

# Outsourcing: IT

## Midsize Companies Think Big

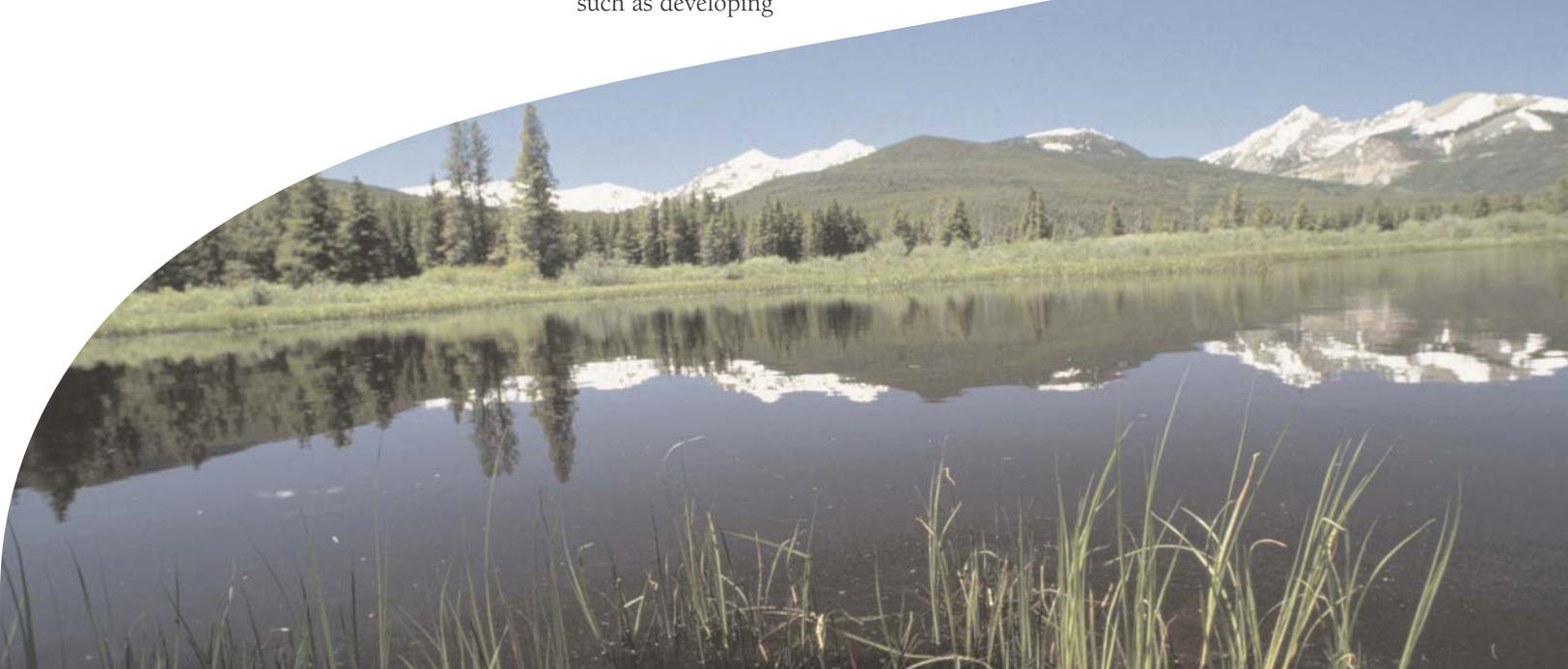
With every new generation of technology, IT becomes more critical to a company's success. And as they strive to take advantage of IT's potential, IT executives have to pay close attention to both strategic and tactical issues. They have to make sure systems are up and running on a daily basis, and they have to ensure that the technology is ready to meet evolving business needs — today, tomorrow, next year.

That's no simple task. Growing workloads and the demands of day-to-day operations have made it difficult to devote time and resources to enhancing technology. Systems have become increasingly sophisticated and complex, hindering the IT department's progress through tactical activities, and slowing the delivery of new systems. Indeed, more than 80% of today's IT budget goes to simply keeping things running — backing up databases, maintaining servers, supporting end users. Less than 20% goes to strategic activities, such as developing

new applications needed to exploit fast-moving business opportunities.

Capgemini helps companies recast that formula with its strategic, collaborative approach. Through a variety of tailored outsourcing arrangements, we have enabled companies to shift people and resources from tactical, day-to-day operations — and have focused them on keeping IT aligned with the business. The result: improved IT performance and cost reductions of up to 30%.

Outsourcing has long been used by Fortune 500 corporations to control costs and enhance IT operations. But for many midsize companies, it has been out of reach. Capgemini focuses on bringing the proven benefits of outsourcing to midsize companies, providing a full range of



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infrastructure and application services — and providing an agile, affordable alternative to the rigid and expensive agreements typically offered by large outsourcing mega-vendors. Indeed, we find we can provide midsize companies with the same service levels they would receive from the largest vendors — at a cost that's 20% to 40% lower.

**Changing the Dynamics of IT with Outsourcing**

With Capgemini's outsourcing services, companies have:

- Reduced costs of up to 30% compared to in-house costs — and up to 40% compared to large vendors' contracts
- Guaranteed performance and service levels
- Flexible arrangements that can adapt to changing business requirements
- The ability to focus IT resources on value-added, strategic activities
- Rapid access to a broad pool of technology experts to meet unexpected or one-time needs

**Shaping the Right Relationship**

Because each company faces different challenges, we begin our outsourcing engagements by assessing the IT environment — hardware, software, network, people, and policies — and working with our client's technology and business people to determine which systems and capabilities will be needed in the coming months and years. We're then able to develop a comprehensive implementation plan for migrating our client's systems to the desired state — with a clear sense of how those systems will be maintained and improved over time.

During the transition from in-house to outsourced operations, we carefully manage change, helping people understand and buy into the arrangement. Afterwards, we continue

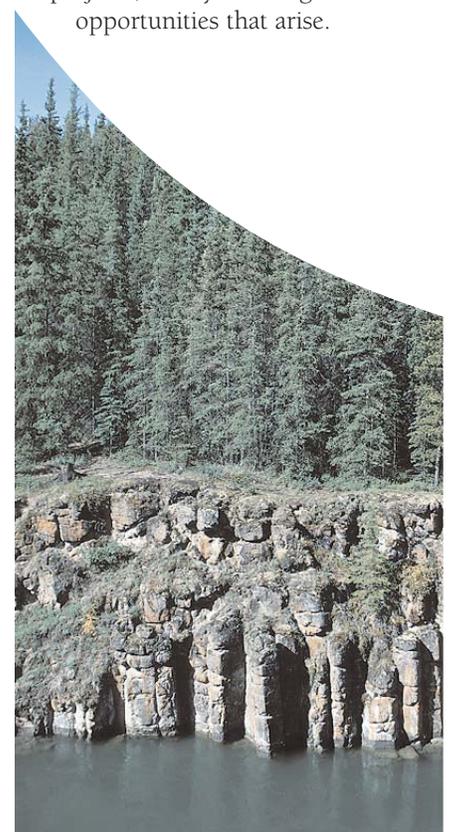
to improve performance and meet regularly with in-house managers to make sure systems are in step with the business.

**As we work, we provide:**

A broad and deep lineup of resources. Capgemini operates state-of-the-art Class A data centers in Boston and Phoenix that offer high levels of reliability and security. We provide each client with a dedicated team of senior-level people, backed by the pooled expertise of the overall Capgemini outsourcing team — giving you the benefit of our “economies of skill” as well as our economies of scale.

**The flexibility to handle change.**

With Capgemini, you don't have to be locked into a rigid contract that is soon out of sync with changing business needs. For example, you can choose from a menu of services and add services as needed. We can often reallocate resources to meet one-time needs. And you can tap into our broad range of experts and assets as you need them to handle development efforts, special projects, or any challenges and opportunities that arise.



### High levels of coordinated responsiveness.

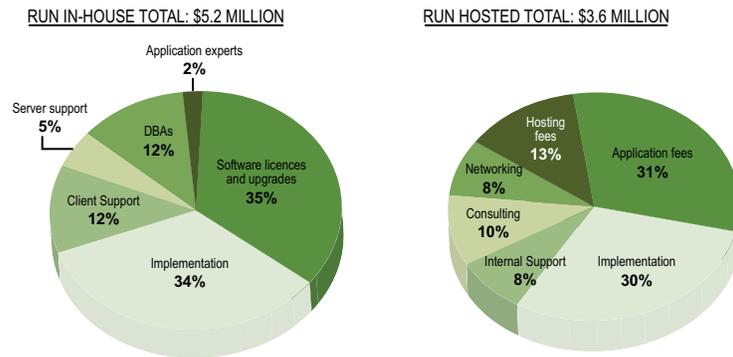
Each client team includes a full range of operating system, database, and application skills — an integrated approach that eliminates the delays and fingerpointing that occur when several separate vendor departments manage IT. Our senior management remains closely involved — and on call — to make sure your business is supported quickly and seamlessly.

With this approach, we have helped a variety of midsize companies achieve solid benefits. That success is reflected in client surveys in which 100% of respondents said they would serve as a reference for us. That satisfaction reflects results — and a collaborative relationship that lets midsize companies make the most of outsourcing.

### When Should You Outsource?

- You need to deploy an integrated enterprise application or upgrade rapidly.
- You need to improve customer service and end-user satisfaction.
- You face large up-front capital expenditures but have limited capital and limited Oracle skills in-house.
- You need to reduce IT cost and complexity.
- You need to focus the IT resources you have on supporting the business mission, not IT.

### Five-Year Total Cost of Ownership “Typical” SME ERP System



Source: VAR Business Research

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### About Oracle

Oracle's business is information — how to manage it, use it, share it, protect it. For nearly three decades, Oracle Corporation (oracle.com), the world's largest enterprise software company, has provided the software and services that let organizations get the most up-to-date and accurate information from their business systems. With annual revenues of more than US\$11.8 billion, the company offers its database, tools and application products — along with related consulting, education and support services — to the world's largest and most successful businesses and institutions.



### 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. Through commitment to mutual success and the achievement of tangible value, we help businesses implement growth strategies, leverage technology, and thrive through the power of collaboration.

Capgemini employs approximately 75,000 people worldwide and reported 2006 global revenues of 7.7 billion euros.

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

For more information, contact:

**Ashwin Yardi**

Phone: + 91 (22) 5642 1258  
ashwin.yardi@capgemini.com