



## A New Value Creation Model for a New Workplace Reality

Technological, social and economic forces are driving enterprises to rethink fundamental business assumptions. The rise of cloud computing, the proliferation of social networks to access collective knowledge, the emergence of Millennials -- the "digital generation" -- as both employees and customers, and the continued push toward globalization are all transforming businesses, while forcing them to be more virtual, collaborative, and connected.

In this evolving environment, businesses are rethinking conventional notions of how work is done, where it is done, and by whom. Reaching new thresholds of performance will require businesses to reinvent many of their existing knowledge processes -- how they organize teams, gather and share knowledge, cultivate innovation, allocate resources, engage with employees and customers, and build partnerships. This is the future of work -- and the future has arrived.

### New Framework for Creating Value

In the current economic climate, forward-thinking companies know they need to do more than simply contain costs. They need to create value -- for customers, employees, and all stakeholders. As businesses rethink their mission-critical business processes in this unfamiliar landscape, they will need a partner who understands the changing nature of work -- and can help them benchmark their current position, define a new vision, help

reconfigure and redeploy their core business processes, and guide them step-by-step to new levels of performance.

At Cognizant, we are already partnering with the world's leading companies to do just that. We created the **Cognizant Value Creation Framework** through an intensive and rigorous two-year process in collaboration with leading global companies worldwide. This framework helps guide our clients through the process of reconfiguring their business models and operational processes to become next-generation businesses with enhanced levels of performance.

The Cognizant "Diamond" framework is based on four value levers (see chart on following page):

#### 1. EFFICIENCY

Optimizing the cost structure of the business, streamlining processes, reducing waste, and generating higher returns on investment.

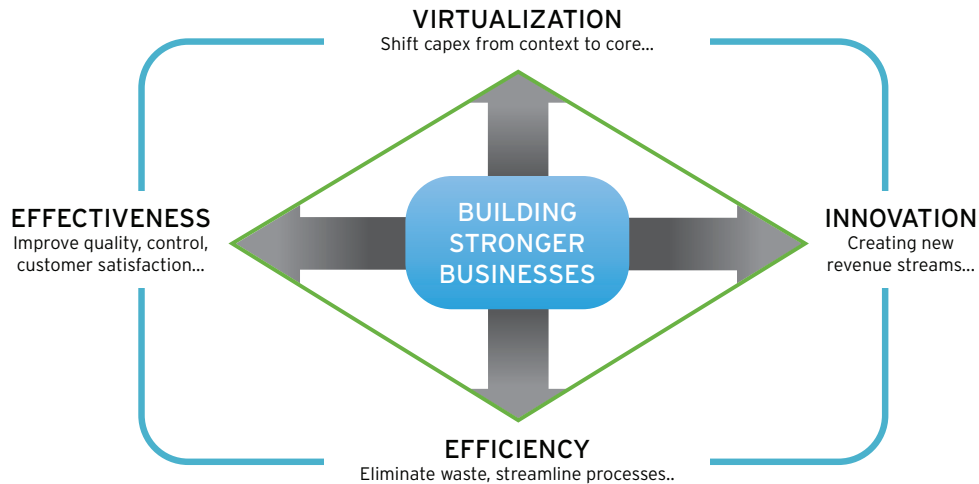
#### 2. EFFECTIVENESS

Improving productivity and operational performance in such areas as quality control, customer satisfaction, decreased time to market, etc.

#### 3. VIRTUALIZATION

Sharing work processes, knowledge and technology both within and outside the enterprise in a collaborative and flexible manner.

## Cognizant “Diamond” Framework



### 4. INNOVATION

Fostering the capacity to create new products, services, channels, and market opportunities that will result in new revenue streams.

Within this framework, the Cognizant Value Discovery Assessment (CVDA) methodology is used to map a company's current performance relative to these four axes. We then help the client stake out a new position, defining the right balance of these factors that will deliver the greatest value going forward. In this manner, we identify opportunities to leverage the client's cost base, improve business processes, unleash the power of virtualization, and harvest innovative ideas for profitable growth.

#### Practical Transformation

The CVDA framework is divided into two implementation stages: Optimize and Extend. For each stage, we collaborate closely with the client to define program objectives, responsibilities, and metrics for transformation, as well as a clear return on investment (ROI). We then apply our benchmarking and analysis methodologies to track, manage, and measure progress toward meeting these pre-set goals and ROI metrics.

##### ● OPTIMIZE

In the first stage of the CVDA methodology, we work with the client to unlock value by optimizing the cost structure of core operational processes. In the Optimize process, we ensure that the business is operating efficiently and effectively. We design solutions that extract costs from our customer's operations, apply Lean principles to eliminate waste and inefficiency, take advantage of

economies of scale, leverage global service delivery, maximize value-added activities, and achieve maximum efficiency from existing technology, systems, and business processes. The value unlocked by the Optimize process can then be re-invested in new business opportunities identified during the Extend stage of the CVDA process.

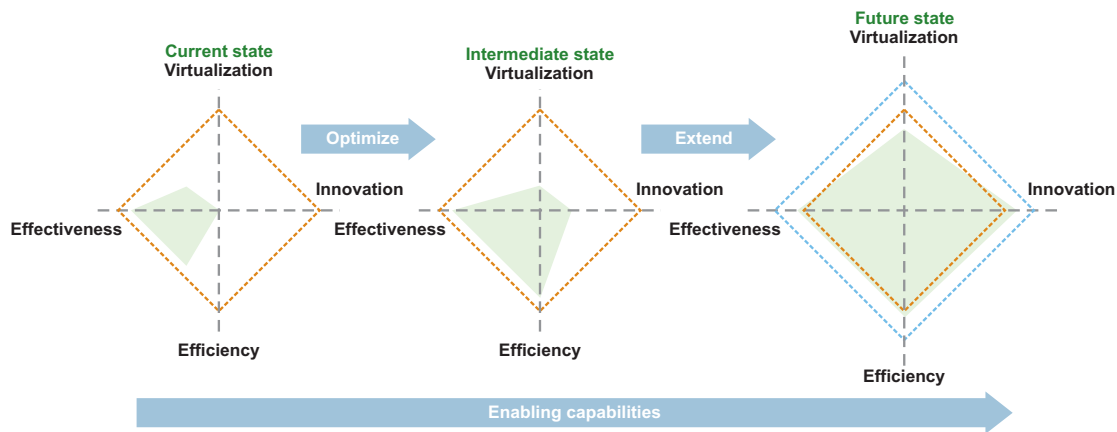
##### ● EXTEND

The next stage of transformation is to extend the enterprise's value-creation capacity beyond current limits. We do this by identifying core business processes that can benefit from new techniques, such as the virtualization of services, globalization, and cloud-based computing. The objective of this stage is to accelerate collaboration and flexibility, and thus integrate innovation in products, services, and delivery channels. One of our core principles is that there should be no organizational boundaries on where innovation comes from. Using new techniques, the entire enterprise -- and customers, too - can be brought into the innovation process, yielding new products and services that are already “customer-tested” and “customer-certified” in advance. This results in additional revenue-generating opportunities, taking business performance to new levels.

#### Practical Business Process Solutions

Our approach recognizes that, in the changing work environment, optimizing cost efficiency is the starting point for value delivery. Our CVDA, however, extends the potential of the business by improving key operational processes, applying virtualization techniques across people, processes and platforms to achieve more innovative and collaborative ways of working.

## The CVDA: Transforming Over Time to Extend Value



To produce meaningful value, business process solutions must be rooted in a deep understanding of the unique requirements and challenges of each industry and each business. For this reason, an important part of our Extend phase is to identify industry-specific customer business processes for which we can provide high-value, productized solutions. Tapping our deep industry domain expertise, we have created end-to-end, cloud-

enabled business process solutions in several industries.

By freeing our clients to focus on high-value activities that are core to their businesses, our business process solu-

tions deliver strategic value. For example, a leading pharmaceuticals company worked with us to create a next-generation enterprise analytics and reporting solution for its commercial operations. Not only did the company realize cost and process efficiencies, but sales and marketing effectiveness soared.

These industry-focused business process solutions can be readily adapted and applied to the client's business to drive immediate performance improvements and help our clients deliver differentiating value to their customers.

### A Passion for Building Value

Our Value Creation Framework and CVDA methodology offer a new pathway to business process improvement. These tools enable a deep exploration of a company's specific industry and

business as a means of reaching new performance thresholds. Starting from the optimization of cost structure, we then extend the benefits of our global services solutions across the entire enterprise -- mapping a course toward the right balance of efficiency, effectiveness, innovation and virtualization to transform the business.

With our broad portfolio of information technology, consulting and business process outsourcing services, we have extensive global resources, a portfolio of world-leading partners, and a track record of providing strategic solutions to our clients' most complex needs.

And, as a global and highly virtual organization, we practice what we preach. Our Cognizant 2.0 collaboration and knowledge-sharing platform enables the seamless sharing of insights and best practices across our global delivery network, allowing us to bring the best resources and most relevant expertise to any client, anywhere.

The Cognizant Value Creation Framework is helping clients embrace new ways of working. We are committed to delivering next-generation solutions to enable your business now to meet tomorrow's challenges.

### Start Today

For more information on how to drive your business results with Cognizant, contact us at [inquiry@cognizant.com](mailto:inquiry@cognizant.com) or visit our website at [www.cognizant.com](http://www.cognizant.com).

## A Cognizant Framework for Disruptive Value Creation

Value Lever	Summary	Typical Customer Benefits
<b>Efficiency</b>	Leveraging Cognizant's process, technology, and global delivery strengths to rapidly and cost-effectively design and implement solutions that optimize spend, reduce unit costs, and positively impact your bottom line.	<p>Cost optimization via global service delivery, economies of scale, etc.</p> <p>Maximizing use of existing assets and resources to eliminate waste, reduce cost per unit, and implement cross-organizational standards for lower cost.</p> <p>Subscription-based pricing to reduce capital expenditures while optimizing processes.</p>
<b>Effectiveness</b>	Improving productivity and operational performance via standardization, better tools, automation, etc., to achieve more effective business processes (driving reduced ticket volume, higher levels of availability, streamlined processes, improved satisfaction metrics, etc.)	<p>Process optimization that fosters quality improvements while controlling costs.</p> <p>Increased control, transparency, and adaptability of ongoing operations.</p> <p>Decreased time-to-market for products and services.</p>
<b>Virtualization</b>	Addressing multiple levels of virtualization including work (global knowledge and collaboration), process (atomization of processes), and technology (servers, applications, cloud-enablement) helps lower operational and CAPEX costs while boosting brand and shareholder equity.	<p>Consolidated resources that enable lower cost of ownership on existing assets and reduced investment on new technology.</p> <p>Improved flexibility and collaboration across the enterprise through technologies that allow better resource utilization, new ideas, and knowledge management for global workers.</p>
<b>Innovation</b>	Business technology innovation to enhance revenue opportunities via new products, new IP, new market channels, etc., facilitated by Cognizant's domain expertise and knowledge.	<p>Growth opportunities that provide direct revenue.</p> <p>Refined business models that drive additional revenue and strengthen bottom and top lines.</p> <p>Joint go-to-market opportunities with shared investments and revenue.</p>

### About Cognizant

Cognizant (NASDAQ: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services. Cognizant's single-minded passion is to dedicate our global technology and innovation know-how, our industry expertise and worldwide resources to working together with clients to make their businesses stronger. With over 50 global delivery centers and more than 100,000 employees as of December 1, 2010, we combine a unique global delivery model infused with a distinct culture of customer satisfaction. A member of the NASDAQ-100 Index and S&P 500 Index, Cognizant is a Forbes Global 2000 company and a member of the Fortune 1000 and is ranked among the top information technology companies in BusinessWeek's Hot Growth and Top 50 Performers listings.

Visit us online at [www.cognizant.com](http://www.cognizant.com) for more information.



#### World Headquarters

500 Frank W. Burr Blvd.  
Teaneck, NJ 07666 USA  
Phone: +1 201 801 0233  
Fax: +1 201 801 0243  
Toll Free: +1 888 937 3277  
Email: [inquiry@cognizant.com](mailto:inquiry@cognizant.com)

#### European Headquarters

Haymarket House  
28-29 Haymarket  
London SW1Y 4SP UK  
Phone: +44 (0) 20 7321 4888  
Fax: +44 (0) 20 7321 4890  
Email: [infouk@cognizant.com](mailto:infouk@cognizant.com)

#### India Operations Headquarters

#5/535, Old Mahabalipuram Road  
Okkiyam Pettai, Thoraiakkam  
Chennai, 600 096 India  
Phone: +91 (0) 44 4209 6000  
Fax: +91 (0) 44 4209 6060  
Email: [inquiryindia@cognizant.com](mailto:inquiryindia@cognizant.com)