



# Transformational Outsourcing

An accelerator for building a digital organization that drives growth

**CGI**

Experience the commitment®



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An abstract network diagram with orange nodes and lines, resembling a molecular structure or a complex web, is overlaid on the red background. The nodes are of varying sizes and are connected by thin lines, creating a sense of interconnectedness. The diagram is positioned diagonally across the page, starting from the top left and extending towards the bottom right.

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Worldwide IT Services market is expected to grow from \$919B in 2015 to

**\$1.1 trillion in 2019**

With a compound annual growth rate (CAGR) of 4.3%

Source: Gartner, "Forecast: Enterprise IT Spending by Vertical Industry Market Worldwide, 2013-2019, 3Q15 update," October 2015

A CGI outsourcing survey, performed by IDC, with 2,000 global business line executives, stated that within 3 years:

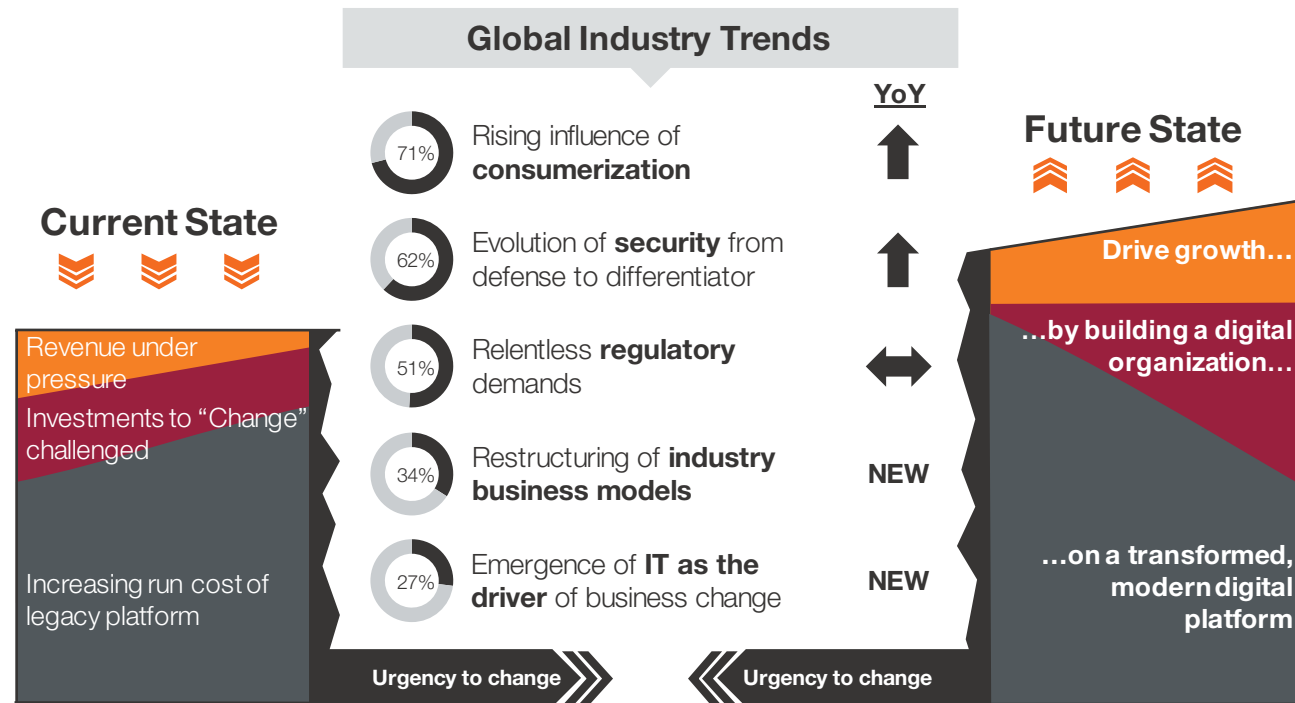
**74% plan to outsource within the next 3 years**

Source: IDC, CGI Outsourcing Survey, April 2015 (N-301) \* All IT is defined as substantial, partial or all of the IT budget

## Building a digital organization

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**:



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.



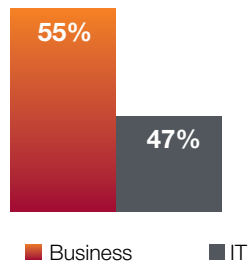
...clients are facing increasing costs in running their IT legacy platforms reducing their “**capacity to invest**” in a business environment where revenues are under constant pressure. At the same time, they stated the “**urgency to change**” varies widely whether in IT or in the business.

**IT priorities** are to modernize and simplify legacy platforms **to reduce the IT run spend**

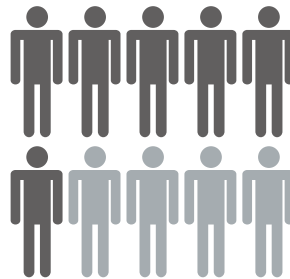
**while**

**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.



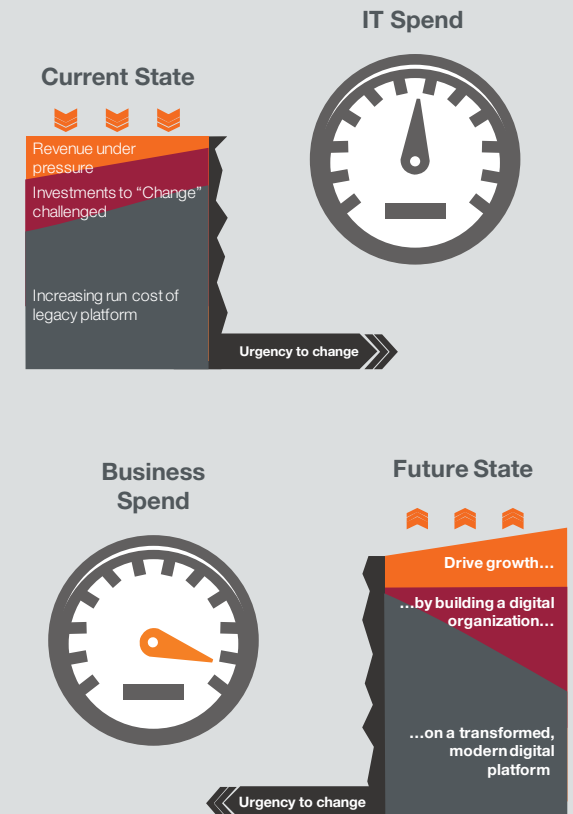
Proportion of external workforce for new change projects



61% of organizations’ internal IT workforce run the organization

CGI’s transformational outsourcing is the **accelerator to transform** while efficiently addressing both business and IT priorities and inherent threats.

## IT modernizing legacy and business transforming to digital (2-speed)

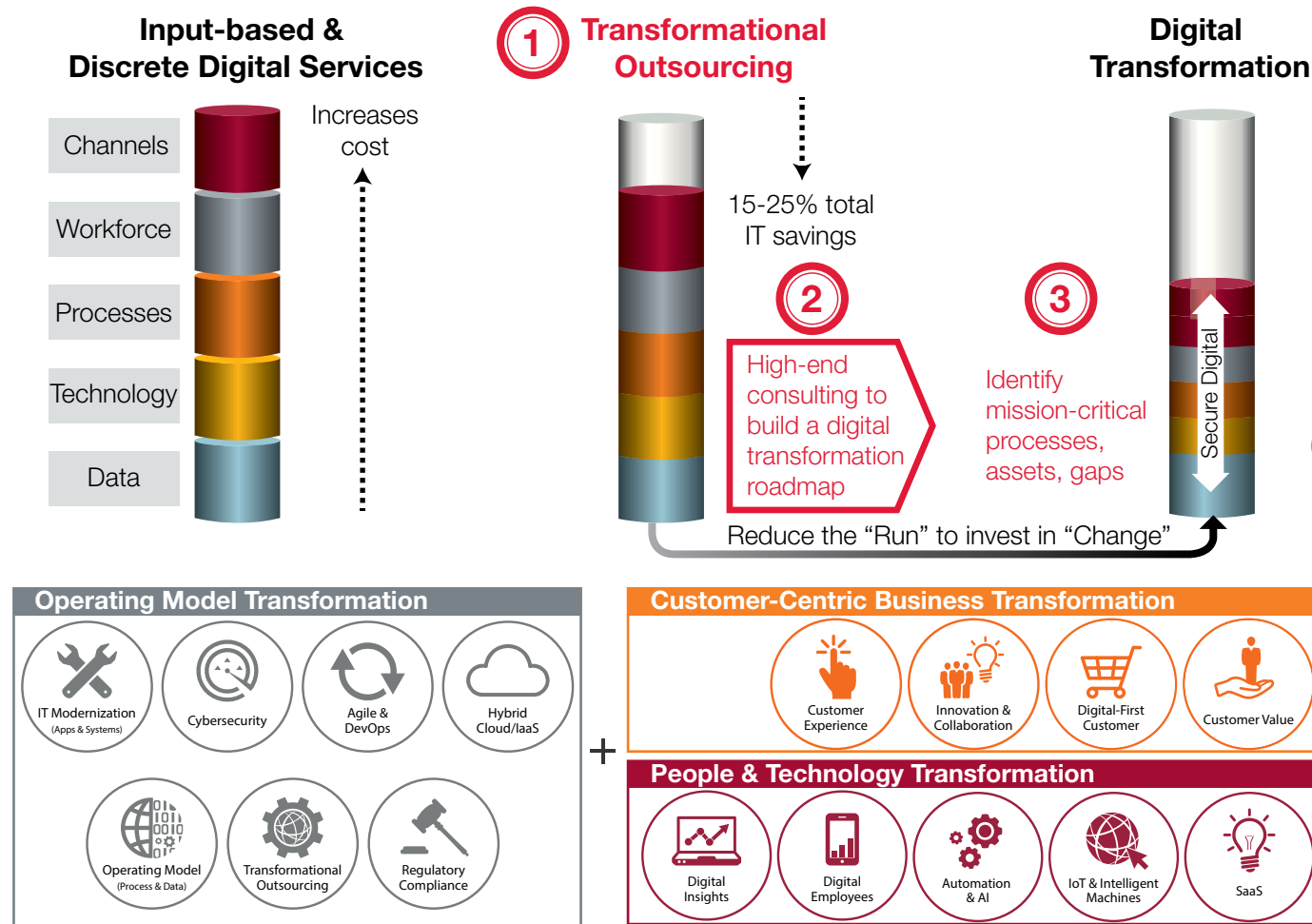


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CGI's transformational outsourcing

... enables organizations to free up capital through improved IT run spend, which allows for re-investment into the creation of a digital transformation roadmap

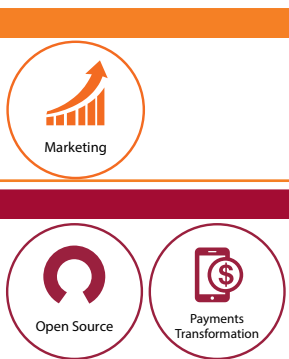
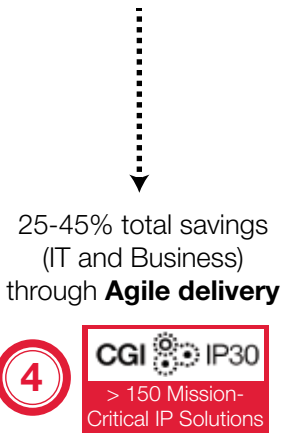
CGI's transformational outsourcing is designed to be an **accelerator to build** a client's digital organization



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:

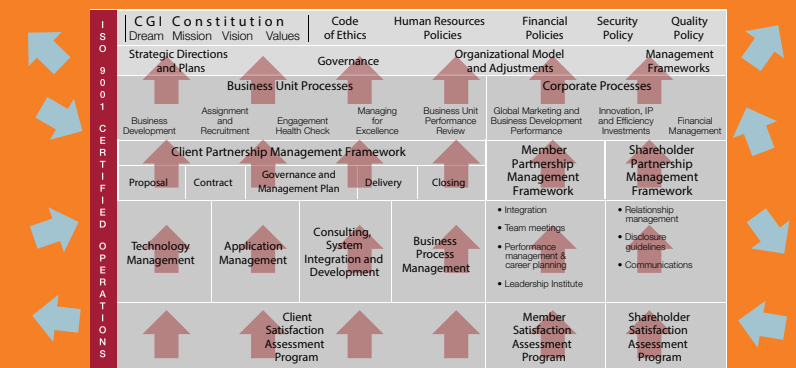
- ▶ The organizational model implies clarity of decision rights and accountability to foster engagement of all positions and avoids work duplication throughout the IT value chain
- ▶ Ensure common agendas and reporting at all levels through adherence to CGI's Managing for Excellence process
- ▶ Outcome-based 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



## CGI's Management Foundation...

I S O  9 0 0 1	CGI Constitution		Code of Ethics & Policies	
	Enterprise Governance, Strategic planning and Frameworks			
	Business Unit Processes		Corporate Processes	
	Client	Member	Shareholder	
	PARTNERSHIP			
	Framework	Framework	Framework	
	Client	Member	Shareholder	
	SATISFACTION			
	Assessment	Assessment	Assessment	

...ensures business and IT...



...achieve the same speed on the highway to a successful future state

## 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

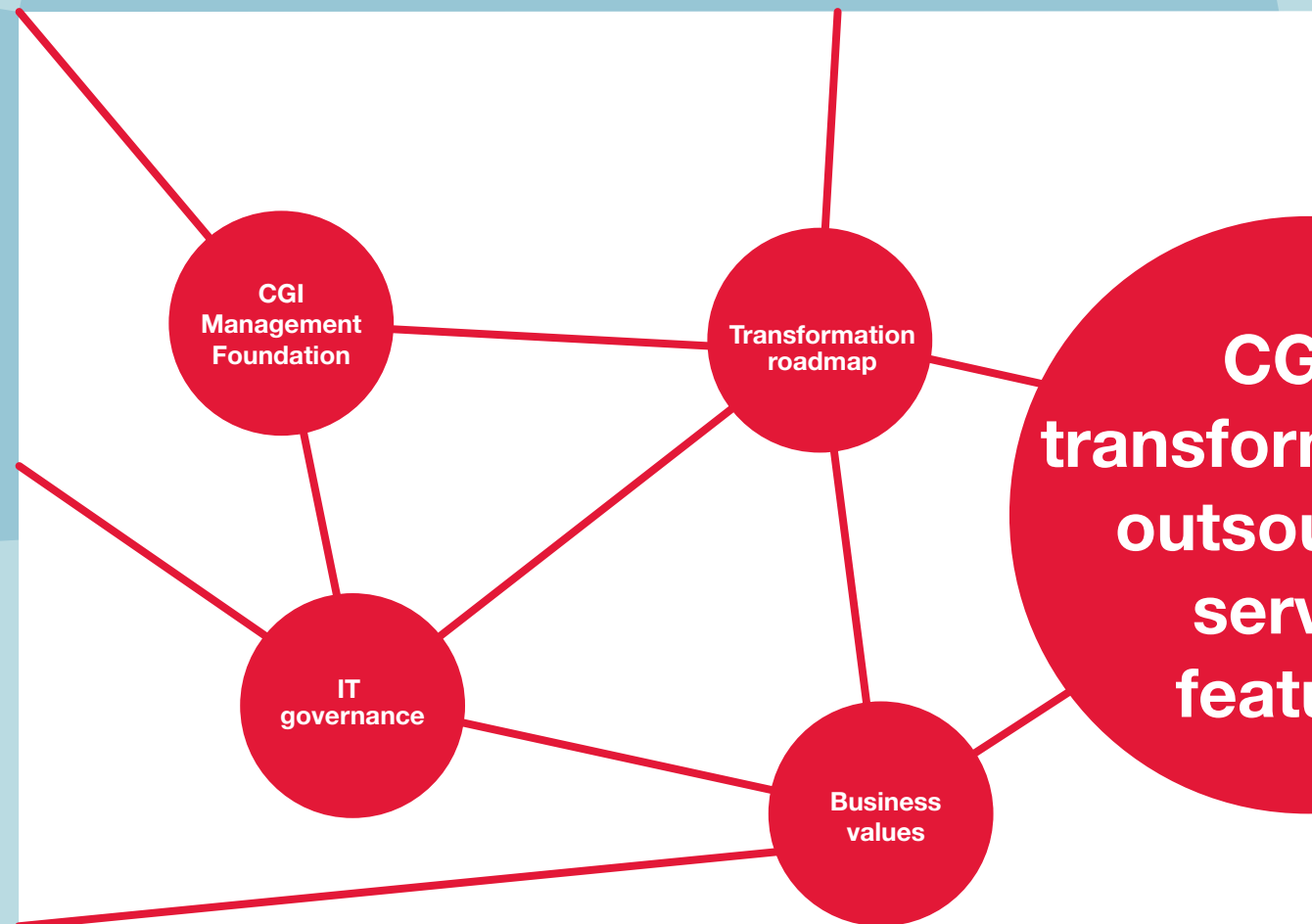
...CGI's approach that consists of **measuring the performance, quality and efficiency of IT services** linked to the client's business values to be achieved from IT. In doing so, the IT future state services are tightly tied to business outcomes.

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:

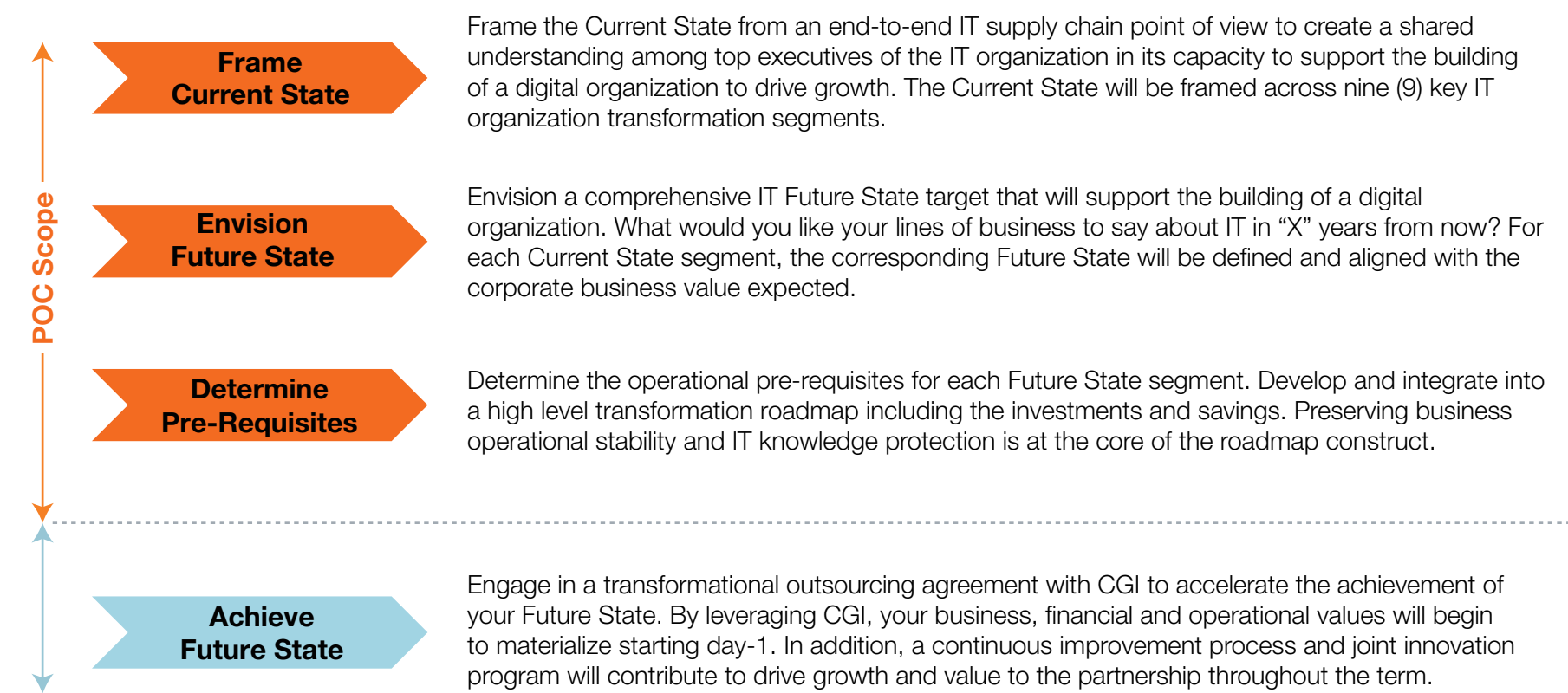
- ▶ Encourages teamwork and sharing of best practices
- ▶ Facilitates quick decision-making
- ▶ Contributes to continuous improvement in performance
- ▶ Monitors the execution of the transformation roadmap



# Let CGI demonstrate the **business value** transformational outsourcing can provide

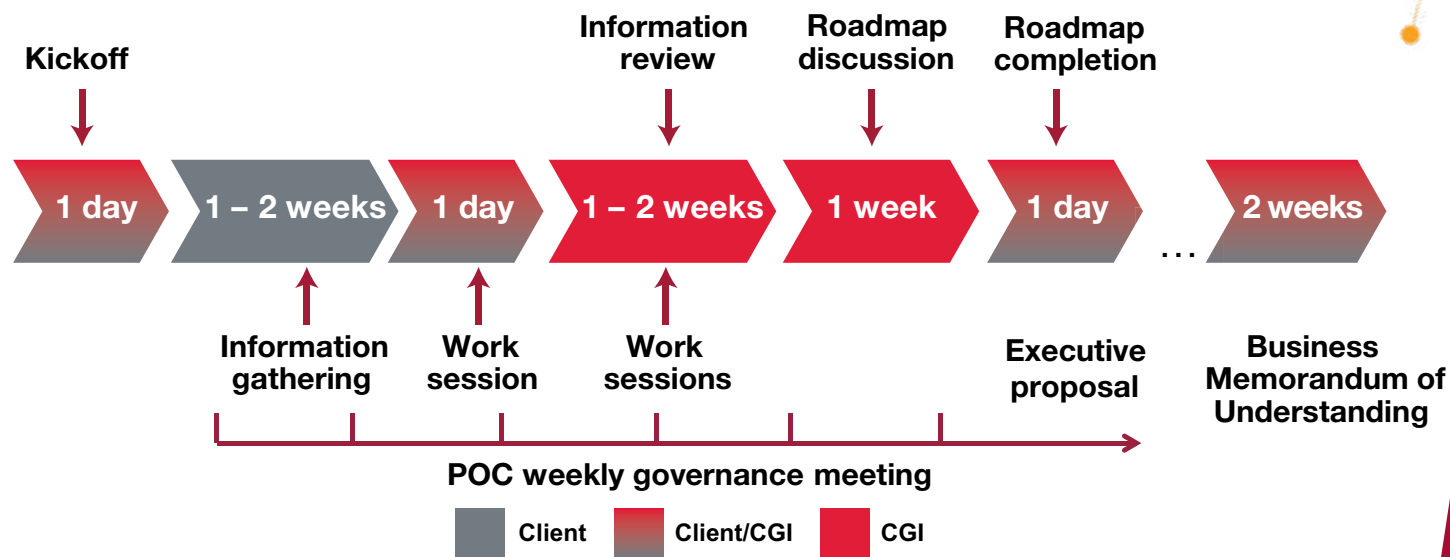
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CGI's transformational outsourcing can be your accelerator in building your digital organization. It will bring significant business value to your organization starting day-1. This business value will be demonstrated by performing a **Proof of Concept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



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



Ask us for a proof of concept and discover the benefits!



# 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.

A hand with a red-tinted skin is pointing towards a network diagram. The network diagram consists of numerous orange dots of varying sizes connected by thin orange lines, forming a complex web. The background is a solid red color.

**CGI**

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