



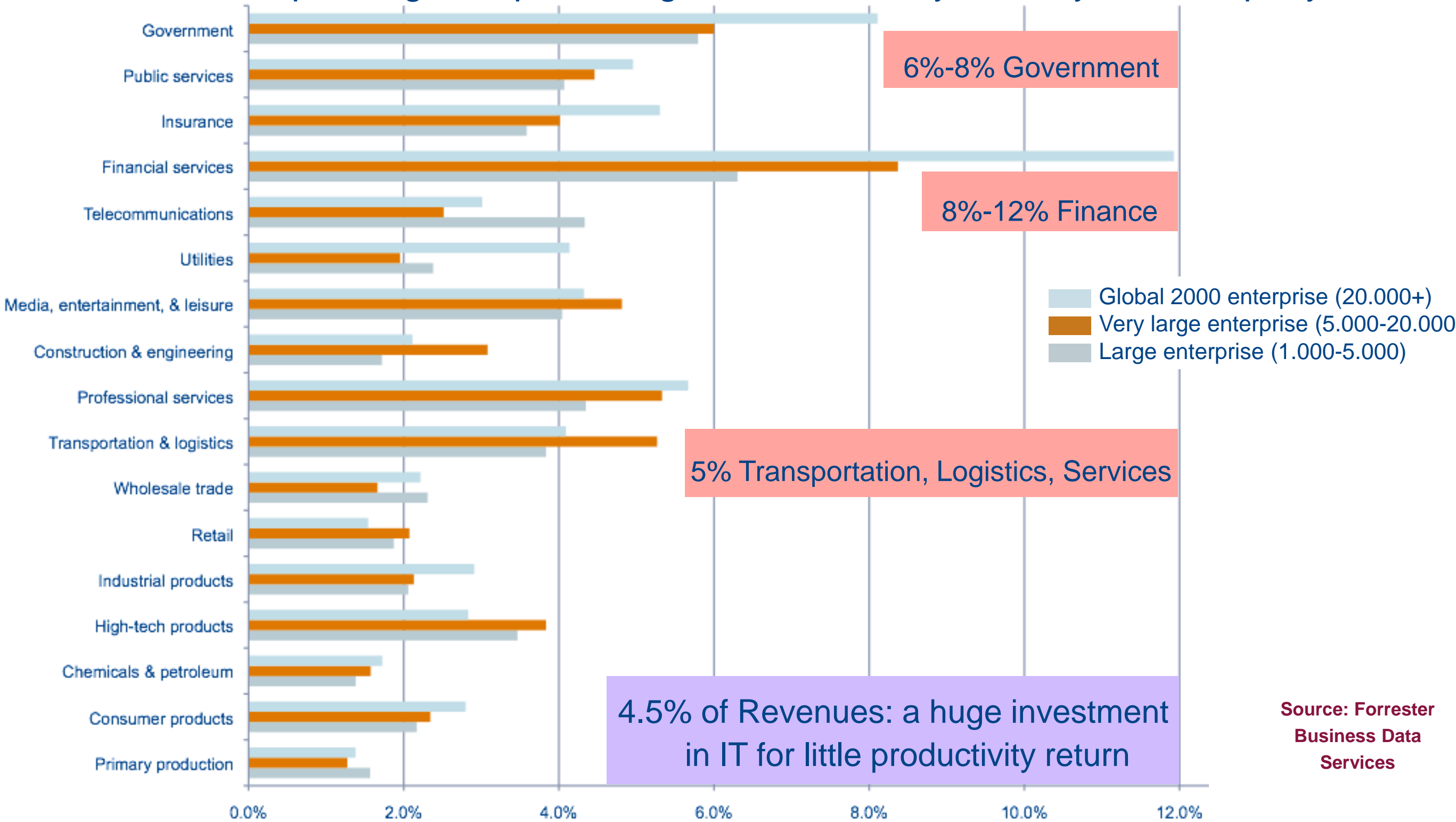
CORDYS

How to improve the effectiveness of IT expenditure by 500%

*Driving
Agility and
Innovation in
Business Operations*



US 2008 Total IT spending as a percentage of revenues by industry and company size



Source: Forrester Business Data Services



The bottleneck for fast innovation

How the 4.5% was spent in 2008:

- 68% to keep the lights on
- 32% New Initiatives
- Effectiveness Ratio = 0.47

Budgets 2009: down 12%!

Average time to deploy new applications 22 months

On time delivery of applications: 49%

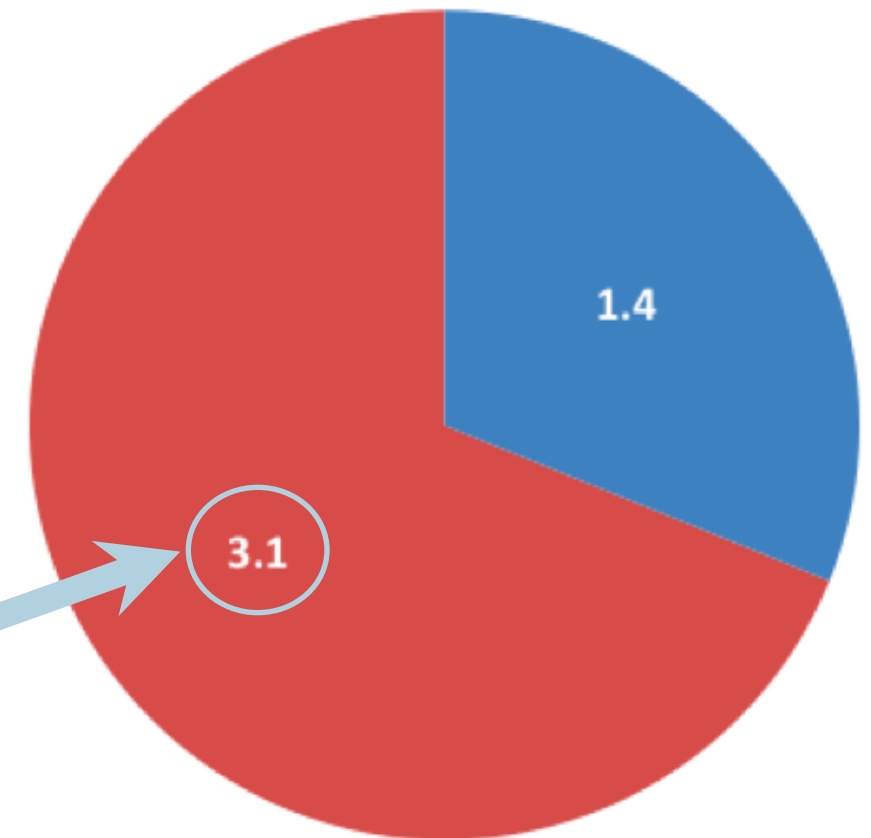
On budget delivery of applications: 59%

Cost over-run by: 17%

• MOOSE:

- **M**aintenance, **O**perations, **O**ngoing Support of **S**ystems and **E**quipment

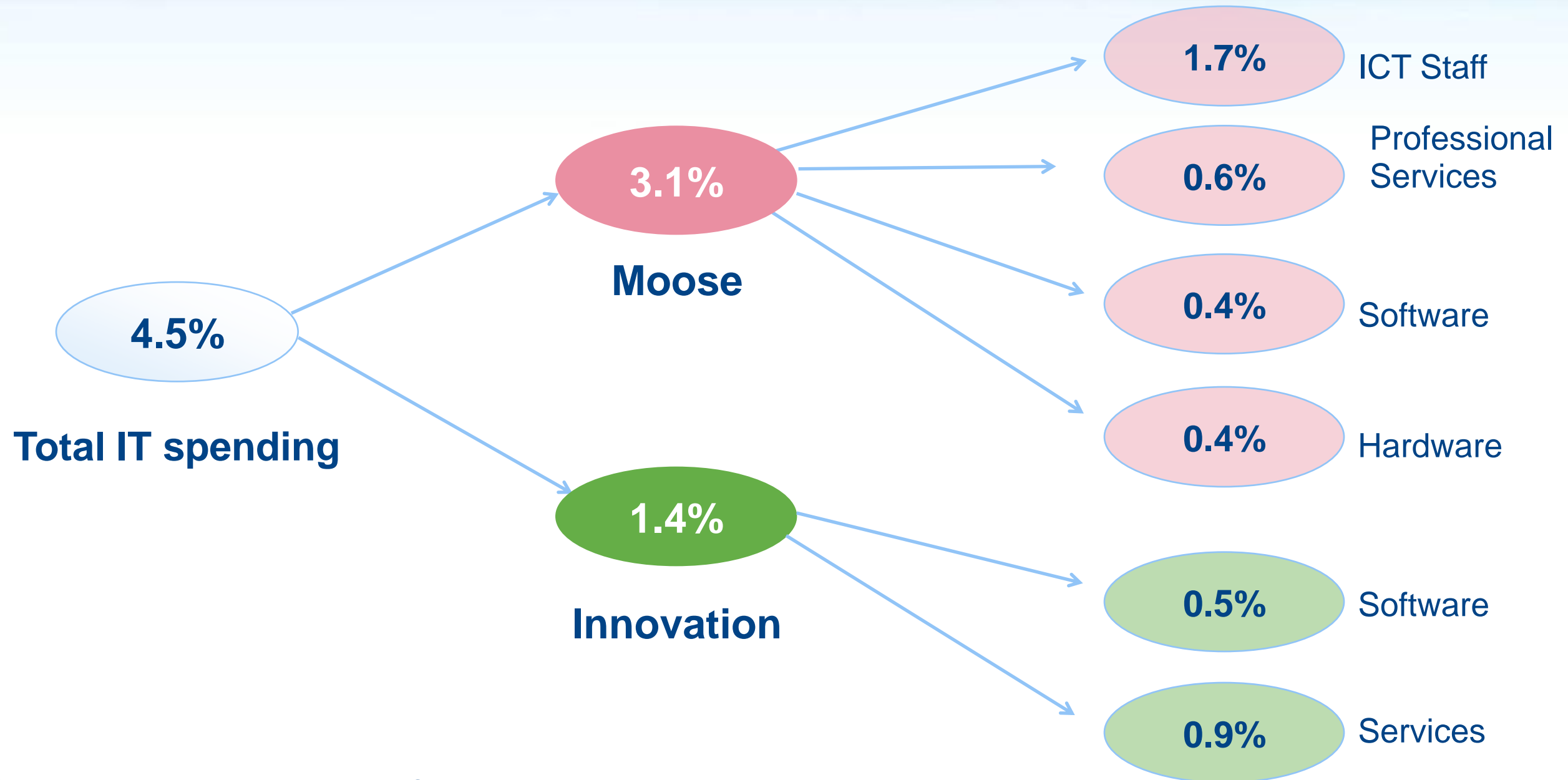
2008 IT Costs as Percentage of Total Revenues - 4.5%



3.1% of Revenues just to Keep the Lights on



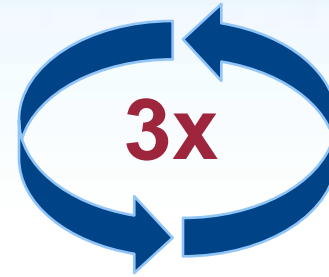
Step 1: IT expenditure breakdown (% of revenue)



Source: Gartner, Forrester, IDC



Step 2: Business to ICT communication (requirements) - costs and time



Average re-work on translation

IT Staff : 1.7% of Revenue

Business Operations Staff
Today dedicated to Business can be
moved to Innovation Projects: 0.5%
Hidden Organization Cost!

Time to Translation: 3-4 Months



Step 3: Look at WIP for innovation...dilution (1)

22 months average project duration! Declared...



Time for
Translation



Average project development and deployment
For complex Enterprise-wide initiatives

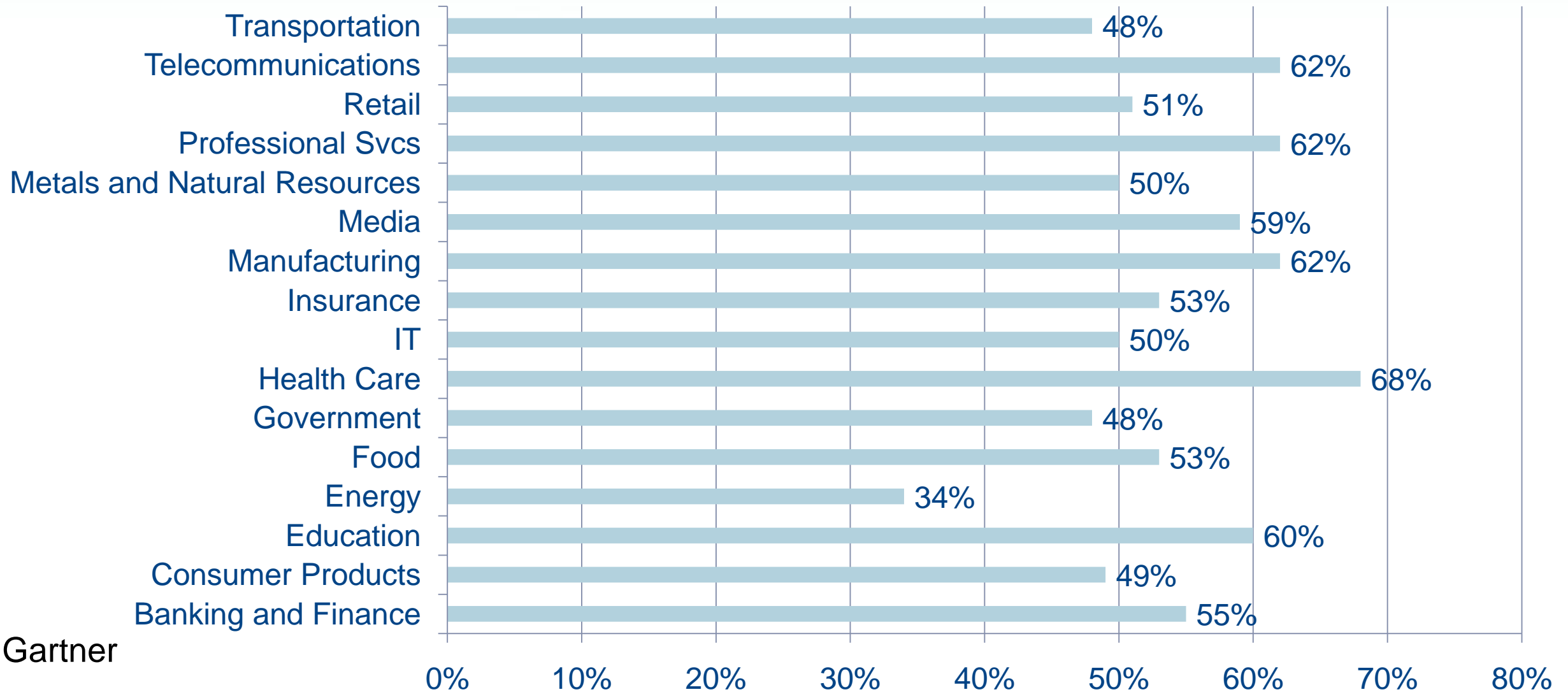
Source: CSC analysis



Breaking down cause-effect relationships

Step 3: Look at WIP for innovation...innovation dilution

...however percentage of ICT projects completed in time makes the timeline even worse! Only 49% on time!



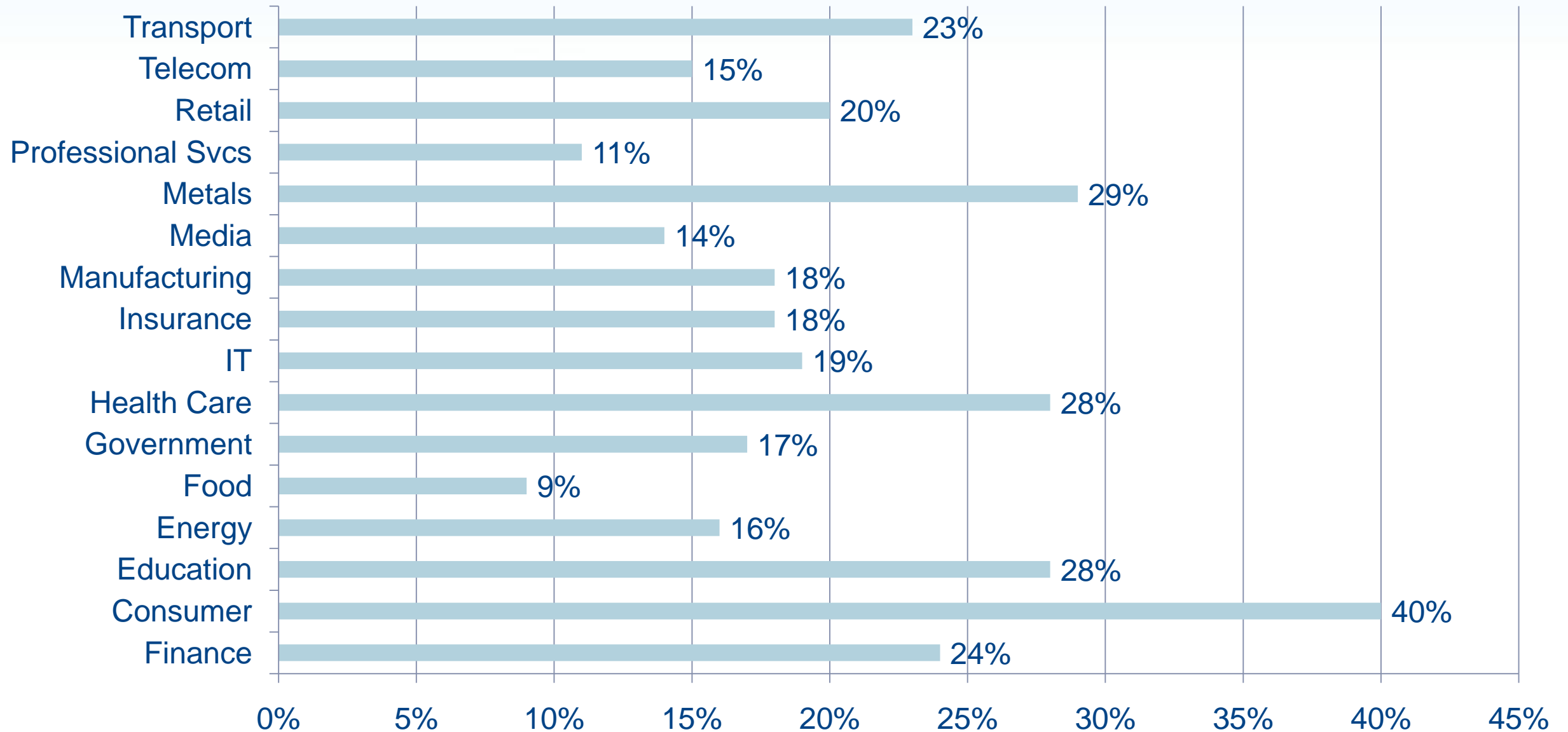
Source: Gartner



Breaking down cause-effect relationships

Step 3: Look at WIP for innovation...innovation dilution

....and there is an average 22% variance in the delivery schedule...

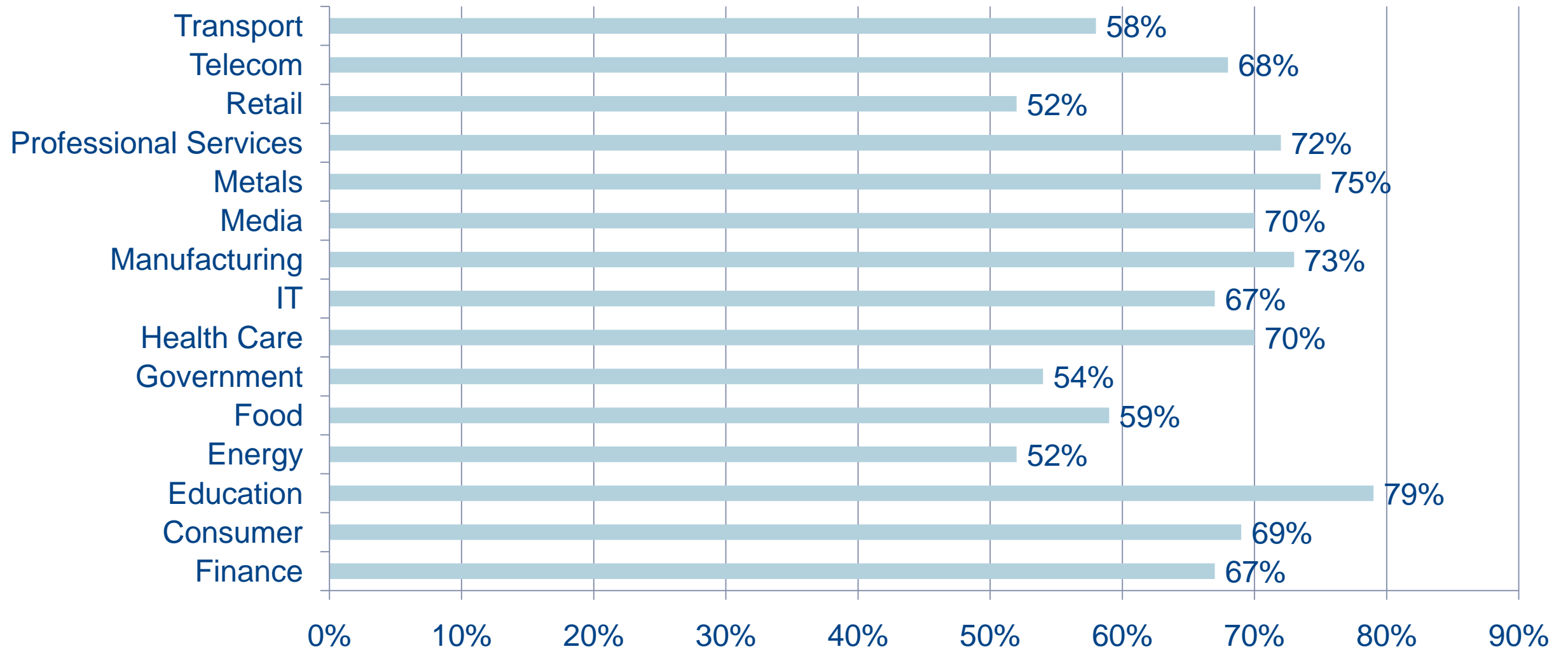




Breaking down cause-effect relationships

Step 3: Look at WIP for innovation...innovation dilution

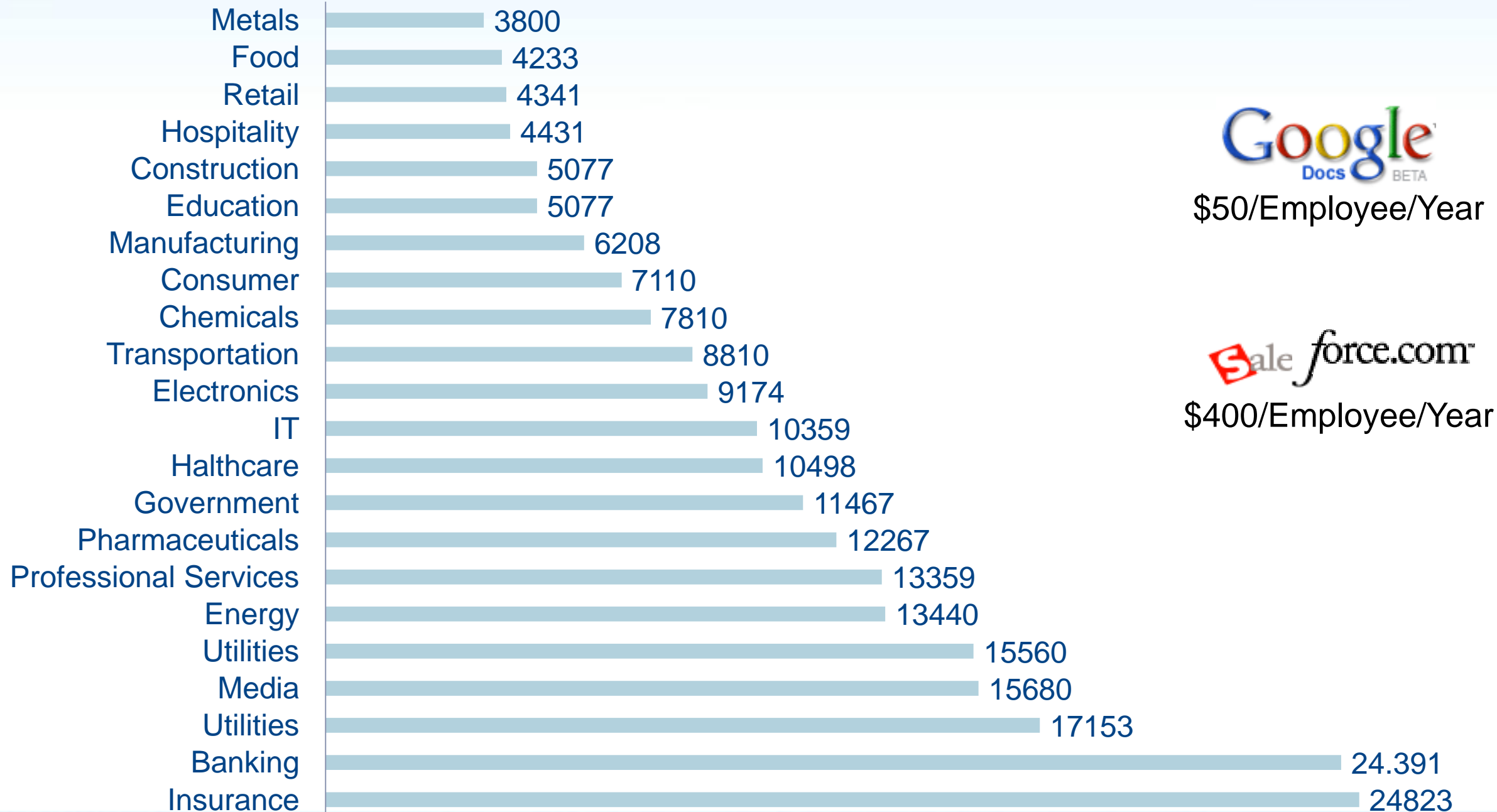
...and only 59% of IT Projects are delivered on budget and with average budget variation of 17%





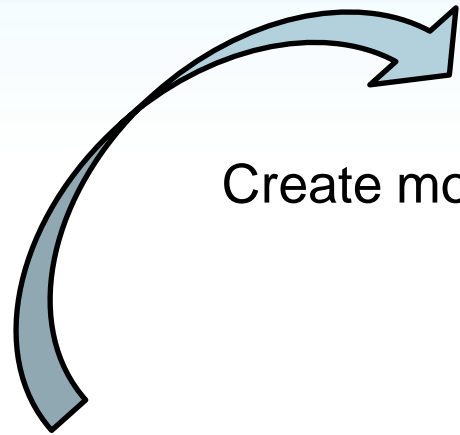
Step 4. Address the perverse logic of complacency....benchmark Cloud reality!

ICT Spending per employee (\$)





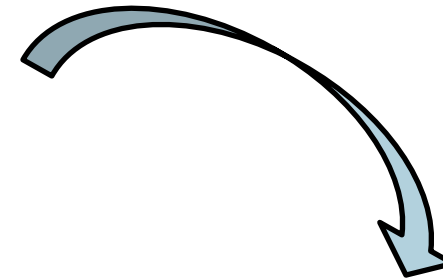
Step 5: Unmask Conventional Wisdom's True Mechanics



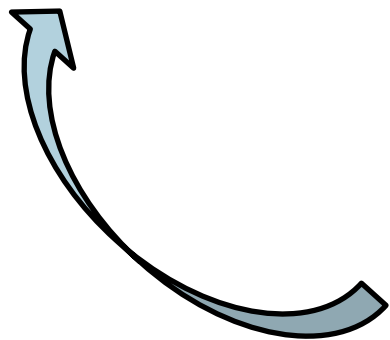
Create more MOOSE



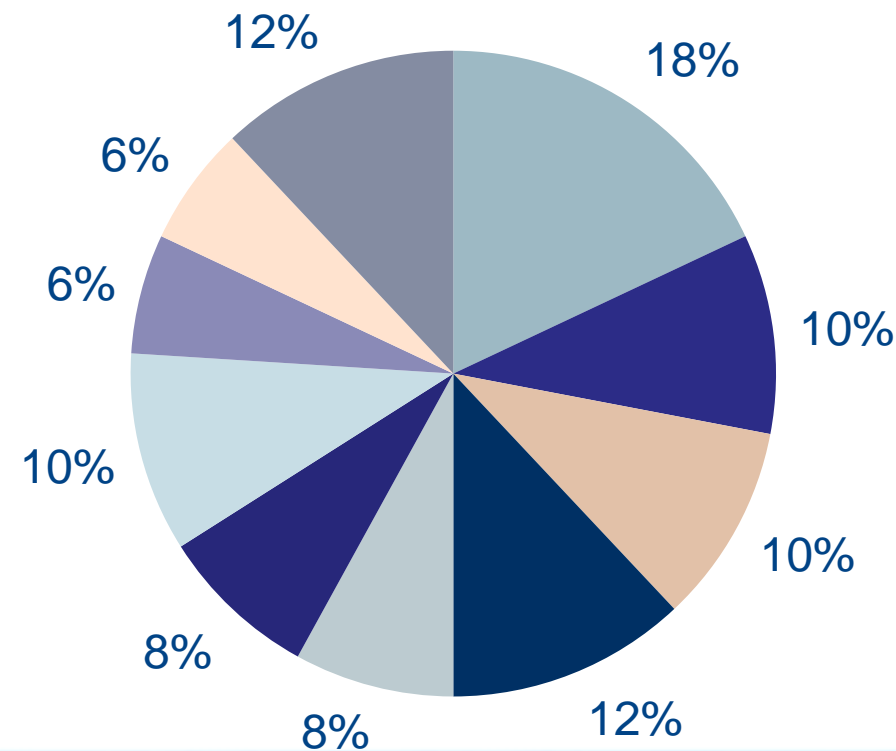
Created the MOOSE trap
And CEO/CFO require to cut costs
And the CIO is the expert



Those "experts" who created
The mess in the first place
And hold the gun to our head



We need to reduce
Suppliers....hence we choose....



Supplier

- IBM
- Oracle
- SAP
- HP
- Accenture
- Cisco
- Microsoft
- Cap Gemini
- CSC
- Smaller Innovators

Cost reduction and efficiency?



**Cordys BOP enables
the business to
design and
continuously Optimize
processes**



Problem solving approach – with Cordys

1. Reduce time to ROI of projects from 22 to 3 months: 7x improvement
2. Eliminate MOOSE software licensing completely: -0.4 %
 - Substitute IT “translation resources” with business operations staff: -0.5%
 - Outsource/Cloudsource applications and infrastructure to leverage an Opex-oriented (Operational expenses) model: -0.3%



Improvements:

Time reduction 7x

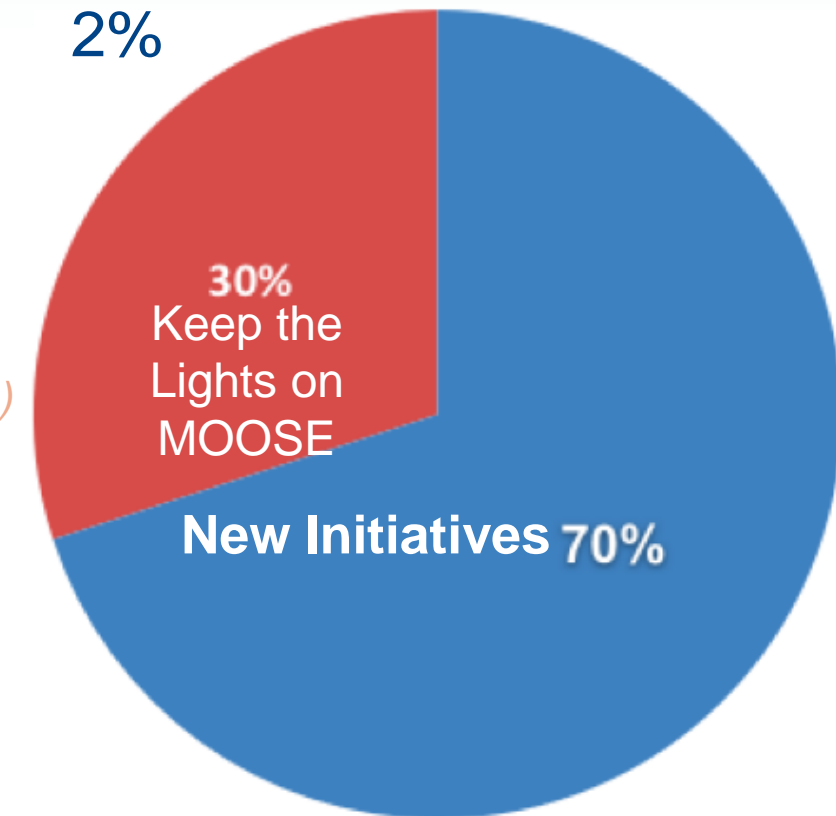
Cost reduction 1.2% of revenue



Improving the Effectiveness of IT by 500% with Cordys

- 🍏 Total IT cost:
 - 70% Continuous Improvement Initiatives (32%)
 - 30% Keeping the lights on (68%)
 - Effectiveness ratio: 2.33 (0.47)
 - 3.5 – 2 % of revenue (4.5 %)
- 🍏 Average time to deploy new applications 3 months (22 months)
- 🍏 On time delivery of applications 97% (49%)
- 🍏 On budget delivery of applications 100% (59%)
- **MOOSE:**
- **M**aintenance, **O**perations, **O**ngoing Support of **S**ystems and **E**quipment

IT Costs as Percentage of Total Revenues 3.5%-2%





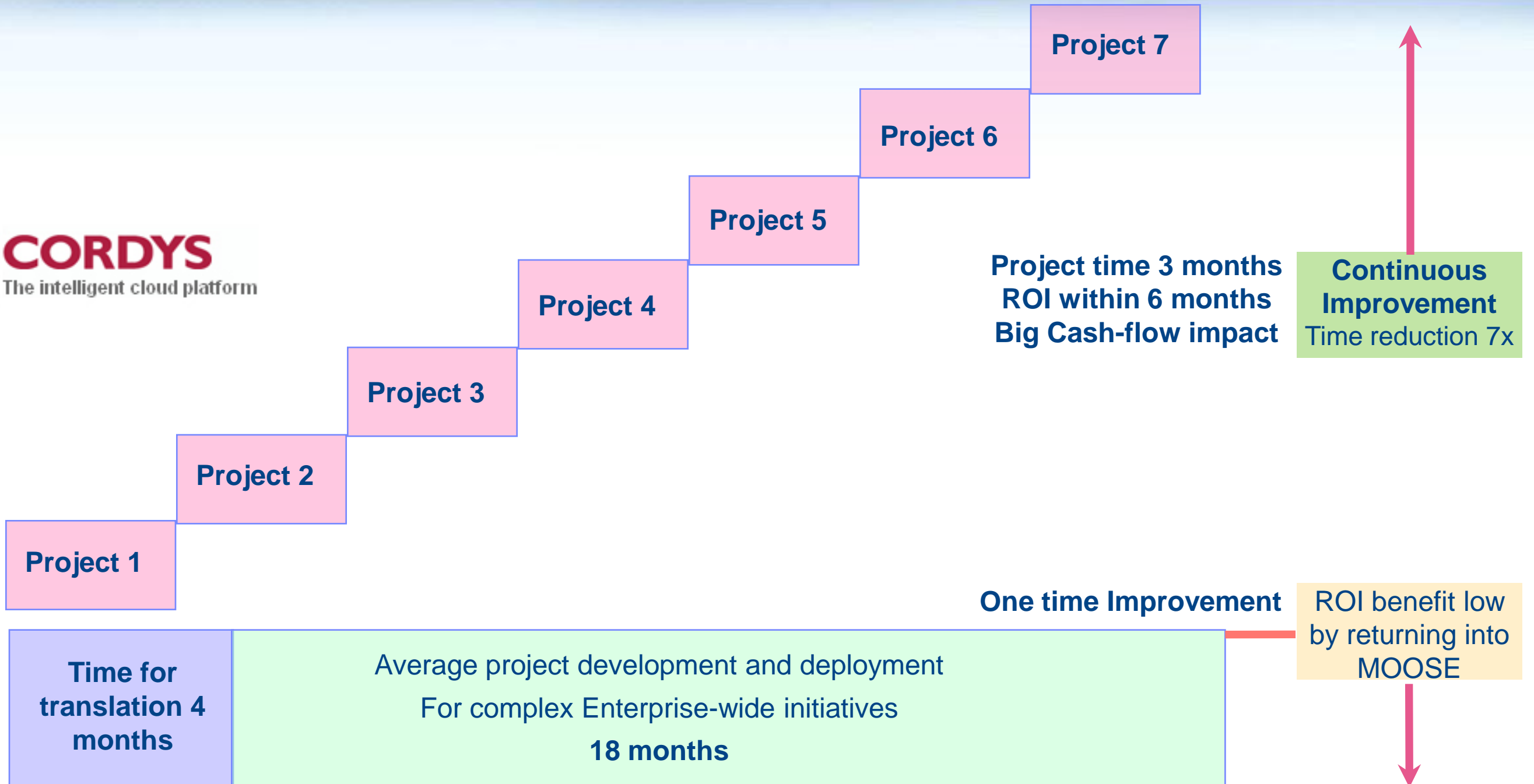
Improving the Effectiveness of IT by 500% with Cordys





Improving the Effectiveness of IT by 500% with Cordys

CORDYS
The intelligent cloud platform





Improving the Effectiveness of IT by 500% with Cordys

7x faster Strategic Enterprise initiative execution



50% faster NPI and 30% Improved Product Vitality Index



30% IT Capital expansion reduction overall



30-50% reduction in IT Opex/Capex ratio



200% improved agility through the external value chain

Efficiency + fixed & variable costs reductions → 5x Business Effectiveness



Accelerate Time To Value



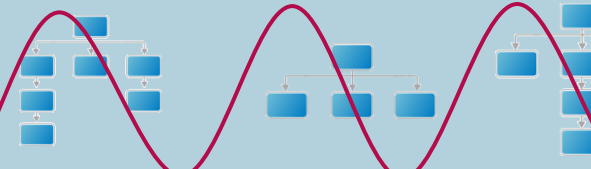
Strategy layer



1-2 years



Organization layer



3-6 months



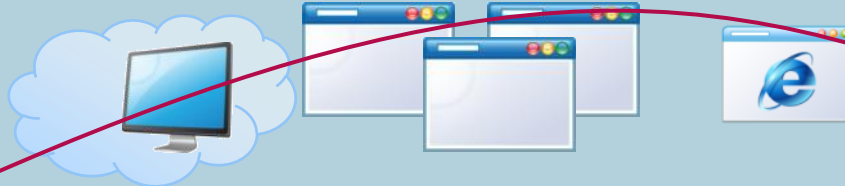
CORDYS



Business Operations Platform
To sync different change cycles



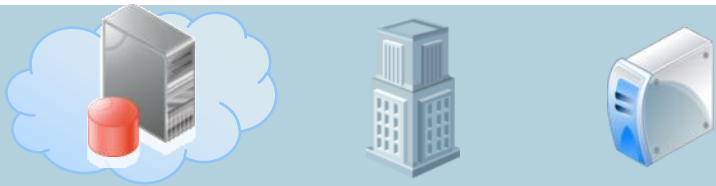
Software layer



6-10 years



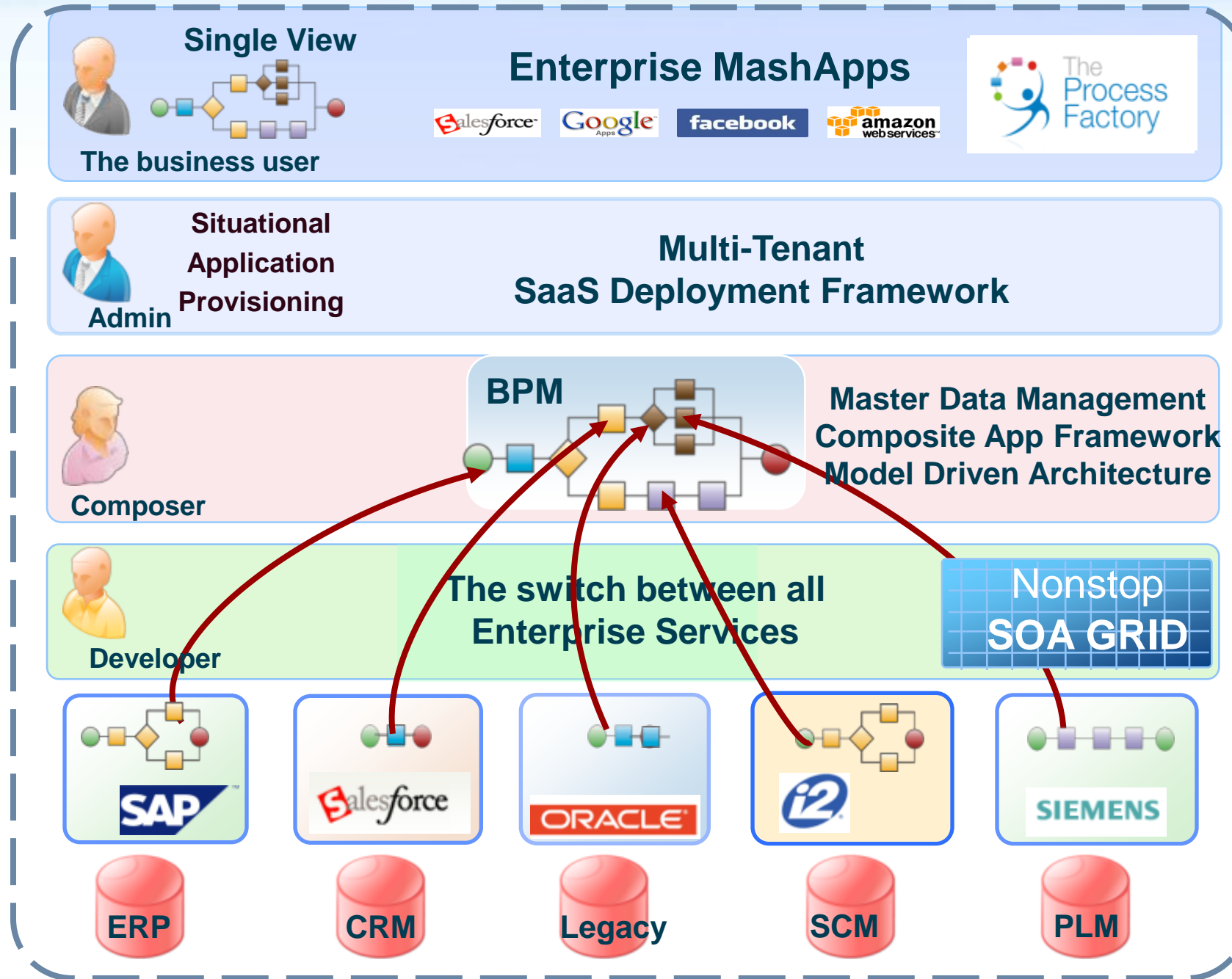
Infrastructure layer



6-10 years



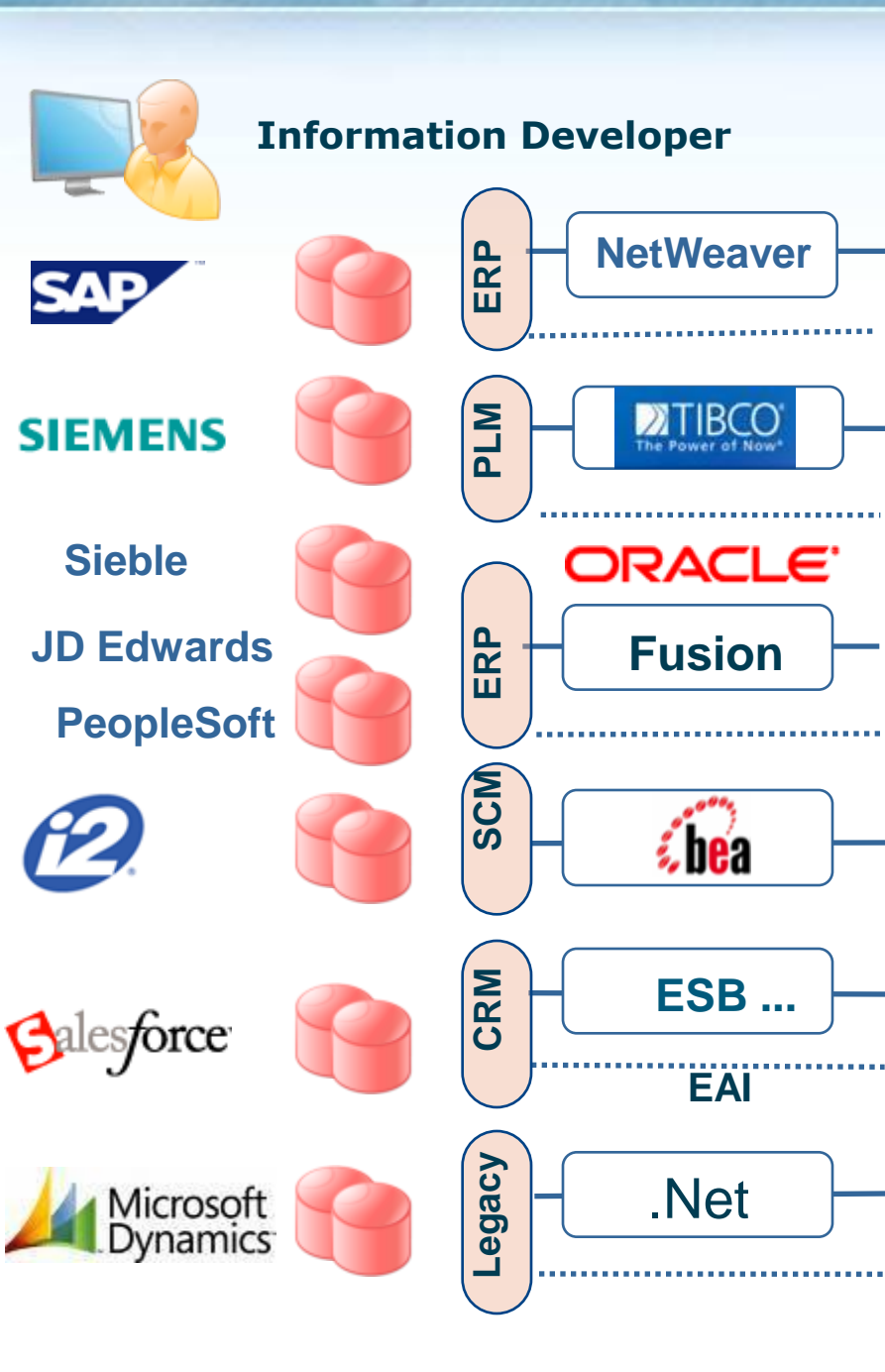
BOP: for True Business Agility



Today's business forecast:
Cloudy!



Platform as a Service

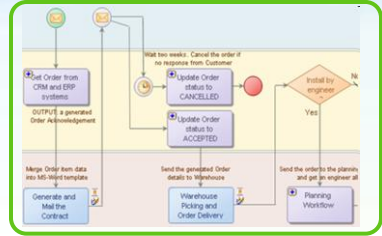


Today's business forecast: **Cloudy!**

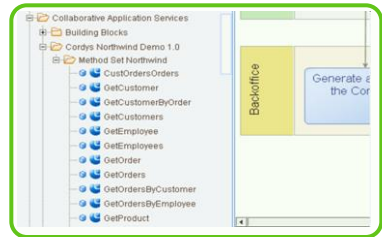




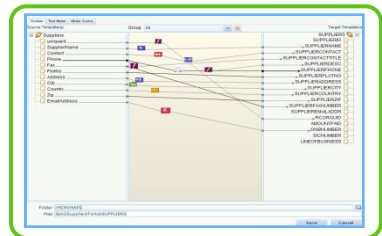
Cordys Business Operations Platform



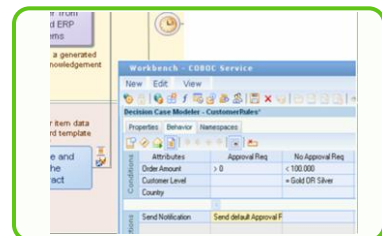
Model Driven Development



Drag-and-drop web services



Information harmonization



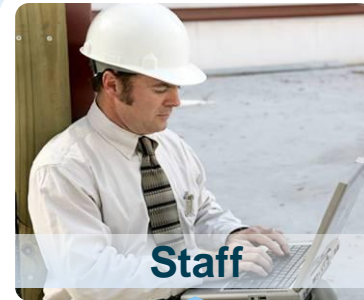
Dynamic processes



Customers



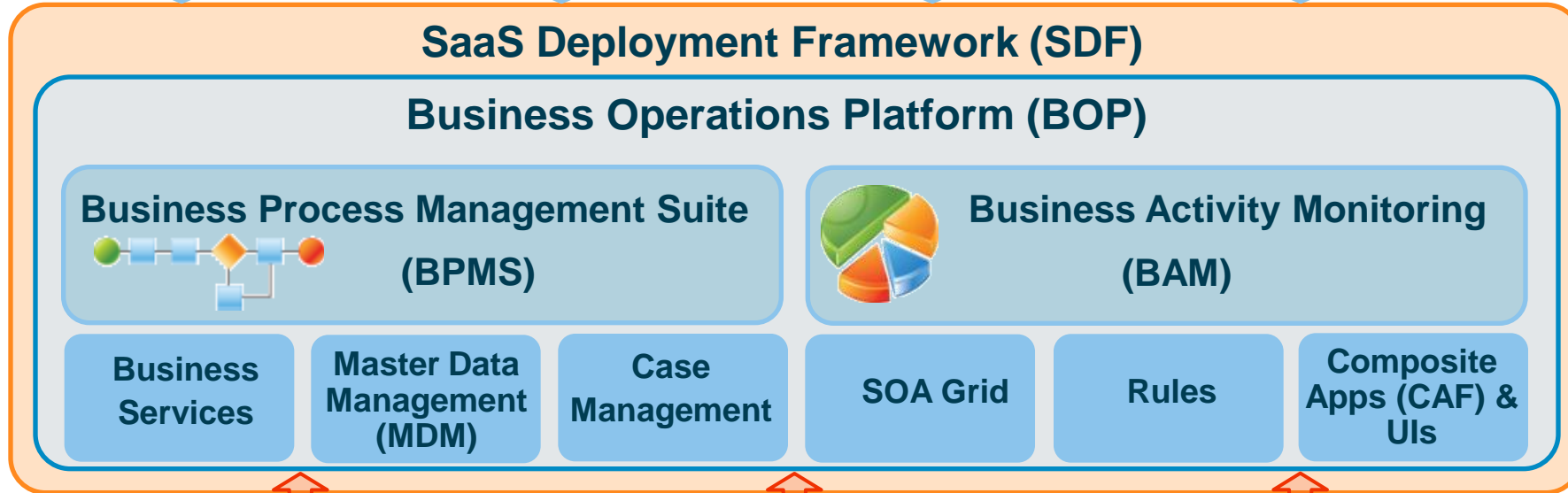
Managers



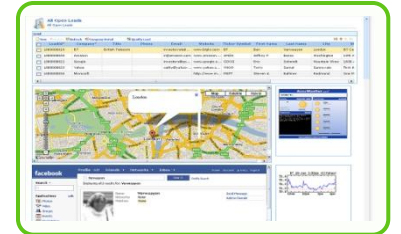
Staff



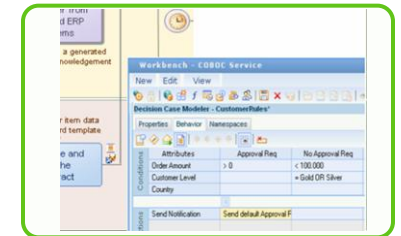
Suppliers



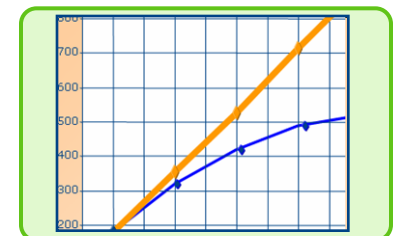
Monitor performance



Composite application



Integrated Rules



Linear scalability



www.cordys.com

The Intelligent Cloud Platform