile telephony market is intensely competitive and the “new frontier” is to offer customers high value services. Capgemini has helped the world’s largest mobile community, Vodafone, gain competitive advantage in the tough and crowded Spanish market, where penetration is over 90 percent.

Third generation mobile technology enables providers to offer many new services, including video, photography, music or game downloads and Internet mobile access. Data related services are providing competitive advantage to operators that can bring them to market faster than the competition.

Vodafone has the largest international footprint and aims to be the leading provider of high-value services through Vodafone live!, a unique multimedia portal, providing fast and easy access to data services from a mobile device, anywhere, anytime.

Consistency and quality worldwide

Vodafone live! includes a Java Application download capability: essential for games, digital music and other services. In late 2003, Vodafone España was looking for a partner able to implement this component on a turnkey basis, at a competitive price. They chose Capgemini because of our ability to share and reuse experience. In the year that followed, successful collaboration at many different levels enabled Capgemini to deliver the right result.

Collaboration and evolution

To make the implementation trouble free and successful in this evolving environment required collaborative working. Key implementation knowledge of the chosen technology had already been developed in the Paris Telecom ADC (Accelerated Delivery Center) and a joint Spanish and French team was set up to build on this experience. As Aimery Fustier, Director TME (Telecom, Media & Entertainment) Technology Services in Capgemini Spain tells us: “With our French colleagues bringing the knowledge of the ADC, the support of the Global Account Team, and us in Spain working closely with the client, we had the ‘dream team’ to make the project a success.”

Integration took place at all levels: skills and disciplines; transnational working within Capgemini; management of external specialists; collaboration between global account team and local delivery team. Above all, trust and mutual respect between Capgemini and Vodafone was essential. That enabled us to understand the developing vision driving evolutionary change in both service and technology as the program developed.

Cristina Álvarez, Head of Product Engineering Department in Vodafone España comments: “Capgemini has combined the specific skills required with outstanding flexibility, which has been key to the success of this complex implementation.”

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THE PORT II PAUL AÏZPIRI



IFP^(*)

Modernization on a fast track

A short-term project with a broad scope, multiple services, and a one-stage implementation under very tight deadlines: this Enterprise Resource Planning project for IFP owes its success in large part to a keen understanding of the client's needs and to a thoroughly transparent and collaborative project management approach.

The IFP has been running successful projects for 40 years, mainly Research & Development programs dealing with industry-related technical areas such as the by-products of hydrocarbons, their substitutes, and their impact on the environment.

But implementing an ERP solution to handle finance, purchasing, project management and human resources in one go, based on 16 functional models, is hardly an everyday occurrence.

“It is also our first project to involve such a broad cross-section of our management and, equally important, one which impacts more than 1,800 users,” says IFP Deputy General Manager Georges Picard.

In-depth changes

Why is the IFP going through this modernization process? First, because of the change in its tax status, from a public to a private company; second, the need to upgrade an IT legacy system that has grown outdated, with heterogeneous platforms operating on incompatible, uncommunicative applications. “This project represents a profound change for us at many levels,” confirms Picard. “We are breaking down the barriers between departments, modifying our procedures, changing our technology.”

Cooperation and openness

Capgemini was first awarded the project management phase of the agreement in a competitive bid. “The difference, continues Picard, was the quality of their response, their knowledge of the solution, the competencies of their teams. We also insisted on very tight time frames and here, too, Capgemini knew how to respond; what structures and tools to put in place.”

A firm contractual basis was established right from the start, detailing how the teams would work together, the required conditions for assistance and skill transfer, the methods and recommendations for jointly managing the project. Various operating committees brought the teams together, while steering committees did the same for management – all designed to encourage cooperation between the IFP and Capgemini teams, and to create an environment favorable to arbitration, assessment and transparency.

“Leave no ambiguities, make decisions quickly and make them together, share in the objectives, and engender a real desire for achievement: That has been our recipe for success and we at IFP are very proud of it.” These concluding words by Georges Picard, as well as any, best describe this collaboration and how productive it has been.

Written in collaboration with:

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^(*) IFP: Institut Français du Pétrole



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MINNEAPOLIS POLICE DEPARTMENT

Managing complexity

In 2004, the City of Minneapolis Police Department and Sogeti teamed up to create an innovative solution for time management, with potential applications elsewhere in the United States and abroad, leading to long-term benefits for the Minneapolis PD itself.

Written in collaboration with:

Phil Hafvenstein
*Manager Intellectual Property Initiatives
Minneapolis Police Department*

John Broghammer
*Account Manager
Sogeti USA*

Time management is a key element in ensuring the right level of policing cover, while also reducing the cost burden to the community. Yet managing police officers' time is a complex issue. Not only are there variations in contract terms, in shift lengths and in the use of overtime (with 24/7 coverage being mandatory), there is also the need to deal with a whole range of planned and unplanned events – from state visits to problems caused by criminal activity.

In Minneapolis, the department had long wished to introduce a real time scheduling system but found that no leading software possessed the functionality needed for the highly complex needs of big city policing.

Eventually, the police department itself, led by serving lieutenants Phil Hafvenstein and Jody Nelson, supported by systems expert Bert Sletten, developed an application with the functionality they needed and put it into practice. The result has been a 5 million USD (€3.7 million) cost saving in unnecessary overtime between 1998 and 2003, with a reduction in training overtime of 97 percent in the same period.

Building on success

The story doesn't end there. Hennepin County, in which Minneapolis resides, was looking for a timekeeping solution to meet the needs of their own Sheriff's Office. That is where the need for collaboration really became clear. To make this vital application usable by all relevant services (police, fire, ambulance), it was necessary to move it onto a standards-based, web-enabled platform. To do this the city needed a true technology partner, and selected Sogeti USA to be that partner at the end of 2003.

Sogeti has worked closely with the Minneapolis PD to transform the original application into WORKFORCE DIRECTOR™(*), a web-enabled solution based on Microsoft components, suitable for reuse virtually anywhere. Sogeti now collaborates closely with the Minneapolis PD in taking the solution to other cities and agencies, adapting it for their needs and returning a share of the profit back to the city.

Sharing the benefits

As Phil Hafvenstein says: "The application is provided free of charge to users in law enforcement, in line with Federal regulations. Our goal is sustainable technology, so we wanted to make sure that a steady revenue stream came back to the city to fund further development and improvements. The partnership with Sogeti, which enables us to earn fee income from implementation and customization charges, is key to making this happen."

And collaboration goes beyond commercial interest. John Broghammer, Sogeti's account manager, explains how: "This partnership is about building up a growing community of users, all feeding back their own ideas and experiences for everyone's benefit."

A partnership based on complementary strengths, active marketing and growing collaboration, benefiting local citizens: an ideal that is now becoming reality.

(*) WORKFORCE DIRECTOR™ is owned and copyrighted by the City of Minneapolis, MN USA



PSA PEUGEOT CITROËN GROUP

In a win-win relationship

For six years now, Sogeti-Transiciel has been providing PSA Peugeot Citroën with the tools and services to enable them to improve their systems operations, as well as the electrical and electronic components in their top-line cars. The key reasons for this choice of service provider: the precious time gained in going to market, and a noticeable improvement in quality.

The Research and Design department of PSA Peugeot Citroën is committed to technically improving the electrical, electronic and embedded software systems in their new top-line vehicles (the 407, 607, C5 and C6, among others). “We were looking for skills in these areas at our plant in Vélizy and at our production center in Rennes,” recalls Eric Dorel, in charge of electrical-electronic architecture of the top-line automobiles. “In 1999, we called on Sogeti-Transiciel.”

An incredible give and take

Throughout the entire launch phase of the C5, Sogeti-Transiciel was assigned to represent the Research department at the Rennes production site.

During this time, the department was employing local engineers to work on the electrical/electronic architecture of the 407. “This method of cross-fertilization resulted in spectacular advances,” continues Dorel. “But it was still necessary for everyone to work with the same tools for research, validation, diagnosis, and to refine the network architecture and the embedded systems.” Because this was not the case, Dorel decided to

commission Sogeti-Transiciel’s electronic laboratory in Rennes to design and develop a common diagnostic tool. “There was an incredible technical give and take between our Research & Design team and Sogeti-Transiciel’s. The project was one-hundred percent successful.”

As a result, the solution known as “Diamux” is now deployed across the PSA Group and its suppliers, while Sogeti-Transiciel is continuing its mission, taking charge of training the user teams and working on the various versions of the product.

Four Controlled Area Network multiplexes

The 407 represents a change for the PSA Peugeot Citroën Group: the implementation of a multiplex electrical/electronic architecture with several standard CANs (Controlled Area Networks). “We needed a parametric register, which would work on four networks simultaneously, based on observable incidents, and to ‘differentiate’ these registrations with regard to each component, system or sub-system,” says Dorel. Here, too, Sogeti-Transiciel was able to answer the call by proposing “Transmux,” the “right” solution to this complex technical requirement.

As a good industrialist, Dorel is currently making a practical assessment of how this tool, and the services linked to it, are being used. “On the 407 pre-series, we gained about three months, which is a huge advantage!”

The win-win approach

Coming back to the collaboration with Sogeti-Transiciel, Dorel concludes: “With growing confidence, we are moving beyond a strictly contractual relationship. We are working in and encouraging a win-win approach... and with the 407, this formula has once again proven its merits.” All of which bodes very well for the C6.

Written in collaboration with:

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REGATTAS IN ST. TROPEZ BAY PAUL AÍZPIRI