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- NEWS ALERT -

Average global company has 20% of redundant applications ¹

Capgemini's first annual Application Landscape Report, published with HP, reveals the urgent need for IT modernization as organizations carry the burden of unnecessary apps

Paris, New York, 22 March 2011 – Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, today announced its first annual Application Landscape report, published with HP, reveals that millions of applications within European and American businesses are obsolete and no longer deliver full business value. This annual index, set to track the state of business IT applications globally, highlights the urgent need for application rationalization and retirement as organizations spend valuable resources needed to drive innovation and future growth on maintaining unnecessary and outdated systems.

In-depth interviews with global CIOs and IT leaders in companies across the United States and Europe revealed that:

- 85% say their application portfolios are in need of rationalization
- Almost 60% of enterprise companies say they currently support 'more' or 'far more' applications than are necessary to run their business
- Only 4% say that every IT system they use is considered to be business-critical
- Half agree that up to 50% of their application portfolio needs to be retired
- 61% say they keep all data beyond its expiration date 'just in case'
- 56% of large companies and enterprises say that half or more of their applications are custom-built, increasing the technical complexity of required platforms and technologies
- Only 13% say their application development and maintenance teams are aligned. And half (48%) say their teams are only in synch for 50% of the time or even less

¹ As part of this study, when CIOs/IT leaders were asked what percentage of applications they feel could be retired – the average was 19.9%.

Application management is ever more critical as the fragile state of the global economy keeps cost-efficiency high on the C-suite's agenda. By creatively modernizing the application portfolio, IT can derive the extra funds required to support company innovation.

The sheer number of applications supported – up to 10,000 for global enterprises – combined with an estimated average data growth of 5% per month means applications management is on track to quickly become an issue of real significance. Moreover, as companies move towards the transfer of applications to the cloud, the need for systematic and well-managed application retirement will accelerate.

In addition to acknowledging the growing importance of this issue, the report also reveals the numerous current barriers to effective application management including: the cost of retirement projects, the lack of immediate ROI, cultural resistance to change, regional differences, the lack of qualified developers to migrate retired application data, and most importantly that applications are not considered a key priority.

Ron Tolido, CTO at Capgemini for Application Services Continental Europe, said: *“Our research reveals that key goals for CIOs are value creation, improving efficiencies and cutting costs. Despite the fact that data archiving and application retirement can result in significant cost savings, process efficiencies and increased agility, it still does not rank high enough on the agenda. This report shows that successful application management – achieved through a true lifecycle approach of ‘build, deploy, maintain and retire’ – can deliver tangible business benefits in tough economic times.”*

“The results of the first annual Application Landscape report underscore the value of applications, while also highlighting the complexity and costs that impede business innovation today,” said Paul Muller, VP Strategic Marketing, Software, HP. *“To help organizations execute successfully upon their application transformation initiatives, HP and Capgemini continue to work together to support the entire application lifecycle, helping IT deliver predictable, repeatable, high-quality business applications that are resilient to the inevitable change that today’s business realities demand. HP Software provides the entire Applications Lifecycle Management (ALM) software suite to support Capgemini’s transformation business.”*

For questions about the content of the Application Landscape Report, please contact Murat Aksu, Global HP Software Alliance Lead, murat.aksu@capgemini.com

About report

The findings from the Application Landscape Report are based on analysis, surveys and in-depth interviews with nearly 100 IT leaders in companies of various types and sizes across both Europe (UK, Germany, Benelux, France and Spain) and the USA, ranging from small (under 1,000 employees), medium-sized (1,000 – 5,000), large companies (5,000 to 10,000) to enterprises (from 10,000 to over 100,000 employees).

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 40 countries, Capgemini reported 2010 global revenues of EUR 8.7 billion and employs around 110,000 people worldwide.

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