



Setting and *delivering* ambitious Shared Services and sourcing goals

Smart solutions for tough times
Responding to the economic crisis



In the current economic climate, investment in your back office may be the last thing on your mind. Yet now might be just the right time to be bold about your Shared Services or sourcing ambitions.

Capgemini has extensive experience in migrating all types of support processes, including finance, HR and procurement, sales and administration.

Whether you are in crisis mode, with concerns around your immediate trading position, or are looking to structure for the recovery, it's highly likely that you'll be considering your sourcing options in a bid to either release liquid assets or drive competitive advantage.

If your priority is short term, we can help to maximise the value of your Shared Service Centre (SSC). If, on the other hand, your focus is on how to take advantage of the recession and prepare for the recovery, we can help you advance the maturity of your Shared Services or Business Process Outsourcing (BPO) position.

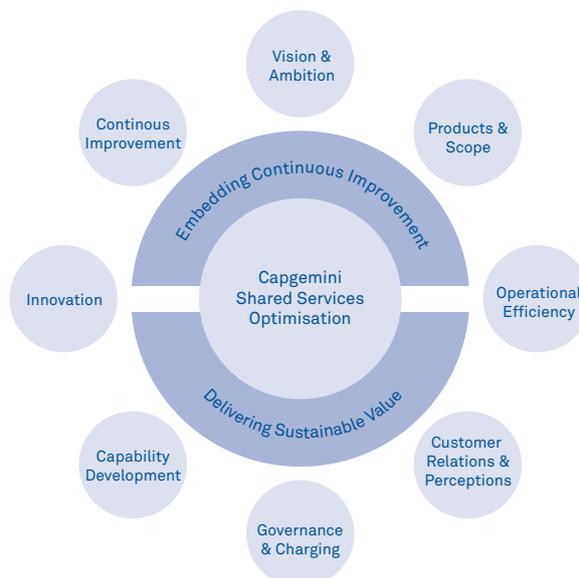
Our proven, innovative models can help you achieve real competitive advantage, in a low risk and controlled manner. With more than 200 Shared Services projects delivered, we are a leader in the market with a global Finance Transformation network of more than 500 consultants.

Short term: immediate cash and profit position

For those businesses facing short-term liquidity issues, we can work with you to leverage your existing SSC investment by:

- **Sweating existing operations:** we can help optimise the efficiency and effectiveness of your SSC by reducing the cost of operations, improving the level of output, or by expanding its scope to support more of your business. Our proven diagnostic will identify a holistic portfolio of improvements (see figure 1).

Figure 1: SSC Optimisation Diagnostic



- **Exploiting SSC data:** SSCs are a mine of valuable information which can be used to make big savings throughout an organisation. Used correctly, this information can significantly improve cash flow and reduce cost. For example, by:
 - Providing Accounts Payable and Receivable teams with data to negotiate better terms
 - Allowing aged debt to be reviewed at an instant, giving immediate insight on where to stop credit
 - Showing stock turn levels and identifying opportunities to carry less.

Medium term: innovative BPO models

If liquidity is not the immediate concern, there is currently an opportunity to evolve Shared Service Centres and Business Process Outsourcing partnerships to create lasting competitive advantage. Investment now will allow you to take advantage of a recent increase in talent and reduced cost of operations.

We have a well established track record in outsourcing, helping clients optimise operations and cost structure through innovative pricing and ownership models:

- **Location:** locating back office operations off-shore provides savings from labour arbitrage and allows the local business to focus on value-adding processes and decision-making.
- **Scale and geography:** we can help to implement a number of different sourcing delivery approaches depending on the scale and nature of your organisation (see figure 2).

For example, national businesses may require consolidation of back-office activity in one centre, in one country only. This is usually the country in which they operate. To move offshore they would likely need a partner with the operational and strategic fit for the location of choice. Regional businesses may need a partner in the event that they look to operate 24/7 coverage and expand beyond current footprint.

Global operations are likely to have the widest choice of models open to them, and exploit hybrid models involving a mixture of near-shore and far-shore processing centres, with efficiencies provided by critical mass, labour arbitrage, and/or the expertise of a third party outsource provider. For organisations whose footprint or line of activity requires processing to ‘follow the sun’ and operate 24/7, we have experience in implementing

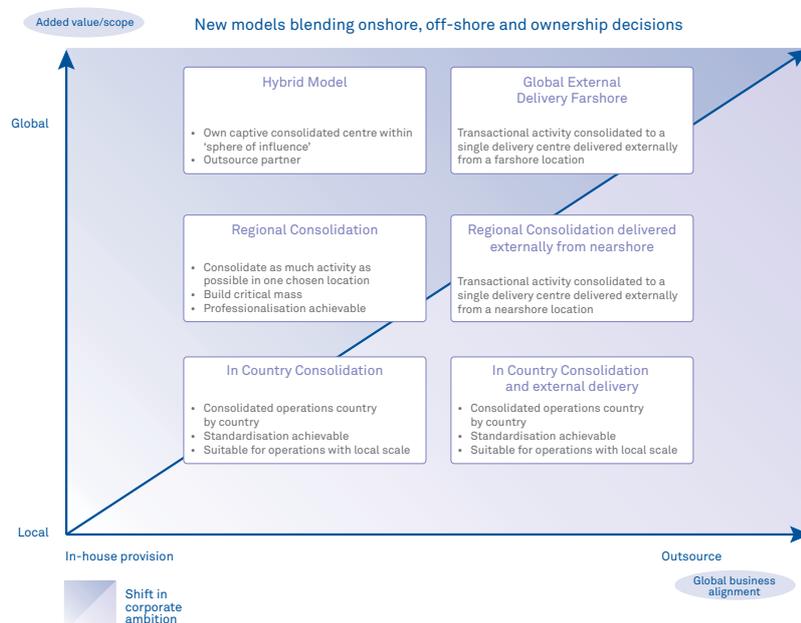
models with linked centres in more than one continent.

- **Ownership:** Changing the ownership structure of operations using our 100:50:100 model can generate even further efficiencies. With this you retain 100% control of onshore activities, whilst we partner with you to provide nearshore activities (50% each), and provide you with all offshore activities (100% Capgemini). This model can create a natural pull to further outsource activities, as the near and far shore centres refine processes and seek additional activities to maintain work levels.

Longer Term: noticeable trends

Shared Services and BPO markets are continuously evolving. Over the past few years, the market has seen extension to new geographies, service lines and scope. An effective shared services and BPO strategy

Figure 2: Location and Ownership Models



needs to consider how to maintain cost reduction and standardisation commitment whilst extending the value of the asset as a tool to drive insight beyond transaction processing.

From the initial early contracts for Finance and IT functions through to HR and procurement and now on to 'multi-tower', multi-functional shared services deals, Capgemini is currently managing all of these elements as a single 3rd party provider. These more complex deals are designed with a range of on-, near- and far-shore facilities and different approaches to ownership to deliver maximum business benefit.

Why partner with us?

Our clients depend on our proven capabilities in this area, where we:

- Provide independent advice on back office sourcing, informed by our experience as a leading BPO provider
- Are a real implementation partner from vision to transition
- Have the experience and insight to create a business case driven approach
- Provide global coverage
- Have a track record in innovation and new business models
- Bring tested solutions e.g. Global Process Models to accelerate solution development and implementation.



Capgemini Consulting · 18 Soho Square · London · W1D 3QL
www.uk.capgemini.com

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For more information on Shared Services or Business Process Outsourcing, contact:

Carole Murphy
Global Head of Finance and Employee Transformation
+44 (0)870 366 0504
carole.murphy@capgemini.com

Melanie Knight
Global Practice Lead of Shared Services
+44 (0)870 904 5194
melanie.knight@capgemini.com