

Cognizant SimpliFIT®

Bending the IT OpEx Cost Curve

As the competition continues to intensify, it becomes imperative for every organization to look for ways to reduce their OpEx across their App-Infra landscape and fund their transformation initiatives to stay ahead of the curve.

Cognizant®

Global IT Services spending breakup

Application Services

\$154Bn

Infrastructure Services

\$174Bn

Consulting Services

\$185Bn

(Source: Everest Group, 2017)

Global Application Maintenance spending

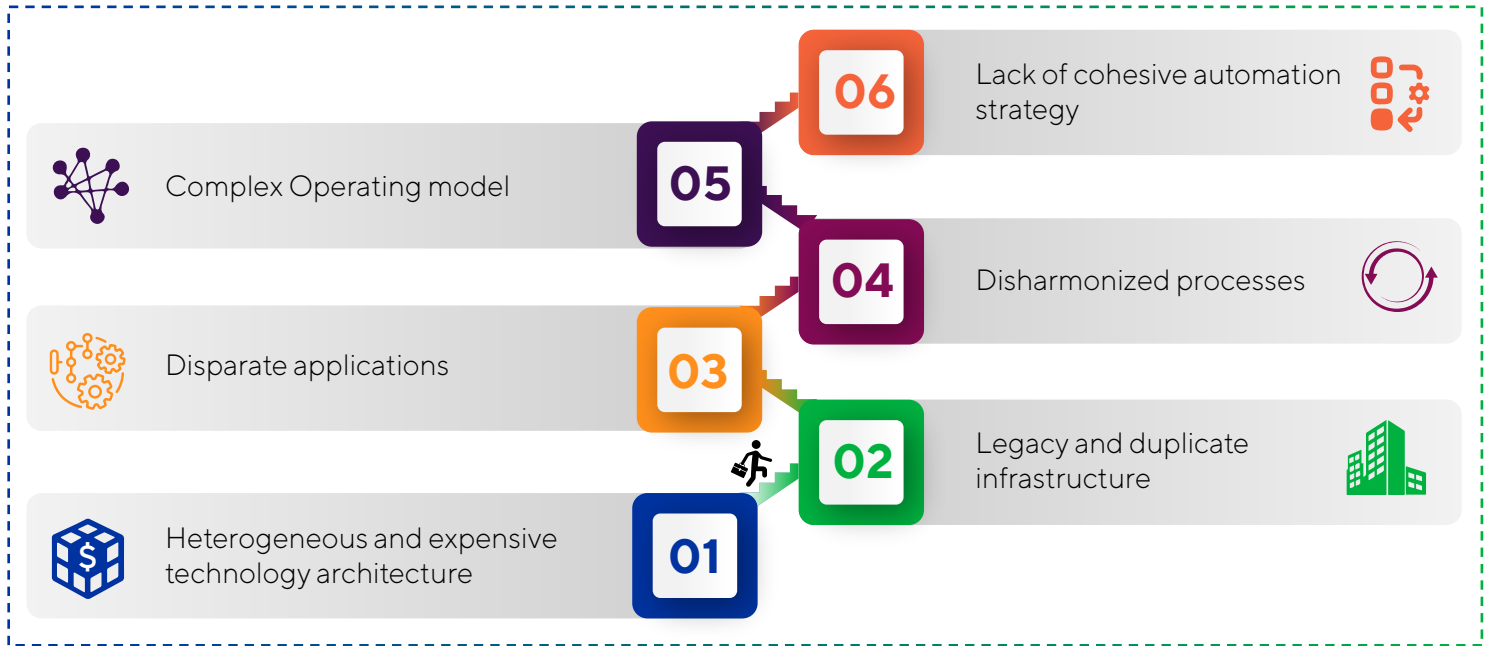
5 year CAGR of

2.7%

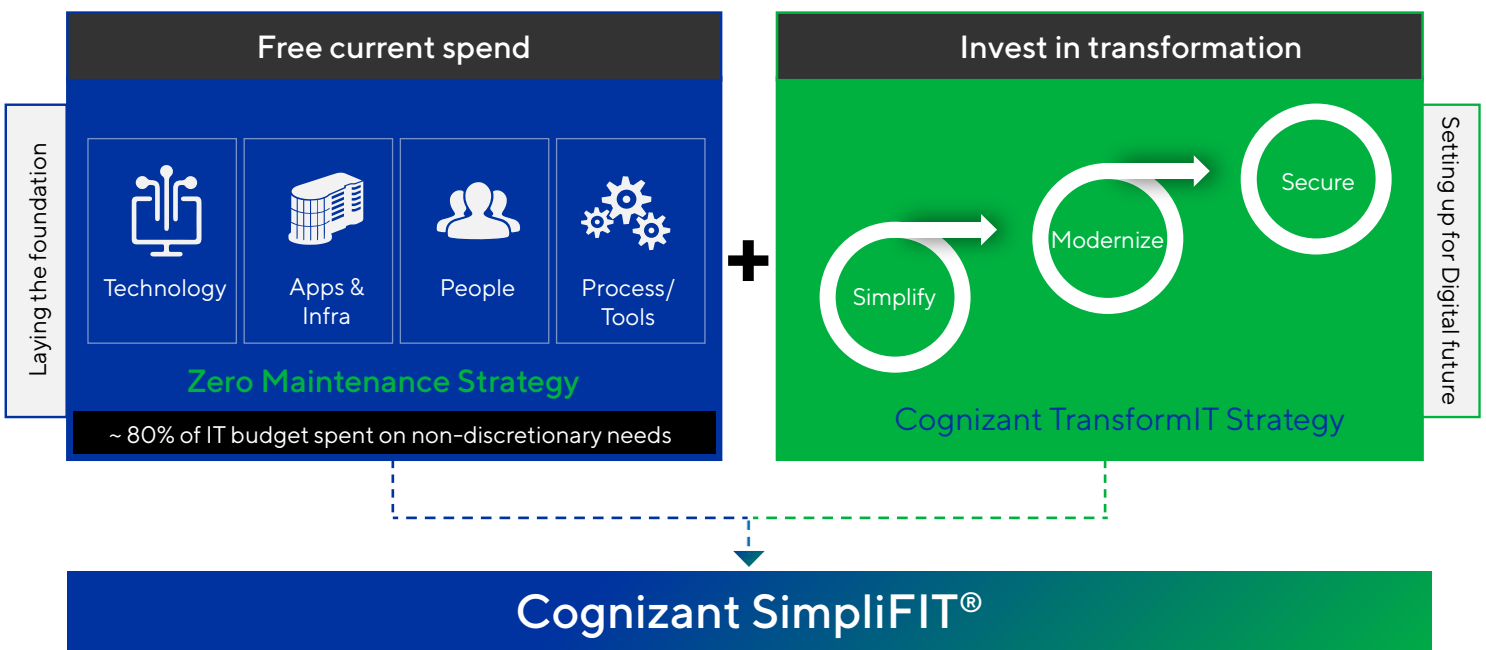
(Source: IDC, 2017)

Organizations today deal with increasingly complex application and infrastructure portfolios which burden the already burgeoning IT budgets. A structured approach to reduce this complexity and bring down the OpEx has become highly critical.

Typical CIO challenges



Cognizant SimpliFIT® is a holistic framework that assesses the existing App-Infra IT estate across multiple dimensions and delivers the roadmap towards simplifying, modernizing and securing the IT portfolio along with OpEx reduction opportunities



What does Cognizant SimpliFIT® do?

Application Portfolio Rationalization (APR) and Cloud Readiness

By leveraging Cognizant's proprietary APR framework along with our 'Cloud Steps Transformation' framework, Cognizant SimpliFIT® provides a lean and efficient cloud migration roadmap for the client

Operating Model, Process and Tools Optimization

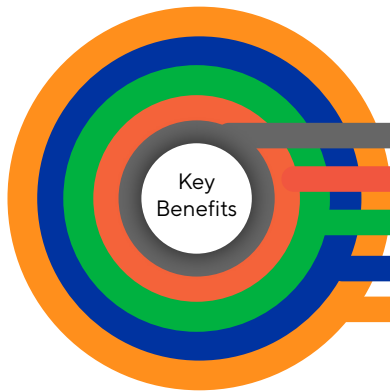
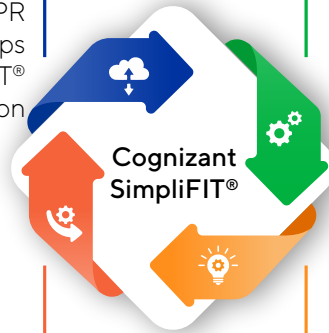
The framework carries out a thorough study of the as-is state and provides recommendations for operating model, processes and tools optimization in line with industry best practices. Recommendations for best fit SDLC model are also provided

Ticket Reduction and Automation

The framework helps to classify the application and infrastructure debts into avoidable and unavoidable debts. Avoidable debts are then eliminated through functional enhancements and unavoidable debts are automated

Enterprise IT Strategy

By analyzing the IT portfolio, technology landscape and sourcing strategy at enterprise level, Cognizant SimpliFIT® derives a portfolio transformation roadmap and business case with ROI projection



- 1 Significant savings in OpEx by 5-20% through ticket reduction and automation
- 2 Simplified App-Infra portfolio resulting in cost savings of 5-25%
- 3 Strategic roadmap for cloud transformation leading to reduction in OpEx by 10-30%
- 4 Synergized and optimized processes and tools translating to 10-20% cost reduction
- 5 Accelerated "Time to Digital" and "Time to Value"

Case in Point - A leading Healthcare client

Challenge	Solution	Outcome				
<p>Reduce OpEx by 15 - 20 %</p> <p>Variablize current spend and invest the savings towards transformation</p>	<ul style="list-style-type: none"> • Analyzed the IT landscape to identify the below OpEx cost drivers <table border="1" style="width: 100%; background-color: #008000; color: white;"> <tr> <td style="text-align: center;"> <p>Automation and Op. Model optimization <i>(Labor Cost, Productivity etc)</i></p> <p>35% of OpEx growing at 9.2%</p> </td> <td style="text-align: center;"> <p>Tools Optimization <i>(License & Maintenance)</i></p> <p>31% of OpEx growing at 28%</p> </td> </tr> <tr> <td style="text-align: center;"> <p>Sourcing Strategy <i>(Managed Services)</i></p> <p>17% of OpEx growing at 51%</p> </td> <td style="text-align: center;"> <p>Infra Optimization <i>(Cloud, Storage, etc.)</i></p> <p>9% of OpEx growing at 40%</p> </td> </tr> </table> <ul style="list-style-type: none"> • Defined the implementation roadmap with optimization plans and risk mitigations • Developed business case with potential savings 	<p>Automation and Op. Model optimization <i>(Labor Cost, Productivity etc)</i></p> <p>35% of OpEx growing at 9.2%</p>	<p>Tools Optimization <i>(License & Maintenance)</i></p> <p>31% of OpEx growing at 28%</p>	<p>Sourcing Strategy <i>(Managed Services)</i></p> <p>17% of OpEx growing at 51%</p>	<p>Infra Optimization <i>(Cloud, Storage, etc.)</i></p> <p>9% of OpEx growing at 40%</p>	<p>21% OpEx Reduction</p> <p>\$48.8M Cost savings from a budget of \$232Mn</p>
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To know more, please contact our POC's at Vijay.Anand2@cognizant.com, Kandarp.Nathvani@cognizant.com and James.Davidson@cognizant.com



About Cognizant

Cognizant (Nasdaq-100: CTSI) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 195 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us @Cognizant.