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Capgemini launches SAP Lifecycle

New value-centric service to provide flexible SAP upgrades at low cost

PARIS, October 27, 2010 – Capgemini Group, one of the world’s foremost providers of consulting, technology and outsourcing services, today announced the launch of its new innovative SAP Lifecycle offer. This subscription-packaged service will deliver the latest SAP business functionality, replacing the traditional “one-shot implement and pay” approach with a “subscribe to improve non-stop” service so that clients have control over both the cost and scope of their SAP implementation. This unique SAP service concept optimizes the use of SAP Business Suite⁷ ¹ and aims to significantly reduce the cost of lifecycle ownership and time to market, while giving customers continuous access to latest SAP functionality and enhancements on a scalable basis. Clients will be able to select services from a menu card of options, to manage their usage of services as required.

As the cost of delivering application management continues to represent a heavy burden, and application landscapes become increasingly complex, Capgemini sees the need for a solution allowing businesses to simplify the implementation and deployment of new software functionalities in a way that is less disruptive to business operations. Through this solution, Capgemini also aims to improve efficiency, predictability as well as delivering significant cost savings and top-line improvements. SAP Lifecycle is a new component of Capgemini’s global “Application Lifecycle Services” capability, initiated in December 2009 to help clients manage the entire applications lifecycle from development to maintenance, including testing, implementation and optimization. Its launch was in recognition of a significant market shift from traditional “build and deploy” models towards unified lifecycle management. This latest service offer responds to a shift towards value-driven services.

¹ SAP Business Suite is a modular enterprise software that provides comprehensive business process support, with industry level specificity and helps companies to execute strategies that save operational costs or stimulate productivity, without the complexity of managing multiple technology platforms. As a launch partner of SAP (in 2009) Capgemini reinforced its commitment to help customers optimize their business and IT strategies in challenging economic times. Capgemini is one of only four global launch partners of SAP Business Suite 7.

The new SAP Lifecycle service concept will reduce the time to market for new software components drastically and will help clients to use software in new areas to make processes more efficient. It will also help to speed tasks and reduce error, replacing unnecessary manual with automated tasks where possible, such as financial month closure. This will aid employees within businesses concentrate on the tasks where they can add value so that enterprises could become more efficient, across both back office and front office functions, from financial control, to procurement and HR functions. The new service concept is offered in a subscription-based model moving CAPEX to OPEX and thus making the clients' IT-investments stable and predictable for a period of 3 to 5 years.

SAP Lifecycle can be delivered both through the more traditional and Software as a Service models², aiming at bringing distinct client benefits:

- 1) **Lowering the total cost of ownership** through efficient delivery models such as shared service centres – using the Capgemini Rightshore® global delivery model, and Capgemini's Collaborative Business Experience, to provide the best talent from the right location, according to client needs
- 2) **Reducing the time-to-market** – through the innovative menu card approach which means that companies can choose software components with related services at a fixed price, with a predetermined implementation time and increased benefits realization
- 3) **Improved economic value** through improving the agility and flexibility of the software solution
- 4) **Subscription based pricing** – which means that the service is a predictable monthly fixed fee for all standardized, industrialized services scoped upfront

Capgemini has already been piloting the new service with a number of customers worldwide including the Fiat Group and retail container producers Sidel.

John Brahim, General Manager of Capgemini's Application Lifecycle Services global service line said: *"We're fundamentally changing the way we offer SAP services from individual integration projects to a subscription model. Not only does this mean predictable costs, but also increased flexibility to innovate, meaning we are able to offer 'innovation as a service'. Clients will benefit from the latest capabilities delivered through the Capgemini cloud, and the added value of our menu card of services to gain control over the cost and scope of their SAP implementation."*

For more information about Capgemini's Application Lifecycle Services portfolio, please visit:

<http://www.capgemini.com/news-and-events/news/capgemini-creates-global-application-lifecycle-services/>

² SAP Lifecycle Services can be delivered as Software as a Service – a "pay as you go" model where the client pays as the services are consumed on a monthly basis, delivered in a cloud environment (private as well as hybrid clouds)

Customer testimonials:

Fiat Group

Fiat Group is one of the world's largest automotive groups operating in 61 countries, with over 223,000 employees. Capgemini has worked with the Fiat Group to operate as partner of the client's ICT Business Unit to act as the 2nd and 3rd level Help Desk for their SAP-based solution. Through SAP Lifecycle, Fiat benefits from:

- Evolutionary maintenance with a focus on productivity and attention to performance management and value
- A Service model based on a 3 level Help Desk where Capgemini is involved in the 2nd and 3rd levels to provide advanced user support, evaluative and corrective maintenance, job and interface monitoring and software development and IT technical monitoring. This helps to manage the main processes for the Fiat Group including Accounting, Dealer Financing and Reporting
- Effective change management processes where every evaluative maintenance exceeding a cumulative yearly plafond is reviewed together with customer competence center on a weekly basis

"We at Fiat have achieved an important business improvement and increased operational and service agility through an engagement with Capgemini covering in the dealer financing area the Lifecycle of SAP applications. Throughout the lifecycle we develop, maintain and innovate our applications leveraging Capgemini's bandwidth of capabilities, optimizing our landscape and lifecycle around our SAP based common dealer financing system." said Antonia Casamassima, CIO of Fiat Group Automobiles Capital.

Sidel

Sidel is part of the Tetra Laval group – one of the world's leading producers for containers for beverages and nourishments. Sidel and Capgemini have signed a joint agreement for SAP Lifecycle services which goes beyond the traditional Applications Management and Applications Development approach. Adopting Capgemini's SAP Lifecycle value management approach enables Sidel to:

- Deliver high value throughout all phases of the SAP Lifecycle so that Sidel employees can entirely focus on valued-adding activities
- Focus on exploiting the business benefits of the new technology for their competencies such as creating synergies through business process harmonization and tighter system integration while Capgemini works on maintaining the existing systems
- Benefit from its SAP Platform in an optimum through one consistent and coherent ERP system as well as implementing new solutions such as CRM

Paul DEVALIER, CIO at Sidel said *"We selected Capgemini since we believe that their SAP Lifecycle approach helps us to rationalize our landscape, inject innovation into our business and transform our IT organization. Paired with their cultural proximity, we expect to achieve a lean and agile IT organization which is fully focused on constantly improving our core business at optimum costs and generating optimum benefits."*

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 more than 35 countries, Capgemini reported 2009 global revenues of EUR 8.4 billion and employs over 100,000 people worldwide.

More information is available at www.capgemini.com.

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