



Cognizant

Passion for building stronger businesses

Key Ingredients for Successful Remote Infrastructure Outsourcing: A Case Study



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Who We Are: Cognizant Profile

- Revenues:
 - \$2.14 Billion (Full 2007)
 - \$643.1 million (Q1 2008)
- Employees: 58,000
- Customers: 505, 46 Fortune 100
- Over 40 global delivery and development centers
- 23 regional sales offices
- 4th largest provider in the Indian offshore category
- Over 12,000 projects in 40 countries
- Founded in 1994 (CTSH, Nasdaq)
- Headquarters: Teaneck, NJ
- Member, Nasdaq-100 Index
- Member, S&P 500 Index
- Market Cap around \$8-10B
- Revenue Mix (as of Q1 '08)
 - NA: 80%, Eur: 19%, Asia: 1%.
 - Banking & Financial Services/Insurance : 45.5%, Healthcare/Life Sciences: 25%, Manufacturing & Logistics: 15%, Other: 15%.



Our single-minded passion: dedicating our global resources, industry intelligence and systems expertise to working with our clients to make their businesses stronger.



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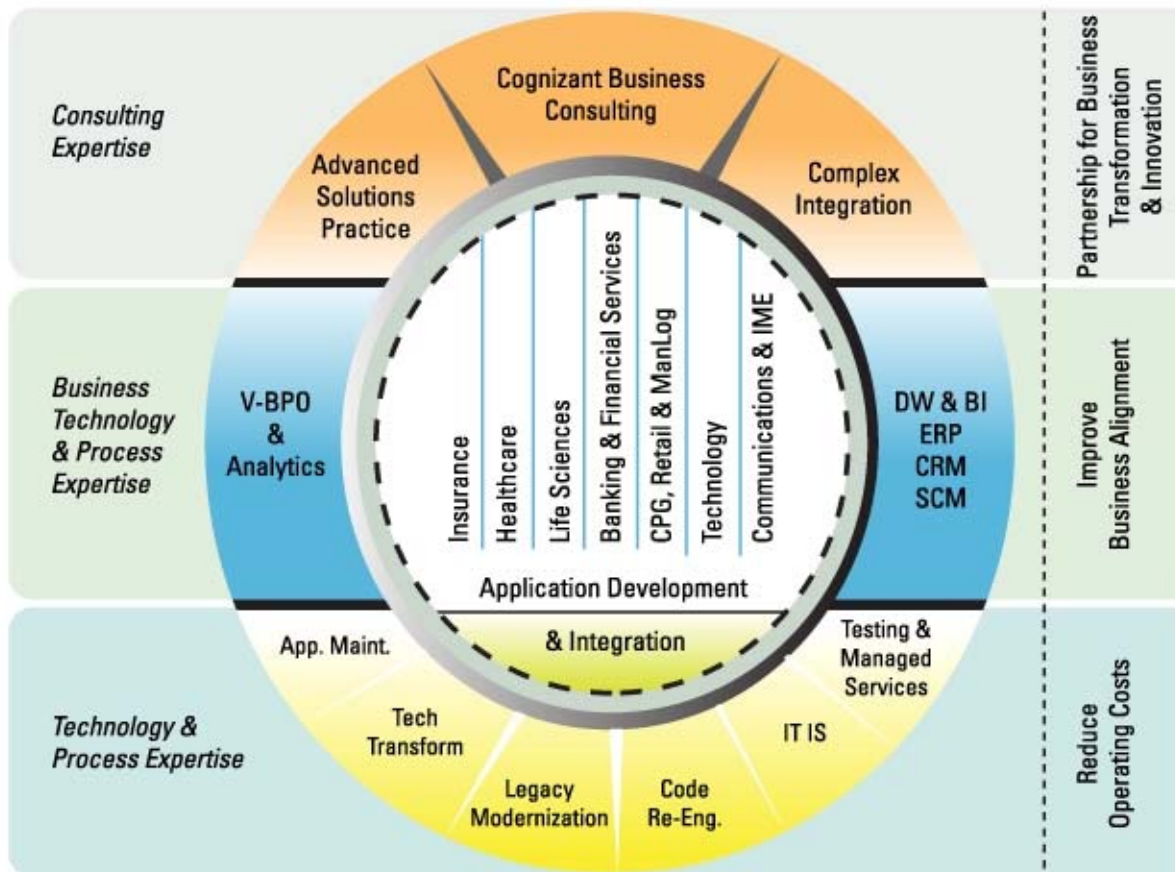
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We Work With Global Leaders as Our Clients



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Fully Integrated and Seamless Services Portfolio



10 percent of revenue

- Technology road map definition
- Portfolio analysis
- Complex application development

40 percent of revenue

- Application development
- Application integration
- Package implementation

50 percent of revenue

- Application Maintenance
- IT Infrastructure Services
- Testing

Case Study: Media Conglomerate Gains Business Efficiencies with End-to-End Managed Service Solution

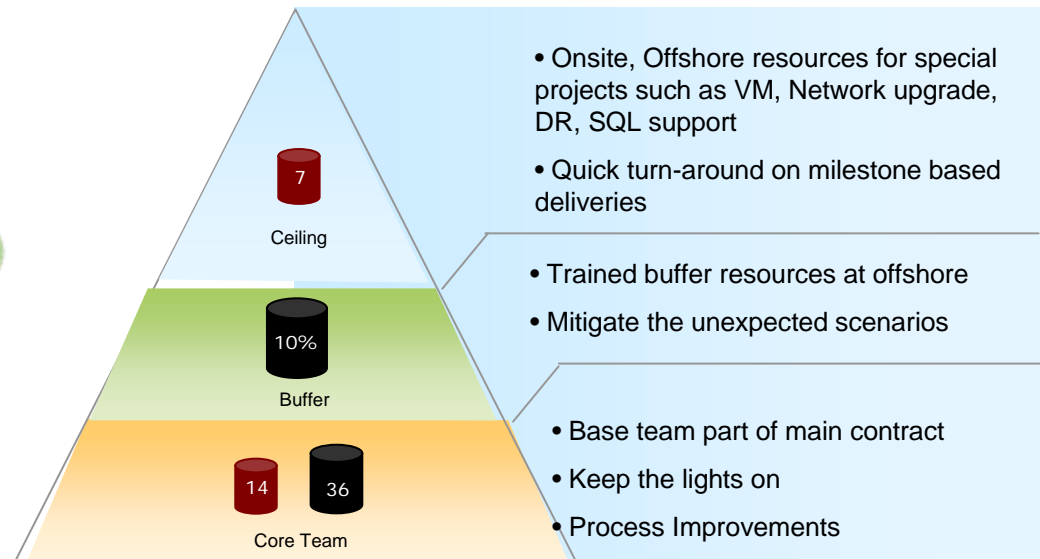
- **Client: The publishing arm of a large \$14.54 billion media conglomerate**
 - » Located in New York City, its core business is the publication and distribution of trade books
 - » One of the top five Trade Publishers
 - » Publishes approximately 2,000 new titles a year
- **Business Challenges:**
 - » Balancing the core business imperatives and initiatives while providing ongoing value to the organization
 - » Achieving positive business outcomes such as improved profitability, speed to market, enhanced productivity, and increased customer responsiveness
 - » Lacking a standardized IT environment and service-based delivery; not all procedures had been documented in a previous outsourcing transition
 - » Increasing pressure to deliver greater operational efficiency, develop a partnership approach for managing vendor relationships, and execute an effective transition from the incumbent vendor
 - » Sustaining performance-based accountability while offering flexibility & continuous measurable improvement

Cognizant's Solution

“Continuous process improvements, innovation in service delivery and team motivation are key to the success of this project”

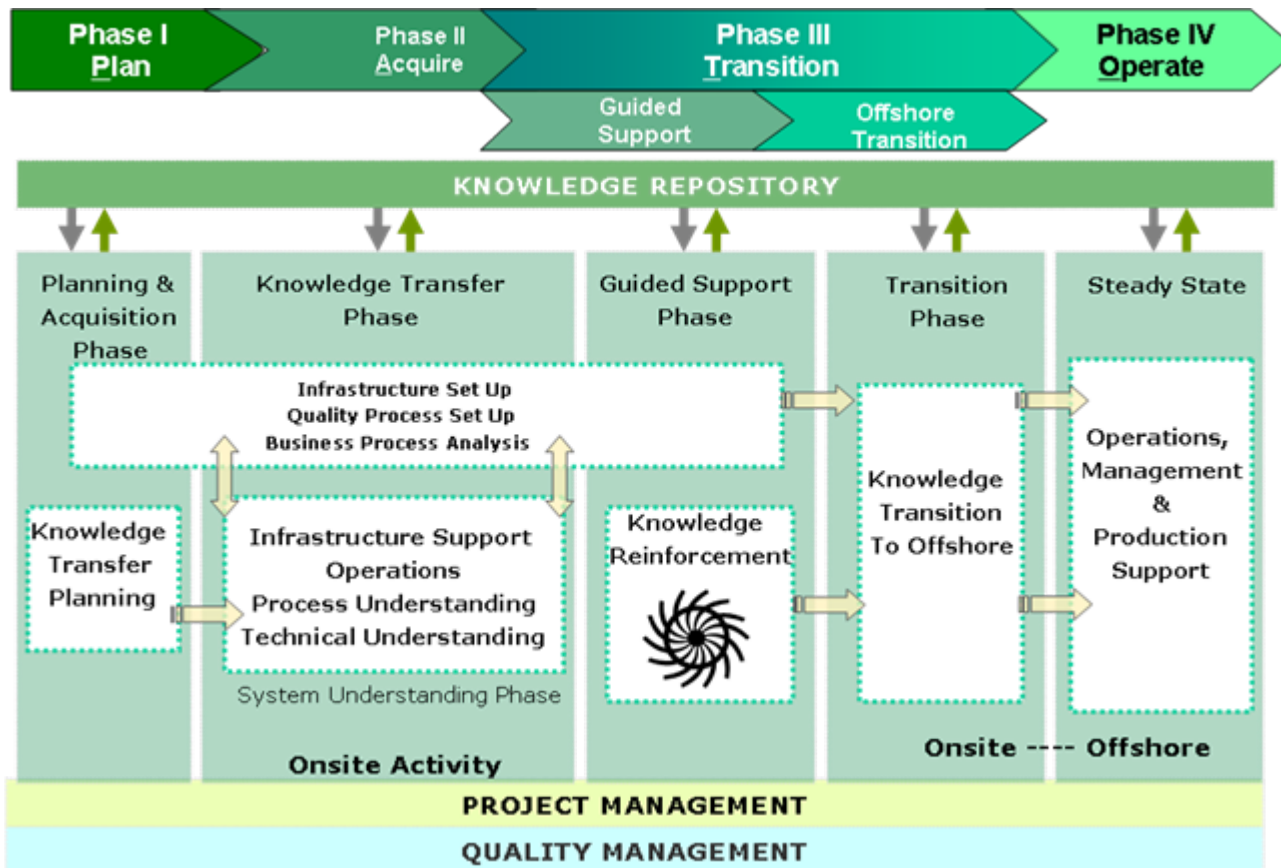
- 3500+ Users
- 250+ Servers
- 8 Locations
- Global Service Delivery

- Providing services since 2006
- 5 years of contract
- End-to-end Infrastructure Services
- Innovative Delivery Model
- Strong SLA Delivery Management
- Key IT Optimization projects



Transition Methodology

- Knowledge transition (Transfer business, process, service and function knowledge)
- People transition (if any re-badging is planned or desired)
- Technology transition (if Cognizant would be employing their tools for monitoring/ system administration at the client site)



Engagement Kick-off meetings

- ❖ All key stake holders are involved.
- ❖ Clearly articulate the project scope, timelines, Governance process,
- ❖ Identify key stakeholders and their roles and responsibilities, reporting & review process etc.
- ❖ Roles & responsibilities are documented and shared with individuals.
- ❖ Role based training: For individuals performing key roles

Key Transition Risks and Mitigation strategies

SMEs start leaving before and during the transition

- Identify Core application areas and focus on such items as a first priority
- Conduct parallel KT sessions to maximize coverage in a short span of time
- Rebadging of key employees across IT areas

Business interruption with the 'Big Bang' transition approach

- Careful transition planning to identify required SMEs for transition, leaving the rest for BAU (Business As Usual) activities
- Mix of transition methods for faster pick-up of expertise
- Careful selection of team having prior knowledge of an IT area to facilitate quicker transition

Loss of knowledge during the transition

- Re-badge key SMEs
- Play-back the understanding and get sign-off on documents

Low existing documentation

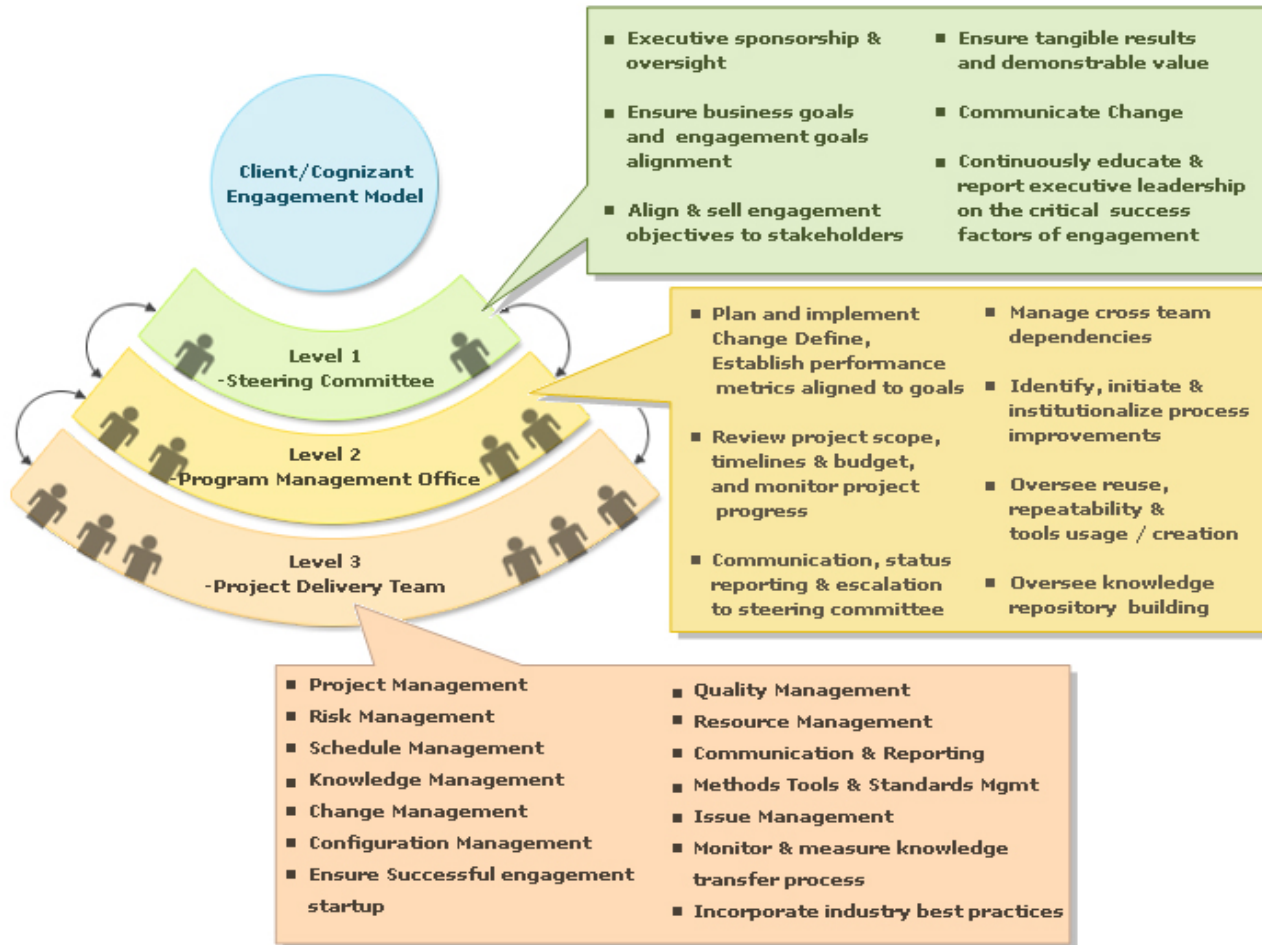
- Bring in standard templates and process flows to reduce documentation time
- Provide dedicated resources (onsite/offshore) for round the clock documentation

Transition of support from an incumbent vendor

- Joint planning sessions involving client and incumbent vendor to ensure common understanding of objectives, interdependencies and constraints
- More stringent status tracking and reporting for transition where incumbent competitor is involved for early detection of any deviation



Engagement Governance Model



SoW Structure

(Key items covered)

- ❖ Clearly defined scope
- ❖ Solution & Entitlements
- ❖ Dependencies and assumptions
- ❖ Engagement Governance & Review process
- ❖ Metrics & Reporting
- ❖ Roles & Responsibilities

Engagement reviews

- ❖ Daily ops reviews
- ❖ Weekly project level operational reviews
- ❖ Monthly Program Management Reviews (Internal & With customer)
- ❖ Quarterly Steering committee meetings
- ❖ Annual Executive review

Business Impact and Value Differentiators

Deliver by ITIL Processes & Methodologies



Tools & Templates based on ITIL and process improvements plans

- ✓ Reusable assets, artifacts
- ✓ Gap identification
- ✓ Compliance with SOX
- ✓ Process Adoption

Unique Delivery Model



Offshore team keep the lights on and onsite team works on optimization and technology refresh projects

- ✓ 40% reduction in costs
- ✓ 24/7 support
- ✓ Focus on key projects
- ✓ Flexible ramp-up/ramp-down of resources

Strengths in Key areas



Microsoft infrastructure, VMware implementation, Autosys production operations, data center management

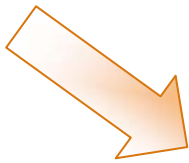
- ✓ Strong technology experience
- ✓ Supporting the technology refresh projects
- ✓ Vendor Negotiations

Experience



Gained experience to support demanding and challenging customer requirements

- ✓ End-to-end service management
- ✓ 100% SLA based service model
- ✓ Constant process reviews
- ✓ Vendor transition



Best Practices for Successful Infrastructure Outsourcing

Change Management

- Control and Coordinate Changes
- Creation of CAB and effectively manage CAB Meetings
- Evaluation, Planning, Authorization, Release and Implementation of changes
- Forward Schedule of Changes (FSC)

Service Level Management

- Defined Critical and Key SLAs
- Response Time Measurement
- Monthly Review of SLA Reports
- SLA Portal

Incident & Problem Management

- Strong Metrics and Trend Analysis
- Resolution, Recovery and Closure Process
- 100% Root Cause Analysis
- Constant Ticket Aging review
- Major incident review process
- CSAT and weekly feedback analysis

Continuous Improvements

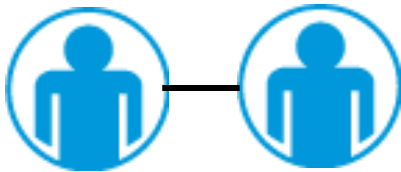
Availability & Capacity Management

- Measure against defined SLA
- Near-production performance report
- Monthly downtime report
- Proactive Capacity Planning with CMDB
- Constant review of capacity reports

Service Delivery Processes

- Knowledge Repository
- Extensive Process Checklists and run books
- Delivery optimizations and improvements
 - Patch Management, Inventory
 - Consolidations, removal of duplications
- Automations
- Technology Refresh

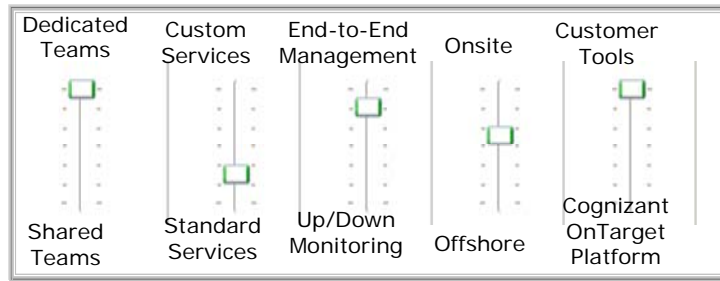
Exceptional Client Experience



Governance

- “Two-in-a-Box” model provides best in class oversight on and offshore

Customer Choice



Dynamic Flexibility

- Ability to quickly respond to changing client conditions

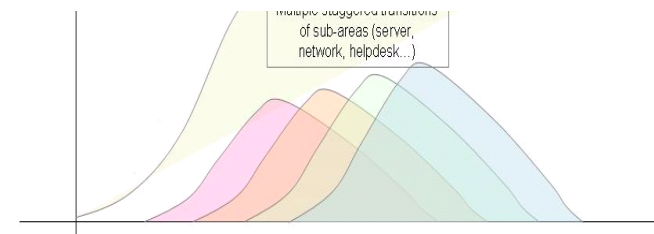
Delivery Excellence and Operational Transparency



- ITIL-based services/service delivery
- Market leading Operations Maturity
- Culture of Continuous Improvement

Transition Expertise

- Phased approach to minimize risk
- Mature, proven process methodology



Key Ingredients for Successful Infrastructure Outsourcing

- ✓ A Solid Transition Plan
- ✓ Clearly-defined Account Governance and Change Management Structure
- ✓ Transparent Operational Approach

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