ERP Run for Manufacturing

A Step-Change To Managing Your ERP Applications

Today's manufacturing companies face significant challenges in highly competitive environments. These challenges include increasingly complex global supply chains; outsourced manufacturing and distribution; and customers demanding shorter lead times, greater order flexibility, and vendor-managed inventory, all while managing operational costs. Additionally, many manufacturers are plagued with fragmented, inflexible processes and systems; a lack of functional collaboration inside and outside their organization; and are often hampered by inadequate, obsolete planning and forecasting capabilities.

Numerous manufacturing companies are looking for an ERP solution that will act as the backbone for integrating their processes and systems. As ERP platforms have evolved from highly capable, heavily customized business solutions to standardized and mature ERP suites, many manufacturers face a dilemma. Does one use a step-change approach to implement a closely aligned ERP platform to support growth and risk disruption and associated expenditure; or continue with a program of incremental changes that support the dynamics of today's business and risk system complexity and fragility?

The answer: create long-term business flexibility through service-oriented ERP starting with a step-change in managing your current applications.

Capgemini's ERP Run is a flexible service that, in the context of a long-term transformation, delivers measurable business value through greater cost containment, support for growth and better alignment of IT to the business. ERP Run combines applications maintenance and support, hosting, utility pricing, upgrades and healthchecks to support your business today, while adding on-going service evolution to better support it tomorrow.

Companies using SAP and Oracle (including Siebel, PeopleSoft, E-BusinessSuite, Retek, JD Edwards and other Oracle suites) are able to safely and securely evolve these critical systems towards a more business-focused and dynamic Service-Oriented Architecture (SOA) platform.

Cost-Effective Management of ERP Services

Unlike rigid fixed-price contracts, Capgemini's ERP Run service bundles infrastructure, operations and applications with cost-effective and flexible pricing models (for example, user/capacity based) on a monthly basis. As a result, pricing fluctuates with your usage. Engagements could cover implementation and running of a new ERP solution, management of existing applications, or rationalization of an existing SAP or Oracle platform. It could be completely outsourced or gradually transitioned. Once the contract is established, dynamic Service-Level Agreements adjust support, so the initial cost reduction and service improvement do not erode over time.

By blending the applications management and application development skills of our global

experts, we learn how your business operates in order to move the application in step with the changing demands of your business. Traditionally, treating ERP applications in a support-only role meant considering ERP as a legacy system and the initial investment as sunk cost. However, Capgemini can help you use ERP applications as a platform for continual innovation, modernization and business transformation – delivering ongoing and added investment value. We provide hosted, managed service innovation in this way for major global organizations, helping them achieve a number of key benefits.

For example, by keeping their systems updated, best-in-class manufacturing companies realize reductions in inventory, operational and administrative costs as well as improved complete, on-time shipments and improved manufacturing schedule compliance[1]. In addition, such best-in-class companies are more likely to operate on the latest software release and to be more up-to-date than other companies[2].

Sustainable and Continual Change

Our collaborative approach is at the heart of our ERP Run service and it is what helps us deliver not only a cheaper and faster experience, but also better and more innovative support.

Customization of traditional ERP applications has always been fraught with problems. Modification of the current generation's solution can make upgrades difficult or impossible. Capgemini keeps your ERP environment aligned with your business needs using Innovation and Impact Analysis Workshops to provide blueprints for ERP upgrades. Our Service-Level Agreements also have built-in flexibility to keep your ERP

[1]"The 2007 ERP in Manufacturing Benchmark Report," Aberdeen Group
[2]ibid

service synchronized with your changing business needs.

Capgemini implements a business-centered support structure and takes advantage of middleware to provide a safe and effective mechanism for customization, without inhibiting upgrades. To facilitate this, Capgemini creates clear Business Service Architectures that represent the core functionality of ERP applications. We then use these architectures to determine how the change should be integrated into the system, whether via the delivery of a new business service, or by extending an existing service. The ability to evolve the application both in technology and business terms ensures that you are continually tuning the application to better meet the needs of the business.

This business-aware view helps Capgemini move in pace with both the evolution in ERP applications and the changes demanded by business growth. By using domain experts and a blend of on and offshore support customized to your level of business change, this approach helps deliver lower total cost of ownership (TCO) and a higher degree of assurance that money invested today will yield the right returns tomorrow.

ERP Excellence
Our global ERP experience is truly world class. We have more than 5,000 SAP experts and more than 5,200 Oracle experts covering Core ERP, Business Intelligence, CRM, EnterprisePortals, HR, NetWeaver, Supplier Relationship Management, SCM, E-Business Suite, PeopleSoft, JDE, Siebel, i-flex and Oracle and SAP databases and middleware. Our experience spans the globe throughout the Americas, Europe and Asia Pacific, and crosses major sectors and industries, including manufacturing, high-tech, automotive, and aerospace. Our strong partnerships with both SAP

and Oracle have been running for more than 10 years - we hold SAP Gold Partner and Oracle Certified Advantage Partner status. According to industry analysts, Capgemini is a "leader" in implementing ERP solutions.

Furthermore, Capgemini's methodologies, accelerators, Collaborative Business Experience and strong Rightshore® capabilities set us apart and enable us to provide significant value to our clients. Applications are designed, built and supported from Capgemini's Accelerated Solutions Environments (ASEs), Accelerated Delivery Centers (ADCs), Applications Management Service Centers (AMSCs) and Infrastructure Management Service Centers (IMSCs).

Capgemini is ISO-90012000, ISO-27001 and CMM certified. Our ERP Run service is in line with SAS70 regulations.

Delivering Now – Preparing for the Future
Delivering ERP Run services in the context of a transformation forms a part of Capgemini's approach to full lifecycle solutions. We can lay the foundation for migration for a more flexible Service-Oriented Architecture by supporting and maintaining current ERP applications from a business service perspective.

Capgemini provides these facilities within a utility-based pricing model that gives organizations a sustainable business solution to overcome the challenges of maintenance, change and migration.

We can maintain applications in line with the business service architecture, and define and implement the evolution map of those applications to offer Service-Oriented Architecture benefits, including significantly greater collaboration with other internal and external systems.

Capgemini thrives on collaboration and delivering tangible business improvement. Reflecting that commitment, our ERP Run solution creates long-term business flexibility through a step-change in managing current ERP applications.

To find out more about how our ERP solutions can help your organization, visit http://www.capgemini.com/application-outsourcing

"Capgemini is known for its Collaborative Business Experience. In 2007, Capgemini was ranked first among 336 Application Outsourcing (AO) vendors around the world in an independent survey by Brown-Wilson Group, authors of The Black Book of Outsourcing."

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—and through a global delivery model called Rightshore®, which aims to offer the right resources in the right location at competitive cost. Present in 36 countries, Capgemini reported 2007 global revenues of EUR 8.7 billion (approximately US $12 billion) and employs over 83,000 people worldwide.

More information is available at **www.capgemini.com.**

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