




# TRANSFORMING BUSINESS OPERATIONS »»

Maximizing Business Potential Through Outsourcing

# MAXIMIZING BUSINESS POTENTIAL THROUGH OUTSOURCING

CHANGES TO THE IT LANDSCAPE TODAY ARE DRIVEN BY DEVELOPMENTS IN TECHNOLOGY, INCREASED REQUIREMENTS FOR BUSINESS FLEXIBILITY AND REGULATORY COMPLIANCE. THE IMPACT OF THIS IS THAT THE MARKET IS RESPONDING TO THESE ISSUES WITH MORE CENTRALIZATION AND VIRTUALIZATION, A RETURN TO MAINFRAMES, INCREASED APPLICATION RATIONALIZATION, A MORE EXTENSIVE USE OF GLOBAL SOURCING AND A UTILITY-BASED COMPUTING APPROACH.

For businesses to stay competitive in today's dynamic global markets, enterprise agility is essential. This allows them to respond rapidly to changes in business demand, support new value chains, and manage partnerships and acquisitions effectively. But to become more agile, companies must look at increasing the adaptivity of their business and IT operations. They are also looking for greater responsibility and transparency from their service provider, and for one that can be a true partner.

A photograph of two men in business suits standing in an office. One man is facing the camera, smiling, while the other is seen from the back, looking towards the first man. They appear to be in a meeting or discussion. The background shows office windows and a whiteboard.

**“ALIGNING IT WITH YOUR BUSINESS OBJECTIVES” >>**



Atos Origin provides the answer through its Business Harmonization approach. Built on a number of key service solutions and engagement models, this is a comprehensive approach that rationalizes your enterprise architecture and harmonizes business processes and applications so they work in perfect unison - boosting your business agility and performance and delivering a truly adaptive enterprise

One important way in which this can be achieved is by outsourcing, a strategic alternative allowing enterprises to reduce costs, achieve better cost visibility, and shift the nature of those costs from fixed to variable. Transformation is a key element of this approach and Atos Origin specializes in transforming the IT infrastructure and business operations of its clients to improve efficiency and performance. This can include managing data centers, network support and desktop support operations.

Here, Atos Origin is one of the few companies that can provide all the “design, build, and operate” elements of a complete outsourcing solution. Its outsourcing services are supported by a proven organization and methods, processes, and tooling, all of which are ITIL-based, and ISO 9000 and BS7799 accredited - so you can be sure of consistent service-level delivery, worldwide.

## **We are a market leader in areas such as:**

- > eCommerce: CRM, Multimedia, Customer Contact Centers, Secure on-line transactions, card processing**
- > Application Management Outsourcing: One of a select group of SAP Global Services Partners, a SAP Global Hosting Partner as well as a member of the SAP Netweaver Partner Initiative**
- > Stock Market & Banking Solutions: Atos Euronext Market Solutions trading, investment and banking solutions**
- > Global Management: Proven experience of large scale, end-to end collaborative work environments**

# GREATER TRANSPARENCY CAN PROVIDE A WIN-WIN SITUATION

**ATOS ORIGIN'S BUSINESS MODEL AND STRATEGY ARE BASED AROUND FORMING LONG-TERM RELATIONSHIPS WITH ITS CLIENTS AND OFFERING EXCELLENT CONTRACT FLEXIBILITY AND TRANSPARENCY WITHIN ITS PARTNERSHIP FRAMEWORK TO ENCOURAGE BOTH TRUST AND GROWTH.**

Here transparency is crucial as it provides a single view of the services on offer and the projects being supported. And creates the atmosphere in which a long-term and mutually beneficial relationship can flourish.

This atmosphere enables Atos Origin to become closely involved with you in the strategic planning and implementation processes, allowing it to provide and develop ever more relevant and effective IT solutions. All aimed at improving your business results by balancing and controlling IT costs and reducing TCO.

Atos Origin firmly believes that open and transparent partnerships are the most productive way of developing business, with both parties sharing the risks and rewards of the association by working together for future success. Therefore it is very important to select a partner that has the capabilities and experience you need - and that can work in harmony with your own organization.

**Our outsourcing services include the following key areas:**

- > Atos™ Workplace Solutions - Providing enterprise support services for desktop PCs and mobile devices such as laptops and PDAs. The centrally managed services provide secure, flexible workplaces for a fixed low price per user/month; realizing savings of up to 40%. Our services include Workplace Transformation for modernization and standardization; application distribution, management and support; and Global Service Desk for multi-channel IT support, provided on a 24/7 basis.
- > Atos™ Application Management - Keeping your

applications updated and tuned for best performance. You get a scalable, flexible-growth model for application management without hidden risks. With Atos Origin managing your applications, you can improve your business efficiency, decrease your costs and get your enterprise applications optimized for your operations. And achieve regulatory compliance thanks to our transparent IT governance. Specialist processes cover the management of SAP platforms, including multilingual, specialist helpdesks, application maintenance and platform management.

- > Atos™ Infrastructure Solutions - Providing infrastructure management services ranging from Remote System Management, thru Secure Datacenter Hosting to Utility Services. Our proven methodologies for datacenter and server consolidation enable us to standardize all your IT elements and provide services on a pay-for-usage, 'utility' basis. This approach provides the transparency needed to improve user accountability, control IT resource consumption, and enable regulatory compliance. With flexible contracts and any unused capacity at our risk not yours, our Infrastructure Solutions reduce your IT overheads and offer excellent business transparency.

There is also the growing desire to engage the in-depth expertise of companies such as Atos Origin to help enterprises through the increasingly complex challenge of improving the cost and effectiveness of the total business process. Here, our Business Process Outsourcing (BPO) expertise allows companies to effectively facilitate this transformation and take full advantage of new IT applications and infrastructure.



## Global Sourcing approach brings continued benefits for Philips Lighting

In late 2004, Atos Origin and Philips Lighting, the No.1 in the global lighting market, signed a new agreement for the hosting of SAP Managed Operations services. Within Philips, Philips Lighting is probably the most advanced and extensive user of SAP products. There are currently around 13,000 SAP users and it covers almost all the major business processes.

### Business Challenges

Philips needed to continue to meet its business targets and maintain its leading position in an increasingly competitive global market. To achieve this it identified three key areas where it could gain a commercial advantage:

- Reduce costs to improve profitability
- Encourage healthy competition among suppliers
- Increase transparency on services and invoicing

However, maintaining quality was an issue which could not be affected in any way and so to meet all these requirements, a Global Sourcing approach had to be central to delivering the required benefits and savings.

### Solution

Under the new contract model, all of Atos Origin's services have been defined into a Service Catalogue and combining the volume of services used and prices in a utility-based approach determines the monthly invoice. This gives Philips the ability to actively manage and control their IT costs, bringing increased levels of flexibility and transparency, greater freedom of choice and predictability, and more detailed data available on which to base business decisions.

The other key element of the solution was to introduce a significant Global Sourcing component which would result in increased flexibility and a substantial TCO reduction. Within the model offered by Atos Origin, a small Front Office remained in the Netherlands, close to the client, and this ensured excellent alignment and communications.

### Benefits

The major benefit has been that Philips Lighting has been able to realize significant cost savings without having to sacrifice quality or service. The requirement to adopt a more process based approach through Atos Origin's Continuous

Service Delivery Model has also meant a more efficient and effective service and consistent, high quality.

Furthermore, as a result of the new model there has been much greater transparency and communication. This has led to a greater confidence in the ability of IT to really support the business needs and a much greater level of trust on both sides.

Confidence and trust are very important elements in any relationship. The success of this contract, and the fact that it is continuing to deliver benefits to both sides, is opening up new business opportunities for both parties and improving customer satisfaction.

### About Philips Lighting

Royal Philips Electronics of the Netherlands is one of the world's biggest electronics companies, as well as the largest in Europe, with 159,709 employees in over 60 countries and sales in 2004 of Eur 30.3 billion. Philips Lighting is No.1 in the global lighting market and employs 44,000 people worldwide, with manufacturing operations in Europe, the United States, Latin America and Asia.



## Achieving significant cost reductions through Data Center Consolidation for Standard Chartered Bank

### Business Challenges

Standard Chartered Bank was looking to achieve greater leverage of its IT resources for the business across the Asia Pacific region. It also wanted to move from its current technology and mode of operations in the Asia Pacific Data Centers to a new technology base and mode of operations that would deliver higher service and quality levels to its customers at an improved Total Cost of Ownership (TCO).

There was also a desire to improve the resilience of the services and to be better able to support the future growth plans of the business. And, as one of the world's leading international banks, achieving this with a partner they could trust and with the minimum risk to both the business and their customers was a top priority.

### Solution

Together with Standard Chartered, Atos Origin developed a Transition Program to prepare for and deliver this major change which has involved around 34,000 end users, 650 servers and 190 applications across 19 countries. Central to this was the migration to a new mode of operations. This included consolidating the data center from 4 locations to a twin Data Center location based in Hong Kong and integrating with the bank's own IT service centers. From these centers, Atos Origin now runs

the majority of the bank's core consumer and wholesale banking platforms, as well as systems linked to ATM's. Services include mirrored disaster recovery facilities, and new storage and service desk facilities.

Another feature of the solution has been technology refresh (hardware and software) covering nearly 95% of the mainframe, midrange and storage platforms for Standard Chartered's business operations. New processes, procedures and supporting tools for Data Center operations have also been deployed. This includes Atos Origin's own ITIL-based Continuous Service Delivery Model which ensures globally consistent processes and service delivery and Global Enterprise Management System (GEMS) tool, which enables distributed monitoring as well as technical and service support from region-wide service centers.

### Benefits

Standard Chartered was looking to achieve greater leverage of its IT resources for the business across the Asia Pacific region. Its new twin Data Center mode of operations now has higher resilience and disaster recovery capability across all production systems and Atos Origin has agreed to, and is delivering, higher performance targets within the Service Level Agreements (SLAs). Furthermore, there have been no

single points of failure within the supported infrastructure.

In terms of TCO, the Standard Chartered has been able to realize a 50% reduction in cost of mainframe operations and a 30% reduction in cost of midrange operations. And as part of this long-term agreement, Atos Origin has been able to offer more flexible and scalable pricing, giving even greater economies as the business grows.

### About Standard Chartered Bank

Standard Chartered is one of the world's most international banks, employing over 40,000 people, representing 80 nationalities, across its network. Standard Chartered operates in over 1,200 locations (including subsidiaries, associates and joint ventures) in more than 50 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom and the Americas. Standard Chartered PLC is listed on both the London Stock Exchange and the Stock Exchange of Hong Kong and is in the top 25 FTSE-100 companies, by market capitalization.

"This is a long term partnership that will leverage the latest technology to deliver significant cost and capability benefits to the Bank."

Peter Sands, Finance Director of Standard Chartered Bank

# GLOBAL AND CONSISTENT CAPABILITIES

Supporting and delivering these solutions, Atos Origin's "design, build, operate" approach covers all the full lifecycle aspects of the desktop, server, network and applications. This is supported by proven processes, tools and an organization that are recognized by ISO 9000 and BS7799 accreditation. Our ITIL based CSDM (Continuous Service Delivery Model) processes and tooling ensure the delivery of uniform service levels worldwide.

We have unrivalled expertise in complex and multi-site global solutions and infrastructures, including SAP and CRM applications. Support comes from our 'follow the sun' 7x24 approach based on multiple Automated Computing Environments (ACE) and, where appropriate, local processing centers. This provides a global reach, but with a local touch. Our services are independent of the hardware and software environment supported, and we are able to leverage added value from our alliances with all the major hardware and software suppliers. Another element of our approach is our focus on innovation and technology refresh.

To deliver this, Atos Origin offers different engagement models according to the needs of your organization, such as through Global Sourcing. Ensuring world class quality and service delivery is a key success factor for implementing Global Sourcing strategies.

Atos Origin India has been assessed at CMMI Level 5 and all our Global Sourcing Centers to the highest levels of ISO 9001:2000 and the SEI Capability Maturity Model (CMM and CMMI). With currently over 3,000 staff working in centers assessed up to CMM level 5, our goal is to grow this number at least threefold in order to continuously develop our reputation for consistent worldwide service delivery.

## Global Sourcing - Optimizing Business Value, Rationalizing Costs

**Successful Global Sourcing is all about getting things right first time and providing your organization with the right resources, at the right location, at the right time, with the right price and performance.**

**Properly implemented, Global Sourcing delivers:**

- > Sustainable TCO reduction
- > World-class quality
- > Flexible global delivery capabilities
- > Business continuity
- > Ease of working / transparency

**Atos Origin's Global Sourcing Centers (GSC) in Asia, South America, and Europe provide global coverage and delivery scale that leverage our client facing units around the world. This enables Atos Origin to provide a unique blend of customer intimacy, industry and domain expertise, high responsiveness and Global Sourcing performance.**

# CLIENT-CENTRIC OUTSOURCING APPROACH

Outsourcing impacts not only infrastructure and applications, but first and foremost people and organizations. A critical factor here is the trust that must be established between the partners. We know that it is important to fully understand what we are acquiring, what the client's objectives are and how we can bring the expected value to both the client and Atos Origin. As the outsourcing company, we become the custodian of all the knowledge of the client that is relevant to the process being outsourced, and for us that is an asset to be protected.

The cultural fit between the two companies is also essential for any partnership to work. Atos Origin believes in strong values - client dedication, commitment to execute, entrepreneurship and conviviality – and these are reflected across all elements of our company. This spirit has frequently seen the formation of a unique bond during exploratory talks and negotiations, and has often been the deciding factor in selecting Atos Origin and taking the first step on the road to partnership.

You can never pre-plan for every eventuality, so trust has to be the basis for the relationship. Once serious negotiations get under way we involve experts from disciplines such as legal, finance, communications and HRM to ensure that all aspects are covered. The successful integration of new employees and skills is critical to ensuring that service levels are not only maintained but improved, and we have shown consistently that we can service small and large organizations with no disruption of performance.

## Key outsourcing data includes:

- > 45 data centers (6 of them are fully Automated Computing Environments)
- > Global IP networks with over 300,000 connections
- > Global Messaging Services – over 700,000 email boxes
- > Over 500,000 managed desktops worldwide
- > Over 4,000 managed LAN's and locally installed managed LAN file and print servers
- > Over 250,000 ERP users supported in over 50 countries
- > Managing 25 million loyalty cards and over 2 million fleet cards

## Business Benefits

- > Reduced cost of operations
- > Contract flexibility allowing for technology refresh and changes in business volumes
- > Long term customer relationships, based on sharing risk and reward
- > Access to a wider variety of capabilities and skills
- > Full managed lifecycle - Design, Build and Operate



## Atos Origin hosts and manages critical business applications for Network Rail

### Business Challenges

Network Rail has to deliver the highest quality of service to its customers under a strict UK regulatory framework: any failure results in severe financial penalties. Its mission critical business applications support the required levels of safety and operational efficiency, but running such applications is not the heart of its business. To enable Network Rail to focus its energies and resources on the task in hand – meeting the challenging targets imposed upon it by the government – it was crucial to find a partner to manage its core applications environment.

Network Rail not only wanted service level guarantees, but also the assurance that its applications would always operate at maximum efficiency through continuous improvement and innovation and that its IT expenditure would be strictly controlled.

### Solution

Network Rail chose Atos Origin because of its proven experience in running mission

critical applications for the transport industry. With a portfolio of clients including Virgin Trains, National Express and Stagecoach, serviced by some 700 highly skilled personnel, it was clear that Atos Origin had the credentials.

Throughout the lifetime of the relationship with Network Rail, Atos Origin's focus has been on transforming service delivery through ongoing investment, and simultaneously reducing costs.

The transformation program has included:

- > Relocation of mainframe services to a tier one purpose built data center
- > Updating of connectivity infrastructure
- > Upgrading the operating system on the mainframe therefore providing a platform for future enhancements
- > Introduction of a new back up/storage solution that removed the need for storing data on tapes
- > Implementation of a new Disaster Recovery (DR) solution that supports a recovery within four hours where previously the recovery time was up to 28 days.

Applications hosted from the Atos Origin data center, crucial to the provision of a safe and reliable train network, include:

- > Train planning applications that enable Network Rail to produce and publish workable timetables. The train planning systems provide plans for 214,000 end-to-end passenger and freight train journeys a year which are planned through 8,726 geographical train planning points
- > Train operations applications that monitor whether 30,000 trains a day are in the right place at the right time.

Service charges have been reduced by 30% while stringent Service Level Agreements (SLAs) have consistently been exceeded. "We aim to surpass Network Rail's expectations and have consistently achieved high levels of service availability and customer satisfaction," says Jeremy Nuttall, Service Delivery Director for Transport Operations at Atos Origin. "We are 'a safe pair of hands' when it comes to operating business critical applications



due to the expertise and dedication of our staff and the close working partnership that operates between Atos Origin and Network Rail.”

A significant factor in that success is that the Atos Origin personnel involved have the skillsets required and have also achieved Capability Maturity Model Integration (CMMI) Level 3 and ITIL (IT Infrastructure Library) accreditations.

Atos Origin is continually driving improvement through collaboration with Network Rail. Continuous Improvement Meetings are held once a quarter and new ideas with their potential costs and benefits are discussed. One recent application enhancement proactively suggested by Atos Origin assisted users who were having difficulty identifying trains that had changed the start of their journey several times (typically for operational reasons). This was done by adding a new database

key. This has significantly eased problems that Network Rail were having in their downstream performance management systems.

The current service improvement program includes plans to web enable the legacy systems, so that these systems have a modern look and feel and are more familiar to new users, therefore reducing the training requirement. Both the high quality of service and process innovation have been key factors in annual savings on operational IT costs – amounting to millions of pounds per year.

#### **Benefits**

- > Multi-million pound savings over the contract term due to Atos Origin's Application Management service – together with its own working practices efficiency drives – enabling Network Rail to realize cost benefits of 30% since 2000.
- > An improved disaster recovery service

has significantly reduced the risk to Network Rail by having a faster recovery time and single recovery mechanism for all mainframe applications should a disaster occur.

- > Atos Origin consistently exceeds required service levels for application availability, in turn enabling Network Rail to honor its service obligations to its own customers.

#### **About Network Rail**

Employing over 30,000 people, Network Rail owns 21,000 miles of track and 2,500 stations in the UK. The company is responsible for all aspects of the national rail infrastructure – planning and coordinating the movement of trains, producing a workable timetable and providing access to the rail network. It is working to rebuild Britain's railway and is spending £14m a day to provide a safe, reliable and efficient rail infrastructure for freight and passenger trains.

# ABOUT ATOS ORIGIN

Atos Origin is an international IT services company. Its business is turning client vision into results through the application of consulting, systems integration and managed operations. The company's annual revenues are more than EUR 5.5 billion and it employs over 47,000 people in 40 countries.

We are one of the few companies in Europe able to provide all the "design, build, operate" elements of an outsourcing solution, and with a proven track record of successfully implementing them on a global and enterprise wide basis. 60% of Atos Origin's revenues are derived from multi-year contracts and furthermore, we are ranked as one of the largest BPO service providers in Europe.

Atos Origin is the Worldwide Information Technology Partner for the Olympic Games and has a client base of international blue-chip companies across all sectors. Atos Origin is quoted on the Paris Eurolist Market and trades as Atos Origin, Atos Consulting, Atos Euronext Market Solutions and Atos Worldline.



## KarstadtQuelle and Atos Origin – A Winning Partnership

In 2004, Atos Origin and KarstadtQuelle signed an agreement for the outsourcing of the Infrastructure Division of Itellium Systems and Services GmbH, the IT subsidiary of KarstadtQuelle AG. Approximately 900 staff transferred to Atos Origin under a business transfer arrangement.

### Business Challenges

KarstadtQuelle wanted to find a strong strategic partner for the retail market in Europe, one that was a fit in culture and size and a key player in the Retail market. The aim was to enable them to reduce their IT costs by optimizing their systems and processes, including the logistic chain and strategic purchasing, and develop new business through a partnership creating innovative retail-focused solutions in areas

such as card processing, loyalty and credit cards.

### Solution

The agreement comprises the Infrastructure Division of Itellium Systems and Services GmbH, which has responsibility for KarstadtQuelle's data processing centers, network operations, terminal device support and the application management group. Ownership of the two main data processing centers, in Essen and Nuremberg, will transfer to Atos Origin.

### Benefits

The agreement will bring continuous cost reductions for KarstadtQuelle as well as a strong commitment to the staff and premises transferred. There will also be

continued cooperation with the remaining part of Itellium Systems and Services GmbH, which will continue to exist as a retail-oriented consultative and systems integration company.

### About KarstadtQuelle

KarstadtQuelle AG, based in Essen, Germany, is Europe's leading department store and mail order group. The Group achieved sales of EUR 15.7 billion in the financial year 2005. The Group's business segments include Over-the-Counter Retail, Mail Order, Services, Real Estate and Tourism. The KarstadtQuelle Group employs around 62,500 staff.

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