

Michelin

Transforming IT application performance

Michelin needed to transform its IT application performance. It was costly to have and maintain a mixed bag of applications in different locations. New standardized applications across the company would drive down costs, make processes more efficient and help Michelin grow and compete.

Michelin is well-known for exploring new and better ways to do things. This task was no exception. The idea of a fresh sourcing model was born. Termed “co-management,” it rejected the classic buyer-supplier pattern. Instead, partners would work shoulder to shoulder with Michelin.

Partners would commit to the same goals Michelin had set for itself. They would have to bring the right skills and delivery model. CGI was a natural fit. Like Michelin, commitment, openness and innovation were at the heart of CGI's businesses and processes.

The balance tipped in CGI's favor for two reasons. We were the only company that could help Michelin without calling on other companies for support. We were able to offer all the necessary skills, like consultancy, design and building and supporting software.

THE CHALLENGE

The co-management method was untried. Michelin was used to introducing new or substantially improved products and services to solve customer problems or to set itself apart from the competition. This was the first time the spotlight was trained on process innovation.

Co-management meant that CGI and Michelin would share risks and rewards. These would be determined by results on key process indicators like project performance, entity performance, supplier cooperation and group performance.

THE SOLUTION

Together, the teams studied grass root level business requirements in supply chain management, corporate finance, customer relationship management and order to cash. How could we reduce costs? What could be done to improve application development, maintenance and support?

CGI drew up a plan to do the following:

- Deliver the project with the best mix of onshore, nearshore and offshore elements
- Carry out end-user testing before rolling out new services

CASE STUDY

MANUFACTURING

Michelin Group is active on all continents. It manufactures and sells tires for all kinds of vehicles. It's also famous for its Red and Green travel guides, which reward restaurants for their cooking, and for its roadmaps and related online services.

- Acquaint users at Michelin with the new system
- Ease change into the organization by making information and tools readily available

THE RESULTS

The co-management approach is working well. On a day-to-day basis, the team works together to accomplish common goals. Problems are resolved through open communication.

With an eye on bigger savings, more services are being moved offshore to our centers in Bangalore and Chennai.

Michelin's systems perform better now. What's more, the new systems are helping the company respond to changing business needs. Savings from standardized operating costs are being invested in core business and on promoting environmentally friendly solutions.

For Michelin, this partnership with CGI has achieved the following:

- Improved overall productivity – application management costs less, performs better and reduces response times to changing business needs
- Increased innovation capabilities - teams access and share know-how on the latest technologies
- Increased confidence - the company is now ready to explore ways to improve other processes.

WHY CGI?

We have a flexible, collaborative culture. Our innovative, practical solutions are tailored to client needs. Our local teams stay close to our clients, while working with CGI's global delivery network in low cost locations like India and Morocco. We help you lower your costs beat the language barrier and avoid cultural misunderstandings.

Note: The project referenced in this case study was delivered by Logica, which CGI acquired in August 2012.

For more information, please contact us at info@cgi.com or visit www.cgi.com.

CASE STUDY MANUFACTURING

The three-year application services contract for Michelin was the largest such project awarded in Europe in 2008. It builds on our close, long standing relationship with the international tire maker.

With 69,000 professionals operating in 400 offices in 40 countries, CGI fosters local accountability for client success while bringing global delivery capabilities to clients' front doors. Founded in 1976, CGI applies a disciplined delivery approach that has achieved an industry-leading track record of on-time, on-budget projects. Our high-quality business consulting, systems integration and outsourcing services help clients leverage current investments while adopting new technology and business strategies that achieve top and bottom line results. As a demonstration of our commitment, our average client satisfaction score for the past 10 years has measured consistently higher than 9 out of 10.