

# Application Lifecycle Services

**Capgemini launches a revolutionary family of managed services to simplify your application landscape and realign IT with growing business demands**





# Cut your Costs, not your Potential

The single biggest challenge for most CIOs today is the complexity of their application landscape. Modern businesses run on application portfolios consisting of hundreds of large business applications and thousands of smaller ones, piled together after decades of unbridled building. Together, these applications constitute an urban landscape: an old city with noise, pollution and traffic jams. While it takes the larger share of the budget to just keep the lights on in this old city, modern functionalities are increasingly difficult to implement. To compete, business leaders need supply and demand chains of continually increasing sophistication; but IT has difficulty keeping pace because it is bogged down by overly complex application landscapes and ballooning costs.

Capgemini has launched a new service line to offer CIOs and their businesses a full rationalization

program, taking responsibility for the full application lifecycle for part or all of their application landscape. Although four decades of application expertise are bundled in our new Application Lifecycle Services, the value proposition and impact of the service line are radically new. Capgemini commits not only to take responsibility for the complete operational management of the current application landscape but, in parallel, to drive a multi-year simplification journey with the CIO and business leaders.

## A formidable challenge

In our Capgemini CIO Report 2009, most CIOs identified significant application landscape issues:

- Obsolete technology infrastructure;
- Low productivity;
- Failing point-to-point integration;
- Scattered data;
- Multiple ERP instances;
- Excessive customization.

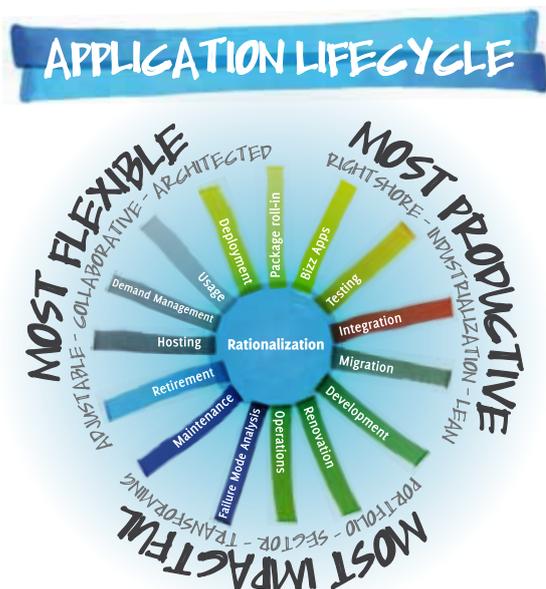
An IT executive of a large UK organization described his challenge recently<sup>1</sup>:

**“We face a highly customized IT landscape, which is inflexible and expensive to manage. Offering new products and services to our customers, costs us a fortune and it takes a long time for us to make changes to those systems... As a business we are undergoing a period of transformation, but IT is potentially becoming a serious barrier to that business transformation....For example, we’ve got a lot of SAP in our landscape – far too many instances of SAP, and they are massively customised...”**

Meanwhile, business leaders have a clear shopping list they would like their CIO to provide:

- Reduced Total Cost of Ownership;
- Much faster TTM (time-to-market);
- Better alignment of IT and business;
- Proven ROI (Return on Investment);
- Savings to fund improvements;
- Shift IT spend from Capex to Opex.

The CIO is caught in a Catch-22 situation, needing to cut cost and deliver more value and to do it now. We seem to have reached the limits that the hand-crafted, self-orchestrated IT of the final quarter of the previous century can achieve. Capgemini’s Application Lifecycle Services is based on a new paradigm and a new commitment in order to break the mould.



<sup>1</sup>Information Age, March 2010 -

<http://www.information-age.com/channels/management-and-skills/features/1205563/qanda-royal-mail.shtml>

### Building a new city in the old city

The key to a cost-effective and responsive application landscape is continuous rationalization that requires a broad array of rationalization strategies to handle different points of departure and varying business ambitions.

Capgemini's global Application Lifecycle Services is a managed service to build the new city in the old city. It is based on a comprehensive and integrated family of solutions that encompasses the entire lifecycle of an application landscape: from application conception, design, deployment, service, renewal, to disposal. Most importantly, a series of robust industrialized delivery models allow businesses to move away from the escalated cost of hand-crafted IT.

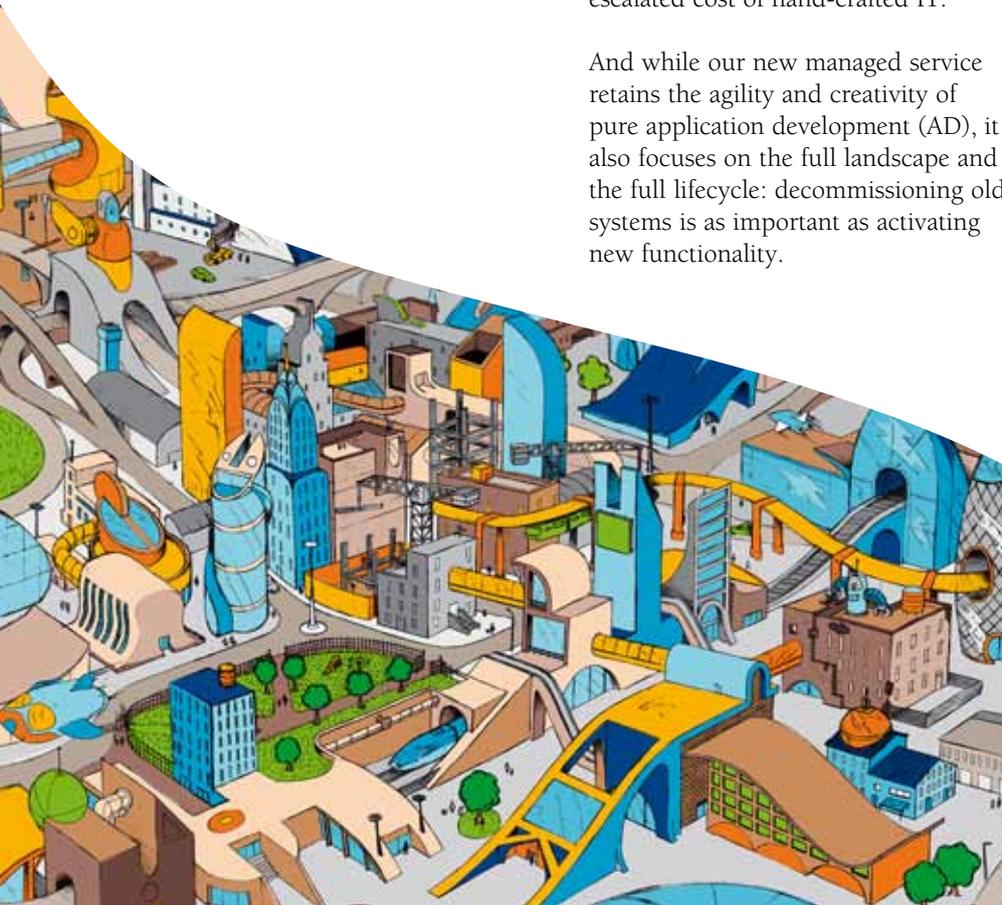
And while our new managed service retains the agility and creativity of pure application development (AD), it also focuses on the full landscape and the full lifecycle: decommissioning old systems is as important as activating new functionality.

It maintains the service-level focus of application outsourcing (AM) but goes beyond the static nature of classical maintenance services.

Every business has its own characteristic application landscape and our new managed service takes every client on a unique simplification journey. However, contrary to the classical application development and maintenance approach, which tends to translate business requirements in one-off applications and over-customized industry packages, our rationalization approach drives towards simplification, standardization and industrialization. The pivotal point is to avoid burdening the business with costs that can't be mutualized and with applications that by default do not move forward.

The differentiating power of our Application Lifecycle Services approach comes in three:

- **Sharp commitment:** the ability to deliver immediate benefits through a managed service;
- **New paradigm:** a wide-angle approach targeting the full lifecycle and the full landscape;
- **Powerful assets:** an unparalleled set of solutions and accelerators to drive rationalization.



**Sharp commitment: the ability to deliver immediate benefits through a managed service**

Our Application Lifecycle Services commitment is based on three clear promises. With Capgemini taking over responsibility for your application landscape for a period between 3 and 5 years and with the right mandate and effort from the client organization, we will typically realize improvements of up to a third in three foundational dimensions: productivity, agility, and impact. Not all improvements will kick-in immediately, but our pricing models will pass on cost savings from day one. For each of the three promises we have identified three essential topics that – if handled properly – lead to the targeted outcome. To deliver on our promises, we leverage a unique solution library for these nine (3x3) topics.



To ensure that the targeted outcomes are met, at the start of the rationalization program we provide a “CIO cockpit” which measures the

base-level, the ambition level and current state for each of the nine signature topics.

Most Productive	Most Flexible	Most Impactful
<p>Our global sourcing model along with consistent industrialization can secure a reduction in your application costs of up to one third or more. This comprises:</p> <ul style="list-style-type: none"> <li>▪ Rightsshore® delivery: applying the right specific mix of local and international sourcing, to offer you with the lowest costs with the best capabilities;</li> <li>▪ Superior Industrialization: through standardization, reuse and self-automation in application development, testing and maintenance to reduce costs and increase quality;</li> <li>▪ Lean principles applied to deliver continuous improvement of applications, innovate and simplify for a reduced number of tickets, shorter response times and better functionality.</li> </ul>	<p>Application Lifecycle Services provides variable application costs and adaptable business services to improve your agility with an end-to-end time reduction of up to one third. This includes having</p> <ul style="list-style-type: none"> <li>▪ Adjustable scope of services that meets your business needs while complying with budgets and responding to quickly changing market circumstances;</li> <li>▪ Collaborative-governance that leverages our ‘One Team’ approach to ensure effective communication, business-aligned SLAs, the shortest time-to-market and mutual trust;</li> <li>▪ Architected for change, steadily building a much simplified, flexible applications platform applying standard solutions, SOA, and cloud-based delivery.</li> </ul>	<p>Application Lifecycle Services closes the circle from IT to business which boosts value and increases your potential with up to one third. This includes:</p> <ul style="list-style-type: none"> <li>▪ Portfolio Management of initiatives, applications and vendors to allow the business to focus on core activities while being briefed on performance and improvement potentials;</li> <li>▪ Specialized sector solutions that are based on global best practices and reuse, to maximize the business impact of processes and applications;</li> <li>▪ Powering transformation by managing the application lifecycle from the business perspective to provide measurably more head room for innovation and growth.</li> </ul>

### A New Paradigm: Full Lifecycle, Full Landscape

The classical application lifecycle perception is built around a clear separation between application development and application maintenance, often with different teams or different providers taking care of these activities.

While our application lifecycle is much more granular and allows for a deeper industrial division of labor, the various activities are driven by a common rationalization logic and performance management to avoid silo behavior.

And while a linear sequence doesn't exist, we distinguish the following elements in the lifecycle:

## APPLICATION LIFECYCLE



- Usage:
  - The most neglected dimension in the lifecycle, comprising the following activities: Application Usage Optimization; Application Demand Management; Process-Application Alignment (Bizz Apps).
- Construction:
  - The traditional AD shifting from manual build to configuration: Application Architecture Design; Application Development; Application Testing; Application Implementation (Deployment); Package Roll-in.
- Evolution:
  - The traditional AM shifting to iterative improvement: Application Migration; Application Renovation; Application Maintenance; Failure Mode Analysis; Application Retirement.
- Operation:
  - The last dimension most affected by changes in the business process and infrastructure layers: Application Operations; Application Hosting.

The engine in our lifecycle is a continuous, value-driven rationalization effort. How to improve ROI and TCO? How to speed up response? How to increase business impact? For most business fields such an approach is business as usual. However, the truth is that the application value chain is not commonly run as a standard business in too many companies. The objective of our Application Lifecycle Services is simple: let's base our activities related to the application landscape and lifecycle on principles of value management and service architecture.

## Usage

- Application Usage Optimization. A classical business-IT gap stems from a lack of attention to how users get the most out of their applications. Capgemini has a specialized portfolio of services that optimize application usage and support business KPIs and processes.
- Application Demand Management. Unfortunately, the main focus in the application value chain tends to be the technical domain, whereas the management of business priorities and application requirements is often less developed. Capgemini can leverage deep client expertise and a full set of services in this area.
- Process-Application Alignment (Bizz Apps). In the old days processes were translated into applications but now applications and processes are fully intertwined and global best practices are often encapsulated in packages. Capgemini has process models for most sector-domain cross-sections and application templates for a flying start.

## Construction

- Application Architecture Design. In the 2.0 world the essential definition of applications changes. Functionality that used to be built in applications has shifted to other layers in the architecture and what used to be internal to the enterprise is now shifting outside its frontiers. Capgemini is a leader in SOA thinking and acting.
- Application Development. With an unsurpassed legacy in the traditional core of the applications value chain, Capgemini still leads the pack in this area. Our Advanced Development Centers contribute to new waves such as extreme programming and open source systems.
- Application Testing. In most IT departments testing is not yet industrialized. Capgemini is the leader in application testing and operates a network of industrialized offshore testing centers. We operate an extensive library of methods, tools and solutions and no other provider has more specialized testers than us.
- Application Implementation (Deployment). Capgemini ensures the quality and consistency of application implementation through effective management and highly industrialized processes. These are supported by sophisticated software tools and expert resources as well as specialized methodologies for all major packages.
- Package Roll-in. By now the lion's share of application functionality is contained within package-based solutions which require a different dynamic to traditional custom development. Capgemini provides the strategic direction needed to capitalize on these solutions, enabling customers to make informed decisions, reduce IT cost and complexity, and increase performance and security.

## Evolution

- Application Migration. Many organizations depend on decades-old applications and, while these are often stable high-performing tools, lack of knowledge of how they work can be a risk to business continuity. Capgemini has a complete legacy application modernization approach covering all relevant from-to combinations.
- Application Renovation. As more and more intelligence is accumulated in the existing landscape, it becomes more relevant to recycle and renovate applications to fit within new architectures. Capgemini has a full toolkit to revitalize apps to increase usability and maintainability.
- Application Maintenance. Most of the lifecycle effort today is spent on maintenance of existing applications, not on the development of new ones. Yet, most handbooks focus on green field development. Over two decades, Capgemini has developed the art of maintenance into a science.
- Failure Mode Analysis. One of the most interesting areas in a lifecycle is to learn from the behaviour of running applications. Root cause analysis of problem tickets is an essential contributor to continuous improvement. Based on experiences in many engagements, Capgemini has developed leading insights in this area.
- Application Retirement. Probably the least addressed step in the lifecycle is decommissioning and, as a result, old applications die hard. Capgemini has leading insights, methods and tools to identify retirement targets while ensuring that stakeholder concerns are addressed.

## Operation

- Application Operations. As emphasis shifts from the applications themselves to their usage and to the information they operate on, this area (though often not sharply defined) grows in importance. Capgemini has a wealth of experience in how to better organize this part of the lifecycle.
- Application Hosting. As public and private clouds emerge and enter application landscapes (often driven by the business community) it is essential to rethink the role of application hosting. Capgemini has a thorough but practical view on this topic helping to shape that journey.

## New Assets: A Unique Set of Accelerators, Solutions and Enablers

Capgemini has developed an impressive set of *accelerators* to help rationalize your application landscape. Accelerators can include solution templates, reusable objects, test scenarios and industry reference models. There is a focus on bringing connectivity and easy access to processes, content, assets, subject matters experts, and physical and virtual environments.

Specific examples include TechnoVision, used to drive innovation from IT into the business, and our world-renowned network of Accelerated Solutions Environments, that provide customer and Capgemini teams with a creative work space combined with a unique methodology to bring together all key stakeholders and expedite the creation of solutions to meet aggressive timelines.

Capgemini is launching a series of *solutions in 2010* within the framework of Application Lifecycle Services. Especially powerful in this context is our Wide-Angle Application Rationalization Program (WARP1), launched at the beginning of the year. This program helps you to make a quantum leap after a senior team of Capgemini value engineers, architects, and business modelers join your team. The WARP1 team is equipped with a unique library of diagnostics and solution hypothesis, to provide you in 6-8 weeks with a rationalization design, a rock-solid business case, and a pragmatic roadmap enabling you to act.

We have also launched “SAP Lifecycle”: a managed service that will rationalize your SAP landscape and offer you the fastest path to the powerful world of Business Suite 7. With SAP Lifecycle we have introduced a new and special way to deliver SAP business functionality to our clients, replacing the old “one-shot implement and pay” approach with a “subscribe to improve non-stop” service. SAP Lifecycle is designed to give our clients control over the cost and scope of their SAP implementation.

### Examples of Accelerators

- TechnoVision is Capgemini’s way of mapping technology trends to determine which ones meet the needs of a particular business or industry. TechnoVision simplifies the complexity arising from the rapidly growing number of technology innovations. It pursues two objectives: providing a clear picture of the information technologies that are the most relevant to users and shedding light on how these technologies and their evolution will impact business.
- RApid INnovation (RAIN) is a dynamic, open environment helping you to discover, develop, and deliver sustainable new business models. Its goal is to help companies unleash business value from the constraints of traditional IT. RAIN is uniquely designed to help organizations envision and embrace the future. It brings leading IT giants and pioneering software vendors together to focus on specific business challenges, and then find, build and implement a tailored solution.
- Accelerated Solutions Environments (ASEs) are exceptionally productive environments and first-class facilitation capabilities used to rapidly resolve complex business challenges. Our global network of ASEs has worked with hundreds of organizations on a wide range of business issues to address challenges and issues facing business leaders. ASEs are particularly successful in enabling success and delivering benefit when the project or program is complex, involving multiple stakeholders across business units, geographies or organizations
- Rapid Design Visualization (RDV) is an interactive tool that allows clients to see, challenge, and explore options and modify and validate future state solutions for their business’ high-risk areas. It’s a highly innovative approach that enables us to simulate what a system will look like and allow rapid changes to be made to any part of the system, providing real business benefits.
- Sector models. A good example is the Capgemini Retail Solutions Center (CRESCENT), a pre-configured template on the SAP Retail platform for food and fashion retailers with a repository of more than 100 re-usable objects for SAP Retail and AFS. With a set of 600+ “ready-to-go” test scenarios and scripts, and a network of Retail Subject Matter Experts, there are potential savings in implementation effort of 30-35 percent and 15-20 percent in effort per problem ticket. Based in our Center of Excellence in Kolkata, CRESCENT provides reusable objects, an applications management ticket repository and “ready-to-go” test scripts.

An equivalent set of managed services is being launched for Oracle as well, opening up the path to the bright perspective offered by Fusion.

**All our activities in the Application Lifecycle Services will leverage a powerful set of enablers** that

Capgemini has shaped to service our customers. We have developed a powerful set of lifecycle instruments, including collaborative governance formats, architecture frameworks, development enablers and continuity and de-commissioning technologies. Taken together, Application Lifecycle Services is a best-practice framework that has been developed from collective experiences that we have gained from thousands of successful projects. The service is available in all major geographies and, by being platform agnostic, we can deliver value across all mainstream technologies.

No doubt the most important enabler behind our Application Lifecycle Services are our 90,000+ consultants, engineers, architects, and project managers who are spirit and body behind this shift in paradigm from classical application development and application maintenance to landscape and lifecycle thinking and continuous rationalization. In the first half of 2010 alone, we will train 5000 people in our Group in the new concepts, methods, and tools.

#### Examples of Enablers

- **Established Methods.** Our established methods not only mean that we ensure that we do not “re-invent the wheel” but also that we bring the power of industry-standard methods and leverage experience gained with our existing clients. Some examples include our powerful, PRINCE-aligned program management method, Deliver; architecture methods TOGAF and IAF; SEMBA (our business process analysis standard) and IT process models such as ITIL and COBIT.
- **Industrialized capabilities.** To ensure that Application Lifecycle engagements are most productive, we use our industrial capabilities, such as our Rightshore® Delivery Center Network and our global network of Accelerated Delivery Centers.
- **Global delivery.** Capgemini’s Global Delivery Model (GDM) defines a company-wide standard for delivering projects and programs globally. GDM aligns all phases of a project, through tools and methods, client relationship management and team management into a common approach eventually providing references and resources for training and certification. This holistic approach offers the freedom to use all the resources and assets available in a common delivery framework.
- **Our Partners.** We are working with our major alliance partners such as SAP, Oracle, IBM, HP, and Microsoft to customize our framework and toolset for application landscapes with a backbone in these technologies. The technologies involved will depend on our client needs, ranging from Java-type development, packaged solutions from our alliance partners through to management of legacy solutions in 3rd and 4th generation programming languages. With Microsoft, we offer specific services to rationalize the increasingly vital collaboration layer in the landscape. With HP, we offer sophisticated services to facilitate application decommissioning and retirement. With IBM, we offer effective offerings to facilitate legacy application modernization.

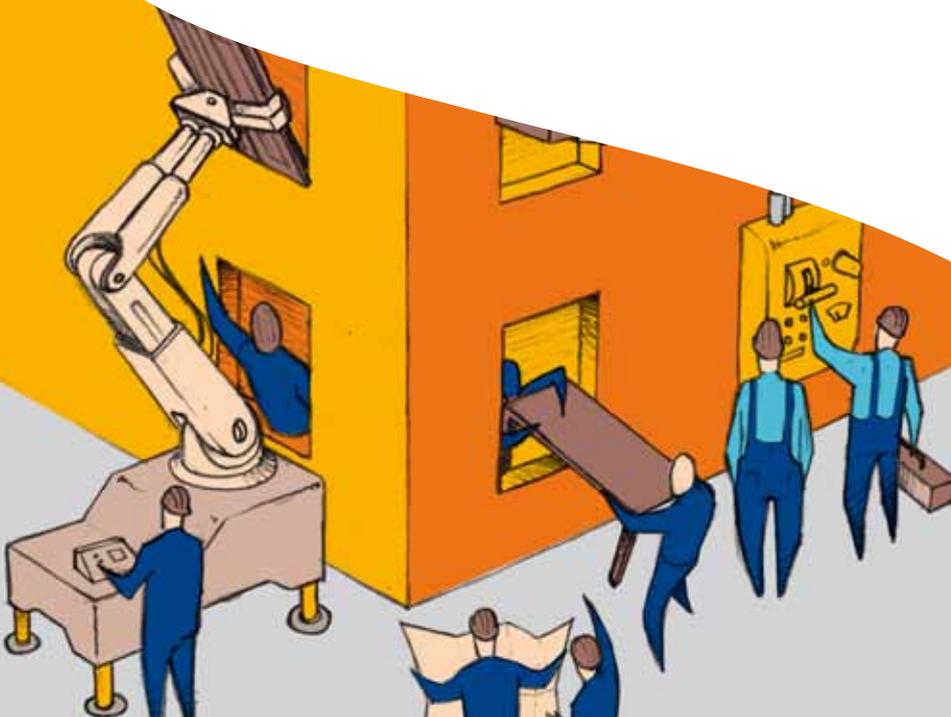
### Why choose Capgemini?

As a global IT leader with its roots in applications for four decades, Capgemini has stepped up to deal with the largest single challenge for CIOs: the complexity of the application landscape. We have decided to revisit our entire heritage in this new paradigm which revolves around landscape, lifecycle, continuous rationalization, and a drive for business value. In short, we are passionate about working with our clients to improve their potential while reducing their costs.

No other provider has been as consistent over the years in developing new, next-generation engagement and delivery models in response to the changing demands of our customers. No other provider has worked as hard to build up the professional skills to bring this alive. Our passion is to restore the historical role of applications as generators of business value and to liberate businesses from unbearable complexity.

**Contact us** to have a discussion about maximizing the value of your current application landscape and leveraging Capgemini's thought leadership and the managed services that translate this new thinking in radical commitments.

For more information about how Capgemini's Application Lifecycle can help you to cut your costs and realize your potential, please contact: [applicationlifecycle@capgemini.com](mailto:applicationlifecycle@capgemini.com)



### UK Ministry of Defence (MOD)

The UK MOD wished to reduce costs by 20 percent while improving performance and becoming a modern knowledge-based organization. This was achieved within an impressively short time by reconfiguring architecture to provide a wide range of new services.

**“The DECS service has delivered many cost saving and time-saving efficiencies at the MOD over the last eight years and I am pleased that Capgemini, who have consistently exceeded the very high service levels that we demand, will continue to work with us in the years to come. I look forward to continuing the highly collaborative partnering arrangement with Capgemini that has delivered real innovation in the way we work, both internally and with our defence and other industry partners.”**

John Taylor  
CIO, UK MOD

### Domino Foods, United States

When Domino Foods and Florida Crystals Corporation (FCC) - which had acquired an interest in Domino - implemented SAP® as their core transaction system for an array of functions from HR to plant maintenance, a whole new set of challenges emerged. Domino Foods and FCC created business processes to support unique business operating requirements, enhance customer service, sales and marketing functions. They also realized self-service access to shipping and billing information, and reduced operating costs, improved service levels, increased operational capabilities and maximized ROI. A low-cost technology structure and a world-class SAP infrastructure emerged.

**“Ask anyone who has outsourced their IT services and systems. Integrating and managing a portfolio of suppliers leaves the door open to a whole host of problems. As a single-source provider with a highly integrated suite of services, Capgemini offers the accountability and clarity necessary to deliver superior results.”**

Don Whittington  
CIO, Domino Foods, Inc

### Euroclear, Belgium

In late 2008, Euroclear decided to outsource the maintenance of its non-core business application packages (three out of these were already supported by Capgemini). Capgemini demonstrated a smooth collaboration between current onsite teams and future offshore teams, significantly lowering business continuity risks.

**“Capgemini’s innovative approach, using a tailored global delivery model and an effective level of industrialization to the Packages maintenance activities, ensured us a good level of collaboration and flexibility, with Service Level Agreements that are customized to reflect our business priorities.”**

Wim Claeys  
Executive IT Director, Euroclear



## About Capgemini

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](http://www.capgemini.com)

Rightshore® is a trademark belonging to Capgemini



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