

IT'S BUSINESS AS USUAL BUT NOT AS YOU KNOW IT



BUSINESS SOLUTIONS
TECHNOLOGY
OUTSOURCING



THE FUTURE'S NOT WHAT IT USED TO BE

It's natural for us to guess what tomorrow could be like. We peer into the future and imagine a world where everyday life is constantly being transformed for the better. And then, once in a while, something dramatic happens to undermine this optimistic view. Something like a global economic crisis, which suddenly makes future prospects seem very different from what we had imagined...

CHANGING THE GAME

The credit crunch of 2009 gave the world economy one of its greatest shocks for almost a century, and we'll be feeling the aftereffects for years to come. As we start a new decade, we can at last see welcome signs of recovery, but we're unlikely to go back to the way things were before autumn 2008.

In the next few pages we'll share our point of view on how and why the new decade will see a return to 'business as usual' – just not as we knew it before the recession.



IT'S BUSINESS AS USUAL



BUT NOT AS YOU KNOW IT...

There is something very comforting about the idea of 'business as usual': the idea of familiar, reliable, tried and trusted ways of working. Yet there's little chance of returning to the 'normal' that existed prior to autumn 2008, and not much desire to do so, either. Organisations of every kind know they need to respond, but how?

In past recessions, they would use some well-understood techniques: downsize fast and hard; open up new markets; rationalise supply chains; maximise value from existing customers, or any combination of these. Businesses tend to cut together as recession bites, and then recruit together as the economy turns round.

Yet it doesn't have to be like this anymore. Maybe this time we can turn crisis into opportunity by carrying out the major structural reconfiguration that most businesses have not attempted to date. After all, while real pacesetters set up virtual partnerships at every opportunity, many businesses still keep most functions and processes in-house, for reasons that are not always truly business-related.

- The internal landscape of a large organisation has become too complex to change easily, although not for everyone
- Business leaders have traditionally been anxious about placing core processes or information outside the corporate firewall
- Finally, corporations are also political bodies: the balance of power around the boardroom table still connects to the number of people reporting to you and the size of your P&L

In our changed future, we see more leadership teams seriously thinking the unthinkable: partly because *they need to* and partly because *they now can*.

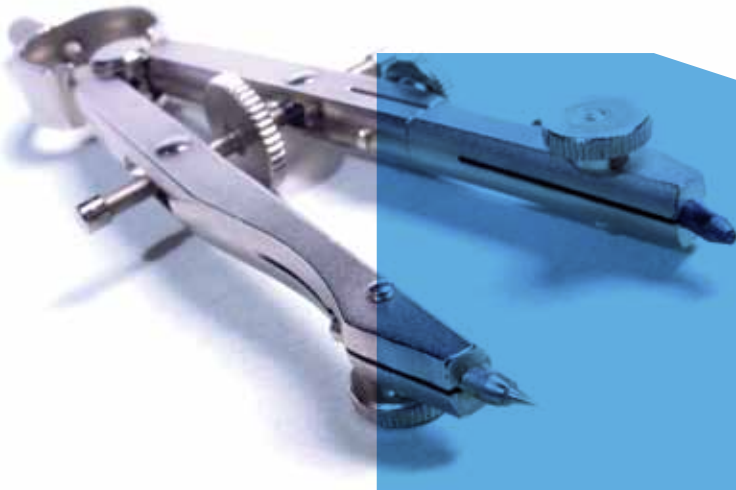
The corporate footprint of a business no longer depends on what it owns, who it employs or where it is based. The factors that determine competitive excellence can now be delivered through much leaner internal resources. Speed to market, new product or service development, customer service, quality and competitive positioning can all be managed collaboratively, without the need to keep major resources permanently owned in-house. Leading organisations will want to use the best and most appropriate resources at all times, not just the best of *those it owns*.

GLOBAL INSURANCE



A leading global insurance company wanted to test several emerging markets quickly. It wanted to be able to carry out in-market trials and then either enter permanently or leave fast, depending on the results. So in each new market, they connected temporary offices to their own network through cloud-based technology, delivered as a

service, and equipped temporary contract staff with the applications and support needed to carry out a controlled, limited launch. Results were monitored and decisions made about whether to rapidly scale-up or exit. Financial commitments were kept very light and risk was almost non-existent.



*It may be more a matter
of 'variable geometry'*

IN SEARCH OF AGILITY

Business as usual in the next few years may look very different from in the past: it could be that the age of the scalable, lean and agile enterprise is here at last.

We have to assume that many aspects of business planning and management are now going to change. That includes new financial models, with a new emphasis on cross-organisation investment and liabilities; the need for more certainty before investment, leading to prioritisation of simulation and modelling; more emphasis on compliance, with regulations getting tighter all the time; speed to market, with collaboration used to enable faster development of complex products and services.

In the future, we will probably judge enterprises not so much on how big but **how influential** they are. This may be a matter of 'variable geometry': the ability to change shape according to need. It may be all about speed, which will depend, not on the size of internal resources but rather on **how little baggage** this organisation is carrying. Above all, it may be more about 'collaborative potential' than established

in-house capability. Our recent Leading Edge Forum report on Global Business Collaboration* emphasises the need to work with people you do not know that well. It says collaboration will increasingly be a fast and flexible activity in the future, involving people and companies that are not regular partners but possess skills that you may need for a specific task. In other words, if you want to innovate fast and effectively, you must exploit 'weak ties', not just strong and established connections. The report explores this issue more and also looks at the new disciplines and mindsets needed to make this more flexible approach work successfully.

Innovations increasingly happen at the edge of businesses, where two or more organisations meet and connect, rather than in the heart of any single corporation. Speed and creativity in developing new products and services is directly

connected to collaborative capability: how good you are at mobilising resources **you do not own** behind a goal and ambition that is strategically vital to your future. That means giving others good reasons for why they should **want to work with you**, not just for simple order fulfilment but as committed collaborators.

Agility and scalability are not new concepts, but we now have a greater ability than before to make these virtues a real part of business as usual.

* Global Business Collaboration: Where Culture, Technology, and Innovation Meet, published by the Leading Edge Forum Executive Programme. Visit www.csc.com/lef for more details.

The United Kingdom receives millions of visitors each year, many of whom try to migrate permanently, either legally or illegally. To manage these movements, the UK Government seemed faced with the choice either of setting up permanent visa centres in many different places, at high cost, or processing all applications centrally, which would have been far too slow.

Instead, they collaborated with CSC to develop a scalable approach, based on temporary centres manned largely by CSC personnel that could be set up and brought online very quickly and then, once applications had been dealt with, moved onto the next location. The resulting service is responsive, fast, inexpensive and much more secure.

UK VISA APPLICATIONS



CLOUDY

(BUT TURNING OUT FINE)

The financial crisis is *driving* change, but technology *makes transformation possible*. In particular, this is due to development of 'the cloud', which is a new term for a well-established IT concept: having access to the technology you need, when and where you need it, without having to own it yourselves.

The cloud marks the space at which public and private coincide, and where the worlds of enterprise and consumer technology merge. The cloud can offer ultra low cost IT, with extremely high scalability and speed, precisely because it uses a vast installed base of technology infrastructure that can be dynamically reconfigured to suit precise needs on the fly: scaling up and down in real time to suit hour by hour requirements. This environment is also perfectly suited to what we call double-deep employees, who are expert both in their specific line of business and in on-demand technology. They look to IT for guidance but they don't expect the IT department to *do work for them*.

This gives rise to some important new principles:

- OpEx replaces CapEx: if you don't own anything, you don't need to make a capital investment; instead, you will

simply pay as you go. In a world where capital is in short supply, this could be ideal for many businesses, enabling them to launch a service, using external infrastructure, and then pay for the infrastructure usage from the revenue that the service generates

- No hard divide between enterprise and consumer: much of the infrastructure that forms the basis for the cloud is of consumer origin, including communication networks and server farms created to service online retailers, such as Amazon. In this world the most advanced technology will now often be in the consumer space
- Cost is not the biggest benefit: it captures the headlines but the cloud is really about creating agile, virtual networks that can be configured and reconfigured as needed. The future may see a growing divide between those

businesses that understand how to use peer networks to their advantage and those that don't

The cloud changes every aspect of IT development and management. Virtualisation on a planet-wide scale means that utilisation will rise from an average of 10% in the old-style corporate server farm to somewhere near 100% in the cloud. Use of the cloud for peak loads will also allow us to make more effective use of internal assets, reducing the need for fixed 'safety stock'. Internal IT departments will move from *providing IT to enabling business strategy through IT*. They will take the role of commercially-focused business strategists. There will be fewer of them in the average enterprise, and their profiles will be very different.

MANUFACTURING



One of Europe's largest manufacturing companies was taking 10 to 12 weeks to create an IT environment for each new development project, putting the company at a disadvantage in an increasingly fast-moving marketplace. Working with CSC, they moved to an externally-supplied 'private cloud', based on virtual server instances, rather than physical servers for each

new project. Project set-up has now been reduced to three days, with no upfront costs, as all payments are now effectively rental, based on resource utilisation. There is no longer any need to invest in capital equipment that may prove redundant if a project is postponed, cancelled or radically altered. The business has become faster-moving, risks have been reduced and costs cut.



*Enterprises need the confidence
to let the network develop*

CONSUMER CONVERGENCE

It is no surprise that cloud pioneers have often come from the consumer space and have been very much attuned to collaborative working as a way of life.

This has led to some remarkable developments:

- An experimental video creation application enabled consumers to input music, images and basic rules, while the application turned this automatically into an edited video. The take-up was so great when it was made available on a social network site that the application went from being hosted on 50 servers to 3500 in a week
- A new car company was set up to launch an experimental new product on the US market. The founders decided, against all existing practice, to use a peer network for design, and 12,000 individuals ended up taking part. The car is now in production
- Increasing use of YouTube clips for effective product education/training

These are quirky examples, but others have a much closer connection to real business needs. Hadoop, originally created by a peer network as an open-source version of Google's Map/Reduce framework, is now used to analyse the massive data sets at online sites such as Facebook, Yahoo and LinkedIn. A future application, now under discussion, is handling data generated by smart meters to measure electricity and gas usage in the home. We may all use smart meters in the near future, and it may well be a cloud-generated collaborative application that makes the whole service work.

The cloud offers unprecedented scalability, thanks to virtualisation, and presents applications and processes to users as a service, making it unnecessary to own

your own infrastructure and enabling a massive reduction in expenditure on equipment and buildings to store it.

This still seems like a radical idea to some corporate executives, but it is perfectly normal for many of their employees. Many people working in large enterprises now know much more about new technology than their employers. It will become normal for them to bring their own device of choice onto the corporate network and work in the way that suits them best, observing a small number of key business rules. They will work better and they will find it easier to collaborate. Enterprises just need the confidence to let the network develop.

New CSC Dynamic Server provides a highly scalable computing environment on a 'pay as you go' basis. It dynamically provisions and decommissions server, network, and storage resources, enabling rapid response to changing business needs.

CSC Dynamic Server enables the provisioning of ready-to-use server

capacity within hours rather than weeks or months. Users will be able to request the resources via a product catalogue and agreed approval process. It is suitable for most environments but the greatest benefits will be in areas where temporary capacity is frequently required - such as test and development environments.

For more information visit www.csc.com/dynamicserver

CSC DYNAMIC SERVER





NEW VISION NEW AGILITY

The cloud creates compelling visions of the future. Some of these visions, however, still seem a long way off, and there are plenty of obstacles along the way. For a start, there is:

- **SECURITY.** The cloud is at its most efficient when public resources can be mobilised, virtualised and brought online as needed. Yet public networks bring with them big fears about security lapses, and moving more content to the Internet has to be done with care, as users demand full transparency, with extra security available for an additional fee
- **COLLABORATION.** Many large organisations still find it hard to collaborate internally, and moving to an open, networked model presents great difficulties. Processes need to change and old systems be turned off, while culture and behaviour could prove more problematic than the impact of technology

- **EXISTING INVESTMENTS.** Large enterprises own a great deal of equipment and do not necessarily want to write it all off to move into the cloud. This is why, to quote one business thinker, 'a good crisis is a terrible thing to waste', because bad times allow for radical decisions in a way that normal times do not

Businesses normally grow big because they create products and services that large numbers of people or other businesses want to buy. For them, innovation is good, but stability is even better, as that allows production to be industrialised and revenue to be maximised. Reconciling the traditional mindset and structures of large enterprises with the agile world enabled by the cloud is hard, but it must be done if we are to come out of the current recession with better methods and more resilient business structures.

Transformational change does not happen overnight, but there is no doubt that the balance of risk between action and inaction alters in times of crisis. Organisations of every kind are facing difficult decisions. They need to cut costs, target their services more accurately, reduce the need for capital investment and reduce operational risks by a very large amount.

To do this requires boldness, vision, flexible attitudes and a clear grasp of how best to apply emerging technologies. It is not surprising that there should be a good deal of hesitation about the right moves to make in the next year or two: a lot is at stake, after all.

DOING BUSINESS IN THE CLOUD? WHERE TO START?

Although many of our clients are considering cloud computing for their organisation, they tell us they want help deciding how and where to start. So we've developed the CSC Cloud Adoption Assessment to help you *identify the right business services* to focus on and create a practical plan.

After agreeing to the scope of the assessment, we perform a *process-centric analysis* of your existing setup. By focusing on your business processes, rather than on infrastructures or architectures, we can make a top-down assessment that maps to your strategic objectives: We don't lose sight of the forest for the trees.

We score each targeted process to identify its suitability for transfer to a cloud delivery model. In determining its score we examine the IT services and security frameworks that apply to the process, the contractual and regulatory constraints within which it operates, and its scale and importance within your organisation.

There is now a unique opportunity to establish a new 'business as usual'



Our view is that there is now a unique opportunity to establish a new business as usual, in which:

- Organisations can use technology to open up new possibilities and new ways of doing business
- Costs come more out of operating expenses and less out of capital investment
- Collaborative working can be used safely to speed development and access specialised resources
- IT is a scalable, mainly external resource, with the all-important guidance and education roles retained in-house
- The focus for in-house services moves from resource management to enabling value creation

None of this is possible without a major change in mindset. As the early 20th century critic Frank Gelett Burgess* once said: 'If you haven't given up or acquired at least one major idea in the past few years, you may already be dead...'

The key change will come when major technology companies are able to build products and services that combine cloud-based agility with traditional enterprise robustness and industrial-strength delivery. Microsoft's Business Productivity Online Suite holds out the promise of exactly that kind of combination, and could signpost us to a near-term future in which the cloud helps to establish a new business normality for us all.

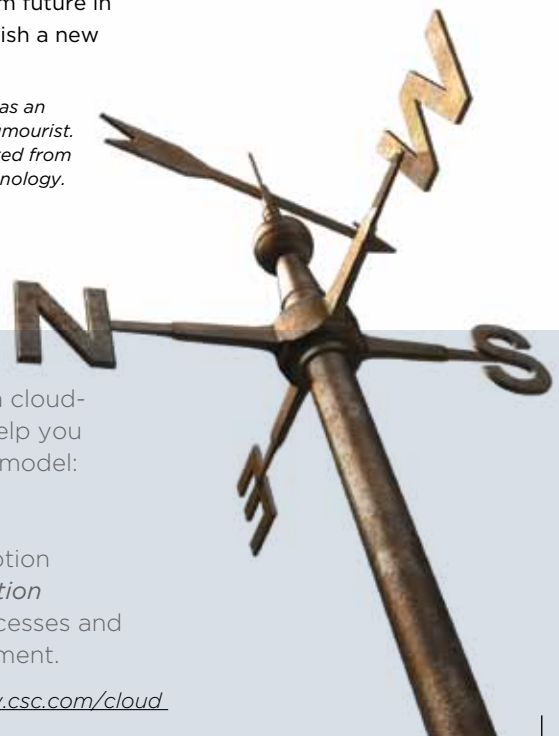
** Frank Gelett Burgess (1866-1951) was an artist, art critic, poet, author and humourist. He was born in Boston and graduated from the Massachusetts Institute of Technology.*

We distinguish the parts of each process that are *core to your strategic objectives* and the parts that aren't. Sometimes a whole process might make a suitable candidate for delivery as a service; sometimes only the infrastructure it depends on; and sometimes it's not suitable at all. Where a process, or part thereof, is

suitable for transferring to a cloud-based delivery model, we help you determine the target cloud model: public, private or mixed.

The final output of the adoption assessment is a *cloud adoption roadmap* for the target processes and a high-level benefits assessment.

For more information visit www.csc.com/cloud





CREATING A BETTER FUTURE

Organisations are moving to a more refined use of technology. Instead of investing at the level of the most sophisticated requirement, there is an emerging trend to integrate graded levels of IT services.

For example, organisations are beginning to use integrated managed email solutions which provide enterprise grade email services such as Lotus Notes or Microsoft Outlook to support knowledge workers, and simpler tools like Microsoft's Business Productivity Online Suite or Google Mail for infrequent email users.

Microsoft's Business Productivity Online Suite is a key example of a new proprietary technology that could help organisations of every kind take that all-important first step towards routine use of the cloud. There are other options, however, and one of the most interesting of these is the extended use of the world's most successful consumer software: Google. CSC is leading this change using both Microsoft and Google (see panels below and opposite) and though we are in the early stages of proving this revolutionary new way of managing large and complex user groups, it is a key example of how consumer technology may now at last be leading the way for enterprises.

New IT services enable better, easier and more effective collaboration, and collaboration is the key to a new way of doing business. To get the very best results, individual organisations need to become collaborative brokers, working on platforms that enable collaborative working, not just with like-minded partners but with competitors as well. It's not just open systems and standards that are needed but open minds too. The financial crisis might never have happened if competitive

institutions had shared information more openly: the issues would then have become clear at once. A change in attitude is the key to creating a new form of business as usual.

Organisations like Microsoft and Google are fundamentally changing the ways in which people and enterprises collaborate in web-enabled networks, and that will have a profound and lasting effect on the way all of us work. CSC is helping organisations blend traditional and emerging services appropriately. In this changing, more consumerised technology landscape, enterprises are in the unusual position of being a niche market. The involvement of Governments in the US, UK, Canada, Japan, the Netherlands and others, too, is changing the game. They want the advantages of the cloud for their own citizens and now companies such as Google are starting to treat them as core business.

The world will most certainly find a way back to doing business as usual, it just won't look the same as it did in the recent past. Businesses have a greater incentive than ever to find better ways to collaborate, to offset risk, to move faster and reduce costs. And today, cloud-based technology makes it potentially far easier than before to make a step-change in the way we work. No doubt we'll get used to it, at which point it will move from being a radical challenge to existing norms and will become 'normal' itself. That's when we can say for sure that Business as Usual is back — just not as we knew it...



CSC TO PROVIDE ROYAL MAIL GROUP WITH CLOUD COMPUTING IT SERVICES

CSC recently signed an agreement with the Royal Mail Group to provide cloud computing IT services. The new contract is an industry first, with CSC being the first Microsoft partner to lead and win a cloud computing services agreement of this scale. Under terms of the contract, CSC will provide Royal Mail Group's 30,000 employees with access to new IT services using Microsoft's Business Productivity Online Suite (BPOS).

CSC's cloud services are designed to help businesses easily and securely adopt cloud computing solutions, allowing them to reduce the costs of managing and maintaining business systems while giving them access to the latest Microsoft Online Services including Microsoft Exchange Online, Microsoft SharePoint Online, Microsoft Office Communications Online and Microsoft Office Live Meeting.

Royal Mail Group's Head of Technology Service Delivery, Carol Olney, said: 'This deal forms part of Royal Mail's drive to invest in new technology to improve efficiency and customer service. The Microsoft suite will give people across Royal Mail Group the tools they need to do their jobs more effectively, enabling our business units to collaborate with each other, partners and other external organisations more freely, easily and securely while securing cost savings.'

For more information please
contact cloud@csc.com



COLLABORATION IN THE CLOUD

At CSC we've embraced the changing landscape and have become an established leader in setting out a cloud services vision for our clients: the CSC Trusted Cloud. It recognises the need to orchestrate between different types of cloud services – public, private and hybrid – and different levels at which IT can be delivered as a service.

Microsoft's Business Productivity Online Suite (BPOS) is a key offering delivered through this CSC Trusted Cloud model, offering both public and private cloud capabilities. Provisioned from Microsoft data centres, the BPOS solutions – Microsoft Exchange, Microsoft SharePoint, Microsoft Communications and Microsoft Live Meeting – can be provided individually as standalone services or as a bundle of services at a significantly discounted rate.

BPOS solutions are both fast to deploy and secure, with proven protection at an application, network and data level. As many enterprises worldwide have discovered, it's a highly resilient service, with 99.9% service availability levels offered as standard. Server software upgrades are implemented rapidly after major new releases, and patches and updates are applied as needed in a managed way.

You don't have to worry about software versioning, software asset management or expensive upgrade projects.

WHY CSC FOR BPOS?

We don't just resell BPOS software services from Microsoft; we provide the systems integration, service management and business transformation know-how to deploy BPOS effectively into your environment. We're an established leader in both cloud services and BPOS:

- We delivered the first-ever partner-led (rather than Microsoft-led) sale of BPOS Dedicated globally, for the UK Royal Mail Group (see panel)
- We have a strong track record of delivering on-premise enterprise Microsoft mail and collaboration services across many geographies for multinational customers

- We have a proven, best-practice Lotus Notes application migration methodology to de-risk your application migration
- We offer an end-to-end set of services that are key to the successful implementation of BPOS:
 - Business transformation, communication, training and change management services
 - World-leading service management capability
 - Proven Microsoft platform systems integration experience from more than 4,500 consultants globally

CSC is working with Google to replace the City of Los Angeles' current email and other applications with Google apps, Google's suite of Web-based productivity tools. The intention is to dramatically lower operational costs while significantly improving the end-user experience and productivity. CSC will offer immediate standardised

pricing for Google apps and CSC Cloud Orchestration Services to all public agencies within California. This contracting approach, pioneered by the City of Los Angeles, enables significant benefits in innovation, productivity and cost avoidance without the need for a lengthy and complex procurement cycle.

CITY OF LOS ANGELES





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The mission of CSC is to be a global leader in providing technology enabled business solutions and services.

With the broadest range of capabilities, CSC offers clients the solutions they need to manage complexity, focus on core businesses, collaborate with partners and clients, and improve operations.

CSC makes a special point of understanding its clients and provides experts with real-world experience to work with them. CSC is vendor-independent, delivering solutions that best meet each client's unique requirements.

For 50 years, clients in industries and governments worldwide have trusted CSC with their business process and information systems outsourcing, systems integration and consulting needs.

The company trades on the New York Stock Exchange under the symbol "CSC."

