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New Industry Research Points to Fundamental Market Changes

Capgemini introduces the Collaborative Business Experience

Paris, 15th April 2004 – Capgemini, the management, technology and outsourcing consultancy today released details of its survey “The Voice of the Customer” looking at the perceptions of clients in the consulting industry.

The research illustrates that the consulting industry continues to undergo considerable change, with the shift now being driven by clients. Clients highlighted five key areas where they believe the industry needs to change:

- Talent – clients perceive a decrease in talent below the senior level.
- Communication – clients see consultants as more often being in the “telling” mode rather than listening, resulting in a tendency to introduce pre-ordained solutions.
- Objectivity – clients value a consultant’s ability to offer an objective perspective, but often consultants start identifying too closely with the client’s culture and lose perspective.
- Reality – clients are looking for solutions that are achievable, recommendations are often too optimistic or complex.
- Goals – clients want value, consultants want profit.

Clients want a relationship with consultants that is responsive to both parties needs, where success is agreed upfront and measured to ensure success for all, advice is honest and respect for what both parties bring to the table is a given. In short clients want consultants that work in a collaborative manner.

“The consultancy industry has been in flux in recent years. It’s now clear that client demands are different. Companies that listen to clients and take on board what they say, will capitalise on the market. In response to these client needs, we have formalised our unique approach in the Collaborative Business Experience,” said Capgemini Group CEO Paul Hermelin. “A collaborative approach is not something that you can teach employees in a day course, its part of a company’s DNA. I believe Capgemini fits the bill perfectly.”

The Collaborative Business Experience defines the way in which Capgemini works with its clients, employees and partners. It focuses on many of the intangibles that make the difference in achieving tangible results; a collaborative approach, shared goals and simpler, more effective processes.

“Formalising our approach to working with clients in this collaborative manner differentiates us from the rest of the market and give us a more distinctive market presence” said Pierre-Yves Cros, Capgemini’s Strategy Director. “Collaboration is a two-way street, Capgemini and our clients will work together to contribute and commit.”

When defining the criteria for selecting consultants almost all clients mentioned their track record, technical and industry knowledge and value for fees. Indeed these are seen as basic capabilities that all key players must have. Increasingly selection is being made on the softer skills; ability to collaborate with the client’s team, reputation for delivering and understanding the client’s business.

“Given that almost a quarter of the respondents said “collaboration” was a key criteria for them, future success in our industry will be defined by how collaborative you are,” continued Paul Hermelin. “This is a clear step change for the consulting industry, I’m pleased that Capgemini is leading the way. A collaborative approach offers faster, better and more sustainable results for all participants.”

The campaign to launch Collaborative Business Experience externally begins today with a TV ad featuring Darren Cahill, Andre Agassi’s coach. Cahill is used to illustrate the importance of collaboration behind the scenes to success. David Bowie’s sound engineer, Tony Visconti, is the other example of long-term success. The campaign will continue throughout 2004 with print and outdoor advertising.

Other results from the client research showed:

- Clients cited revenue growth and cost containment as their two current top priorities, with improved IT effectiveness as the third priority.
- Regulatory and security issues whilst currently low priorities are high on the list of future challenges.
- Almost all executives highlighted some kind of delivery failure as their biggest concern in hiring external consultants. Loss of key personnel, recovery from error and budget overruns also featured in their concerns.

As part of today’s launch the company confirmed that its name has now changed, from Cap Gemini Ernst & Young, to Capgemini.

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About the Capgemini Group

Capgemini, one of the world's foremost providers of Consulting, Technology and Outsourcing services, has a unique way of working with its clients, which it calls the Collaborative Business Experience. Through commitment to mutual success and the achievement of tangible value, the company helps businesses implement growth strategies, leverage technology, and thrive through the power of collaboration. Capgemini employs approximately 48,000 people worldwide (55,000 including Transiciel) and reported 2003 global revenues of 5.754 billion euros.

More information about individual service lines, offices and research is available at www.capgemini.com

