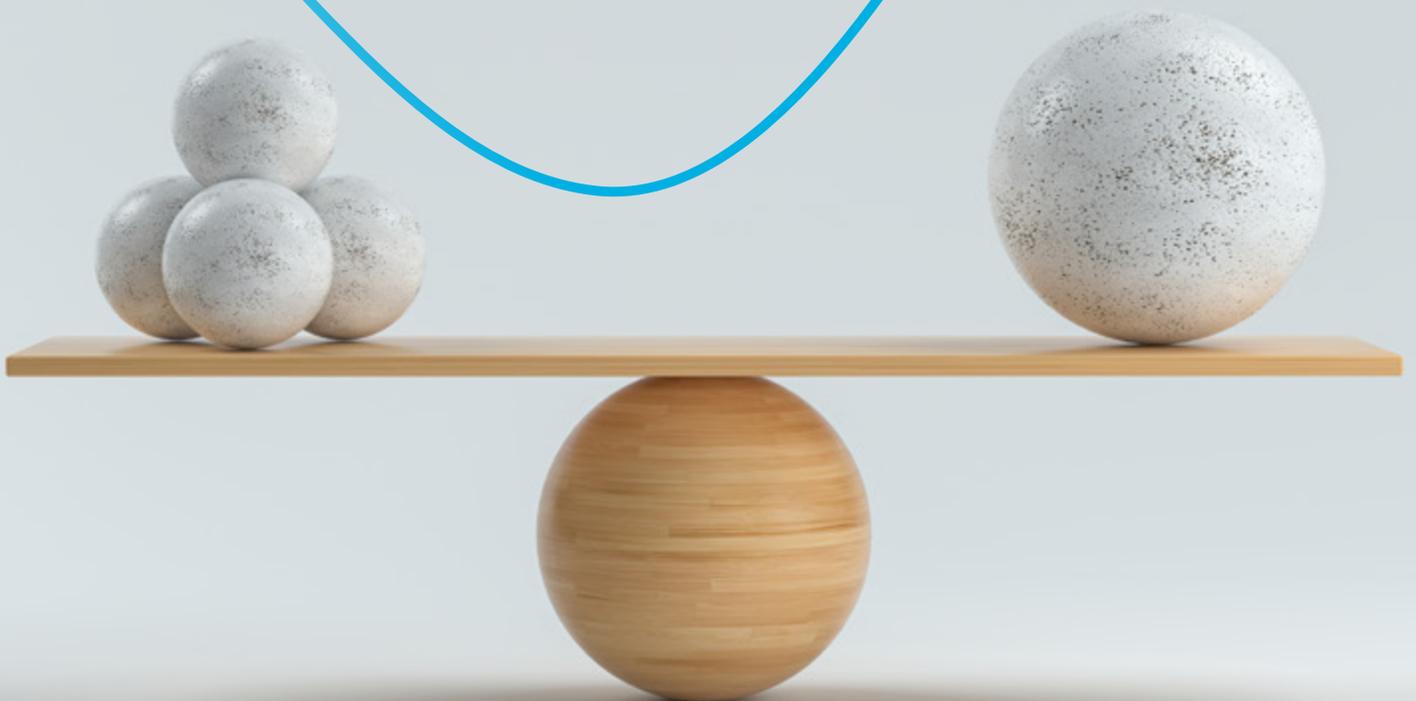




DRIVING EFFICIENCIES AND GROWTH THROUGH VENDOR CONSOLIDATION

Spend less time managing technology and more on value-generating initiatives



Companies are facing an unprecedented economic climate. Each management decision now carries more weight, with every action or even inaction playing a vital role in the enterprise’s ability to contend with the current challenges. This is a moment when cost optimization is no longer a targeted benefit – it is now a necessity and, without an efficient approach, companies will not thrive in this volatile market. Technology is central to this drive towards efficiency and cost optimization, but in a way that is perhaps less familiar.

The technology-management problem

Technology is a powerful tool that creates an endless stream of opportunities, and this is why we have seen an explosion in the size and scope of vendor landscapes, with businesses recruiting a range of options to meet particular needs.

That creates a technology-management problem. Companies utilize multiple platforms from many vendors to manage different tools and applications. Some are

sanctioned by IT and some are not. Running numerous platforms makes it difficult to maintain control and visibility of all operations. And all these factors – redundant tools, lack of team alignment, and inefficient coordination among HR, procurement, and supply chain – increase costs.

The goal, therefore, is to find a solution that delivers operational efficiency.

The vendor landscape: Fragmented vs. consolidated

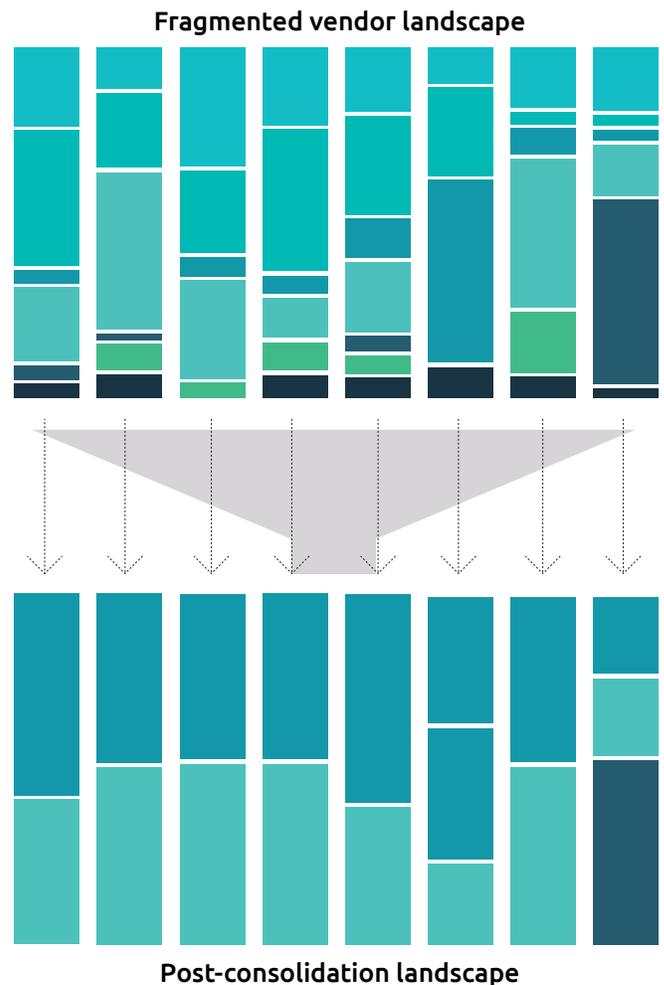
At the heart of the problem is a fragmented vendor landscape. Having too many providers for too many things creates risk-management and flexibility challenges, and requires more IT oversight, on top of the issues listed above.

By contrast, a consolidated landscape removes complexity and rationalizes processes and functions, so that each business requirement is linked to a capability in a specific tool. This eliminates redundancy and improves both efficiency and organizational transparency.

The main benefits of a consolidated vendor landscape are:

- Fewer handoffs and greater accountability
- Increased synergies across work functions and between teams
- Greater standardization of processes, tools, and best practices
- Increased adoption of more innovative commercial models.

This consolidation process ultimately enables the company to reallocate its management resources. Post consolidation, the IT department can focus less on day-to-day monitoring activities and more on business liaison, performance management, and direction setting. For this reason, vendor consolidation also acts as an enabler of business results, as it allows IT to better engage with the organization.



The expected outcomes of consolidation

The specific improvements created by consolidation can each deliver savings of five to 30 percent over the term of the engagement. These measures include leveraging our industry tools, lean methodologies, ADMnext delivery framework, and global offshore centers, such as those in India and Poland.

These measures can be implemented with volume discounts and across commercial models for an additional boost in potential savings.

Consolidation as part of a larger sourcing strategy

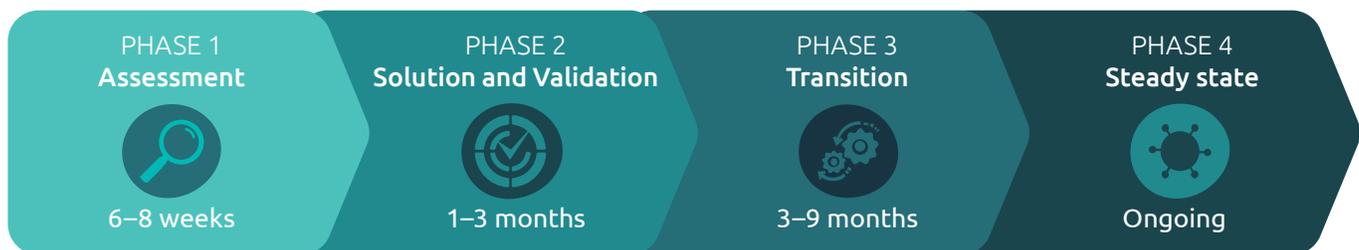
Consolidation can also assist with larger sourcing initiatives, such as retaining knowledge spread among diverse contractors and maintaining or increasing service levels and accountability of delivered services. Getting there involves asking the right questions about contractor sources and technology vendors, looking into both the 'who' and the 'what' in assessing the contractor, application, and infrastructure.

Capgemini's phased approach to vendor consolidation

We start with segmentation, by identifying data sources, collecting contractor and application information, defining scoring guidelines, and finalizing templates. We follow with a contractor assessment and evaluation of offshore opportunities, before creating the transition map and associated knowledge, risk, change, and program-management plans.

Our phased approach ensures a smooth consolidation process all the way from the initial assessment phase to transition and ongoing steady-state operations. Once the vendor landscape is consolidated, we work to further streamline and automate processes to deliver further efficiencies as part of our commitment to year-over-year improvements for our partners.

Efficiency is even more important today, so organizations must look to consolidate their vendor landscape. Cost savings and stronger contractor relationships are obvious benefits, but the biggest advantage is the significant reduction in time spent on IT project and vendor management, which then frees up valuable time for focusing on the initiatives that will drive the greatest business impacts for the enterprise.





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