

Intelligent Automation Outsourcing

Digital Transformation

FUJITSU



shaping tomorrow with you

Introduction digital transformation

What is digital transformation? It is not a technology, nor is it a new software or tool. Digital transformation goes beyond that: it is a change in business models. With this message, Bas de Reus, CEO of Fujitsu Netherlands, opened the Fujitsu Digital Technologies Roadshow on 20 March 2019. The speakers for this event flew in from all over Europe, from Madrid, Paris and Denmark. The goal of the day: to inspire and share knowledge about technologies that change business models.

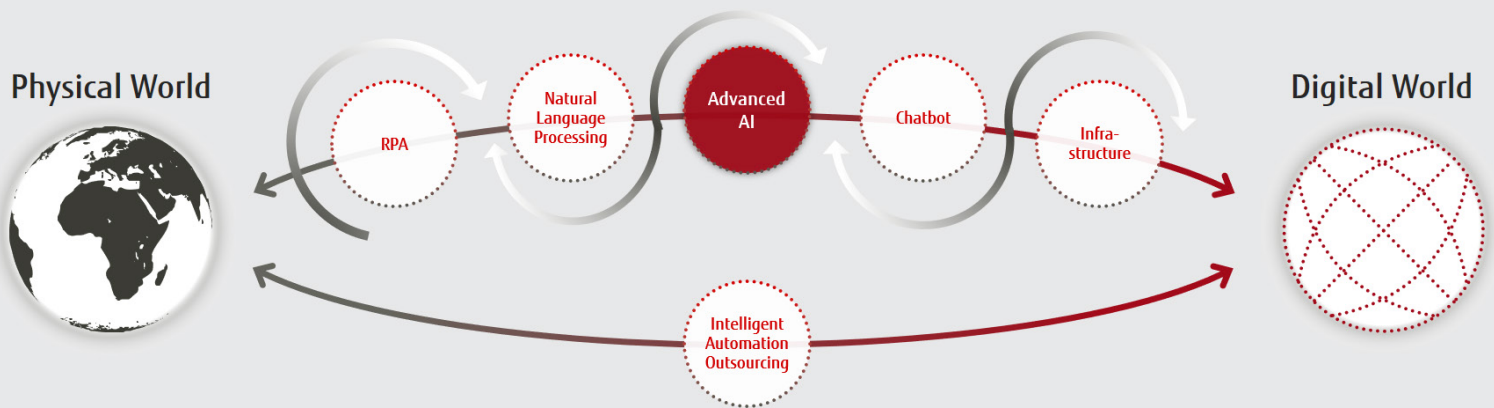
Digital transformation
is not about
technology but about
value creation

Digital Transformation is not something new: as early as in 2011, General Electric (GE) started a major digital transformation by building a large IoT platform, adding sensors to products, and transforming the business models for industrial products. This resulted in a new business unit called GE Digital in 2015. The goal was to use data to make GE a technological powerhouse. But despite billions of dollars being invested in GE Digital and its thousands of employees, the company's share price continued to decline and other products suffered. GE Digital soon got stuck in the pattern of having to report profits to shareholders and was more focused on short-term goals and profits than on innovative goals and long-term returns.

The lesson learned: Focus on quality, not quantity. GE tried to achieve too much without a real strategic focus in any area. The company was simply too big to transform with one stroke of the brush, especially without a real vision of what it was trying to achieve. Digital transformations are often best done with a handful of passionate people in charge of the results rather than thousands of employees.

Are you currently working on digital transformation? Then we want to convey this message: Do you also create value with technology? Is that value creation future-proof? Whereas a business plan used to be viable for at least ten years, today, three years is already a long time. We are happy to advise you on how people and resources can be organised so that you can make adjustments quickly. Digital transformation is about finding new ways of value creation. Creating flexibility and scalability is important to achieve this.

Although technology plays an important role in digital transformation, digital transformation is not about technology. A company can buy a lot of new technology, but if it is not able to create value, there is no digital transformation. What many companies call 'digital transformation' often boils down to even more manual and static processes. Take, for example, the introduction of Business Intelligence (BI): actually, this is simply explained as an improved version of Excel. Nothing new.



Fujitsu, therefore, advises its clients: Bring the physical world into the digital world to stay competitive and sustain growth.

This will give you:

- End-to-end process optimisation & streamlining
- Increased business agility and tangible value
- Cost reduction
- Error reduction and quality improvement
- A good competitive position
- Employees carrying out the right tasks with added value
- Increased employee & customer satisfaction

We are happy to make the digital transformation concrete for you by applying Intelligent Automation Outsourcing to your organisation. Let us explain this in more detail in the following chapters.

Intelligent Automation Outsourcing

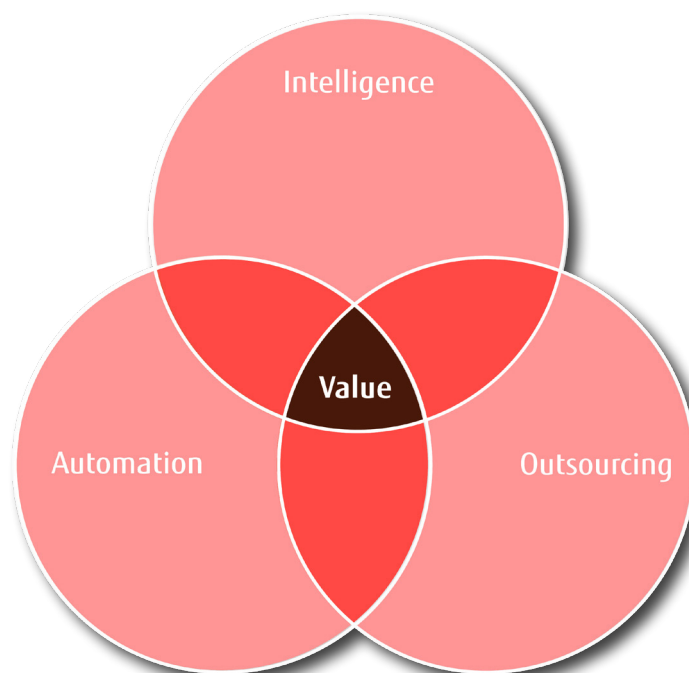
Our client conversations about digital transformation often result in the same questions: "Where do I start, which steps do I take in which order, do we have to do everything ourselves, what do I do and what don't I do?" The short answer to this is: digital transformation starts with thinking from the perspective of you as a client (co-creation), it is closely linked to the business, it affects the entire organisation and is widely supported by the management.

Co-creation is a
crucial part
of digital
transformation

What does Fujitsu do?

Fujitsu has been a global provider of dynamic IT infrastructures with a full range of technology products, solutions and services for more than 75 years. Based on your needs, these building blocks are merged into a reliable custom solution that can adapt quickly and, if desired, can also be managed by Fujitsu. Unburdening you as a customer and contributing maximally to your business objectives are key. In doing so, Fujitsu and its partners work together on the various aspects of this transformation, from initial advice to designing and building the solutions.

To achieve this, we bring three important ingredients together into one integrated whole:



Automation

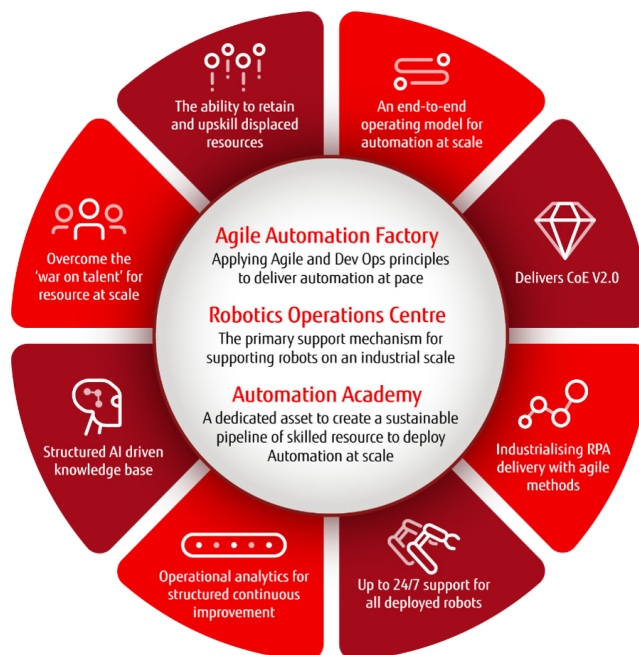
Fujitsu approaches automation as “a ‘virtual workforce’ of advanced software that performs tasks in an efficient, repeatable way”. This software has the advantage that it works very accurately, is efficient and repeatable, and often requires only a one-time investment. Regardless of cost, these forms of automation are being used more and more frequently as companies find their long-term cost savings and other benefits of the software are worth the investment.

For LeasePlan, Fujitsu has developed a robot that processed the data of 3000 cars

An example of this high return on investment (ROI) is the application of robot process automation (RPA) by telecom giant Telefonica O2. A report on the benefit told the company that the implementation of this software resulted in an ROI of between 650 and 800 percent. It has also demonstrated time and time again that employees who used to do tasks that are now automated have been redeployed to other roles where they deliver a higher value within the process.

Many organisations have already gained experience with RPA and are starting quite quickly and successfully! However, as soon as it is necessary to scale up to, say, fifty robots, they find out that it no longer runs all that smoothly. Fujitsu enables its clients to break through the glass ceiling with large-scale RPA.

Our Industrialized Automation Operating model has been developed to make it easier to take advantage of the potential benefits and progress to maturity. The model responds directly to the technical and non-technical needs of customers, plus any obstacles to the economies of scale required for pioneering operational savings.



Intelligence

Do you want to reduce operational costs, speed up business processes and increase your compliancy? To a large extent, the deployment of digital employees (in the form of software robots) can support this. Linked to artificial intelligence (AI), this ensures that these digital employees learn to understand data and can make data-driven decisions.

Artificial Intelligence (AI) is a concept that lets computers perform tasks that normally require human intelligence. AI will become more and more embedded in our daily lives, especially as it becomes more and more common in the workplace. Software robots will take over predictable tasks and the management of big data. Besides that, chatbots will answer recurring, simple questions without the need for a customer service employee.

Research shows that AI will rarely or never replace entire professions. Instead, it replaces or transforms specific tasks within a profession. For this reason, AI is only one part of the whole. Companies will use AI in projects to realise the digital transformation that touches on every part of the value chain. Ultimately, the goal is to use the greatest value within a company - its people - as effectively as possible.

Intelligence is more than cleverness and logic. Data plays a major role in making decisions and deploying AI. Fujitsu, therefore, looks at your organisation in a different way and answers the following questions:

- Is there data available that we can access and use intelligently?
- Can we use self-learning systems to make faster decisions together with an employee?
- How can we make unstructured information accessible to employees?
- Are the sources of information secured? How can the available information be checked on validity/manipulation?

Customer Case Lowell

Lowell is one of the largest credit management companies in Europe and its mission is to make credit work better for everyone. The company operates across Europe with an ethical approach to debt management and is always looking for the most appropriate, sustainable, and fair result for each client's specific circumstances. After a history of mergers and acquisitions, Lowell was left with a patchwork of IT capabilities across nine different countries. This was an obstacle for further growth and better customer service.

Fujitsu's consumption-based solution not only 'kept the lights on' during a transition period, but also enabled Lowell to accelerate its growth strategy and further transform its core business digitally. The solution leverages Fujitsu's global scale, allowing Lowell to transform its business model and provide flexibility and control for future growth and change in a regulated market. The key to the development of the relationship is global expansion. Fujitsu is a global company and Lowell is a growing international company that has evolved into a much larger organisation. That is why it was looking for partnerships with the best providers with a global footprint. "Fujitsu has a great pedigree, they have a great reputation - all that experience and knowledge will help us deliver the right services to our customers and our own colleagues. But the company's success will also depend on its ability to further transform digitally," says Gary Edwards of Lowell.



At Fujitsu, people are at the heart of our vision. AI solutions are aimed at increasing the importance of the employee for the organisation. This is reflected, amongst other things, in making technology intuitive. AI is everywhere but you don't always notice it. Nowadays, for example, you take out a mortgage in one day, complaints sent to an online shop are dealt with faster, the doctor can diagnose faster and more accurately, and so on.

Fujitsu Zinrai brings together various AI technologies and development threads. Zinrai itself is not a service or product but a collective framework for the broad family of AI opportunities available to Fujitsu customers. Data plays an important role. Enterprise data is distributed across many locations, from edge to core to multiple clouds.

Fujitsu has a proven methodology, supported by an environment rich in innovation and a broad partner ecosystem, to co-create with organisations and transform them into a data-driven enterprise. Data landscapes are spreading more and more. The challenge is to build a data architecture that allows full access to and control over data. Across borders, in the cloud and anywhere else. Including the necessary software and collaborations with cloud providers to realise this. Fujitsu brings comprehensive integration of hardware and all other requirements together to define what your future architecture should look like – including analysing the hybrid landscape in terms of platforms, storage, workloads, and data management. In doing so, we maintain control and protect and secure the data while maximising business value.

We offer a people-oriented approach to the co-creation of services and solutions. It uses 'best of breed' global technologies that are developed and deployed to meet the ever-growing customer challenges. By combining the power of Zinrai AI developments with carefully selected partner opportunities, we are able to deliver optimal AI-supported solutions that overcome our clients' challenges.

Outsourcing

The demand for traditional outsourcing used to focus on cost savings through economies of scale, labour arbitrage, and offshoring. However, there is a strong counterflow in the form of increased availability of other options such as cloud, "as-a-service" models, and internal automation initiatives. These options have provided organisations with convincing alternatives that reduce costs for labour-intensive, repeatable processes.

This has shown us that, for complex processes that are not central to the business strategy, outsourcing can provide access to technologies that an organisation cannot develop itself.

Outsourcing remains an important part of business strategies, but the services need to adapt to the new environment. Successful future outsourcing models will make more use of advanced technologies, rely on a menu of standardised service offerings, and differentiate themselves more in the way services are delivered rather than what is delivered.

Customer Case ING

In recent years, ING has switched to agile work practices. This decision was not taken lightly because it involved not just the IT departments but the entire organisation. As a result, workplace and infrastructure services needed to be adjusted as well. ING and service provider Fujitsu entered into a five-year contract to adapt the operational model set out in the contract to an Agile way of outsourcing. In the transition to agile, the governance organisations of ING and Fujitsu have been transformed into joint multidisciplinary teams known as 'squads' that manage and control operational services provided offshore by Fujitsu. It is a radical change that affects almost all 54,000 ING employees worldwide. To ensure that we always focus on the employee, the customer journey has been taken as a guideline for the new working method, with the Net Promoter Score as a tool to measure satisfaction.

Outsourcing can also result in quality improvements, as the vendor is a specialist and the outsourced process is not a core activity for the company that outsources it. In addition, an important advantage of outsourcing is the reduction of labour costs, which in turn can help a company's profit margin.

As a systems and service integrator, Fujitsu is agnostic: the company works with all technology suppliers, with Citrix, ServiceNow, and Microsoft occupying key positions. Where necessary, Fujitsu collaborates with other service providers or with specialist partners. It is precisely in outsourcing that we strive to deliver high customer satisfaction and create solutions together with customers and partners through co-creation. This is more important to us than the aspect of large scale.

Trinity of Intelligent Automation Outsourcing

In addition to technology, Fujitsu understands the importance of supporting corporate culture change in the workforce to ensure the full realisation of benefits. Co-creation not only lays the foundation for a successful implementation – through the collaboration of Intelligence, Automation and Outsourcing, the output, such as visualisation of data insight and automation of business logic, is focused on generating real business results. In doing so, each request is validated for broader commercial viability. We call this **Intelligent Automation Outsourcing (IAO)**.

IAO strikes a balance between maintaining outsourcing while investing in intelligent automation at the same time. It is the perfect marriage between the cost-saving process of outsourcing labour and the further development of intelligent automation systems.

When companies want to become more profitable, they often feel that they have to choose between outsourcing work to save money and investing in technology that will improve their automated processes. In today's landscape, there is no reason why a company cannot combine automation and outsourcing to maximise profits.

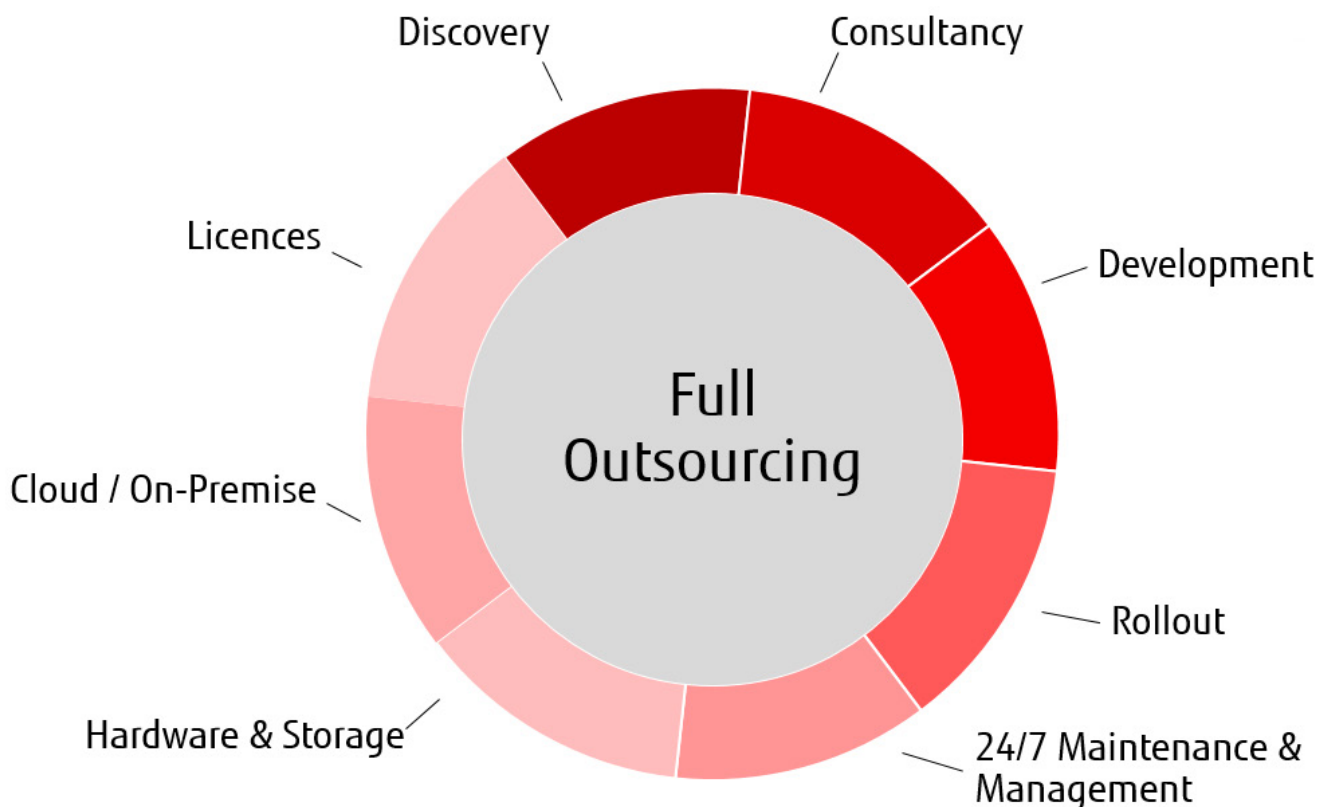
A combination of intelligent automation and traditional people-oriented outsourcing is the best way to maximise the benefits of both approaches.

Action Plan

The first step is an intake meeting together with IAO consultants who use this intake to compose a transformation roadmap. This first step results in the following:

1. You have a programme approach that offers footing in the form of clear steps and prioritisation of projects;
2. You know how to explain the approach to the internal organisation;
3. You can monitor the programme and projects in terms of progress and impact and, if necessary, adjust the roadmap in a timely manner.

Fujitsu distinguishes itself because it provides the full range of services needed to achieve the digital transformation:



The IAO consultants also address business problems for which ready-made solutions are already available. As a result, there is no need to reinvent the wheel and you benefit from proven solutions.

What comes next?

We hope you have been inspired to join forces with us to make your digital transformation a success story. Our IAO consultants will be happy to talk to you in person and find out how we can support you. For this, you can contact:



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