



## Cognizant Delivers End-to-End Services to Optimize Global Retailer's Performance Amid Persistent Environmental Changes

### Cognizant Enables Expanded Business Benefits with Outcomes-Based Contract

The ability to achieve performance excellence in a diverse, dynamic IT ecosystem does not come overnight. It requires tight alignment of business and IT objectives and working closely with a partner whose deep expertise and across-the-board capabilities can deliver superior results. Such a partner should also be able to holistically manage an IT ecosystem that delivers excellent business performance in a dynamic, evolving technology environment. End-to-end systems management can synergistically produce significant and continuous improvements as well as business outcomes to reach higher plateaus of success, even during periods of disruptive change.

Our work with a leading global retailer clearly demonstrates how proactive end-to-end infrastructure and application management and testing can reap increasing benefits for an expanding international organization, amid ongoing changes in the delivery of its IT services. Our team worked with this retailer to reinvent its IT ecosystem, which has enabled the company to run its daily business without disruption, while increasing delivery efficiency, as the new IT ecosystem emerged.

#### The Situation

Our client generates over £9.3 billion in revenues annually from over 900 stores around the world that employ more than 75,000 people. It had a very complex legacy environment, consisting of both infrastructure and applications, some dating back a quarter of a century. Many of the systems and applications are venerable home-grown solutions that have served the company well for over two decades. The company recently embarked upon a plan to modernize its IT, while continuing operations. The retailer chose us to provide stability with improved efficiency in managing IT services delivery while its IT ecosystem was transitioning. By injecting agility and flexibility into our relationship with a contract based upon business outcomes, a successful transition is enabled, with increased ongoing service delivery efficiency and reduced operating costs.

#### The Business Challenge

Robust legacy systems have served numerous organizations well for years, even decades, but eventually there comes a time to transition to the next generation of infrastructure and applica-

tions. Our client needed to ensure delivery with improved efficiency and cost savings, while being certain that the new systems and applications would effectively interface without risk to the existing ones as it progresses through a transformational two-year journey, which is expected to be completed later this year. The retailer required a partner that could be nimble and actively seek areas for operations improvement and cost reductions/benefits. Our end-to-end solution and flexible customer-centric approach would prove to be the answer.

The retailer's business pains included:

- Complex infrastructure and applications, many of which had been in use for up to 25 years, requiring end-to-end management.
- Long overdue cost reduction, to remain competitive with rivals.
- Underperforming IT, which was not providing value for the money spent.
- A fragmented approach to IT, with many vendors and individual contractors.
- Migration and transition to new SAP ERP systems and applications.

The client had an existing provider that was not flexible or proactive enough to improve efficiency and drive change. All efforts to accomplish this with the previous service provider had an additional cost beyond the scope of the contract. Our client needed to partner with a provider that could provide end-to-end management services and demonstrate flexibility with agility in delivery. Simultaneously, services delivery had to be ensured within a changing IT business environment as it moved toward implementing an SAP ERP system that our client calls its "Business Foundation Programme." This is a multi-year project involving progressive implementations of business software modules followed by business unit adoptions.

### The Solution

We crafted an agreement with the retailer to provide end-to-end services built around achieving key outcomes for improving IT services delivery. The agreement is outcome-based, and as the retailer's primary provider, we determine how the services are to be delivered, with incentives from the client on service levels and key performance indicators metrics to drive the optimal outcomes.

Ten percent of our efforts are dedicated to service improvements to identify and implement change to improve the quality for the end user, while facilitating a smooth transition to the new SAP-based ecosystem.

End-to-end services consisted of:

- Infrastructure delivery, with Cognizant fully managing all infrastructure, remotely.
- Application delivery and management.
- End-to-end service management.
- IT vendor governance with a single set of outcome-based deliveries based upon service levels metrics.

Our contract with this client has since expanded to include two additional services that work in conjunction with one another. One is operational acceptance testing (OAT) for new systems and applications, added as part of the ecosystem update for fitness before entering the live environment. This involves ensuring that upgrades and changes do not destabilize or have an adverse impact on other functions already in use, which minimizes operational disruptions. The second involves non-production services. We provide secure, structured and controlled environments for application development, without forcing the client to invest in additional infrastructure. We can then test for potential conflicts.

### The Benefits

Our proactive, flexible approach for meeting the individual needs of our clients worldwide has produced a myriad of benefits and value that we can offer to this retailer, end-to-end. Our philosophy is centered on meeting our clients' individual needs based upon business outcomes, not a pre-fabricated set of offerings and pricing structure driven by the Cognizant team assigned to the engagement.

Our TEMS (Test Environment Management) framework and additional value-added services are now helping the retailer deliver fully tested projects efficiently and on time, without disruption to its existing IT ecosystem, while also improving the efficiency of existing systems and applications. A diverse set of products provided by over 200 IT vendors is now universally managed by one system. We categorize these vendor products into three segments to ensure that our service

## Cognizant Business Value

- Our skills and business philosophy meet individual needs through the delivery of comprehensive end-to-end solutions.
- Customer-centric and business-based outcomes pricing enables us to help our clients achieve their IT and business objectives.
- Significant cost savings as well as expertise in testing and evaluation reduces risk of adverse impact of IT ecosystem upgrades.
- Outcome-based pricing model.
- The ability to rapidly scale provides clients with enhanced capabilities, without adding infrastructure expense.

delivery achieves the high standards we set for ourselves.

Our client says our services have exceeded expectations, and it expects ongoing IT business functions to improve as it transitions from legacy systems to its modern IT ecosystem. Importantly, we have significantly reduced the client's IT delivery costs. The retailer's cost of maintaining IT availability is 40% lower than it was before we were brought on board.

The future of work is no longer in the future. We can help you optimize investments in next-generation systems and infrastructure, today.

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## About Cognizant

Cognizant (Nasdaq: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services, dedicated to helping the world's leading companies build stronger businesses. Headquartered in Teaneck, N.J., Cognizant combines a passion for client satisfaction, technology innovation, deep industry and business process expertise and a global, collaborative workforce that embodies the future of work. With over 50 delivery centers worldwide and approximately 104,000 employees as of December 31, 2010, Cognizant is a member of the NASDAQ-100, the S&P 500, the Forbes Global 2000, and the Fortune 1000 and is ranked among the top performing and fastest growing companies in the world.

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