Meet Infosys®

Business Value Realisation
Infosys - providing Consulting, IT and BPO services
Infosys BPO’s capabilities span functional specific offerings, industry specific solutions and platform based services

### Horizontal Based Services

<table>
<thead>
<tr>
<th>Finance &amp; Accounting</th>
<th>Sourcing &amp; Procurement</th>
<th>Sales &amp; Fulfillment</th>
<th>HR Outsourcing</th>
<th>Customer Service</th>
<th>Knowledge Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>Sourcing</td>
<td>Quoting</td>
<td>Employee benefits offshoring (EBO)</td>
<td>Inbound customer voice support</td>
<td>Research</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>Procure to pay range of transactional services</td>
<td>Order entry</td>
<td>Recruitment &amp; selection support</td>
<td>Outbound sales support services</td>
<td>Analytics</td>
</tr>
<tr>
<td>General Ledger</td>
<td>RFx management</td>
<td>Order fulfillment</td>
<td>HR Operations</td>
<td>Customer service</td>
<td>Publication services</td>
</tr>
<tr>
<td>Fixed Asset accounting</td>
<td>Spend analytics</td>
<td>Order promising</td>
<td>HR Helpdesk</td>
<td>Collections</td>
<td>Legal process outsourcing</td>
</tr>
<tr>
<td>FP&amp;A</td>
<td></td>
<td>Returns management</td>
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<td></td>
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<td>Invoicing</td>
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</tbody>
</table>

### Business Transformation Services

<table>
<thead>
<tr>
<th>Industry Specific Offerings</th>
<th>Spend Analytics / Visibility</th>
<th>Inventory Planning</th>
<th>Channel Sales Support</th>
<th>Warranty &amp; Service Management</th>
<th>Reverse Logistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platform Led Solutions</td>
<td>F&amp;A Platform</td>
<td>S2P Platform</td>
<td>IOM Plus Platform</td>
<td>H2R platform</td>
<td>MDM platform</td>
</tr>
</tbody>
</table>

**Supply Chain Visibility and Collaboration**

- Enablers, Accelerators, Collaboration Platform and Alliances with several best in class product vendors
We provide business process management solutions to clients across the globe

<table>
<thead>
<tr>
<th>Country</th>
<th>India</th>
<th>Czech Republic</th>
<th>Poland</th>
<th>US</th>
<th>Philippines</th>
<th>China</th>
<th>Mexico &amp; Brazil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Languages</td>
<td>English</td>
<td>English, German, French, Slovak, Spanish, Czech, Italian, Russian, Dutch, Polish, Portuguese, Norwegian, Romanian, Swedish, Croatian, Danish, Serbian, Bulgarian, Finnish, Hungarian</td>
<td>English, Spanish, Italian, German, French, Portuguese, Polish and Russian</td>
<td>English</td>
<td>Filipino</td>
<td>English, Korean, Thai, Mandarin and Cantonese</td>
<td>English, Spanish &amp; Portuguese</td>
</tr>
</tbody>
</table>

- **23,000+** Employees
- **140+** Clients
- **21** Delivery Centers
- **1000+** Transitions

Opening 2 Onshore delivery center this year in Europe: Berlin and Eindhoven
Our Finance & Accounting Practice is recognized as a Market leader in Delivery to Transformation

A leader in Gartner Inc.'s Magic Quadrant for Comprehensive F&A BPO in 2012, 2011 & 2010

Leadership category by Everest in F&A BPO Service Provider Global Market in 2010

Our execution is through a dedicated focus in value creation

**Finance Centre of Excellence (FCOE) for Domain Competence and Benchmarking**
- Benchmarking, Standardization and Best Practice sharing
- Talent development and thought leadership to enable best in class Finance & Accounting centers for CFOs backed by domain competence

**Technology as Value Multiplier**
- Bolt-on Tools & Point Solutions to simplify process, accelerate output, increase accuracy
- Enable clients to maximize value on capital investments already made in ERPs
- Have multiplier effect on not just Sales & General Expenses but also Cost of Goods Sold

**‘Independent’ Risk Management, Compliance and Quality Assurance**
- Independent Risk & Compliance team in F&A to monitor risks
- Predictive approach to risk in F&A operations for clients
- Solution focused to provide mitigating strategies in delivering noiseless operations

**Delivering Realised Value**
- Business Value Framework
- Business Metrics driven
- Partner with clients to transform and scale heights
Our clients face multiple issues…

<table>
<thead>
<tr>
<th>Areas</th>
<th>What we hear often.......</th>
</tr>
</thead>
</table>
| **Current state assessment**  | – “Benchmarking shows my processes are neither efficient not effective. Where should I start? what are the gaps with BIC and the biggest opportunities”  
|                               | – “My closing process is too long and requires a lot of last minute adjustment - can you help me identify the root causes?” |
| **Process design**            | – “My working capital performance is suboptimal due to poor compliance with payment terms and multiple challenges on the OTC process that are indicated by high DSO vs. peer group - can you help drive substantial working capital improvement”  
|                               | – “My AP process is sub optimal; can you help me improve it”  |
| **Operating model strategy**  | – “Can you help me consolidate my processes into a captive” i.e. Setting up an SSC  
|                               | – “Can you help me identify additional processes that I an bring into my SSC” i.e. Scaling of an SSC  |
| **Transitioning into the new setup** | – “Can you help me manage my transitions into the SSC I am setting up?” i.e. running a PMO to implement a shared service strategy  |
| **Driving ongoing improvements** | – “Can you deploy six sigma black belts to improve my claims auditing process”  
|                               | – “ What more can I do to improve operations in my F&A CoE”  |
...and our experience shows that a fragmented approach most often followed to transform does not derive maximum business value. Efficiency (cost) is typically the focus area, however, a lot of value is left on the table...

- Focused on specific initiatives rather than key value drivers
- Reliance on technology without preconditions leading to non-optimal state
- Absence of relevant measures to drive the change leads to non-optimal implementation
- Lack of support from stakeholders
- Optimization in silos and lack an end-to-end view
- Adequate controls not in place

... and Effectiveness is often overlooked.

Cash Leakage

<table>
<thead>
<tr>
<th>Cash Leakage²</th>
<th>Base value indexed to 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre Transformation</td>
<td>100</td>
</tr>
<tr>
<td>Improvement</td>
<td>20-40</td>
</tr>
<tr>
<td>Post Transformation</td>
<td>60-80</td>
</tr>
</tbody>
</table>

1 Typically for SG&A process; 2 Example for an Accounts Payable process
We address these by deploying multiple change enablers to drive end-to-end transformation.

<table>
<thead>
<tr>
<th>Change enablers</th>
<th>Description</th>
<th>Impact on Effectiveness</th>
<th>Impact on Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harmonization</td>
<td>- Create operational consistency across locations</td>
<td>High impact</td>
<td>No impact</td>
</tr>
<tr>
<td></td>
<td>- Standardized policies, directives, and processes</td>
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<tr>
<td></td>
<td>- Ensure scope &amp; process compliance, controls and measurement</td>
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</tr>
<tr>
<td>Service Model</td>
<td>- Move work from high cost locations into low cost locations</td>
<td>No impact</td>
<td>High impact</td>
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<tr>
<td></td>
<td>- Leverage access to best-in-class practices</td>
<td></td>
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<tr>
<td></td>
<td>- Leverage highly skilled labor pool with specialized skill sets</td>
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<tr>
<td>Technology Multipliers</td>
<td>- Reduce manual touch-points through automation</td>
<td>No impact</td>
<td>High impact</td>
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<tr>
<td></td>
<td>- Drive self-service where possible</td>
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</tr>
<tr>
<td></td>
<td>- Selective use of best-of-breed solutions</td>
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<tr>
<td>Operational Optimization</td>
<td>- Use of Six Sigma and Lean to drive efficiency in the processes</td>
<td>No impact</td>
<td>High impact</td>
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<tr>
<td></td>
<td>- Value stream mapping</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>- Reduce waste</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>- Reduce complexity &amp; variation in the processes</td>
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</tr>
<tr>
<td>Decision Accelerators</td>
<td>- Use of statistical models and analytics to aid in business decisions</td>
<td>No impact</td>
<td>High impact</td>
</tr>
<tr>
<td></td>
<td>- Convert volumes of data into information to achieve non-linear benefits and get a competitive edge</td>
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</table>
Our approach spans the entire assessment to implementation phases…

- **Conduct diagnostic**
- **Define future state processes**
- **Establish operating model**
- **Implement opex framework**

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**Define operating model**

- BVR frameworks for horizontals and verticals
- Diagnostic framework
- Harmonization framework
- KPI framework
- Establishing benchmarks and BIC practices
- Transition methodology
- Change management approach
- Lean/Six sigma framework
- Operational excellence framework

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- SSC Framework
- SSC toolkits
- Work scope approach
- Sourcing model selection
- Site selection
- Business case template

Example in subsequent pages
Our Business Value Realization framework enables us to drive shareholder value by addressing all business processes significantly impacting it (1/2)

**Value Levers**
- Decrease cost
- Reduce working capital
- Increase revenue
- Reduce tax
- Improved fixed asset efficiency

**Process Levers**
- Reduce SG&A
- Reduce COGS
- Increase inventory turns
- Reduce DSO
- Improve DPO
- Increase market share
- Improve effective price
- New markets
- Inorganic growth

**Process Impact**
- Reduce F&A costs
- Reduce Procurement costs
- Reduce HR costs
- Reduce Customer Servicing costs
- Reduce P2P costs
- Reduce R2R costs
- Reduce O2C costs
- Reduce FP&A costs
- Reduce cost/invoice
- Reduce Cash Leakage

**Out of study scope**
- Efficiency Metric
- Effectiveness Metric

(Account Payable)

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**ACCOUNT PAYABLE ILLUSTRATIVE**
Our Business Value Realization framework enables us to drive shareholder value by addressing all business processes significantly impacting it (2/2)

**Process impact**
- Reduce cost/invoice
  - $12 → $5.2
  - $0.6

**Process efficiency metrics**
- FTE productivity
  - Level 1: 8K
  - Level 2: 60K
  - Level 1: 10K
  - Level 2: 120K
- % Straight through pass: 10% → 11%
- % Processing accuracy: 90% → 100%
- E2E cycle time: 45D → 30D

**Process effectiveness measures / Change enablers**
- Typical initiatives
  - Process Standardization
    - Standardization roadmap: 10% → 20%
  - Service Model
    - Near-shore & Offshoring: 10% → 30%
- Benefits/Cost of Invoice

**Process impact**
- Reduce cash leakage
  - 80% → 100%

**Process efficiency metrics**
- % Cash leakage: >5% → 0%
- % Duplicate payments
  - Level 1: 10 → 16
  - Level 2: >2% → 0%

**Process effectiveness measures / Change enablers**
- Typical initiatives
  - Technology Multipliers
    - Duplicate audit platform: 2% → 5%
    - Duplicate flags in ERP: 2% → 5%
  - Benefits/Accuracy

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**Legends & Notes**
- Performance
- Improvement areas
- Avg. Performance
- Best-in-class Performance
- The above is not an exhaustive list of metrics as well as initiatives. Benchmarks are basis internal benchmarks & analysis.
and will be critical to quantify the opportunity and develop a roadmap.
Essentially our Business Transformation team helps clients derive maximum business value by focusing on end-to-end transformation.

<table>
<thead>
<tr>
<th>We help derive <strong>business value</strong> by improving <strong>end-to-end processes</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>We employ a <strong>practitioner based approach</strong> in achieving this business value</td>
</tr>
</tbody>
</table>

- We focus on few critical drivers that derive maximum impact on business KPIs e.g., cost, working capital
- Study the entire value chain across geographies and functions

- We leverage the expertise that BPO has successfully deployed over multiple client situations

- We use technology along with other levers e.g., operating models and Lean & Six Sigma