Transformational Outsourcing

An accelerator for building a digital organization that drives growth
Contents

Building a digital organization 4
CGI’s transformational outsourcing is designed to be an accelerator to build a client’s digital organization 6
CGI’s transformational outsourcing service features 8
Let CGI demonstrate the business value transformational outsourcing can provide 10
A digital organization is one that blends business strategy with technologies across all platforms and devices to better serve its customers/citizens end-to-end.

CGI’s 2016 Global 1000 face-to-face client interviews revealed that the urgency first level executives cited in transforming to a digital organization is **intensified by five key global trends**:

**Global Industry Trends**

- **Rising influence of consumerization**
  - 71%

- **Evolution of security from defense to differentiator**
  - 62%

- **Relentless regulatory demands**
  - 51%

- **Restructuring of industry business models**
  - 34%

- **Emergence of IT as the driver of business change**
  - 27%

In a business climate marked by constant change and increasing economic and competitive pressures, today’s business leaders are looking for accelerators to transform their business and drive shareholder value. In addition,…

**Source:** CGI Global 1000 (2016), based on 1,000+ in-person interviews with business and IT executives.
...clients are facing increasing costs in running their IT legacy platforms reducing their “capacity to invest” in a business environment where revenues are under constant pressure. At the same time, they stated the “urgency to change” varies widely whether in IT or in the business.

**IT priorities** are to modernize and simplify legacy platforms to reduce the IT run spend while **Business priorities** are demanding faster agile IT-driven transformation to address their customers’ needs and the pressure coming from competitive threats.

The gap between business and IT priorities is creating two IT organizations. Therefore, business is outpacing IT in its use of external partners for change projects, which increases the challenges of IT in reducing the IT run costs due to the lack of alignment, not to mention IT knowledge protection being at risk in such situations.

CGI’s transformational outsourcing is the accelerator to transform while efficiently addressing both business and IT priorities and inherent threats.
CGI’s transformational outsourcing is designed to be an **accelerator to build** a client’s digital organization.

1. **CGI’s transformational outsourcing** … enables organizations to free up capital through improved IT run spend, which allows for re-investment into the creation of a digital transformation roadmap.

   - **Input-based & Discrete Digital Services**
     - Channels
     - Workforce
     - Processes
     - Technology
     - Data
     - Increases cost

   - **Transformational Outsourcing**
     - 15-25% total IT savings

   - **Digital Transformation**
     - High-end consulting to build a digital transformation roadmap
     - Reduce the “Run” to invest in “Change”

   - **Operating Model Transformation**
     - IT Modernization (Apps & Systems)
     - Cybersecurity
     - Agile & DevOps
     - Hybrid Cloud/SAAS

   - **Customer-Centric Business Transformation**
     - Customer Experience
     - Innovation & Collaboration
     - Digital-First Customer
     - Customer Value

   - **People & Technology Transformation**
     - Digital Insights
     - Digital Employees
     - Automation & AI
     - IoT & Intelligent Machines
     - SaaS
Based on CGI’s Management Foundation, our transformational outsourcing approach relies on a best-in-class IT governance model

CGI’s transformational outsourcing approach ensures alignment of the four stakeholders (client executives, lines of business, the IT strategic function and the IT executive function... the “IT stakeholders”) by applying the following organizational principles:

- The organizational model implies clarity of decision rights and accountability to foster engagement of all positions and avoids work duplication throughout the IT value chain
- Ensure common agendas and reporting at all levels through adherence to CGI’s Managing for Excellence process
- Outcome-based metrics focusing on business value creation are established to measure performance from the perspective of each of the IT stakeholders to provide alignment
- Standard operational IT processes are agreed upon across the client’s business operations
- Visibility of results is provided to all management levels
- Discretionary spend investments are managed at the senior executive level to ensure alignment with the business plan
1 - CGI Management Foundation™

...CGI Management Foundation™, which is CGI’s repository of best-in-class IT knowledge and practices.

It is structured around well-defined principles, processes, methods, tools, metrics and dashboards that provide a high performing and cost-effective IT delivery supply chain aligned with clients’ business values and business plan.

2 - Client-business-centric IT governance

...CGI’s IT governance model, which provides clear delineation of accountabilities between the client’s line of business, the IT strategic function and the IT execution function. It ensures seamless and effective integration of IT activities among the IT stakeholders. The client remains in control of its IT strategic and investment directions and decisions.

IT governance provides clarity around decision rights, fosters the achievement of business value for our clients, and offers adaptable pre-defined processes for the management of the IT services and effective reporting. It also avoids unnecessary or duplicated IT activities across IT stakeholders.

As a result, operational savings are delivered to the client, which helps fund the digital transformational roadmap.

3 - IT services metrics aligned with business values

...CGI’s approach that consists of measuring the performance, quality and efficiency of IT services linked to the client’s business values to be achieved from IT. In doing so, the IT future state services are tightly tied to business outcomes.

The associated measures, metrics and ratios are defined with the client at the beginning of the relationship.

4 - Transformation roadmap

...A comprehensive roadmap that identifies the activities and investments required to migrate from the current IT state to the targeted future IT state. In addition to the client-business-centric IT governance model and IT services metrics, the roadmap includes:

- Executive presence and engagement
- Dedicated transformation leadership team
- High level of transparency and communication
- Business process renewal, IT, organization development and change management
- Integrated “baked-in” security controls aligned with industry best practices
5 – Innovation and continuous improvement

...Innovation and continuous improvement **processes are embedded in the governance of the relationship** to drive recurring business value for both organizations. For example, under certain business parameters, a joint innovation program that is co-funded could be implemented.

CGI follows a practical and collaborative approach characterized by the following attributes:

- Client-centric with a focus on achieving client business goals
- Alignment of people, processes, technology and security towards our client's digital transformation plan
- Freeing up of capital through improved IT run costs, allowing re-investment into the digital transformation journey

6 - Framework, processes and tools

...CGI's Client Partnership Management Framework (CPMF) that **includes proven processes and tools to deliver efficient, high quality and secure IT services**, including IT governance, service planning, service management and support, and technology and application service delivery processes.

CPMF provides an end-to-end set of IT supply chain delivery processes that combine client and CGI experiences, as well as leverage industry best practices (e.g., ITIL, SEI-CMMI, COBIT, ISO 9001, ISO 27002) and tools, such as automation and robotics.

7 - Global delivery

...CGI's global network of delivery centers providing **access to the right skills from the right location at the right time and for the right price**.

One of the distinct characteristics CGI's global delivery model offers is our consistent approach of conducting all IT activities requiring face-to-face interactions on site with our client. This proximity approach ensures the client's requirements are fully covered and understood.

The model, through a set of work distribution levers, allows for continuous work adjustments providing a tailored solution that evolves with our client's business needs.

8 - Managing for Excellence

...CGI's Managing for Excellence process, which **increases the visibility and transparency, as well as reinforces the accountability and ownership of IT services performance and results**.

To maintain equilibrium among the IT stakeholders, CGI’s Managing for Excellence process:

- Encourages teamwork and sharing of best practices
- Facilitates quick decision-making
- Contributes to continuous improvement in performance
- Monitors the execution of the transformation roadmap
Let CGI demonstrate the business value transformational outsourcing can provide

CGI’s transformational outsourcing can be your accelerator in building your digital organization. It will bring significant business value to your organization starting day-1. This business value will be demonstrated by performing a Proof of Concept (POC) exercise. The POC encompasses three (3) steps:

1. **Frame Current State**
   - Frame the Current State from an end-to-end IT supply chain point of view to create a shared understanding among top executives of the IT organization in its capacity to support the building of a digital organization to drive growth. The Current State will be framed across nine (9) key IT organization transformation segments.

2. **Envision Future State**
   - Envision a comprehensive IT Future State target that will support the building of a digital organization. What would you like your lines of business to say about IT in “X” years from now? For each Current State segment, the corresponding Future State will be defined and aligned with the corporate business value expected.

3. **Determine Pre-Requisites**
   - Determine the operational pre-requisites for each Future State segment. Develop and integrate into a high level transformation roadmap including the investments and savings. Preserving business operational stability and IT knowledge protection is at the core of the roadmap construct.

4. **Achieve Future State**
   - Engage in a transformational outsourcing agreement with CGI to accelerate the achievement of your Future State. By leveraging CGI, your business, financial and operational values will begin to materialize starting day-1. In addition, a continuous improvement process and joint innovation program will contribute to drive growth and value to the partnership throughout the term.
CGI’s POC is generally a six to eight weeks exercise. Through this POC the client and CGI:

- Conduct a confidential process involving two or three client and CGI senior representatives with access to the data available at the client
- Provide an evaluation and validation of the client’s IT organization and alignment with its business value
- Engage in discussions regarding the Future State approach and transformation strategies and roadmap towards building a digital organization driving growth
- Present a value-based partnership offer and CGI’s commitment to the client’s executives including continued savings and investments
About CGI

Founded in 1976, CGI is one of the largest end-to-end IT and business process services providers in the world, helping clients become digital organizations through high-end consulting, enabling IP solutions and transformational outsourcing. With a deep commitment to providing innovative services and solutions, CGI has an industry-leading track record of delivering 95% of projects on time and within budget, aligning our teams with clients’ digital transformation strategies to help them better run, change and grow their businesses.