Capgemini
CONSULTING.TECHNOLOGY.OUTSOURCING

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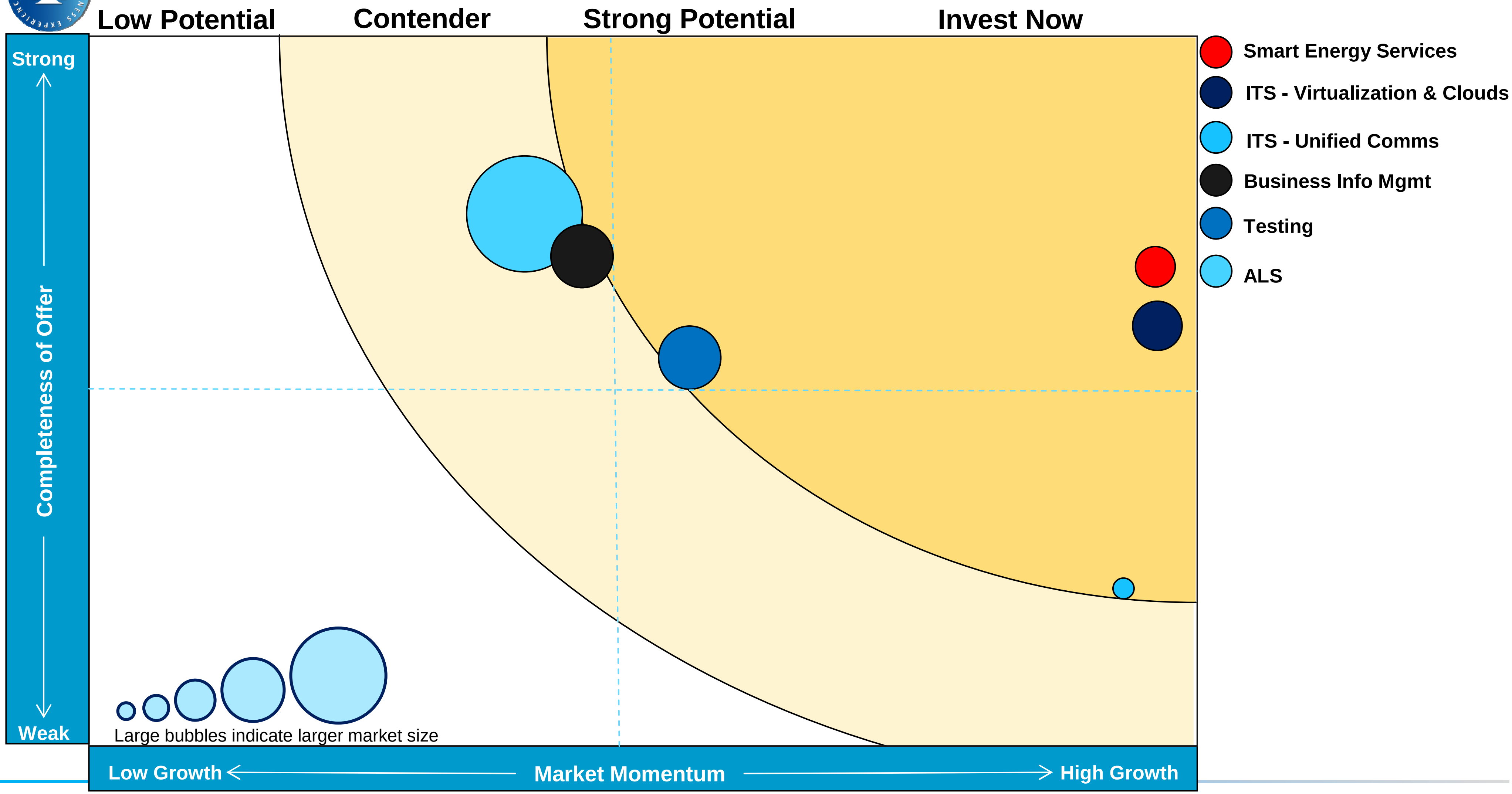
2010: Three keys to a successful year

- **Growth:** accelerate the top line recovery by focusing on 5 key market segments
- **Competitiveness:** increase further with Lean and offshore
- **Change:** get ready for new technologies and business models

Growth: detailed process to select the right priorities leading to 5 top line initiatives



Growth: a strong base to evolve business models and innovate

- **Application Lifecycle Services** – Catch up with industry, then surpass with a twist
- **Testing** – Industry best processes w/ consolidated delivery
- **Business Information Management** – From data to information to sector solutions
- **Infostructure Transformation Services** – Technology change of XaaS and unified communications
- **Smart Energy Services** – MBS with monitored investment and risk

On track for above market growth AND improved margins for the five GSL's

Growth: first five months highly encouraging for the top line initiatives

- **Operationally**
  - Several points better win rates in CC and TS businesses
  - Faster way for OS to win new work
  - Shifting of Alliance role and focus
- **But…**
  - Requiring intensified recruitment to optimise results
  - Requiring increased reskilling of work force

Shifting portfolio from geographic fragmentation to unified global capability

Competitiveness: Lean management methods can be applied to services

	Toyota Examples	Service Examples
Waiting	Waiting for previous processes to finish. Waiting for material to arrive.	▪Testing team waiting for code to arrive ▪Unassigned capacity between projects ▪Waiting for responses from offshore teams
Over Production	Production of parts without a customer order.	▪Detailed reports that no-one reads ▪Develop exceeding scope of contract
Rework	Time spent making defecting products that can not be accepted by the customer.	▪Poor trained people ▪Late test execution in development process
Motion	Excessive human / equipment effort – poor layout and process design.	▪Searching for files ▪Resources switched within different tasks
Over Processing	Adding to a part something that is not required by the customer.	▪Repeated data entry in different environments ▪Non-actionable supporting tools
Inventory	Raw Material / WIP / Finished goods – tied up capital.	▪Huge ticket backlog ▪Large number of features waiting for batch release
Transportation	Moving parts from one location to another without adding value.	▪Meeting in different sites ▪Multiple handoff in ticket management

The identification and elimination of waste is fundamental to Lean – reducing costs and increasing profit. Other benefits are derived from waste elimination…

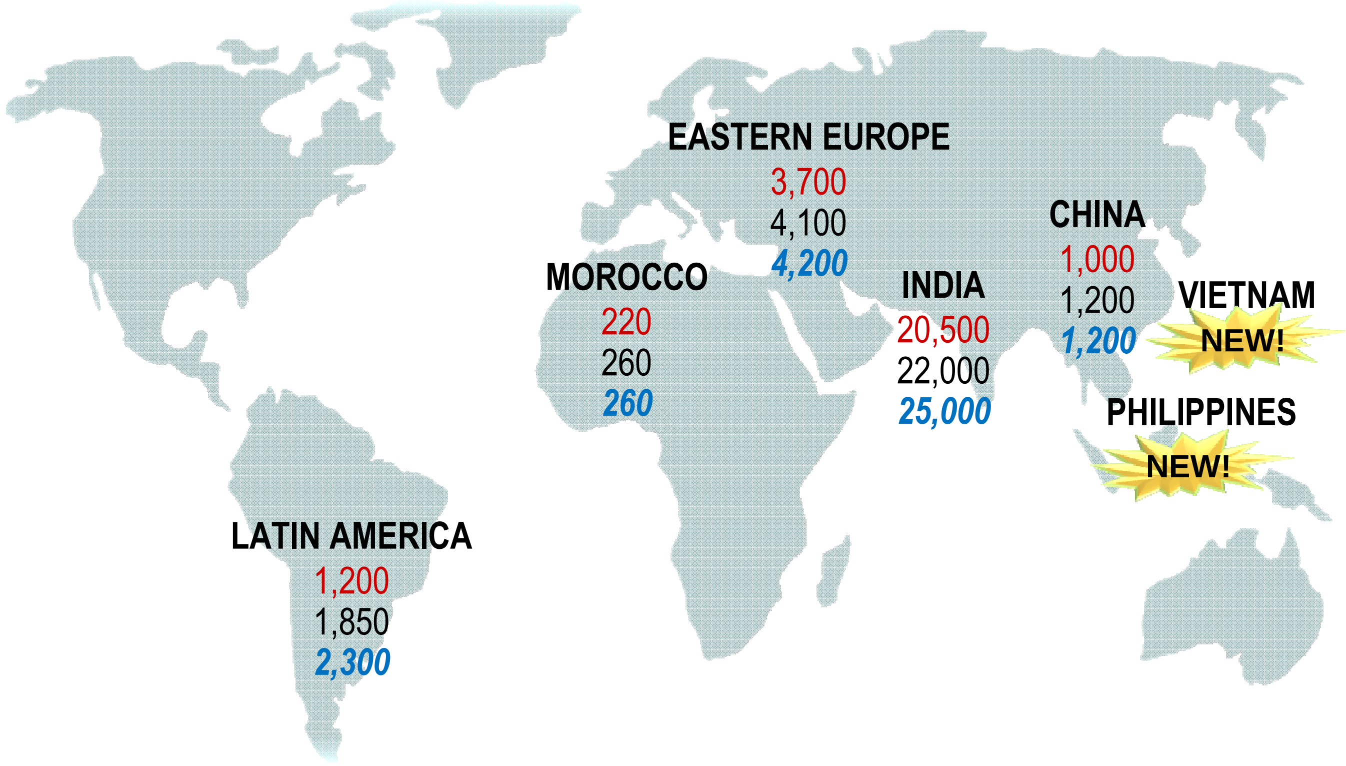
Competitiveness: first pilots validate Lean benefits and scalability

Focus	Example findings
Inefficient resource on-boarding	**10%** productivity loss due to 23+ days delay in on-boarding
Offshore resource utilization	**28%** idle time for offshore resources
Low use of rightshoring	**Only 19%** FTEs offshore
Manual testing	**70%** of test steps could be automated for Regression and Negative testing
Missed CR revenue	
Re-use of standard tool	

Focus	Example findings
Root Cause Analysis	0% proactive analysis on P3 and P4 incidents
Incident Management	20% of tickets return to user for more information
Change management	14 duplicate entries of data across 4 systems for a client CR
Change Management	100% of non-financial data fixes require same approval as full system deployment
Time Management	100% of support staff spend 1hr/week ensuring that data in Clarity and DTX match
Transition Management	6.5 days per month spent by Transition managers chasing project managers for plans/documentation

- Pilots proved that significant capacity release is possible through the Lean approach
- At December ASEs, SMEs confirm that over 50% of pilot findings are scalable
- **Sustainability is achieved by changing behaviours and installing robust performance management systems**

Competitiveness: Offshore is close to a third of our headcount



- Serve **900** clients from offshore
- Deploy **32,000** professionals in low-cost delivery centers
- Growing at **32%** offshore penetration

Red	*2008 headcount*
Black	*2009 headcount*
Blue	*2010 headcount (est.)*

Competitiveness: offshore is key to pricing but increasingly also to value added

POSITION COMPETITIVELY

If the price is right…	PRICE POINT
…then, if we demonstrate a world-beating solution…	COMPELLING SOLUTION
…we earn the opportunity to offer a winning deal	VALUE & DEAL

DEPTH OF DOMAIN EXPERTISE AS CRITICAL AS SCALE

Beyond price, we are managing ***customer-focused innovation*** in three ways:

COMMUNITIES

CLOUD COMPUTING
LEAN
AGILE
VIRTUAL REALITY
VISUALISATION

CoEs

- CRESENT
- CALORIE
- CHROME
- CELL
- CHIME
- SAP
- Oracle
- Custom Solutions
- Claims
- Payments

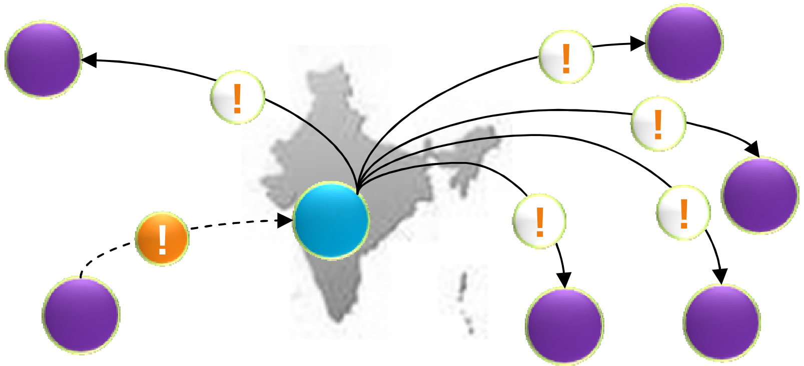
SOLUTION AREAS

- ALS
- BIM
- ITS
- SmartX
- Testing

Competitiveness: some of our key repositories are now in India

OFFSHORE AS 'PIVOT POINT' FOR INNOVATION

Offshore serves as the **coordination point** for gathering leading solutions from one BU and launching them into all.



Innovation in *Cloud services*, *SaaS*, *BIM*, *SmartX* and others will continue to make us popular as an expert provider of leading solutions.

OFFSHORE GROWS

THAT WAS THEN (2007)

- Services unit of a large French telco
- Single project. Early stages of offshore usage.

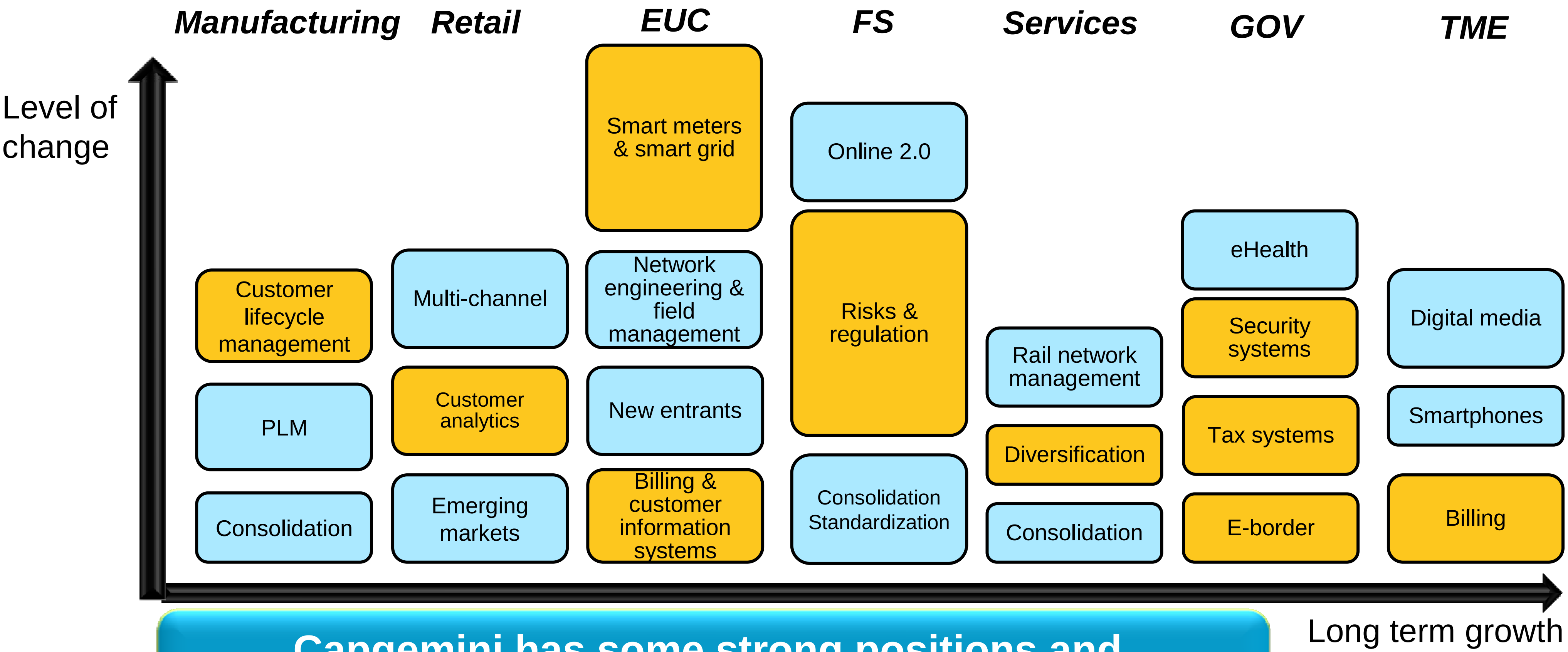
THIS IS NOW (2010)

- € 20m across multiple projects during last three years and extended for additional three years.
- Offshore leverage over 80% across multiple projects. Some projects at 100% offshore leverage.
- End to end delivery managed offshore

OUR APPROACH

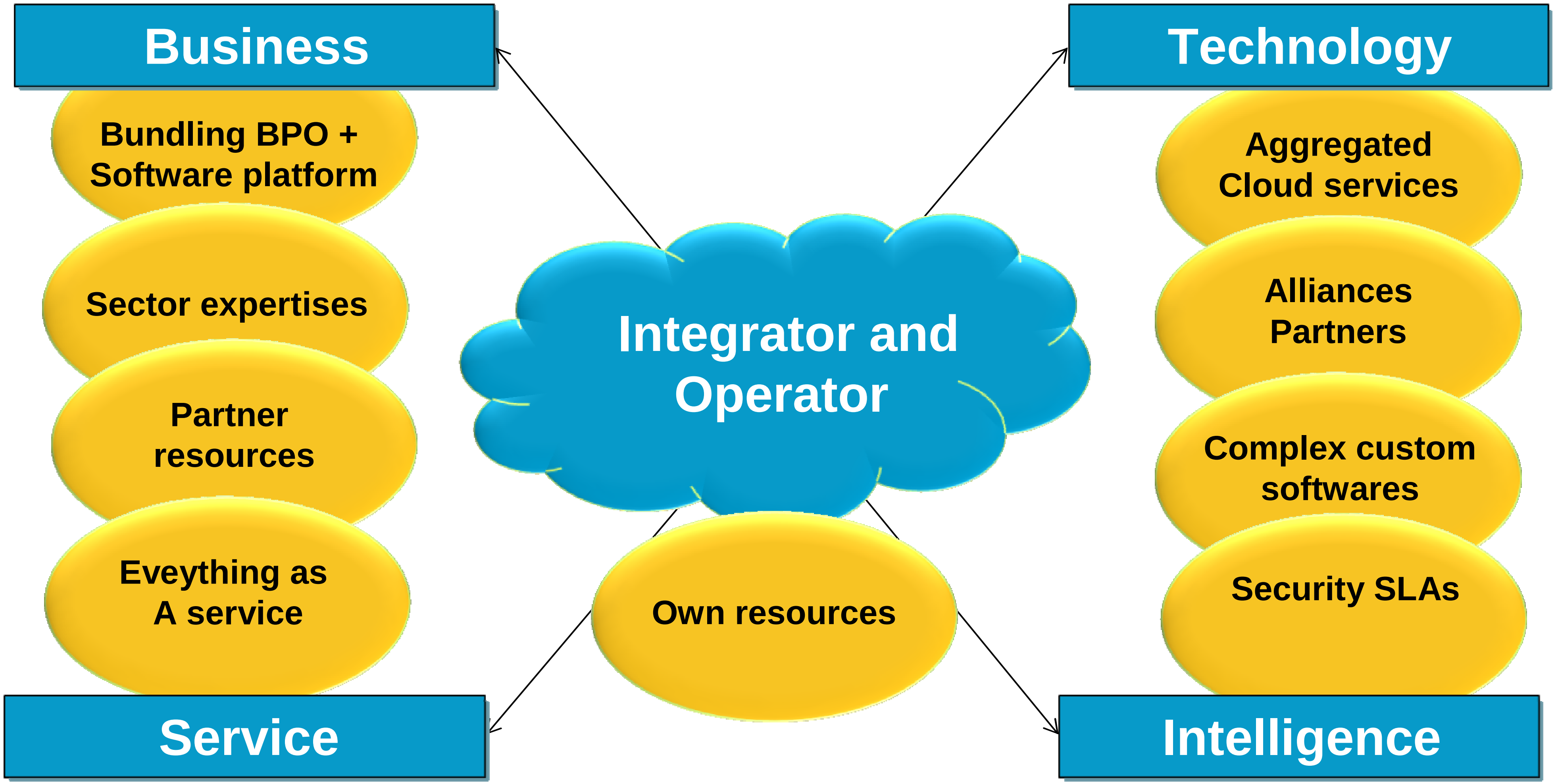
- Focus on understanding business requirements.
- Mutualized team and flexible staffing across multiple projects.
- End to end responsibility of customer relationship

Change: in each sector specific factors are driving change



Capgemini has some strong positions and consulting favors business alignment

Change: we'll progressively have to rethink our role and our whole ecosystem



2010 Outlook

Revenues: - 2 to - 4 % like for like

Operating margin: 6.0 to 6.5 %

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