Capgemini

SAVING FOR GROWTH
WITH ADMnext

Future-fit strategies for growth in a challenging environment

SAVING FOR GROWTH WITH ADMnext

The heightened pace of change and uncertain economic times or "permacrisis" we find ourselves in have completely transformed how businesses operate. Effectively responding to this challenging environment requires investment in the right initiatives with digital spend – and this spend is no longer discretionary.

For example, across a many different industries, virtual and hybrid workforces are now the standard, and this means that the digital solutions driving innovation and success within these workforces are even more critical.

But these investments and increased digital spend need to be funded from somewhere – and this means cost optimization – across IT and business. However, higher borrowing costs, skill shortages, cloud pricing increases, and supply chain disruptions are leading to hesitancy for investment in new projects and reevaluation of ROI for ongoing and proposed projects.

Balancing cost optimization and investment with a full-service and resilient partner

The CIOs that will emerge from these precarious times in stronger positions than their competitors will be those who can successfully balance the tradeoff between cost optimization and future investment. The key to achieving this balance is turning to a capable ADM services provider that can align with your innovation goals, strengthen your internal operations, and help you adjust to changes in cash flow, revenue recognition, and price and wage increases.
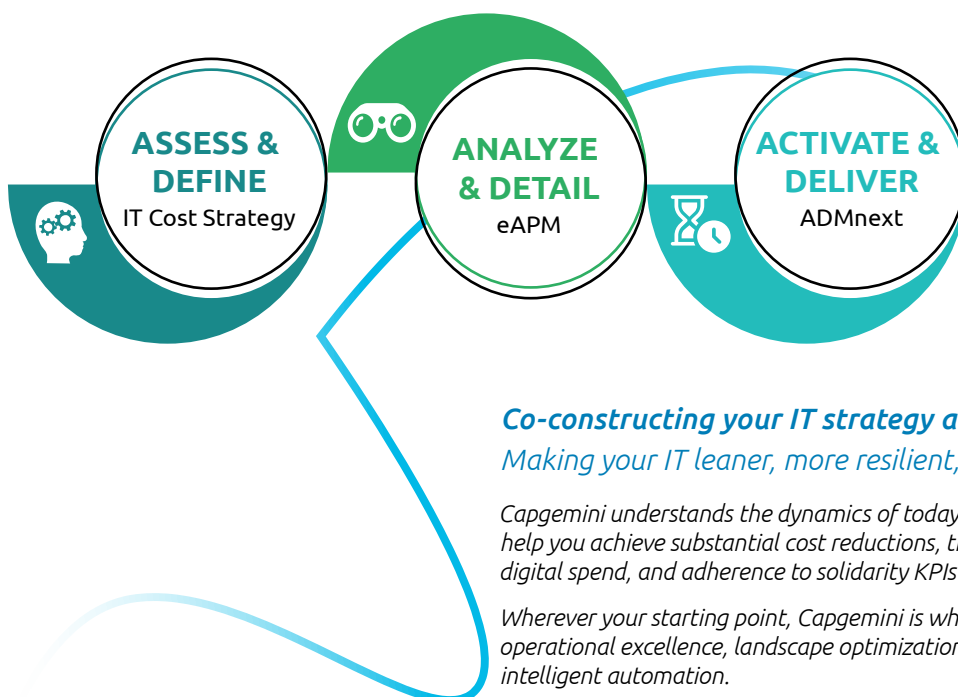
This means a partner who has the skills to help you weather today's chaotic conditions, and the scalability and vision to guide you with the right technology investments for tomorrow.

Saving for Growth with ADMnext: A comprehensive strategy for assessing, analyzing, and activating cost optimization

Capgemini's methodology for achieving the most effective cost optimization and investment balance is a three-phased approach that fully addresses your sustainable cost-savings and transformation agenda – from strategy to execution.

This comprehensive approach enables us to commit to your desired business and IT outcomes with a strategy for assessing, analyzing, and activating cost savings.

Take control of your investment and cost optimization with Capgemini's comprehensive strategy for assessing, analyzing, and activating cost savings

ASSESS & DEFINE
IT Cost Strategy

ANALYZE & DETAIL
eAPM

ACTIVATE & DELIVER
ADMnext

Co-constructing your IT strategy around cost optimization:
Making your IT leaner, more resilient, and fit for the future

Capgemini understands the dynamics of today's markets and we have the solutions to help you achieve substantial cost reductions, the structural optimization of your IT and digital spend, and adherence to solidarity KPIs in TCO/TTM reduction.

Wherever your starting point, Capgemini is wholly committed to delivering improved operational excellence, landscape optimization, and a more agile digital workforce via intelligent automation.

ASSESS AND DEFINE
Your IT Strategy and Planning with Capgemini's IT Cost Strategy

Capgemini's IT Cost Strategy assesses and identifies quick cost-reduction targets and examines your overall investment needs, along with reviewing your short, medium, and long-term planning steps. IT Cost Strategy is an inventive approach for the sustainable optimization of IT costs that enables you to take full control of your IT and optimize costs in an agile and sustainable way – so your business can adjust, forge ahead, and lead in this new normal. This offering employs a top-down approach to identify short-term cost reduction potential, while attaining longer-term structural optimization of your IT and digital spend.


Before CIOs embark on a new strategic journey, it is essential to step back and examine everything from the top. Your as-is situation needs to be assessed and your target state needs to be defined. Capgemini's IT Cost Strategy identifies short-term cost reduction potential, while attaining longer-term structural optimization of your IT spend. It identifies areas for cost reduction and cost re-allocation to achieve your optimization and transformation objectives.

In applying Capgemini's IT Cost Strategy, we work closely with you to understand your immediate business priorities and cost reduction ambitions. Together, a baseline is set for IT activities and their immediate optimization, along with

a plan for the evolution of IT costs (within IT and beyond). Cost-reduction scenarios are then built by applying different levers, creating an overall business case and plan, identifying quick wins, and attaining commitment for moving forward.

Capgemini's IT Cost Strategy is built on a reference database of +100 cost optimization levers developed from working with clients and is also enriched by thousands of data points. This offering analyzes eight areas where sustainable IT cost reductions can be implemented, while enabling a well-balanced range of changes. A structured IT cost reduction program then identifies dependencies between different areas of intervention to maximize savings.

Capgemini's IT Cost Strategy and the benefits you can achieve over time
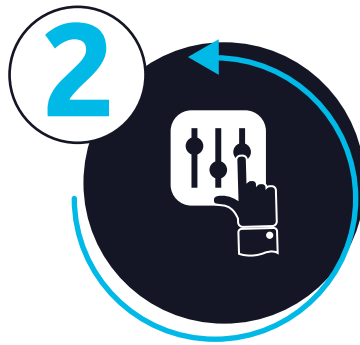
IMPACT OVER TIME
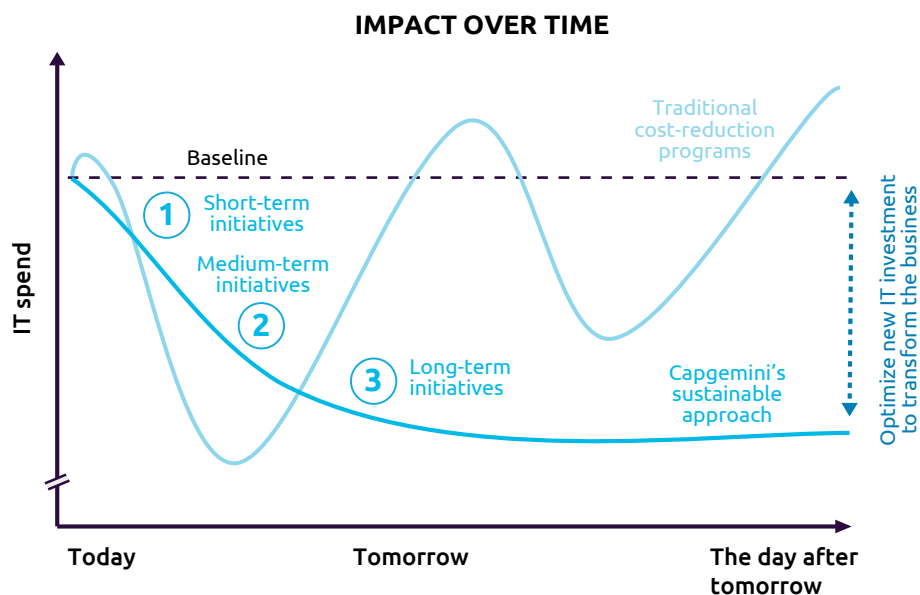
Capgemini's IT Cost Strategy also provides clear benchmark reports, levers, and a roadmap to execute. So, by rationalizing your IT environment and reviewing the entire IT process, we help develop a solid foundation to power your digital initiatives.

Clear benchmark reports, levers, and a roadmap to execute

1

BENCHMARKING IT COSTS

2

LEVER IDENTIFICATION

3

ROADMAP DEFINITION

ANALYZE AND DETAIL
Your IT Landscape Transformation with Capgemini's eAPM

Post assessment, it is essential to analyze every bit of data in your enterprise and detail an action plan for execution. In this phase, a bottom-up approach is applied with Capgemini's economic Application Portfolio Management (eAPM) solution. This brings a consolidated view of your distributed IT, provides clarity on your current IT budget, identifies potential risks and vulnerabilities, and baselines and benchmarks your IT spend. Capgemini will also conduct a thorough Operating Model Analysis (with a full action plan) and Cloud Assessment Analysis (with contextual decision trees). eAPM also helps in the rationalization and simplification of your apps and infrastructure with benefit and business-case analysis.
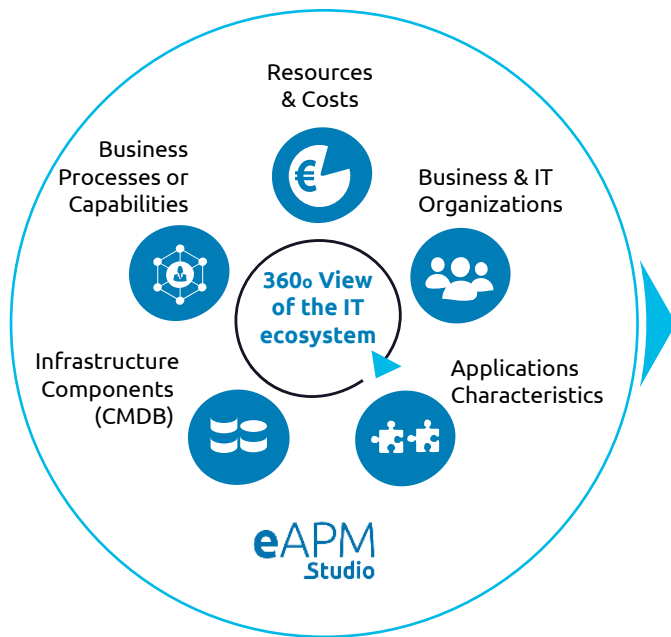
ASSESS & DEFINE
IT Cost Strategy

ANALYZE & DETAIL
eAPM

ACTIVATE & DELIVER
ADMnext

eAPM combines Capgemini's proven portfolio assessment methodology with an impressive graphical analysis and decision-making tool, which has already delivered tangible results to many clients. Essentially, eAPM helps you build a digital twin of your IT organization with its economic baseline. Drawing on Capgemini's experience across industries and clients, eAPM empowers you to take control of your IT assets, radically improve IT performance, and get transformation initiatives moving ahead at full speed. Using AI and analytics to evaluate your entire IT landscape, eAPM delivers visual insights and a roadmap to empower your organization with a smarter path forward.

Capgemini's eAPM

eAPM Studio as a "Transformation Cockpit"
Steering the transformation process to optimize cost and deliver business agility

Resources & Costs

Business Processes or Capabilities

360o View of the IT ecosystem

Business & IT Organizations

Infrastructure Components (CMDB)

Applications Characteristics

eAPM Studio

BASELINE THE AS-IS IT ECOSYSTEM AND COSTS
- Aggregate data and establish a single source of truth for decisions
- Compute TCO at the application level to bring transparency

MAKE FACT-BASED TRANSFORMATION DECISIONS
- Application and infrastructure rationalization/simplification
- Move to cloud eligibility and 6R-migration patterns
- Optimization of the operating model and sourcing options
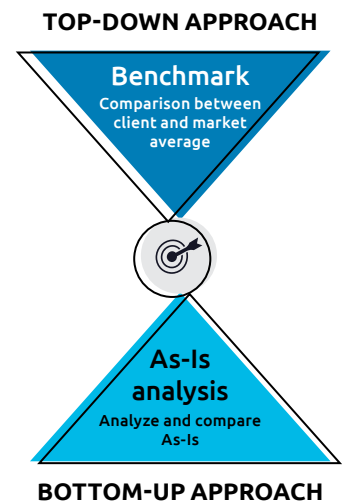- Build comprehensive action plan/roadmap and business case

STEER THE TRANSFORMATION PROCESS
- Facilitate communication with stakeholders (Visualization)
- Fine tune decisions and analyze impact (Decision Trees)
- Update changes to data periodically and re-run analysis (Feeders)
- Monitor progression and make operational decisions (Dashboards)

ACTIVATE AND DELIVER
Your overall IT Services with ADMnext

In the third phase, Capgemini brings in its ADMnext framework to deliver results on the ground and realize both the cost savings and transformation roadmap facilitated by the first two phases. ADMnext combines a mix of top-down and bottom-up approaches to align your IT and business visions.

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TOP-DOWN APPROACH

Benchmark
Comparison between client and market average

As-Is analysis
Analyze and compare As-Is

BOTTOM-UP APPROACH

At its core, Capgemini's ADMnext is a full stack of capabilities that include Adaptive ADM Services, Modernization Services, Business Insightful Services, and Emerging Services & Products. These services are underpinned by a comprehensive library of Organizational Assets and Enablers.

Capgemini's ADMnext for cost savings

ADMnext is an integrated, efficient, full-lifecycle ADM Services stack, which comprises full services transition and optimization, intelligent automation, rapid cost benefits, the unlocking of quick wins, and smooth decommissioning and transformations with a handpicked set of levers.

COST REDUCTION AVENUES

Captive Set up/Integration 30-40% (4)
Vendor Consolidation 30-40% (5)
Scaled Distributed Delivery Model 5%-10% (6)
Intelligent Automation 45-70% (3)
Application Decommissioning 10-20% (7)
Industrialization 35-55% (2)
Portfolio Optimization 20-25% (8)
Operational Efficiency 15-20% (1)
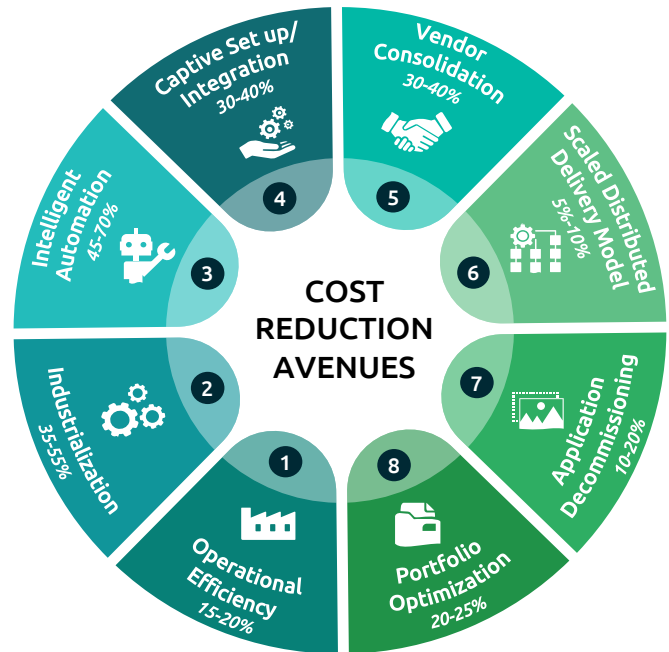
ADMnext: A handpicked set of levers to achieve immediate cost savings

ADMnext's handpicked set of levers enables you to achieve immediate cost savings and embark on a deep dive that explores the "how" of application services with illustrative cost savings potential. These levers include:

1. Operational Efficiency [15-20%]

A complete suite of tools centered around an optimized delivery model. These levers are synergistic and consolidated across engagements with a clear definition of roles and responsibilities, to utilize every opportunity for cost reduction, productivity, and lean delivery.

2. Industrialization [35-55%]

Working around three major themes of standardization, optimization, and automation, these levers deliver process harmonization, operational excellence, continuous improvements, and increased business user satisfaction – thus reducing costs while initiating transformation pillars.

3. Intelligent Automation [45-70%]

Capgemini's Intelligent Automation Platform for Business and Applications provides a purpose-built, Cloud-based, real-world platform that rapidly takes clients from limited deployments to intelligent automation at scale. It is a unified, 3-in-1, enterprise-wide solution that infuses integrated, end-to-end intelligent automation into your applications, and Business and IT operations.

4. Captive Setup and Integration [30-40%]

Capgemini's captive capabilities offer unique opportunities for collaboration. Clients are able to focus on how to increase added IT value to the company, rather than running an offshore factory. And with Capgemini's wider industry experience, we're able to offer higher growth, knowledge upskilling, and employee retention.

5. Vendor Consolidation [30-40%]

To consolidate services and service providers, Capgemini works to streamline vendor contract management, monitor procurement processes, and reduce costs associated with technology purchases, integration, and maintenance and logistics, along with gaining preferred customer value-added services.

6. Scaled Distributed Delivery Model [5-10%]

Different product and IT dynamics require different operating models. While the overall responsibility is anchored in the product, product teams will be supported by shared services to scale and speed up faster. Based on target speed, technology, and product dynamics, different team setups can be selected.

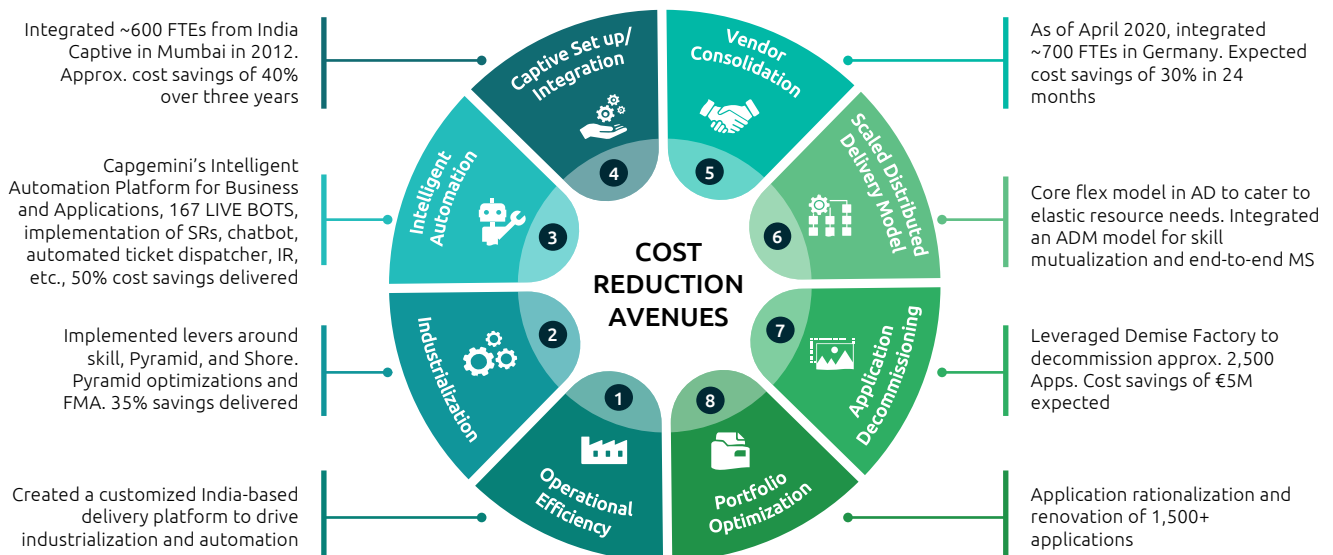### 7. Applications Decommissioning [10-20%]

Capgemini's "Demise Factory" will bring the timely decommissioning of applications, while aligning with the delivery of the release roadmap and employing a robust, embedded data and application archival strategy. Demise Factory is responsible for a cumulative savings of more than 2.5B Euro to date.

8. Portfolio Optimization [20-25%]

Capgemini's captive capabilities offer unique opportunities for collaboration. Clients can focus on how to increase added IT value to the company, rather than running an offshore factory. And with Capgemini's wider industry experience, we're able to offer higher growth, knowledge upskilling, and employee retention.

Saving for growth with ADMnext: Pulling all the levers of ADMnext to transform one of the world's largest pharmaceutical and life sciences companies

In working with a global pharmaceutical and life sciences company, Capgemini utilized each of ADMnext's levers to substantially transform their IT and Business landscape.

Integrated ~600 FTEs from India Captive in Mumbai in 2012. Approx. cost savings of 40% over three years

Capgemini's Intelligent Automation Platform for Business and Applications, 167 LIVE BOTS, implementation of SRs, chatbot, automated ticket dispatcher, IR, etc., 50% cost savings delivered

Implemented levers around skill, Pyramid, and Shore. Pyramid optimizations and FMA. 35% savings delivered

Created a customized India-based delivery platform to drive industrialization and automation

COST REDUCTION AVENUES

4 Captive Set up/Integration
5 Vendor Consolidation
3 Intelligent Automation
6 Scaled Distributed Delivery Model
2 Industrialization
7 Application Decommissioning
1 Operational Efficiency
8 Portfolio Optimization

As of April 2020, integrated ~700 FTEs in Germany. Expected cost savings of 30% in 24 months

Core flex model in AD to cater to elastic resource needs. Integrated an ADM model for skill mutualization and end-to-end MS

Leveraged Demise Factory to decommission approx. 2,500 Apps. Cost savings of €5M expected

Application rationalization and renovation of 1,500+ applications

Seizing opportunity in crisis: service resiliency, operational efficiency, cost reduction, and transformation with Capgemini

Through Saving for Growth with ADMnext, we're committed to helping you seize opportunities in these uncertain times and address every one of your priorities around service resiliency, operational efficiency, and cost reduction.

To guarantee that you satisfy and exceed your goals here, Capgemini's IT Cost Strategy helps you drive your new enterprise IT plan, so you can forge ahead and lead.

While Capgemini's eAPM brings a bottom-up, data-oriented approach to assess your IT organization and landscape to detail operating and sourcing models and your business-case-linked transformation.

Additionally, our flagship offer – ADMnext – provides you with a rich palette of tools and services that is seamlessly aligned with eAPM to deliver operational excellence and realize your business case on the ground.

To learn more about balancing cost savings and transformation with Capgemini and how we can help you navigate these difficult economic times and emerge more resilient than ever, please contact:

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About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 360,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2022 global revenues of €22 billion.

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