

Regional Leader Spearheads Innovation Excellence and Diversity

Collaboration with Capgemini Consulting helps the client establish a new unit to fuel growth

The Situation

Since its flotation in the mid-nineties, the client has maintained a leadership position in the fixed line, mobile, Internet and data transfer markets in its country in Eastern Europe. As a service company operating in a competitive market, a major strategic goal has been to maximize its focus in areas of innovation, new business and diversification. Expanding into financially attractive business segments that integrate well with existing businesses are high on the radar for management. To sustain its growth in the long-term, the Group realized it would have to expand beyond its core business with “natural fit” diversification.

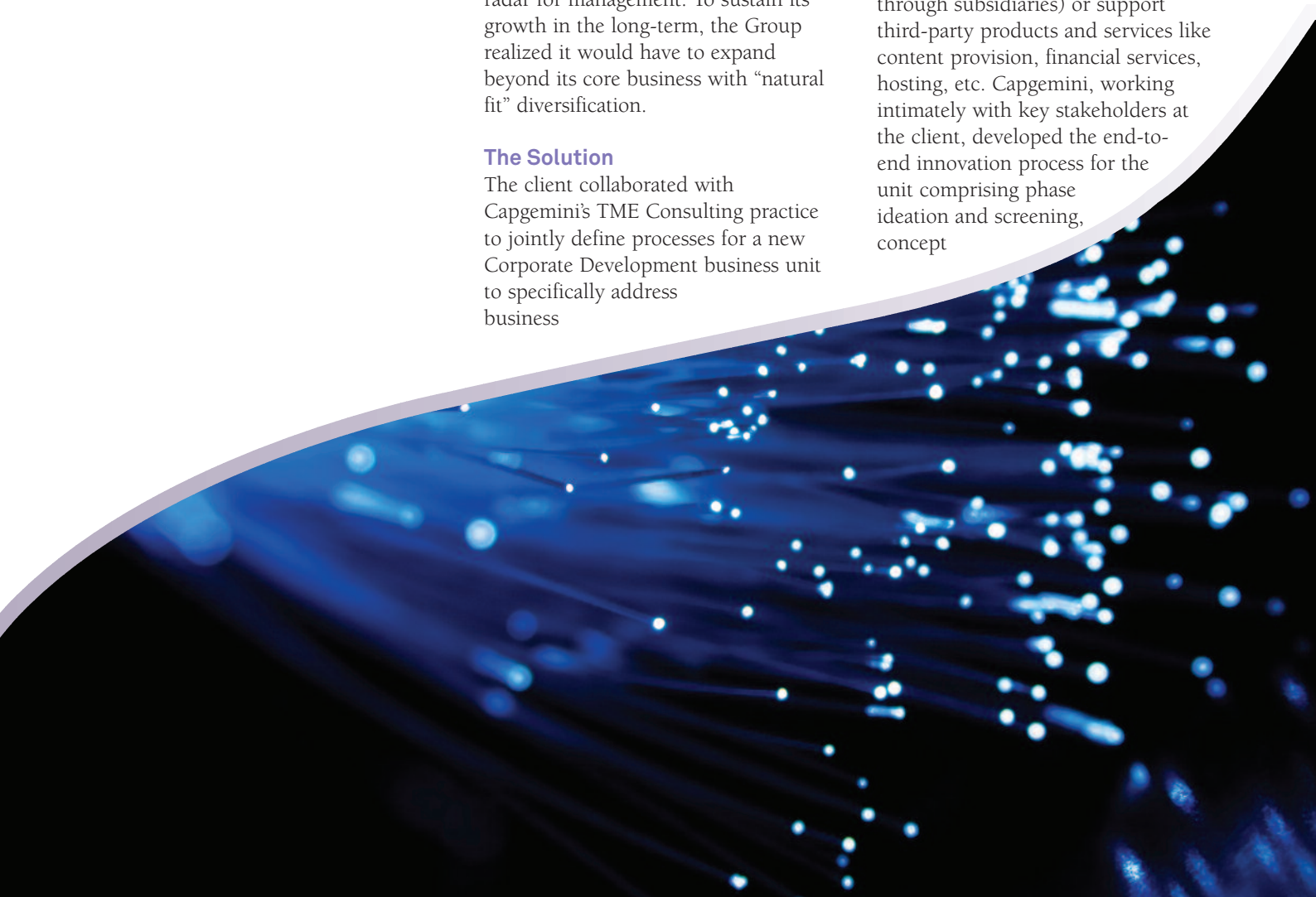
The Solution

The client collaborated with Capgemini’s TME Consulting practice to jointly define processes for a new Corporate Development business unit to specifically address business

goals. The main focus of the unit is to:

- gather, develop and nurture new and fresh ideas
- innovate and incubate new as well as alternative businesses for growth
- add new competencies, and help identify acquisition targets
- capture and store information on a transparent innovation process.

The Corporate Development unit was also tasked to take ownership and responsibility for alternative businesses, and manage (directly or through subsidiaries) or support third-party products and services like content provision, financial services, hosting, etc. Capgemini, working intimately with key stakeholders at the client, developed the end-to-end innovation process for the unit comprising phase ideation and screening, concept



development, implementation, commercialization and launch, and post-launch. The team also established an innovation board to oversee corporate innovation within the Group at board level.

The Result

The Corporate Development unit has been fully operational since 2008. It independently manages the existing alternative service portfolio for the Group, and also focuses on developing new alternative businesses. The unit creates and manages the corporate innovation process via ideas, methodologies and project management to develop new business in alternative markets, as well as support existing business units to fully leverage their capabilities.

The unit is expected to become the main driver for innovation in the Group by providing well-structured and best-in-class innovation management, processes and systems for emerging new ideas. It is also expected to support the Group's entry into new market segments like Media & Advertising, Content Development and Management, Financial and Transactional Services, e-Health, e-Commerce, and Public Markets.

How the Client and Capgemini Worked Together

The primary strategic goal of the Corporate Development unit is to nurture growing, currently non-core businesses (e.g. financial services, gaming/gambling) to allow the Group to focus on its core business. The secondary goal is to obtain new competencies and better investment practices, and facilitate faster growth through increased and dedicated management focus on group-wide innovation and new business areas.

With these objectives in mind, Capgemini drafted and designed the end-to-end innovation process for the Corporate Development unit including a detailed description of the innovation process using flow as well as RACI charts. RACI is a Capgemini

method that facilitates relevant stakeholders in any business decision-making process to remain engaged at the right level depending on the scope of their involvement. A central part in the new process was the integration of customer validation in different stages of the process. This represented "groundbreaking" innovation for the Group. Links to other business units were defined and described, and the team proposed a responsibility matrix and code of conduct to deploy at a corporate level. Defining interfaces between the newly founded unit and existing business units was complex—business responsibilities had to be reallocated.

Decision documents have been developed to facilitate the decision-making process to assess if an idea in the funnel is to be pursued or not. Based on these documents, decisions can be made in a transparent, fact-based, efficient and accountable manner. The voice of the customer has been integrated in all relevant innovation phases in order to incorporate customer input and needs. Capgemini proposed a framework of customer integration tools that vary from customer

observation and inclusion to customer integration throughout the innovation process.

Knowledge management now plays a central role in all phases of the corporate innovation process. Ideas are gathered and managed within the Corporate Development unit and made transparent to all parties within the Group. A simple incentive system (also transparent) nurtures new ideas and continually enriches the innovation funnel. A KPI system has been set up to measure the success of innovation at all stages of the funnel as well as its performance (i.e. the "innovation effectiveness curve").

The client now has an industry-wide, state-of-the-art innovation management system. It coordinates Group knowledge and resources to achieve the right mix of incremental and breakthrough ideas, while delivering success in launching non-core businesses. The new operating model is driven by customers, not products, and hence delivers precisely on the Group vision. The customer-driven organizational structure has also provided an impetus for change in the corporate culture of the Group.



About Capgemini

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