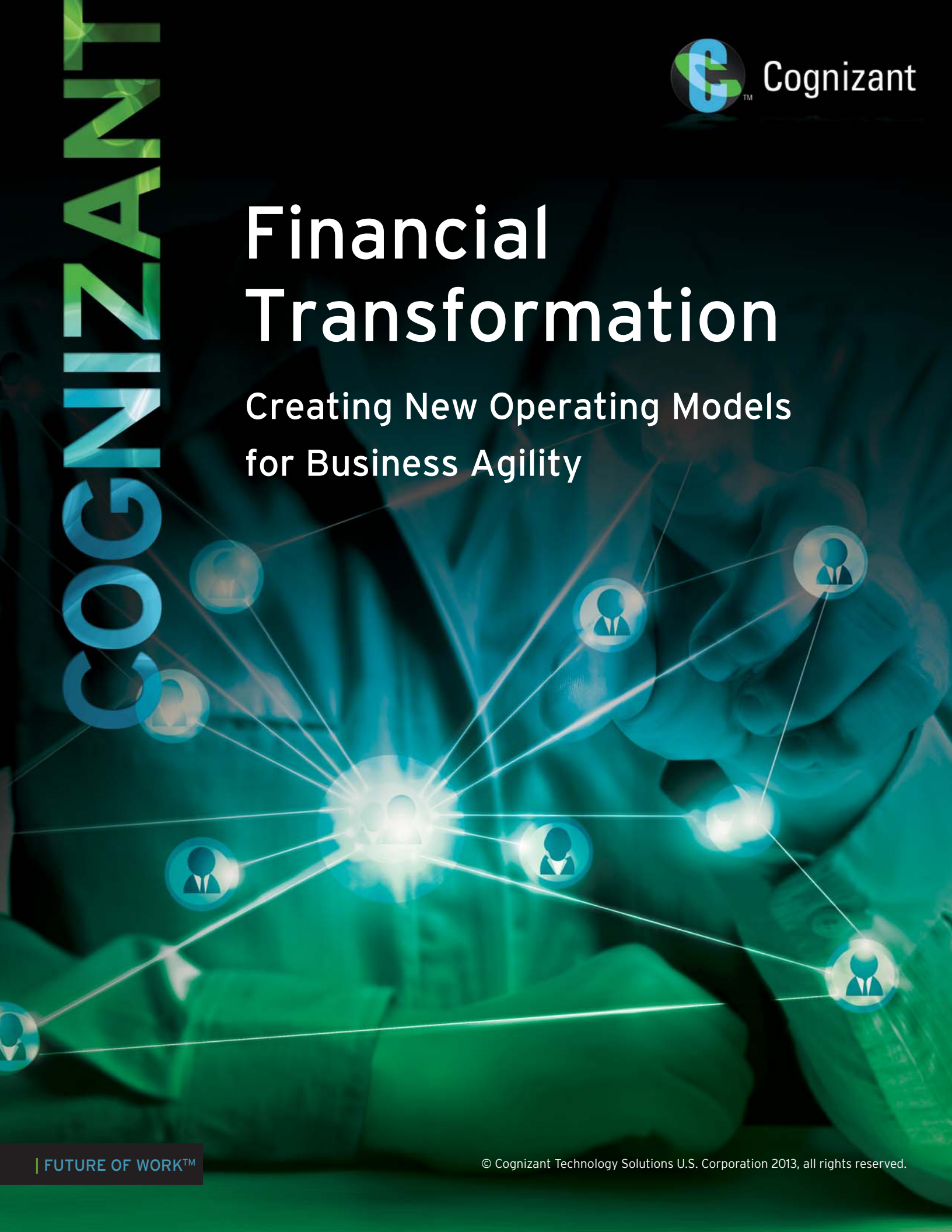


Financial Transformation

Creating New Operating Models
for Business Agility



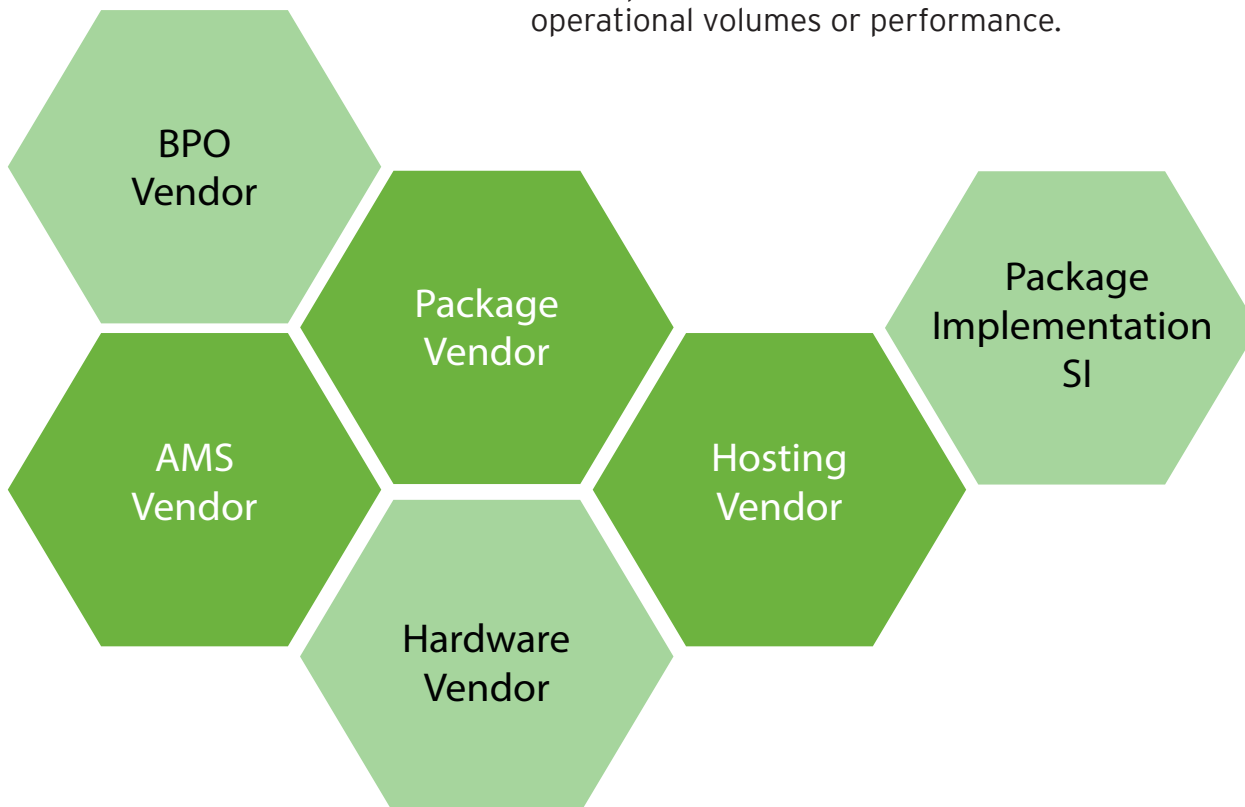
Most Operating Models are structured to support TODAY'S needs!

Today, process owners are challenged with managing dual organizational mandates around cost optimization and revenue growth. While one involves raising efficiency - looking for ways to automate, and reduce operating costs - the other involves investing in transformation and business innovation to capture and dominate the market.

Within the finance organisation, clients, have implemented ERPs, undertaken process improvement and adopted shared services / outsourcing to varying degrees of success. However, the traditional approach has been to treat shared services development and shared services outsourcing as two disconnected activities, resulting in sub-optimal returns and savings

The traditional approach involved

- ▶ Multiple vendors owning and managing different contracts for ERP development, maintenance and operations outsourcing.
- ▶ Huge investments from the customer organization into vendor management and reverse SLAs/OLAs between multiple vendors to ensure a smooth service is delivered to end users.
- ▶ Customer owning the capital assets.
- ▶ Inflexible/inelastic capacity which does not ramp up or down easily.
- ▶ Fixed price or T&M based commercials with little relevance to operational volumes or performance.

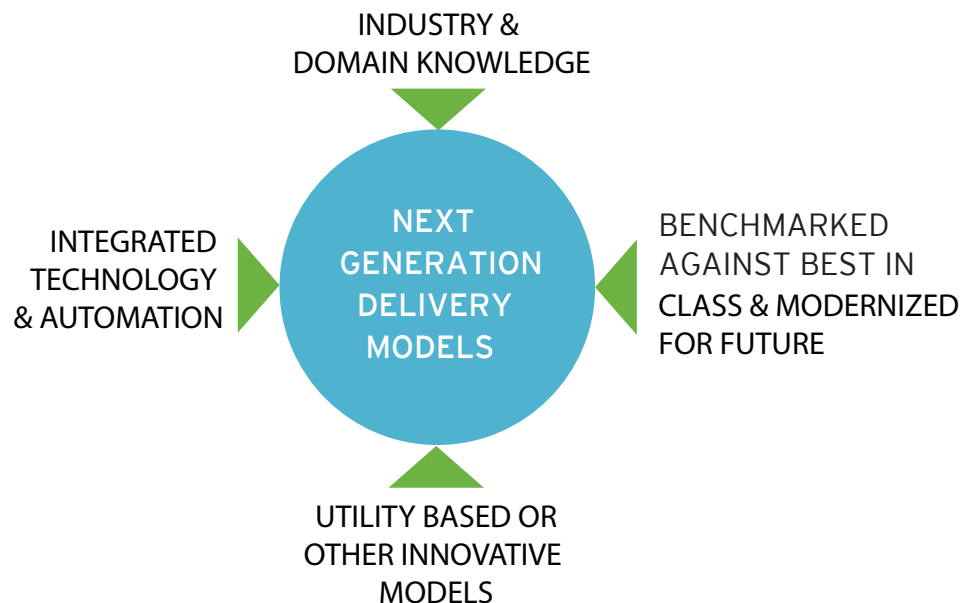


However, expectations are changing and so are delivery models

Traditional approaches worked very well at transactional work. However expectations are rising. Organisations are rethinking operational structures and capabilities needed to power tomorrow's shared services engine. Newer models will be built on synergistic intersection of technology, analytic techniques and processes:

- **Focus on fewer vendors and capital assets.** Newer centers are consolidating technology, process & analytics to create platform agnostic F&A solutions.
- **Best in class delivery.** Providers of shared services are expected to bring in deep industry knowledge and domain expertise. They need a strong technology fabric that allows optimum utilization and automation of processes.
- **Automation to maintain long-term cost controls.** Shifting, simplifying and standardizing corporate processes into the shared service centre will continue around F&A, and HR. We believe that shared services success increasingly depends on higher levels of automation around transactional work.
- **Enabling next-generation shared services value.** Taking a best-of-breed approach, next-generation shared service centres will require organisations to reconfigure service capabilities to support areas such as cash flow management, optimisation of material costs, more operational transparency and better risk management.
- **New commercial models.** As shared services move up the value chain, commercial models for the ecosystem of companies will need to evolve. This will allow shared services centres to deliver value and throughput-based models to internal business groups (rather than input-based pricing).

Modernized Approach



KEY DRIVERS

BUSINESS



- Agility
- Innovation
- Efficiency

TECHNOLOGY



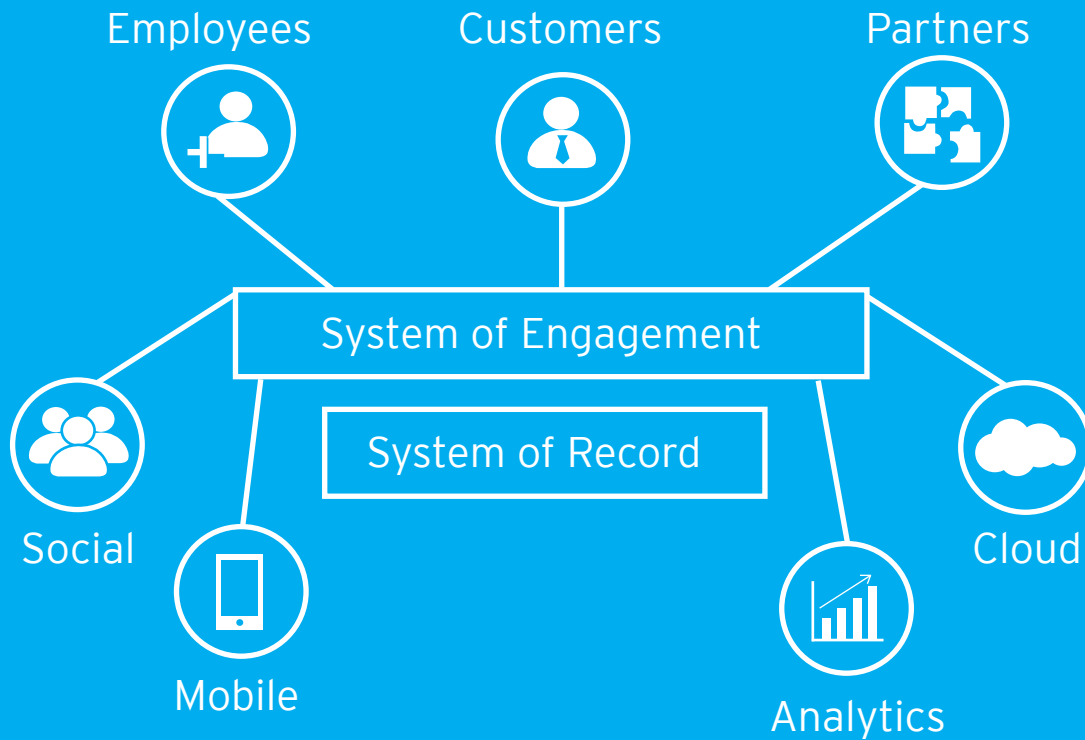
- Collaboration
- Digitization
- Insights

ORGANISATION



- Reinvent Functions
- Engage People
- Build Culture

FOCUSED ON EXPERIENCE



Financial Transformation - Newer Operating Models

Integrated Process and Technology to enable finance and accounting transformation

Business Parameters	The Cognizant Advantage
Redefine core vs. context	<ul style="list-style-type: none"> Look at processes that bring technology as an integrated solution, rather than a bolt-on platform. Free up capacity by jettisoning non-core activities.
Support Innovation	<ul style="list-style-type: none"> Change existing operating models for quicker time to market, better cash flow management and modernization of processes.
Optimised Contract	<ul style="list-style-type: none"> Evaluate synergies related to technology and process integration. Our integrated IT+BPO approach will deliver significantly higher savings (30% to 40% greater) than a traditional boxed IT and BPO approach.
Is contract management optimised for success?	<ul style="list-style-type: none"> Embedded workflows and process expertise ensure that there is greater transparency and visibility of contracts including, active monitoring of work in progress, variation and disputes, as well payments and performance against obligations and milestones.
Agile Supply Chain	<ul style="list-style-type: none"> A hosted approach with agile implementation and pre-enabled processes cuts implementation time by 30% to 50% significantly speeding up business benefit realisation. Faster concept-to-market and incorporate customer voice into product design.
Utility models	<ul style="list-style-type: none"> Utility model for the back-office functions based on consumption. There are no upfront costs and no large implementation fees.
Industry benchmarks for best in class	<ul style="list-style-type: none"> Improved business performance from end-to-end ownership of IT+ process - No reverse SLAs. Best-in-class benchmarking exercise and gap analysis to better manage your process.
Operational Insights	<ul style="list-style-type: none"> Better IT and control through end-to-end management of information and analytics. Quicker reporting & MIS.

Comprehensive Solution for Transformed Finance Operations

Our solution presents a clear migration path from a pure Shared Services model to a Global Business Services ecosystem.

The integrated F&A model based on technology platforms, process automation, best in class metrics, integrated analytics, and managed services, creates true business value and financial transformation.

At a Glance: Cognizant's Approach



Record-to-Report

- Lower time to report
- Reduced unreconciled items
- Process integrity
- Balance responsibility analysis
- Reduced manual JEs
- Visibility into data



Order-to-cash

- On-time order fulfillment
- Effective dispute resolution
- Lower bad-debt write-off
- Customer profiling
- Lower unidentified cash
- Accurate billing



Procure-to-Pay



- Discount capture
- On-time payments
- Zero duplicate payment
- Higher spend under management
- Continued deflation
- Rationalized spending

OUR TECHNOLOGY PARTNERSHIPS

Cognizant partners with some of the best industry players to create a seamless technology, process and analytics driven GBS solution. We can integrate your existing architecture or create a new one.

Key Product Alliances



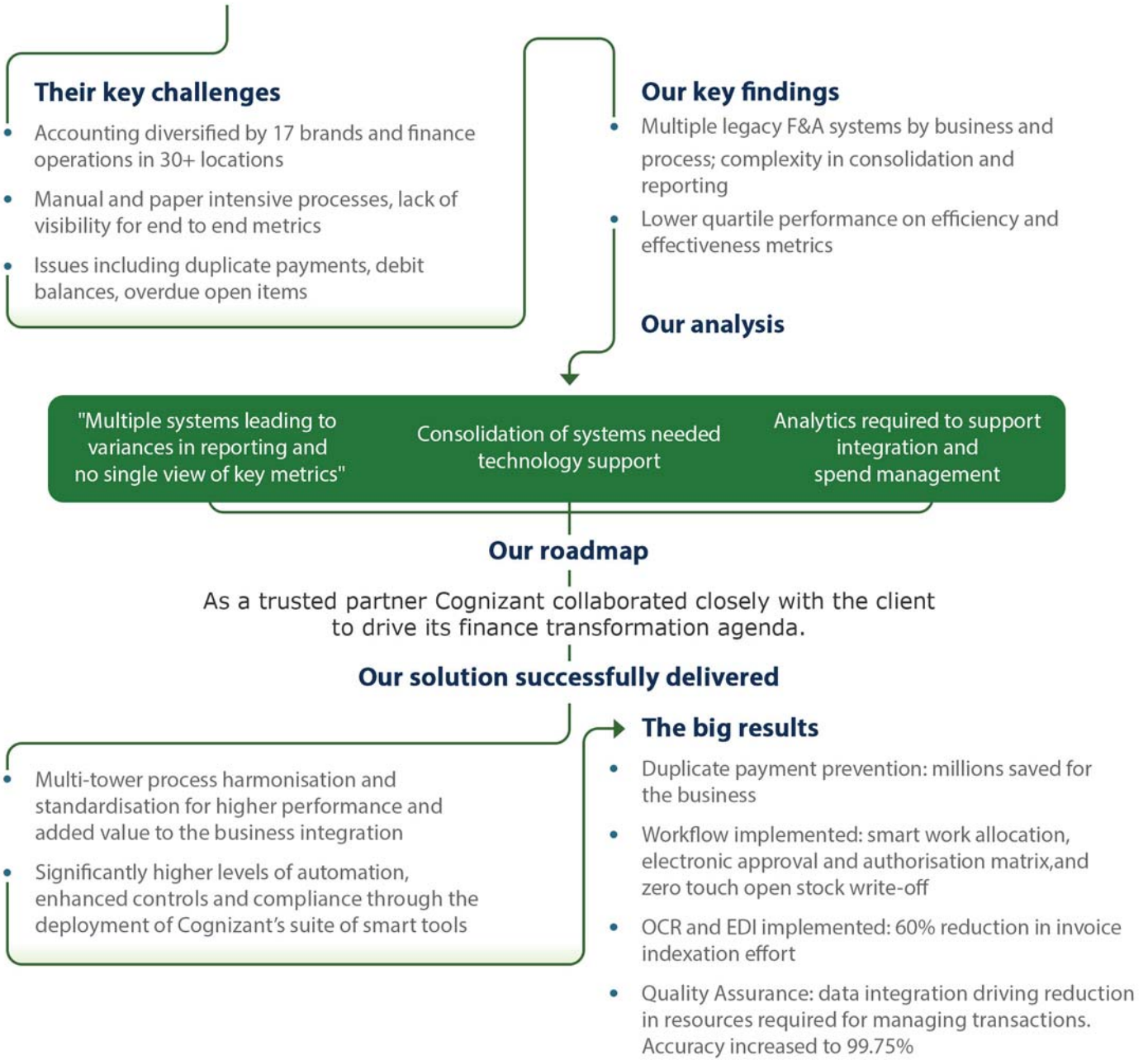
ORACLE



F&A Transformation Across One of the Largest European Manufacturers

The starting point

Acquisition had doubled the size of the client organisation requiring it to go through a complex integration.



What does this mean for organisations:

- Standard finance and accounting processes and platforms driving common and consistent behaviour across the organisation.
- Shared Services advisory services to benchmark and improve service performance and technology leverage.
- Improve operational insight and foresight leading to improved business outcomes.
- Key technology partnerships with best-in-class execution skills.
- Industry specific capabilities and expertise.
- Process transformation through improved straight through processing.

SUMMARY

Over the years, organisations have benefited from consolidating their finance functions across multiple sites to one or multiple centralized locations. This involved ensuring that the process flows and embedded technologies talk to each other and also provide the requisite reporting and IT to manage organisation cash flows. However, with emerging digital value chains and heightened, business focus on agility, these processes and systems are being stretched to perform roles for which they were not traditionally built. Organisations need a comprehensive end-to-end platform and process flow to more effectively and efficiently onboard vendors (supporting business growth) and manage their contracts and compliances. We've seen strong and non-linear benefits of an integrated technology and process solution - be it with a completely hosted BPaaS solution or via a managed services structure. With business transformation, comes the drive to transform existing operations and innovate. Let us create a solution that goes beyond consolidation and costs to propel revenue growth and accelerate operational innovation.



KEEP CHALLENGING™



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