

Run, Optimize and Transform IT for Long-Term Success

NTT DATA welcomed Dell Services into the family in 2016. Together, we offer one of the industry's most comprehensive services portfolios designed to modernize business and technology to deliver the outcomes that matter most to our clients.

NTT DATA Services
formerly Dell Services



Introduction

With unprecedented consolidation across markets, most large enterprises increasingly need to realign their business processes to more effectively respond to rapidly changing customer needs. This trend, among others, is prompting the shift to a business-driven application services market with predefined, information-centric solutions. To stay competitive and meet the demands of the highly dynamic market, leading services providers are seeking out new innovative application services solutions. This white paper provides an overview of IT transformational outsourcing and the benefits it brings to enterprises.

Why are many organizations undergoing IT transformation?

The influx of connective technologies is not slowing down, and companies are striving to adopt these new technologies in hopes they don't miss any new opportunities. Technology's successful role in the dramatic rise of global companies also provides the impetus for this increased demand. This

overwhelming want of technology — combined with the belief that it will lead to unprecedented changes in overcoming any business challenges and will deliver huge cost savings — is pushing enterprises toward adopting new technologies that, at best, only meet tactical requirements. However, companies need to be predictive and not reactive to thrive in this dynamic business environment.

IT transformation helps companies simplify their internal processes, harmonize business processes across their enterprises and contribute toward making their organizations smarter and leaner. Technology partners in the transformational journey help connect IT to business objectives while aligning to organizational growth and stakeholder expectations.

The changing IT landscape

The IT services industry is interestingly witnessing the conflux of emerging technologies and markets with newer paradigms to conduct business.

Markets, regardless of the industry, are seeing a rapid consolidation that encourages enterprises to realign their business processes and respond more effectively to customer needs. Several market trends show an increased shift to a business- and innovation-driven application services market.

Today, enterprises are in a hurry to jump on the next promising technology bandwagon. But in this quest, businesses are only getting digitized, whereas a genuine business transformation includes modernization. Enterprises expect business digitization to drive important changes in their organization. However, business digitization requires IT agility and increased IT responsiveness through better IT services. In short, enterprises need a holistic approach to IT transformational outsourcing that

combines modernization and digitization to bring expected changes to their culture, governance, strategy and business innovation.

Our winning formula

Regardless of new market dynamics, the need for organizations to innovate, better collaborate and be a leader in their industry remains unchanged. According to recent research¹, 78% of chief information officers are planning a technology refresh within the next three years. But with the increasing complexity of applications, operating models and IT architectures, just where do they get started?

At NTT DATA Services, our transformational outsourcing model focuses on providing a flexible approach to help our clients embark on a transformational journey that will yield considerable cost savings and evolve their business and IT landscape.

Our model consists of three steps

which align our solutions to clients' requirements:

- **Run:** In this step, we help our clients realize the value of their current environment by setting up an efficient working model to take ownership of in-scope services on an as-is basis.
- **Optimize:** In this step, we gradually move toward a more managed and mature model for delivery and pricing — with a focus on optimizing processes and standardizing service-level agreements (SLAs), key performance indicators and metrics — as well as assess the portfolio to drive rationalization and continuous innovation.
- **Transform:** In this step, we complete the business transformation to a mature model that will facilitate significant growth in the client's revenue by establishing an innovation council and advancing innovative solutions aligned to the client's objectives, which could include social media, mobility, analytics and the cloud.

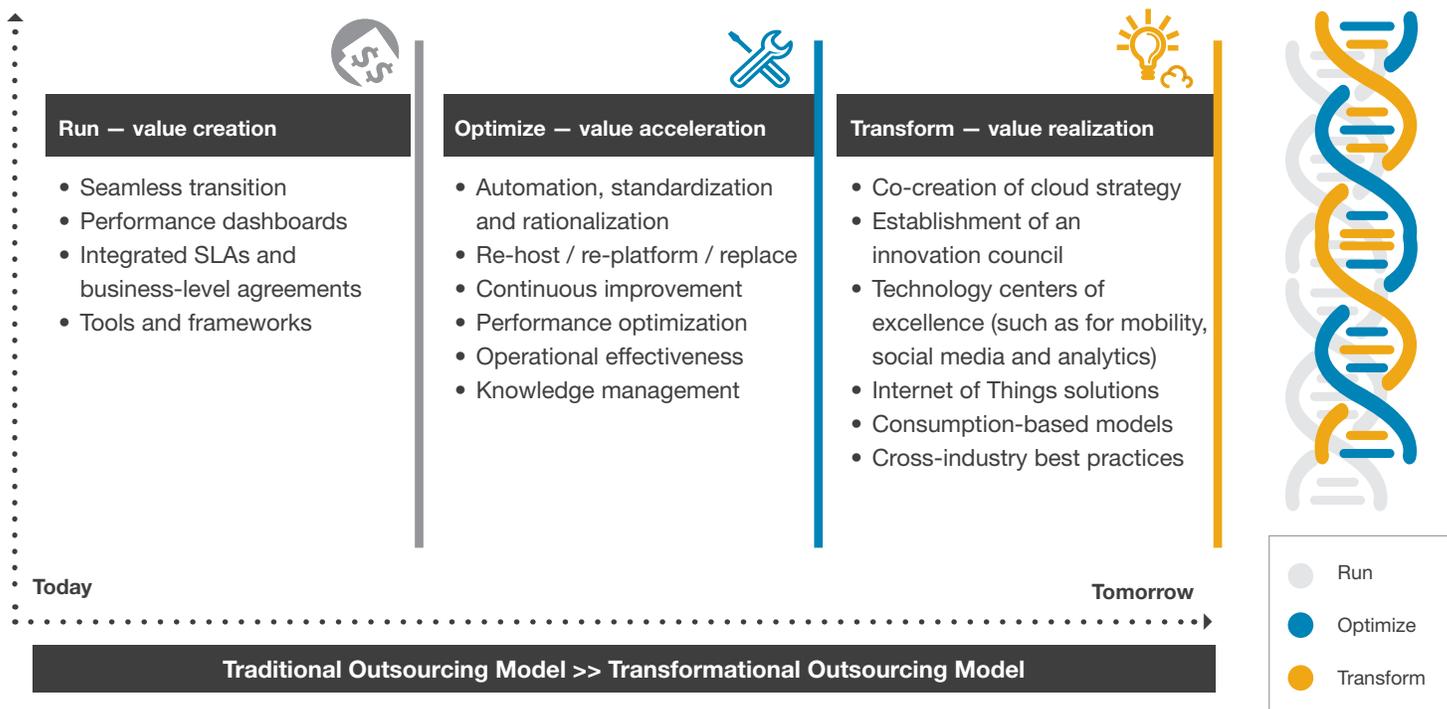


Figure 1: The three steps of our transformation outsourcing model align our solutions to a client's requirements.

¹IT Transformation Tops UK CIO Agenda, SunGard Availability Services, July 9, 2013.

From	To	Benefits
Staff augmentation/partial management	Managed service delivery	<ul style="list-style-type: none"> • More predictable outcomes • Increased focus on strategic programs
Distributed ownership	Single point of ownership	<ul style="list-style-type: none"> • Better accountability • Streamlined workflow
Time and materials	Fixed price	<ul style="list-style-type: none"> • Lower cost of ownership • Better cost predictability
Separate development and quality assurance teams	Integrated team managing the service	<ul style="list-style-type: none"> • Better teamwork • Shared management overhead • Effective utilization of resources
Service-level targets	SLAs and metrics	<ul style="list-style-type: none"> • More predictable service • Outcome-based benefits
Focus on incidents	Focus on problems	<ul style="list-style-type: none"> • Institutionalization of root cause analysis and IT service management practices • Better knowledge management
Resources-centric	Process-centric	<ul style="list-style-type: none"> • Reduced dependence on an individual's knowledge • Better resource rotation/cross-training • More emphasis on training and documentation

Figure 2: Transformation to a managed services environment

Stay ahead of the competition with NTT DATA

Transformational outsourcing not only helps redesign business processes, it compels enterprises to enhance their business performance while cutting costs. And in today's fiercely competitive marketplace, transformational outsourcing has moved from being viewed as just a simple cost-cutting measure to being a top priority as companies believe it can help them survive economic uncertainty.

At the beginning of the transformational journey, we have our clients answer several important, pertinent questions such as:

- What are the fundamental shifts in your customers' behaviors that can lead to critical changes in your business and in the delivery of business services?
- What are the critical success factors for building an effective IT roadmap that isn't restricted to reducing costs alone and can prove to be game changers?
- How can your organization pursue sustainable, profitable growth and the decisions that will enable the business transformational journey?
- Is there adequate mandate and employee buy-in?

With decades of experience and an end-to-end portfolio of offerings from application development, maintenance and support to application modernization services combined with differentiated intellectual properties and domain expertise, NTT DATA can help you get ahead of the competition. Our services delivery model is based on well-defined, proven engagement models such as the factory model, lab on hire, outsourcing centers of excellence and offshore delivery centers.

Conclusion

At NTT DATA, most of our client engagements include IT transformation. In fact, we have IT outsourcing and application management clients who have worked with us for a number of years. One of the key lessons we've learned from these partnerships is that successful long-term relationships are not achieved by only focusing on day-to-day operations; they have always included aligning our solutions with our clients' business objectives, providing the flexibility to evolve the structure of the relationship and supporting the need to deliver innovation.

Our transformational outsourcing services can help organizations move from a traditional technology infrastructure and administrative operations to a more collaborative ecosystem that will unlock workforce productivity.

Visit nttdataservices.com to learn more.

NTT DATA partners with clients to navigate the modern complexities of business and technology, delivering the insights, solutions and outcomes that matter most. We're a top 10 global IT services and consulting provider that wraps deep industry expertise around a comprehensive portfolio of infrastructure, applications and business process services.