The World is Changing
2006

Digital Business Networks (DBNs) create specialization in the ecosystems

The rise of networked global business models:

- Traditional: Unidirectional, serial flow of activities from suppliers to customers across stovepipe firms
- Transitional: Internal processes begin to span organizational boundaries in all directions
- Networked: A digital supply network of dynamic trading relationships

January 20, 2006, Forrester Big Idea “Digital Business Networks”
New Demands of Value Creation

- The Need for an Experience Network
- The Need for Intelligent Products/Services
- The Need for Dialogue, Access and Transparency
- The Importance of Consumer Communities
- The Need for Real Time Action
- The Need to Cope with Heterogeneity and Complexity
- The Need for Alliances
- The Need for Rapid Reconfiguration of Resources

Technology Infrastructure is Strategic

The Basic Transformation

Suppliers → The Firm → Channel

SCM  ERP  CRM

Nodal Firm
The Systems Implications

Business World Today

Complexity

Rapid Reconfiguration of Resources

Contextual Knowledge

Organizational Information Silos

Rapid Consensus Building
The Line Managers’ Problem

- Complexity:
  - Intensity of competition, # of models, # of suppliers, cycle time, global logistics, plant configuration, recalls, …

- Rapid Reconfiguration of Resources
  - costs of coordination, Interdependencies

- Contextual knowledge
  - Where, what, when; Actionable Insights

- Rapid Consensus Building
  - Multiple organizations, levels, Decentralized Resources

- Organizational and Information Silos

The Emerging Disconnect I

<table>
<thead>
<tr>
<th>Line Managers</th>
<th>CTO/CIO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value Creation</strong></td>
<td><strong>System Efficiency</strong></td>
</tr>
<tr>
<td>Under rapidly evolving markets: Need for <em>Innovation, Flexibility and Speed</em></td>
<td>Legacy Systems, Transaction Orientation, Quality of Data, “Efficiency” of Infrastructure</td>
</tr>
</tbody>
</table>

Value Creation System Efficiency
The Emerging Disconnect II

Line Managers

Pressure for New Applications, Unique Solutions, Speed of Implementation, Real ROI

Value Creation

CTO/CIO

Prepackaged Solutions, Expensive Customization, Cost, Time Overruns, Multiple Standards, Application Software—Battle Ground for Large IT vendors?

System Efficiency

IT is expending everywhere
IT is expanding everywhere!

Internet evolution – Web 2.0

Elements of the Web’s Next Generation

Source: http://web2.usq2.com
Internet evolution – Web 2.0

- Real-time interactions
- Self-perpetuating
- A new Generation

SOA is key to Financial Institutions
SOA is key to Financial Institutions

**Before**: Product centric model

- Customers
- Third party
- MORTGAGE
- CONSUMER LOANS
- PERSONAL ACCOUNT

**After**: Customer centric model

- Customer
- Distributor
- Reduce cost
- Differentiate
- Real time intelligent interaction

- Mortgage factory
- Third party
- Consumer Loans factory

*New customers can be acquired and served at a marginal cost*

---

**Standard business processes and off the shelf web-services**

Gap analysis made on standard business processes

Target: from 3000 loan approvals analysis/year to 10 000/year

- Commercial Off The Shelve
- Standard component
- Component > 70% covered by Capgemini

---

**Channels**

- Mortgage
- application
- Mortgage
- execution
- Intermediary
- management

- Mortgage
- application
- Mortgage
- proposal
- Product
- management

- Mortgage
- contract
- Client
- management

- Risk
- management

- Mid Office
- Mortgage
- contract
- Mortgage
- execution
- Intermediary
- management

**Back Office**

- Contract
- management
- Contract
- continuation
- Payment
- management
- Arrears
- management

**Orchestration**

- Service bus
- HDN
- GIM

**Re-use off the shelf web-services**

- Authentication
- Work flow
- Email
- Auditing
- Reporting
- Generic Services
- All finance services
- Mortgages & Loans services
- Other domains

**Generic Services**

- Authorization
- Batch
- Validation
- User
- Login
- Reporting
- Print

**Banking Products**

- Transaction
- Collateral
- Product
- Execution
- Risk
- Management
Use automatic code generating engines

- Technical mark-up (independent of model versions & patches)
- Bridge for code generation
- Logical 2 technical naming

1. Review
2. Platform Specific Model (PSM)
3. Information System Model
   - UML Class & Sequence Diagrams
4. Database Model
   - UML2DDL
5. Code
   - Complex
   - Core Code
   - Data Access Layer
   - State Behavior
   - Simple CRUD
6. Deploy
   - Structural quality of system is enforced by generator
   - Deployed components and database
7. DB Create
   - 72% of total code is generated from Platform Specific Model

Responsibility:
- Business Capgemini NL
- Capgemini INDIA
- Operations

Distributor: differentiate by leveraging your business expertise thanks to technology

Front End
- www
  - @
  - Marketing
  - Branches
  - Call Center
  - Partners

Distributor Middle Office

Back Office
- Factories

Loan approval
- Risk
  - Customer database
  - Third party database

Marketing
- Pricing and Offer configuration
  - Simple-complex offering
  - Multi-channel

Risks
- Approval
  - Scoring
  - Simulation
  - Pricing
  - Proposal

Contracts management
Business Rules (JRules) – Easy configuration

8 months, start January 2006, 2000 branches deployed YE 2006, 150,000 loans approved to date
A Consumer Loan Bank launched, with outstanding results
Extension to Europe signed…. 14m€ for Capgemini

Front Office Customization
Customized and real time intelligent customer service

Technology brings real time data
Technology Services transform data into intelligent information at a lower IT cost enabling customers to win market share.

SOA is not in the early adopter phase anymore, the risk is to be left behind
Most customers will look for the Safe Buy.
“Business” Model Driven Solutions (MDS)

Cheaper, more accurate and re-usable
• Cheaper
  - Rightshore
  - OSS
• More accurate through integrated models
• Re-usable models
• Differentiation: “Intentions”

* Client buys:
1. Business Models &
2. Factories to generate source code

A DBN view of Software Ecosystems

A Hypothetical Software Vendor’s Networked Ecosystem

Major software vendor

Ultimate customer

- System integrator partnerships from Accenture, BearingPoint, Capgemini, Deloitte, EDS, Fujitsu, Hitachi, Infosys, Satyam, TCS and Wipro
- Third party financing from Key Financing and Siemens
- Managed application services provider
- Indian business process outsourcing
- ISV partner or resellers

Middleware platform from IBM WebSphere and Microsoft VS.NET

Analytics and reporting platform from BO Cognos, Hyperion, and SAS

Database relationship with IBM DB2, Microsoft, Oracle, and Sybase

Storage technologies from EMC and IBM

Office productivity integration with Microsoft and IBM

Vertical application development from Infosys, TCS, Wipro and HCL

Hardware platform: certification with Sun, IBM, and HP
Design Capgemini’s DBN Ecosystem

A Hypothetical Scenario of Capgemini’s Networked Ecosystem

Analytics and reporting platform from SAS, Qusayr, Hyperion, and SAS

Middleware platform from IBM WebSphere
Oracle Fusion
Middleware and Microsoft VS.NET

Database relationship with IBM DB2
Microsoft, Oracle, and Sybase

Office productivity integration with Microsoft and IBM

Hardware platform certification from Intel, EMC, HP, IBM, Sun

Vertical application development from Infosys, Wipro, and Wypro

System integrators partnerships from Accenture, EDS, Deloitte, IBM Global Services, Infosys, Satyam, TCS, and Wipro

Ultimate customer

Third party financing from Key Financing and Siemens

Indian business process outsourcer

Managed application services provider

ISV partner or resellers

Managed application services provider

Conclusion: it's time for 2.0

1. We enable our clients to answer the needs of their own clients…

2. …while decreasing the cost of production…

3. …and transforming the employees of our clients into salesmen.

4. Capgemini is their gate to the Intelligence economy

Capgemini, Lead the pack
Our Mission:

Capgemini enables its clients to transform and perform through technologies.