

Coca-Cola Enterprises Achieves Major Cost Savings through Finance Optimization Project

Capgemini combines CCE's existing shared services center with a Rightshore® outsourced solution to improve efficiency

The Situation

In early 2007, Coca-Cola Enterprises (CCE) conducted a benchmarking exercise to see how the organization's effectiveness and efficiency stacked up against the competition. With this study they identified that to become more efficient, CCE would need to conduct as much of its transaction processing as possible in a low cost country, either with a third party outsourcer or a captive shared services center. The economic goals were to achieve cost savings of \$20 million per annum in CCE's transaction work, through a finance optimization project.

The Solution

CCE chose Capgemini to implement comprehensive finance and accounting (F&A) solutions throughout CCE's global business to create an efficient process in a cost-effective environment for order-to-cash services, purchase-to-pay accounting, and record-to-report

activities, as well as a comprehensive document management solution.

The transformation project focuses primarily on a joint CCE-Capgemini unique order-to-cash approach, utilizing a best-of-breed credit toolset designed to increase the effectiveness and efficiency of credit and collection departments. This order-to-cash solution is being implemented in all delivery locations and will include collections management, cash applications, route accounting, master data, credit, accounts receivable and customer support services. In addition, the automated credit module enables CCE to apply a single set of approved rules and procedures to every credit decision, improving the efficiency and consistency of the decision-making

“The concept of Capgemini's Rightshore® solution is a definite plus on their side of the ledger.”

Joe Heinrich, Vice President,
Finance Global Initiatives, CCE



process. As part of the implementation, CCE has utilized Capgemini's Rightshore® delivery model to reposition support from its Tampa, Dallas, Toronto, Paris, Brussels and London offices to Capgemini's India, Guatemala and Poland delivery centers.

The Result

The contract with CCE will run for seven years from July 2008, and the total contract value amounts to approximately \$137 million. The partnership will realize the following benefits for their business:

- accelerate the transformation and help achieve near world-class performance through standardizing and streamlining operations
- deploy a global unified solution across all CCE business units to support the business that includes standardization and process improvement while maintaining high standards of control and compliance
- achieve a minimum savings target of 25%
- mitigate risks while transitioning the work and implementing new tools, systems and technologies.

How Coca-Cola Enterprises and Capgemini Worked Together

CCE admits that choosing the right partner for this project was a year-long selection process. What helped the company decide was a solid O2C (order-to-cash) solution and Capgemini already had an established site in Guatemala City where client-facing activities could be based to service North American clients.

CCE had never previously participated in a large outsourcing project. The management had held the belief that the firm wanted to keep its employment within the territories where it does business. However, the company had a change of management 3 years ago which launched a new paradigm of looking at driving effectiveness and efficiency in ways the company had never tried before.

CCE worked in collaboration with Capgemini to determine the maturity and stability of each sub-process within CCE's order-to-cash, procure-to-pay, and record-to-report functions. Based on this, the functions that were farther along in maturity were outsourced to Capgemini; and those that were less stable and mature were carved out of the scope for the initial transition. CCE had previously in 2005 implemented SAP to get a standardized IT model for these processes.

Aligned with its Rightshore® global delivery model, Capgemini is leveraging its experience and expertise in the Guatemala delivery center to provide front-office, customer-facing support for CCE's North American business unit and certain internal CCE services in North America, while Capgemini's center in Chennai (India) also manages significant portions of the requirements as well.

The order-to-cash solution has been implemented in both Guatemala and India delivery locations and includes collections management, cash applications, route accounting, master data, credit, accounts receivable and customer support services. In addition, the automated credit module enables CCE to apply a single set of approved rules and procedures to every credit decision, improving the decision-making process.

At this point the transition is complete, and the total transition period was 14 months. Joe Heinrich, Vice President, Finance Global Initiatives comments: *"We are on track to achieve the targeted savings at the tail end of the transition with Capgemini. Our internal benchmarks have gotten better, and through good people management, we have reduced severance costs"*.



About Capgemini and the Collaborative Business Experience™

Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, enables its clients to transform and perform through technologies. Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working, the Collaborative Business Experience™. The Group relies on its global delivery

model called Rightshore®, which aims to get the right balance of the best talent from multiple locations, working as one team to create and deliver the optimum solution for clients. Present in more than 30 countries, Capgemini reported 2009 global revenues of EUR 8.4 billion and employs 90,000 people worldwide.

More information is available at www.capgemini.com

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In collaboration with



Coca-Cola Enterprises is the world's largest marketer, producer and distributor of Coca-Cola products. Operating in 46 U.S. states and Canada, CCE is the exclusive Coca-Cola

bottler for all of Belgium, continental France, Great Britain, Luxembourg, Monaco and the Netherlands. Sales represent 16% of The Coca-Cola Company's worldwide volume.

For more information visit: www.cokecce.com