



Telecommunications industry needs more flexible IT solutions

Although it has passed the crisis nearly unscathed, the change in the telecommunications sector can no longer be stopped. New value creating ecosystems are emerging, requiring new business models and a new generation of Business Support Systems.

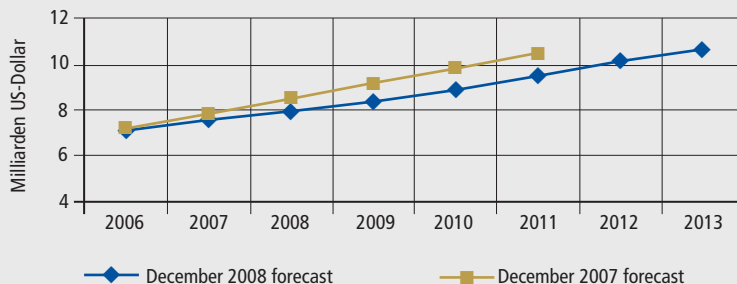
“Telecom providers, software vendors, content providers, equipment manufacturers, outsourcing service providers, service companies - handling areas such as billing, etc. - as well as marketing firms and point-of-sales operators represent the value chains of the future”, explains Jürgen Martin, Manager and Corporate Executive Vice President at Devoteam Danet. The vertical integration of the traditional providers continues to decrease. At the same time, efforts to promote customer loyalty are becoming more pronounced. “The market for conventional phone communication is saturated”, Martin continues to explain. “Customers have never been more willing to switch than at present.”

If one believes the predictions of the

IDC analysts, this will have far-reaching consequences for service providers. On the one hand, the new supply chains and their related processes must be reorganised. On the other hand, it is a further step to revamp the Business Support Systems (BSS) to be able to better support the marketing and customer processes. The main issues are especially real-time capability and more flexibility, for example, by focusing on customers and service”, states Devoteam Danet Manager Jürgen Martin. “Whenever you are selling Internet products – or even with convergent offers – a real-time-handling is required, especially when it comes to billing.” The current systems have not yet been adapted to meet this demand. ■


Worldwide OSS and Billing Revenue, 2006-2013

Comparison of December 2007 and December 2008 Forecasts



Source: IDC, 2008


CONTENTS

 News 1

 Editorial 2


 Device Management 3

The growing number of high-performance end-user devices and mobile applications are a challenge for any IT administrator. Remediation can be found only by inventorising the existing systems and guidelines methodically.

 EPM 5

Consistent Enterprise Portfolio Management (EPM) can help in selecting the right projects and in controlling the projects consistently. Any such solution can be flexibly implemented, allowing projects to be carried out more efficiently and costs to be sustainably reduced; leading thus to greater efficiencies and cost reductions. OMV, Europe's leading energy company has shown amazing potential in the context of a cost reduction programme.



 BPO 7

Business-to-business services are among the fastest growing business sectors in Germany. In this way companies are able to lower their vertical range of manufacture with Business Process Outsourcing (BPO). BPO allows them to be more flexible and agile which in turn creates more room for manoeuvre.



Editorial

Dear Reader,

In rapidly changing markets, companies must constantly face new situations. Being able to respond to changes with flexibility and efficiency is today's prerequisite for success. Our ambition is to help facilitate and guarantee such efficiency.

One example are solutions for the device management, which promise a higher level of security combined with cost reductions. Please read page 3 for more information. Nonetheless, this is only one aspect of increasing the efficiency. On page 5, you will discover a more complex field of process optimisation and cost reduction, focusing on consistent Enterprise Portfolio Management (EPM).

Other interesting insights are provided by the market research company Lünendonk in a study on the topic of Business Process Outsourcing (page 7). The study demonstrates that opportunities in the area of outsourcing business processes are far from being exhausted, and that there is still great market potential. They simply need to be pursued.

Sincerely yours,

Jürgen Hatzipantelis
Managing Director
Devoteam Danet GmbH

Business Support Systems in a new dimension

The Datamatics Global Technologies GmbH and Devoteam Danet have announced a strategic partnership. The goal of this partnership is to strengthen market positioning using complementary portfolio elements, especially in the business processes from order entry to payment (Order-to-Pay). "We are looking forward to cooperate with Datamatics. In combining our expertise we can on the one hand sustainably protect our customers' investments in modern business support systems, and jointly introduce enhanced solutions to the market on the other hand," explains Jürgen Hatzipantelis, Managing Director at Devoteam Danet.

Devoteam Danet brings multiple semi-finished products, the so-called Accelerators, for Business Support Systems (BSS) to the business partnership. These allow to support and automate the individual business processes from order entry to cash receipt

(Order-to-cash). Meanwhile, Datamatics contributes to this cooperation its strengths especially in the Business Process Outsourcing (BPO) and software development such as, among others, a solution for the settlement of the business processes from procurement to payment (Procure-to-Pay).

Datamatics will continue to bring ahead its product development of the BSS Accelerators, while Devoteam Danet will be advising clients on-site, integrate the systems and offers further professional services. Together, the business partners want to introduce the Business Support Systems also to new markets. On the one hand, along with telecommunications, further vertical solutions for financial service providers, media and the public utilities sector are planned. On the other hand, the solutions shall experience stronger international marketing in the future. ■

Slight Growth

The Devoteam Group recorded some slight revenue growth in the first nine months of 2009 up to 335 million euros and an operating margin of 5.6%. As of the 30th of September 2009, the Group employed 4,485 employees, whereas at the same date of the previous year, there were 4,240 people employed.

In the 3rd quarter of 2009, revenues rose by 1% to 107 million euros. The contribution of the acquired firms Danet and Teligent Russia is of 9%, taking a negative exchange rate impact of 1% into account.

The operating margin of 5.5% is at the same level as the half-year figures. Reasons for the decline of 2 percentage points compared to the same period of previous year included lower utilisation of capacity and diluting effects from acquisitions.

The Group's liquidity compared to the previous year increased by 16 million euros to 84 million euros.

For fiscal year 2009, the Group maintains its forecast of 455 to 460 million euros of revenue with an operating margin of 6%. ■



Device Management

Introducing mobile applications intelligently

IT you can touch is in vogue. Where else does this statement apply to if not for the mobile applications. However, the growing number of high-performance end-user devices and mobile applications are a challenge for any IT administrator. You can remedy such situation only by inventorising the existing systems and guidelines methodically.

"We've been observing an unprecedented boom in end-user devices and applications over the past two to three years", as Albert Heim, researcher at the Fraunhofer institute for communication systems (ESK), explains. Apple's "iPhone" was the first to trigger this wave. "Everyone wants to have such a smart all-rounder, both private individuals and business users", Heim continues to explain. Meanwhile, manufacturers such as Nokia, Samsung, Palm, or even Google, with the "Android" have now caught up in terms of design, ease of use, and extensive functionality. E-mail, voice over Internet, mobile TV, audio and video features, and location-based ser-

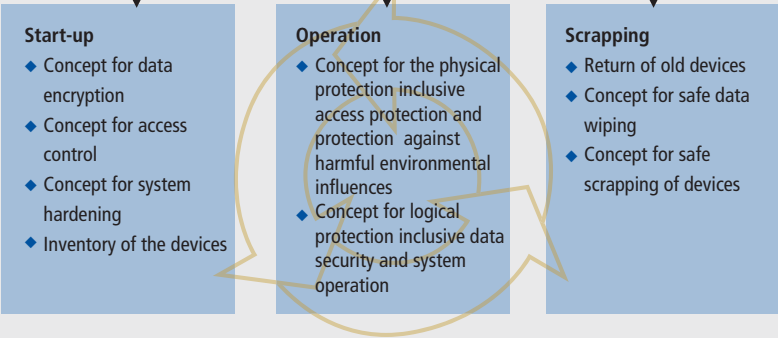
vices are only some of the functions on offer: much to the delight of the users.

Not only casual users are happy about these developments. "There are proven business reasons which lend credibility to the use of mobile solutions in businesses", as Axel Oppermann, an analyst with the Experton Group, knows. On average, a 20 percent increase in efficiency is possible. For instance, media discontinuities are eliminated, and data — captured on site at the customer's — can be sent back to a central office for immediate processing. "Mobile solutions make business faster, and customer satisfaction can be increased." Accord-

ding to Oppermann, it is unimaginable for field service and distribution personnel to do without mobile applications. Inventory and asset management, as well as emergency applications (critical response applications) top the offerings off. "Generally, any business area which requires co-operation across the organizational boundaries will take advantage of the strengths of mobile applications."

Protection of mobile devices

Policies related to the life-cycle of the use of mobile devices



Source: SRC Security Research & Consulting GmbH

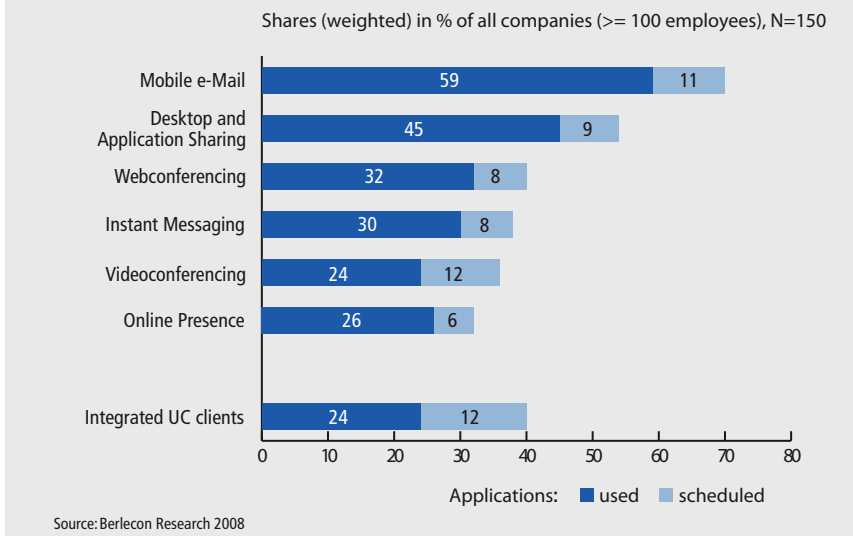
Procedure model for the support of "mobile devices"

- 1. Selection of service providers**
 - ◆ Consistent tariff model (voice, data, Internet, ...) etc.
- 2. Selection of the device class (Windows Mobile, BlackBerry, Symbian, and other end-user devices)**
 - ◆ Selection of the end-user devices within the category (e.g. Nokia E66, E71, ...)
- 3. Selection of available device management software, with the following features:**
 - ◆ Inventory Management
 - ◆ Software Management
 - ◆ Remote Support Management (remote data wiping if the device has gone lost)
 - ◆ Security Management (data encryption)

Source: Devoteam Danet



ICT trends within user companies



The broad spectrum of applications, however, is causing sleepless nights for IT administrators, as Fraunhofer researcher Heim illustrates. "The growing variety of mobile phones and smartphones with differing operating systems is increasingly leading to a proliferation of options. The procurement has grown historically and has long been in the hands of individual departments," he explains. Furthermore: If a user doesn't like his company mobile phone, he often resorts to using his own, privately held "collection".

"This behaviour is a security risk", warns Rüdiger Felger, head of the portfolio business line "Infrastructure Services" at Devoteam Danet. According to a survey carried out by Berlecon Research, 42% of all IT managers in large German companies see a serious risk in the mobile usage by their colleagues and employees. The costs associated with the administration of the end-user devices have also increased. According to Felger, one used to face similar challenges in the management of notebooks and netbooks, a situation which has been mastered in the meantime. "With these systems, we know that they are

licensed, we know the current version of their operating system, and what applications have been installed, so that they can be taken into account during the standard maintenance cycles for end-user devices", Felger explains. The software distribution, update management and synchronisation would all function without problems. For smartphones, however, this kind of life-cycle monitoring remains on the wish-list.

Here, device management solutions can remedy the situation. They help companies to efficiently administer their mobile device pool and to ensure compliance with the relevant security standards. With the help of such solutions, the available hardware and software can be recorded in the inventory to be then remotely configured; in addition, the software can be distributed over the air (OTAD), and the relevant security standards be implemented.

A study carried out by the Fraunhofer ESK institute, in co-operation with the Berlecon Research analysts early 2009 revealed, however, sobering results: a detailed analysis of the most important device management solutions offered in the German market showed that none of

them were capable of managing a heterogeneous device landscape. The following features were analysed: "easy and secure usage", "device management", "end-user device security".

Albert Heim comments on the study: "Generally, providers implement their solutions with two different concepts: On the one hand, they offer support for one or a few types of end-user devices, for which they will offer a broad range of administration possibilities at the same time. On the other hand, there are providers who support many different end-user devices from different manufacturers, which means a smaller range of administration options, or options which vary considerably, depending on the device."

Devoteam Danet expert Rüdiger Felger gets to the heart of it: "The administration software offered by the device manufacturers can only be used within the world of their own devices." The only solution here would be to take comprehensive inventory of the existing systems and standards to regulate the procurement of devices. "Companies should first of all analyse which functions and applications are to be provided for mobile use. They should then design an appropriate security policy, and finally, make a decision regarding the range of available devices", so Felger's advice.

It is about to find a common ground and offer a selection of devices in line with it. The variety of possible tariffs is no help in this regard. Data tariffs, voice tariffs, sometimes "flat rate", sometimes "according to usage". Unfortunately, the providers do not always automatically allocate the most favourable tariffs to us. That is why an inventory is urgently needed. "Every analysis and inventory will be useless if the consolidation strategy is not supported by the senior management and if they do not set an example", Felger explains. "Don't try to take away a manager's beloved iPhone. This could quickly be the downfall of any strategy."

Reduce costs with intelligent Portfolio Management:

Generate, select, plan and control projects in a more targeted way

Consistent Enterprise Portfolio Management (EPM) can help in selecting the right projects and in controlling the projects consistently. Any such solution can be flexibly implemented, allowing projects to be carried out more efficiently and costs to be sustainably reduced; leading thus to greater efficiencies and cost reductions. OMV, Europe's leading energy company has shown amazing potential in the context of a cost reduction programme.

Now, more than ever, the energy market is heavily influenced by large oil price fluctuations and there is considerable need for investment, diversification and security of power supply. Implementing these requirements is becoming ever more difficult, since business processes are running ever faster and must increasingly be adapted at short notice to changes in the market. This has immediate impact on project planning and implementation: Those market-driven

changes have to be identified and implemented in order to efficiently and successfully carry out a project. An Enterprise Portfolio Management solution can help with this.

■ Solution needed for consistent Portfolio Management

In light of this highly competitive environment, the OMV business seg-

ment R&M has decided to implement a consistent, IT-supported Project Portfolio Management solution. The EPM solution aims to fulfil two significant requirements: Firstly, it is designed to assist the central Project Control Board in selecting from a variety of upcoming projects, those subjects that serve the company's business objectives best. And secondly, it should help the PMO department operationally to control all the projects in a transparent manner using the IT tool.

"We are following this route because we want to establish minimum standards group-wide, which will allow us to document all projects uniformly and control these using a predetermined phase model," explains Markus Berghofer, Head of the PMO at OMV. This is exactly what can be achieved with the EPM software, "Clarity", from CA Inc., the market leader for project and portfolio management applications.

The oil company, OMV, engaged the services of the IT consulting and service company Devoteam Danet from Weiterstadt in Germany, to act as the implementation partner. The deciding factor in awarding this contract to the IT service company was their years of experience in process consultancy and optimisation, as well as their extensive project experience in implementing similar solutions.

■ Transparent projects across the group

By now, the EPM solution is in use throughout the group. The solution has proven particularly successful when implementing and controlling multi-site IT projects, as well as all internal organisational projects. "The key factor for this was the dedicated process consultation from our implementation partner, something which allowed us to tailor the EPM solution such to suit our needs exactly," Berghofer emphasises. In addition, the solution is able to simulate the impact of project decisions in different scenarios. This direct overview helps the management at OMV Refine & Marketing (R&M) to reach the necessary decisions about



Source: OMV

Refinery: Competitive advantages in the project management by accurate planning.



Source: OMV

Petrol station: Decision support for the prioritisation of projects .

OMV AG

OMV AG is one of Austria's largest listed industrial companies; in 2008, the Group reported a total revenue of 25.54 billion Euros and employed 41,282 people. The OMV Group operates in 13 countries in the field of Refineries and Marketing (R&M). OMV is present in 17 countries on four continents within the Exploration and Production (E&P) field. The Gas and Power (G&P) division sells 13 billion cubic meters of gas every year.

OMV's Central European Gas Hub is one of the three largest hubs in continental Europe.

OMV is a leading energy company in the European growth belt, with oil and gas reserves of nearly 1.2 billion boe (barrel oil equivalent), a daily production of approx. 311,000 boe and an annual refinery capacity of 26 million tonnes.

OMV also operates more than 2,483 petrol stations in 13 countries. The Group's market share in R&M is about 20% in the Danube region.

prioritisation, i.e. which of the projects should be completed first and which of them should be deferred.

"Since our solution can be used extremely flexibly and effectively, particularly when managing the programme for all organisational projects, we got our implementation partner back on board to initiate a further stage," says Berghofer. "The aim of this was to implement a comprehensive programme of future cost reductions using our EPM solution, which can also show the relevant cost savings and profits achieved, and keep these up-to-date month by month." It was primarily a matter of creating reliable statements about the range of the cost savings which could be groupwide achieved by using the central EPM system.

■ Benefit scorecard shows project progress in stages

To enable OMV (R&M) to implement these requirements, the project managers involved in the cost reduction programme decided to enhance the EPM system to include a so-called benefit scorecard. "The scorecard is intended to monitor the overall progress of a project and to show the individual stages within the three-stage pro-

ject hierarchy. With this, we wanted to come a vital step closer to our goal of establishing minimum standards for the project planning and implementation across the divisions," says Berghofer. An approach that should prove effective: OMV (R&M) now uses the scorecard to record all the project stages that have been planned and completed. This ensures that all measures are displayed clearly in phases and that all the milestones set down for corporate development can be achieved within a defined budget and time frame. This gives the company a competitive advantage because the available resources can be planned against the limited capacities and used most effectively.

■ High-quality multi-project management

Using a high-performance EPM solution has considerable advantages, particularly for a Group like the OMV which operates internationally and covers a variety of different business fields and areas. The transparency and consistency of the „Clarity“ EPM solution helps OMV (R&M) to guarantee the success of numerous projects in the face of increasing global competition. The solution is flexibly scalable and has a variety of uses in very different companies and project areas. Thanks to this flexibility, "Clarity" facilitates the control and review of the company-wide multi-project management and cost reduction opportunities at OMV. Using a multi-stage phase model with an integrated scorecard function, OMV has achieved its ambitious goals: To improve the quality of the portfolio management for all organisation projects significantly by using the standardised methodology across the company. As a result, OMV does not just reduce costs, but also generates considerable extra revenues. Only if OMV utilises its resources most effectively and profitably, the oil company can continue to grow and hold its ground in a competitive environment.



Business Process Outsourcing

Increase flexibility with Outsourcing

Business-to-business services are among the fastest growing business sectors in Germany. Examples are facility management, temporary employment and staffing services, or Business Process Outsourcing. The latter allows companies to be more flexible and agile which in turn creates more room for manoeuvre.

The economic structures are changing. Businesses are giving more and more thought to and are looking more closely at which services they should provide themselves and which they should source out to external service providers: Business Process Outsourcing (BPO) - this process allows the companies to lower their vertical range of manufacture, ideally resulting in higher quality and lower overall costs.

Efficient process platforms constitute an important basis for this. "Service providers can only achieve the necessary economies of scale through integrated digital business processes. Without the service provider's lower cost structure, no cost saving compared to in-house operation can be passed on to the customer," explains Hartmut Lürßen, partner at the Lünendonk market research firm.

After the early beginnings of a few pioneering companies, Business Process Outsourcing in Germany has grown from a niche service to a widely accepted service model since around 2002. Outsourcing services focus on administrative and cross-section processes like financial management, human resources management, customer contact (call centres) or non-strategic purchasing. In 2008, the market share of Business Process Outsourcing in Germany is estimated at one billion euros.

■ In excellent / good company

The share of administrative and cross-section processes that companies outsource to external service providers still remains relatively low. This segment still holds considerable potential, according to the 2009 Lünendonk guide

"Business Process Outsourcing: providers of administrative and cross-section processes". This is exactly another reason why the choice of innovative, automated and IT-based services is increasing. Devoteam Danet is well placed among the international providers in the market for Business Process Outsourcing. As shown by the Lünendonk study, Devoteam Danet offers its customers BPO services for the financial management and customer relationship management. These services are based on a highly automated On-Demand solution for the Order-to-Cash process. Devoteam Danet covers the entire process chain for its customers, from incoming orders to the receipt of payment.

The solution specifically meets the requirements which, for instance, sales and service providers expect from an efficient order management system, sustainable customer relations and billing as well as subscriber and information management. The solution can also be used to map new innovative services like mobile payment, mobile

International suppliers of Business Process Outsourcing with affiliates in Germany (alphabetical choice)

Enterprises	Registered office	Total revenue in Germany 2008	BPO main focus		
			HR BPO	Finance	Customer Contact/ Others
Accenture	Bermudas	780,0*)	✓	✓	✓
ADP	USA	68,0	✓		
Capgemini	France	674,0*)	✓	✓	✓
CSC	USA	391,0	✓	✓	✓
Devoteam Danet	France	42,5		✓ ¹⁾	✓
IBM Global Services	USA	2900,0*)	✓	✓	✓
HCL	India	150,0*)	✓	✓	
Hewitt Associates	USA	7,0*)	✓		
HP Services	USA	1900,0*)	✓	✓	✓
Infosys	India	n.b.	✓	✓	✓
SD Worx	Belgium	11,0*)	✓		
Steria Mummert	France	280,0	✓	✓	

*) partly estimated ¹⁾ individual special solutions

