

# Strategic Cost Transformation

**How can companies achieve cost efficiencies and position themselves for growth?**

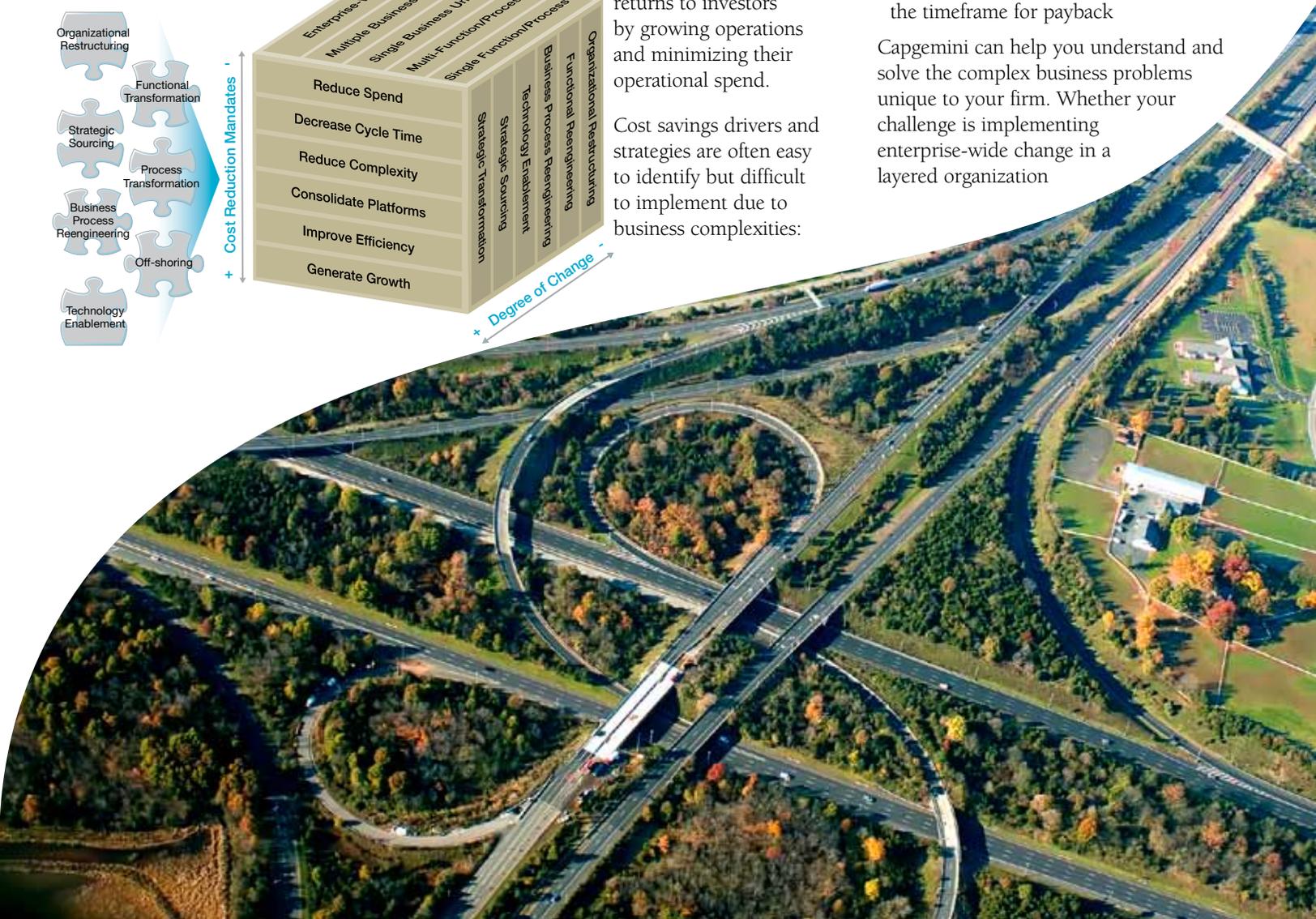
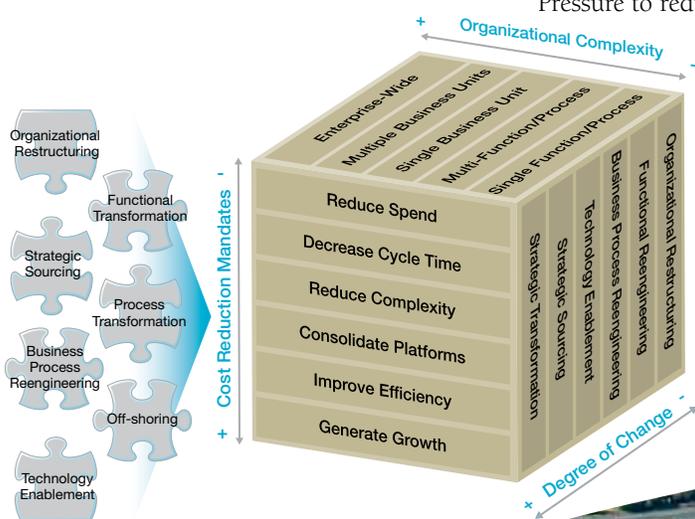
As the economic outlook causes concern and anxiety for financial services firms, cost management is again becoming a focal point across the industry. Pressure to reduce costs is intensified

by the challenge to deliver superior returns to investors by growing operations and minimizing their operational spend.

Cost savings drivers and strategies are often easy to identify but difficult to implement due to business complexities:

- Cost reduction mandates touch many areas of the organization
- Because multiple operating groups can be affected, reducing costs in one area may increase costs in another
- The right solution depends on the organization's appetite for risk and the timeframe for payback

Capgemini can help you understand and solve the complex business problems unique to your firm. Whether your challenge is implementing enterprise-wide change in a layered organization



or executing a tactical strike to reduce spend, Capgemini can map out the right solution and guide you along the journey.

### The Right Solution to Deliver the Right Level of Change

Capgemini can identify and customize the best cost reduction solution for your organization. Our *Cost Transformation Continuum* is a spectrum of cost transformation strategies that provides a range of solutions—including the one that is right for your company:

**Strategic Transformation** delivers holistic, multi-level and comprehensive change across the enterprise.

**Strategic Sourcing** provides a collaborative and structured process to critically analyze the organization's spending to make procurement decisions.

**Technology Enablement** improves operational efficiencies by streamlining the technologies which serve key business functions.

**Business Process Reengineering** enables rethinking and redesign of business processes to achieve dramatic cost improvements.

**Functional Reengineering** redefines functions and reorganizes them into centralized entities, establishing shared services of excellence.

**Organizational Restructuring** increases organizational effectiveness by changing the structure of a company.

Not only can Capgemini help your company generate sustainable savings, but our solutions also promote operational stability, position companies for revenue growth, and allow organizations to become more responsive to market pressures.

### Reengineering for Performance<sup>SM</sup>

Capgemini's *Reengineering for Performance<sup>SM</sup>* methodology provides a direct line of sight to achieving cost efficiency and organizational change.

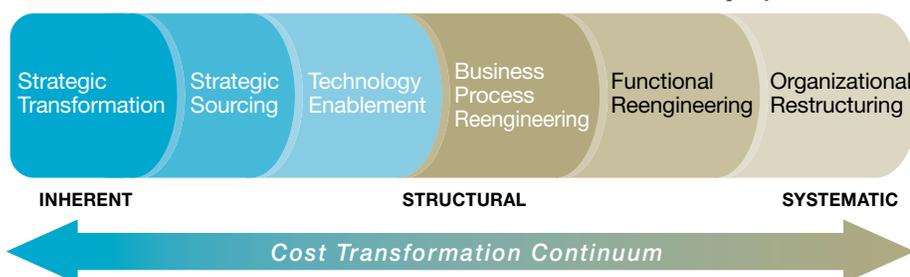
**Understand:** We begin every engagement by first understanding your desired degree of change and the impact that change would have on your organization and customers.

**Design/Plan:** We work with your firm to develop a tailored cost reduction solution.

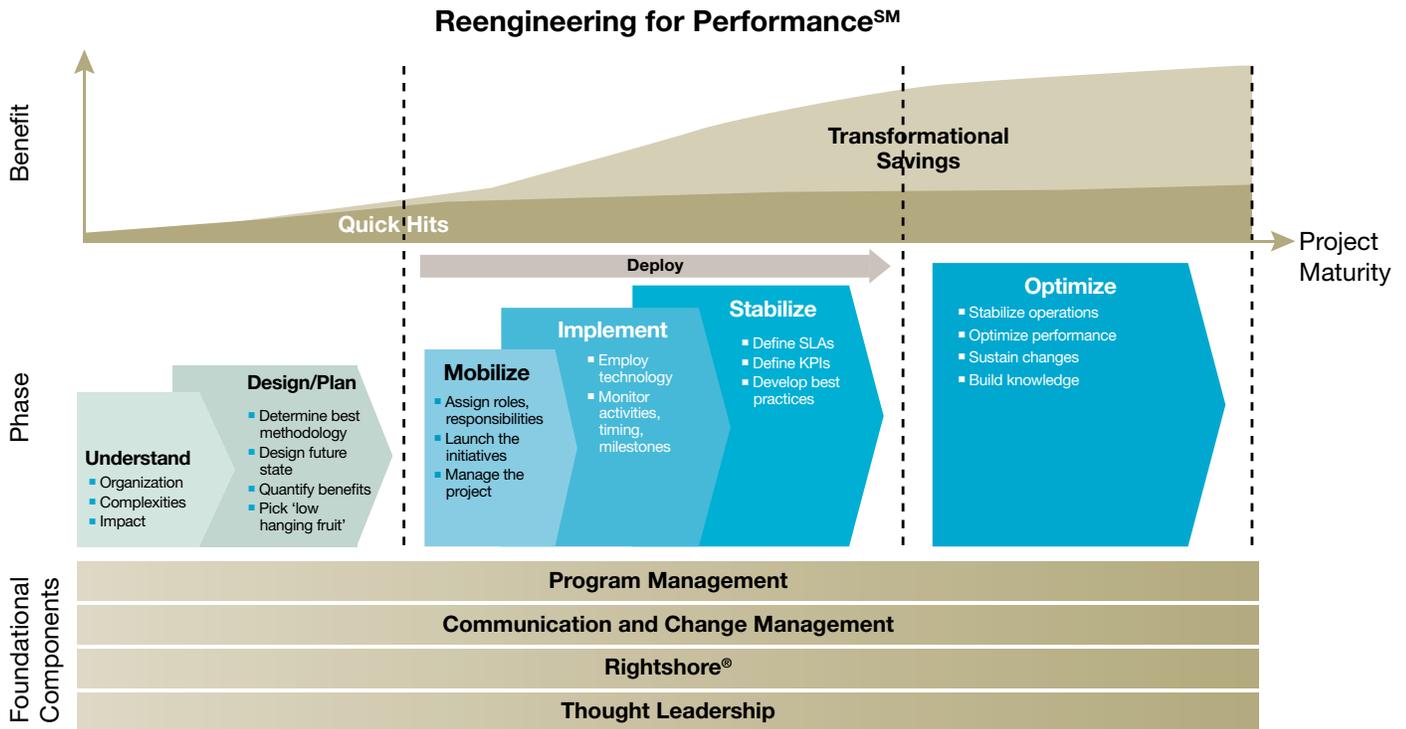
**Deploy:** During the multiple waves of the deployment, we work together to mobilize resources, implement the plan, and stabilize your organization.

**Optimize:** We keep focused on long term objectives by reviewing success factors and metrics to optimize performance and continuously build knowledge.

Cost savings are proportional to the project maturity, increasing with completion of each phase. We realize *quick hits* as soon as tactical cost savings measures are identified, but *transformational savings*—those which truly impact the bottom line—are achieved by implementing strategies defined along Capgemini's Cost Transformation Continuum.



Reengineering for Performance<sup>SM</sup> is enabled by the four key foundational components: Program Management, Communication and Change Management, Rightshore®, and Thought Leadership.



**Capgemini Can Help You**

Capgemini is a global leader in Strategic Cost Transformation. Our industry expertise and experience enables us to identify the complex challenges that your company faces to reduce costs and deliver superior investor value, including:

- **Acceleration**—faster implementation of improvement across technology, business processes and organization by leveraging our collaboration skills
- **Buy-in**—broad-based acceptance through heavy involvement of client personnel by jointly designing solutions and implementing changes

- **Reduced Complexity**—consolidated, standardized, and reengineered platforms and processes
- **Value**—both a top-down and bottom-up models are built to assess the financial impact of the transformation program

Using our proven *Reengineering for Performance<sup>SM</sup>* approach along with the right solution, Capgemini will guide your company in the pursuit of cost transformation opportunities during in these challenging times.

**In Practice: Functional reengineering strategy helps leading Financial Advisory firm transform its finance function and save \$30 million**

Following a spin-off by its parent company, a financial advisory firm with more than 2.8 million clients and \$400 billion in owned, managed and administered assets in 2007 asked Capgemini to conduct a review of its Financial Function to identify areas to reduce cost and improve delivery. A key problem was the fragmented structure of the company's finance operations which was the root cause of its high costs and overall inefficiencies.

Using the Reengineer for Performance<sup>SM</sup> approach, Capgemini employed a customized Functional Reengineering strategy to support our client in the full transformation of its Finance Function.

**The Results**

Together with our client, Capgemini developed a future state operating model of its finance and technology functions; the model included an organizational re-design, process reengineering, and geographic re-alignment. The Finance Function was entirely redefined and processes were standardized and updated to improve delivery.

These transformational changes enabled \$30 million of savings per annum and continuous process improvement and innovation.



**About Capgemini and the Collaborative Business Experience**

Capgemini, one of the world's foremost providers of Consulting, Technology and Outsourcing services, has a unique way of working with its clients, called the Collaborative Business Experience.

Backed by over three decades of industry and service experience, the Collaborative Business Experience is designed to help our clients achieve better, faster, more sustainable results through seamless access to our network of world-leading technology partners and collaboration-

focused methods and tools. Capgemini utilizes a global delivery model called Rightshore<sup>®</sup> which aims to offer the right resources in the right location at competitive cost, helping businesses thrive through the power of collaboration.

Capgemini employs approximately 92,000 people worldwide and reported 2008 global revenues of 8.7 billion euros.

More information about our services, offices and research is available at [www.capgemini.com](http://www.capgemini.com).