growing
financial service businesses
in turbulent times with right-fit application management

Banks and insurers are facing the need for rapid change, driven by a combination of evolving customer habits, a challenging economic background and tighter regulatory regimes. So how can they respond effectively?

To compete successfully in a challenging business environment, banks and insurers need credible strategies both for growth and operational efficiency. They are dealing with change in several different dimensions, and this is putting their applications estates under real pressure.

▶ The environment is being transformed due to new regulatory requirements, rapid globalization, growing numbers of new competitors, higher priority given to sustainability and corporate social responsibility and emerging consumer technologies

▶ Drive for revenue growth that focuses on new territories, market segments and services, with a powerful emphasis on innovation, faster time to market and better targeting, fostering intimacy and unlocking customer value

▶ Need for cost reduction through improved efficiency, faster processes, move from CapEx to OpEx, unlocking capital for reinvestment in the business and greatly reduced TCO

▶ Business continuity to improve service quality and reduce risk, meet tougher regulations, deliver new information security standards and deal with a range of issues, ranging from infrastructures nearing end of life to cyber-attacks.

Facing the priorities

These issues affect most industries, but they are especially important to financial institutions, which are still recovering from a difficult few years and are facing the need to transform their capital positions at exactly the time when significant infrastructure investment is needed.

Business leaders expect CIOs to deliver achievable, practical solutions to key priorities.

In almost every case, the common factor is the need to transform the applications that enable key processes. They need to:

▶ Find ways to cut the cost of IT without disruptive engineering to core platforms

▶ Ensure compliance with regulations that are becoming both tighter and more diverse, as a result of globalization

▶ Avoid failures due to faulty or incomplete testing, which can lead to major service failures

▶ Enable the move into multi-channel product delivery and service management, which is now having a revolutionary impact on customer relationships and services

▶ Manage exponential increases in the quantities of data being generated, using it to drive deeper understanding and greater intimacy with customers

▶ Move from being hard-pressed maintenance staff to being effective business service brokers in a complex, multi-vendor world.

IT leaders are looking for ways to deliver for the business on these and many other vital issues, yet their budgets are under pressure and resources are being reduced. They cannot find answers by doing more for less: they need to think differently.

AtoS

The challenge of complexity

This is a market where nearly everything is in a state of change, and where speed and agility are basic requirements. Yet it is not easy to move fast and be responsive when constrained by IT environments that are often rigid, highly complex and difficult to maintain. This is due to a combination of factors:

▶ Specialized core platforms and processes that have been customized many times over, often located inside internal 'factories' with many unique features

▶ Layers of applications developed by individual units for highly specific requirements

▶ A mass of legacy systems, some of which may no longer be fully understood by anyone in the organization, and that may be nearing end of life

▶ Duplication caused by mergers and acquisitions, leading to unfinished consolidation.

Creating a more agile, streamlined environment could require major engineering to core processes and systems. That would be time-consuming, risky, costly and disruptive, which is the last thing banks and insurers want while they are cutting costs, optimizing capital and returning money to the business.

Somehow financial institutions need to square this circle: bringing new levels of speed and responsiveness to operations; moving faster in creating innovative customer-centric propositions; and doing this in a cost-effective way while remaining both fully compliant and fully secure.

Transformation journey

Continual improvement and a drive for long-term competitive advantage are built into our Application Management strategy.

We deliver incremental business benefits to clients on a step-by-step basis, all the way through the transformation journey. Right-Fit Application Management is not a 'one size fits all' approach. It is a guiding framework for transforming your application ecosystem, enabling it to become more efficient and flexible, successfully addressing your key challenges.

Typically, we first address the business at operational level, creating a lean and distributed delivery model based on our industrialized processes, automated tools and global reach. We then evolve service provision, modernizing and integrating your applications to ensure that you have agile and efficient processes at the heart of your organization.

Finally, we collaborate with clients to undertake business transformation, creating a future operating model designed to offer maximum operational advantage. We progressively deliver a range of targeted key benefits, including cost reduction, quality improvement, application and business process optimization, innovation and competitive advantage. This enables us to stay focused on business objectives, adding value at every stage yet remaining flexible enough to adapt as your needs change.

Right fit delivery

Through the Right-Fit approach, Atos acts as a long-term strategic partner, transforming over-complex applications and processes, returning money to the business and freeing the organization from legacy lock-in.

Right-Fit is delivered through our SureSource Distributed Delivery approach, based on global delivery centers all over the world, consistent, global processes and tools, and a proven ability to manage the right combination of on-shore, near-shore and offshore resources to deliver the outcomes you need.

Our delivery approach is highly flexible, enabling us to build the right solution for different client needs. These may include hands-on local management, in which our consulting team works alongside client personnel. Alternatively we can deliver via a balanced global distributed delivery solution, combining on-shore, near-shore and offshore resources. In addition, our new DirectSourcing pure-play offshore model delivers lowest possible costs for experienced offshorers.

Transformation for growth

The Atos Right-Fit Application Management approach gets to the heart of the challenges facing banks and insurers today. We will transform complex applications estates and help you achieve greater responsiveness, better cost-efficiency and long-term competitive advantage.

Right-Fit from Atos simplifies application estates and optimizes processes, then brings higher levels of automation into transformed applications environments. This reduces the need for re-engineering, delivering high efficiency management and continuous performance improvement.

Together with our broader Systems Integration capabilities, Right-Fit Application Management is an integrated, end-to-end approach that covers:

▶ Foundation Application Management, providing standardized core services such as application support, maintenance, changes, enhancements and upgrades. Atos safeguards business continuity and reduces operational expenditure by leveraging our industrialized service delivery capabilities. Through our optional hosting and data center services we also continually monitor usage and tune Total Application Performance. Our intelligent analysis ensures that we anticipate changes in demand and act accordingly, while enabling better forward planning

▶ Business-enabling Application Management, changing your application landscape into a rationalized, standardized and more efficient structure. Part of this improvement involves Lean Management techniques, supported by modernized application platforms, releasing further value from existing applications, while enabling new models, such as cloud services and multi-channel, to be implemented rapidly and seamlessly

▶ Sector-specific Application Management, building on our industry knowledge to drive true business transformation, focused on the strategic priorities of each individual client. We combine end-to-end skills, from consulting and design to long-term management, in order to deliver competitive advantage to clients. Our advanced Testing and Acceptance Management (TAM) solution helps to ensure that rapid product introductions or service updates are smooth and low risk activities.

Why trust Atos for Application Management?

We base everything we do on a set of principles, which form the bedrock of our approach.

- ▶ Accountability: we hold ourselves accountable to our clients and our colleagues for the outcome, with robust control and strong commercial models that ensure our interests remain aligned with those of our client. We share the risk along with the reward

- ▶ Trust: because trust is so central to a successful partnership, we deliver transparently. We favor joint governance and management, a collaborative partnership culture, independent audit and benchmarking

- ▶ Competitiveness: we constantly strive to achieve excellence by being agile, flexible and proactive. Initiatives such as our Lean Management program ensure that all of our people are continuously looking to reduce cost and increase quality

- ▶ Service: together, we work to understand our clients' businesses. We treat problems as an opportunity to deliver further benefit to customers through effective joint working

- ▶ Innovation: we are always looking for new ideas and methods. Our Scientific Community is a key resource for high quality research and we stimulate innovation by fostering fresh thinking from our own people and original thinkers in the outside world

- ▶ Excellence: we maintain the highest standards in everything we do, focus on results and act with ambition. To measure this we are accredited to international best practices including ISO 20000, ISO 9001, ISO 27001 and CMMI.

Clients across the marketplace have trusted Atos to deliver the right outcomes for their business needs.

Leading savings institution

We worked with one of the largest savings organizations in the UK, with over 26 million customers and £98 billion under management. Atos was selected to undertake a full transformational change and process enhancement program, modernizing the business and simplifying its legacy application landscape to improve sales, customer satisfaction, administrative efficiency and speed of response.

This transformation has focused on line-of-business applications such as a core banking engine, workflow and document imaging, as well as offline systems for financial analysis and customer marketing. A streamlined data warehouse with over 60 million customer records is now managed by Atos, which provides the platform for deploying targeted marketing campaigns to drive new business. Combined with service improvements, in part through the development of web technologies, Our client now offers its customers high quality customer service and easy access to make purchases and view portfolios online.

Atos now handles over 50 million transactions each year for our client and significantly faster than before. New imaging tools have lowered staffing costs and reduced paper processing times from nine to five days and improved employee productivity by c.400%.

Leading European insurer

Atos is delivering mission-critical Applications Management for one of the world's leading reinsurance companies. We are leading the complete applications outsource program and delivering IT improvements that support our client's entire portfolio lifecycle. We undertake cradle-to-grave management from design and build, to operational support, ensuring that strong governance, SLAs and Atos best practice surround the application landscape. The initial transition to the new application landscape was completed within two months, delivering significant benefits to our client, including support and maintenance cost reduction of 20%; a seamless transition was delivered in just six months, including implementation of the Atos distributed delivery model for optimum quality and cost management plus the ability to flex resource levels to meet business demands.

Top European bank

Atos is a key Application Management partner for one of the largest banks in the Iberian region – as well as a leading player in the South and Central American regions. We develop applications and are trusted to maintain and deliver over 200 mission-critical apps, using our advanced lean-based Kanban approach to deliver performance transparency, improved collaborative working and real-time data to decision makers.

Atos is currently committed to delivering a 5% year on year cost reduction for AM over the first three years, while keeping performance standards moving up at the same time. To date, Atos has delivered a 50% reduction in incident response times, with a 20% reduction in resolution time. As our client's director of AM and SW development has stated, "This project, developed by Atos, has allowed us to obtain improvements that are both quantitative, in terms of response times and service recovery; and qualitative, in terms of agility, proactivity, knowledge and commitment."

Next steps

We would like to work with you to identify how we can bring such benefits to your business and we would be keen to undertake an Application Management Assessment to discover how they could be achieved. Our service rapidly identifies the most effective route forward for your business, showing you how to align IT more effectively with your business needs, while highlighting cost savings as well.

Alternatively we would be delighted to arrange a visit to one of our Application Management sites. Come and see how we put Right-Fit into action and discover the way we help other clients transform their businesses. If you would like to discuss Right-Fit Application Management please get in touch and let us show you how it can put your business on a fast track to long-term growth.

Talk to Atos, your business technologists.

Atos in financial services

Atos brings together a rich blend of capabilities to deliver the best possible Application Management outcomes for Financial Services clients all round the world. Our unique Right Fit AM approach ensures an ideal combination of highly efficient global delivery with hands-on expert support on client sites, right across the value chain, from initial consulting and design, through transformation, migration and long-term management.

Atos is a global IT services company with annual 2012 revenue of EUR 8.8 billion and 76,400 Business Technologists focused on client success in 47 countries. For us, Application Management is about helping clients to achieve measurable competitive advantage. Through Atos, Right Fit Application Management increases operational efficiency, fosters agility and helps deliver growth through enhanced customer focus.

Our deep sector knowledge helps us to understand how Banks and Insurers see the world, so we can craft solutions that are precisely targeted to their needs. We're one of the top three IT service providers to financial services in Europe and a key partner to eight of Europe's top 10 banks and six of the top 10 global insurers. We have 15,000 Financial Services experts, dedicated to delivering and managing effective sector-based solutions tailored to the needs of banks and insurers worldwide.

Serving a global client base, Atos delivers Hi-Tech Transactional Services, Consulting & Technology Services, Systems Integration and Managed Services. We possess deep technology expertise and industry knowledge, and work with clients across Manufacturing, Retail & Services; Public sector, Healthcare & Transports; Telecoms, Media & Technology; Energy & Utilities, as well as Financial Services.

Atos is focused on business technology that powers progress and helps organizations to create their firm of the future. It is the Worldwide Information Technology Partner for the Olympic and Paralympic Games and is quoted on the NYSE Euronext Paris market. Atos operates under the brands Atos, Atos Consulting & Technology Services, Atos Worldline and Atos Worldgrid.

We are

▶ One of the largest independent card services providers in Europe and Asia-Pacific

▶ No. 1 in multi-channel self-service solutions

▶ No. 1 provider of transaction Business Process Outsourcing (BPO) solutions

▶ No. 1 provider of innovative payment and BPO solutions

▶ No. 1 in multi-channel self-service banking Leader in settlement processes and brokerage.

For more information, contact: dialogue@atos.net