Introduction

This IDC Customer Spotlight analyzes the benefits realized by Future Group through its engagement with Cognizant Technology Solutions. Future Group is a large Indian retail and fashion group owning some of the biggest brands in the country including the Big Bazaar and Food Bazaar supermarket chains and Central lifestyle chain. The group also has business interests in consumer finance, brand development, leisure and entertainment, retail media, logistics and real estate development.

Future Group has 17 million square feet of retail space and serves customers in 175+ cities across India with a staff of about 36,000. The company has a reported revenue of around US$3 billion and sources its products and services from over 30,000 small, medium and large enterprises and manufacturers.

Given the size and operational complexity of business, the need of the hour for the company's IT department was to support an ever growing business through efficient IT operations at optimal cost metrics. Cognizant Technology Solutions facilitated this through optimization and transformation of underlying IT operations — moving it from a manpower-centric model to a highly automated environment. This helped the Head of IT Services to gain better visibility, control, flexibility and agility while exercising tighter operational control through harmonization and orchestration across different IT processes.

Solution Snapshot

**Organization:** Future Group

**Operational Challenge:** Transform IT to better align with business, drive operational efficiency and reduce costs.

**Solution:** Infrastructure refresh, consolidation and increased virtualization; integrated tooling platform for full visibility into operations; and a unified, multilingual IT service desk for efficient issue resolution.

**Project Duration:** Four-year contract signed in 2011, and extended in 2014 for an additional three years.

**Benefits:** Transformed IT organization better able to support business objectives. Simplified IT management architecture. Direct cost avoidance to Future Group to the tune of 140% of Cognizant Technology Solutions' annual revenue from the engagement.
Business Challenge

Future Group was facing several challenges with its IT operations and with optimal delivery of IT services as required by the organization. Three of the most pressing challenges faced by Future Group are detailed below.

- **Disconnected business operations.** Future Group has business interests across multiple domains and its retail operations span 1,500+ warehouses and stores, in addition to its corporate offices. This has meant a veritable sprawl of technology to assist with the diverse business operations. However, the disconnect between various systems meant that while Future Group's IT operations were able to support specific operations, they were not configured to optimally support Future Group's business goals. It also meant that Future Group expended a lot of effort on just managing IT rather than leveraging IT for driving innovation and better engagement with its customers.

- **Resource-intensive IT operations.** Future Group also wanted to transform its IT operations from a manpower-centric model to one which was defined by automation. Lack of an integrated set of tools meant that Future Group had little visibility into the state of their IT operations and limited automation resulted in process inefficiencies. This impacted the delivery of services required for smooth execution of business operations, a situation Future Group wanted to remedy.

- **Sub-optimal set-up and use of IT infrastructure.** Finally, as a consequence of the scale and scope of its business operations, Future Group's IT operations were very infrastructure heavy. Future Group believed that there were significant savings to be realized through infrastructure rationalization and optimization of assets being utilized. Consequently, Future Group was interested in engaging a partner who could bring in operational efficiencies and drive through soft savings that would help release financial resources for more transformational initiatives.

Setting the Tone: IT Transformation

From the outset, both Future Group and Cognizant Technology Solutions were clear that the primary objective of the engagement would be to facilitate the transformation of Future Group’s IT operations to support business better. Future Group’s transformation journey with Cognizant Technology Solutions began in 2011 when the latter won the project as the new IMS partner for four years and the contract was subsequently extended for a further three years in 2014. The scope of the contract spanned infrastructure, asset management and support services across Future Group's operations centers, stores, warehouses and corporate offices spread over more than 110 office locations and 1,500+ stores, as well as delivery of centralized multilingual service desk support for over 40,000+ Future Group employees. Additionally, as the lead services provider, Cognizant Technology Solutions would also be responsible for vendor management.

Leading with Services Transition

Immediately after transitioning services from the previous managed services provider, Cognizant Technology Solutions began defining and putting in place ITIL/ISO 20000 compliant service management processes. This involved mapping out the entire scope of work into relevant IT Service Management modules for implementation. Cognizant Technology Solutions also took up the task of implementing an integrated service management and monitoring tooling platform on priority and rapidly implemented service level management (SLM) in BMC, which included implementation and reporting of detailed operational level agreements (OLAs) and vendor service level agreements (SLAs). This was critical in ensuring consistent and high quality delivery of services to the business. Over the course of the engagement, Cognizant Technology Solutions also guided Future Group through several business critical certifications, including the ISO 9001:2000 certification for Future Group's IT infrastructure and the PCI-DSS certification for Future Group's payment systems.
Joint Governance Framework and Committee to Ensure Effective Implementation

To ensure that the engagement would be able to systematically and meaningfully undertake transformation initiatives, a joint governance framework was established through a transformation program office (TPO). The TPO included senior executives from both Future Group and Cognizant Technology Solutions, and was tasked with identification and execution of business-aligned IT transformation initiatives. The committee identified 14 focus areas, and subsequently shortlisted four transformation projects to proceed with as follows.

- **Datacenter virtualization.** Virtualization footprint in Future Group's datacenter was increased from under 40% to over 90% as part of the initiative.
- **Server room-in-a-box.** This was deployed successfully in 10 stores, reducing manpower and maintenance costs, while enhancing server availability.
- **Point of sale (PoS) utilization optimization.** Improved asset management identified the actual usage of each PoS terminal. Lightly used terminals were redeployed to high traffic zones increasing overall utilization and optimizing checkout counter traffic management.
- **Network re-architecture.** Network architecture was optimized across both datacenters and offices. Dual link connectivity was also implemented across stores to eliminate single points of failure.

To ensure continuous improvement in operations, Future Group and Cognizant Technology Solutions conducted periodic operations maturity audits which included extensive surveys of internal customers within Future Group and review mechanisms at various levels of operational engagement to assess the maturity of IT operations. Once a year, the senior business management team from Cognizant Technology Solutions would meet with and present an annual engagement summary report to Future Group's top management led by the Group Joint Managing Director to maintain a strong high-level connect between Cognizant Technology Solutions and Future Group with regard to the engagement.

Automation and Tools Completely Transform IT Operations

A critical element of the transformation engagement was deployment of an integrated set of tools to provide granular visibility into Future Group's IT operations and simplify the monitoring and management of distributed and diverse infrastructure. The ecosystem of tools deployed significantly enhanced the amount of automation and streamlined the delivery of services supporting critical business processes.

As part of its tool deployment initiative within Future Group's IT infrastructure, Cognizant Technology Solutions deployed the entire suite of BMC tools including:

- ProactiveNet Performance Management (BPPM) and BladeLogic Server Automation for server operations automation and license management
- Entuity and BladeLogic Network Automation for network management
- Control M and Symantec NetBackup for workload automation and storage/database backup management
- BladeLogic Client Automation for automated patching, software installation and business application changes at the client device end
- BMC Atrium SLM to enable definition, tracking and reporting of service levels
**Key Benefits Realized**

**Datacenter Consolidation**

Cognizant Technology Solutions also undertook several initiatives to drive operational efficiency improvement within the context of infrastructure management at Future Group. One key initiative was consolidation of Future Group’s datacenter which involved hardware refresh and migration from Solaris to IBM AIX. The consolidation freed up 900 square feet of datacenter space (approximately 60% of existing datacenter space). Additionally, Cognizant Technology Solutions increased the virtualization footprint within the datacenter from under 40% to over 90%, significantly increasing the utilization level of the infrastructure. More efficient utilization of the datacenter capacity and better management of the infrastructure reduced datacenter alerts by almost 60%.

**Optimization of Storewide Operations**

Optimization of storewide operations (SWO) was another area where significant operational efficiency improvements were realized. Asset data from over 400 store locations was verified and populated in the configuration management database (CMDB) to help create a comprehensive library of IT assets across stores, as well as to identify and release assets unused by business. BMC BladeLogic Client Automation (BBCA) was used to optimize and synchronize the deployment of software updates and patches to IT assets distributed across over 1,300 store locations in a matter of hours.

**Deployment of an Integrated Multilingual Service Desk**

End-user support services were optimized through the deployment of an integrated multilingual service desk as a single point of contact for all IT-related incidents and support requirements, including those not directly under the scope of Cognizant Technology Solutions’ engagement with Future Group. Cognizant Technology Solutions forwards such tickets to the right owner and tracks them to closure. This even includes field support and break/fix services by third parties, which are orchestrated by Cognizant Technology Solutions through the service desk. Establishment of an L1.5 team helped improve the first level resolution rate from 35% to over 77%. The automation of routine tickets also shortened the average cycle time and reduced manpower requirements for support by close to 40%. The simplified and optimized service desk system currently handles around 30,000 requests a month, with over 30% of them as web tickets and automated service requests.

**Outcomes**

A key upshot of the engagement has been the transformation of Future Group’s IT into an agile and responsive partner for its business operations. Deployment and usage of a wide range of tools have provided Future Group with detailed visibility into and increased assurance about their IT operations. Extensive automation has optimized the delivery of services and helped minimize process inefficiencies. In addition, implementation of service level management and putting in place business-aligned SLAs have helped to better align IT operations with the critical business processes they support.

With retail interests at the heart of its business operations, Future Group attaches special significance to mega events to drive its retail sales volumes and revenues. Future Group generates close to 10% of its revenues during the mega events, and footfall at retail stores during a mega event are on average thrice that on a regular shopping day placing enormous stress on the IT infrastructure supporting operations. Over the course of its engagement with Future Group, Cognizant Technology Solutions has so far successfully supported operational and infrastructure availability requirements for 15 mega events, including six Big Days which traditionally record the highest volume of transactions. Cognizant Technology Solutions deployed a dedicated event manager with a highly specific skill set at the
intersection of IT infrastructure and retail operations for the duration of the events within an operations war room to ensure that its systems were able to scale up and handle the stress introduced by the spike in transaction volumes. Cognizant Technology Solutions’ support of the events has enabled Future Group to confidently move ahead with plans to organize more customer mega events to cement its brands as India's preferred retail shopping destinations.

The engagement also delivered clearly quantifiable financial benefits to Future Group. Improved asset management and utilization visibility, datacenter consolidation and transformation, and other technology transformation initiatives have already realized cost savings of as much as 140% of the annual value of the engagement. More importantly, the transformation has supported Future Group’s business goals and growth aspirations.

The engagement radically simplified the IT management and support architecture within Future Group's operations. The single-pane IT service desk has not only simplified and optimized the delivery of support services, but also made it more customer-centric and highly responsive. The service desk optimizations doubled agent productivity, and increased the first level resolution rate by more than 100%, helping realize significant efficiency improvement. Additionally, with Cognizant Technology Solutions serving as the leading managed services partner, Future Group was able to optimize its partner engagement model and leverage Cognizant Technology Solutions’ partner management expertise. This has freed up additional bandwidth within Future Group to focus on leveraging IT to drive its business strategy rather than on the minutiae of vendor and operations management.

Commenting on the value that Cognizant Technology Solutions was able to bring to the engagement, Venugopal Lambu, Global Head of Infrastructure Services at Cognizant Technology Solutions, said, "We are committed to deliver strategic IT capabilities that will enable Future Group to achieve best-in-class results across their organizations. The core reason behind the success of the relationship has been our understanding of Future Group’s business and their IT Infrastructure and operating it at the speed of business. Cognizant Technology Solutions’ services, solutions and people are helping Future Group to what is most critical to their success — faster, better business. We call it Infrastructure that Accelerates Business."

Of course, the gold standard in assessing the value delivered in any engagement is the voice of the customer. Rakesh Biyani, Joint Managing Director of Future Retail Limited, summed up his satisfaction saying, "I am delighted by Cognizant Technology Solutions’ sound understanding of our business vision, consulting-led approach, process and technology maturity and innovation focus. In a high-velocity growth environment in the world’s most demanding market, Cognizant Technology Solutions continues to be our trusted partner." Rajesh Saboo, Head of Infrastructure at Future Group, commented, “Cognizant Technology Solutions has played a critical role with Future Group as our partner for infrastructure and operations, contributing to significant improvements in critical areas to the business: value, reliability, speed of delivery and innovation."

**Methodology**

The project and company information contained in this document was obtained from multiple sources, including information supplied by Cognizant Technology Solutions and Future Group, IDC's discussions with key stakeholders from both Cognizant Technology Solutions and Future Group, and corporate documents made available to IDC.
ABOUT THIS PUBLICATION

This publication was produced by IDC Custom Solutions. The opinion, analysis, and research results presented herein are drawn from more detailed research and analysis independently conducted and published by IDC, unless specific vendor sponsorship is noted. IDC Custom Solutions makes IDC content available in a wide range of formats for distribution by various companies. A license to distribute IDC content does not imply endorsement of or opinion about the licensee.

COPYRIGHT AND RESTRICTIONS

Any IDC information or reference to IDC that is to be used in advertising, press releases, or promotional materials requires prior written approval from IDC. For permission requests, contact the Custom Solutions information line at 508-988-7610 or gms@idc.com. Translation and/or localization of this document require an additional license from IDC.

For more information on IDC, visit www.idc.com. For more information on IDC Custom Solutions, visit http://www.idc.com/prodserv/custom_solutions/index.jsp.

Global Headquarters: 5 Speen Street Framingham, MA 01701 USA P.508.872.8200 F.508.935.4015 www.idc.com