



Océ

CIO forum Outsourcings Event



**Printing for
Professionals**

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Océ Technologies

- Introduction Marc, Corry & Océ/Canon
- Océ Outsourcing in Europe
- Demand Supply model
- lessons learned



Océ Profile

- Océ today:
 - 21,500 people worldwide
 - Annual revenue 2009:
€ 2,648 Billion
 - Worldwide distribution in 90 countries
 - Direct sales and services in 30 countries
 - 10 R&D-sites in 9 countries
 - March 2010: Canon majority shareholder



Océ Product & Services



Document Printing

Production Printing

Wide Format Printing Systems

Océ Business Services



Office Systems

Printroom Systems



Graphic Arts Systems

TransPromo Systems



Technical Document Systems

Display Graphics Systems

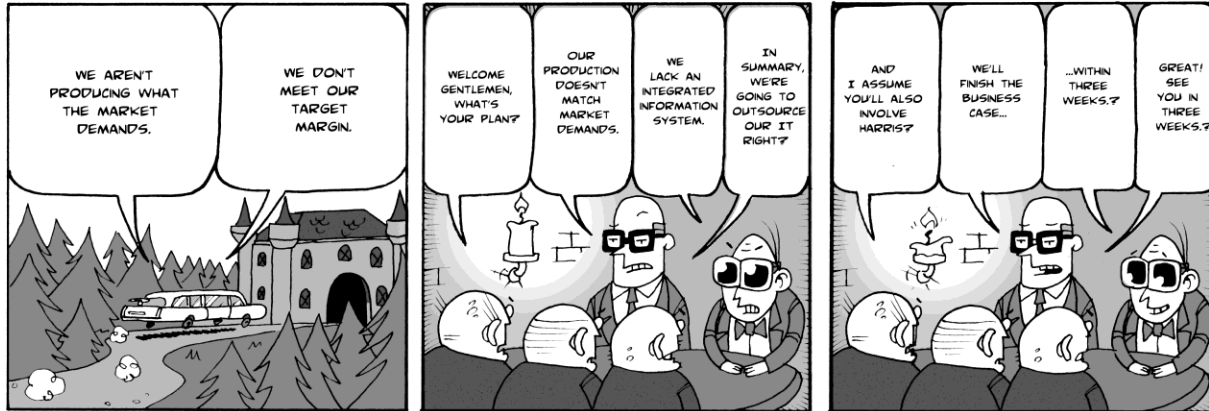
Imaging Supplies



85 percent of all outsourcing contracts signed (between 2001 and 2004) were renegotiated within three years of signing, due to an original focus on only short-term , cost driven objectives.

Bron Gartner "10 steps to mastering Outsourcing"

why outsourcing??



*If you want to reorganize fast(er) and cut costs:
(ICT) outsourcing & top down approach*



"You don't want to be kicked out?
Just call it 'outsourcing' honey!"

Source picture : E. Beulen, Surviving Outsourcing : VHP, 2009

Contract Scope



- ICT outsourcing contract signed 7 year contract (October 31st, 2008)
- Outsourcing local infrastructure and application services:
 - Workplace Services
 - Local infrastructure
 - Service Desk activities (Local language support for 6 languages)
 - Local Applications
- 9 Océ Operation Companies (OpCo's) and 16 countries in scope
- 68 employees transferred to Supplier(95 FTE in 2007)
- Major off shoring component: (first line service desk, remote management)
- External Advisor Equaterra

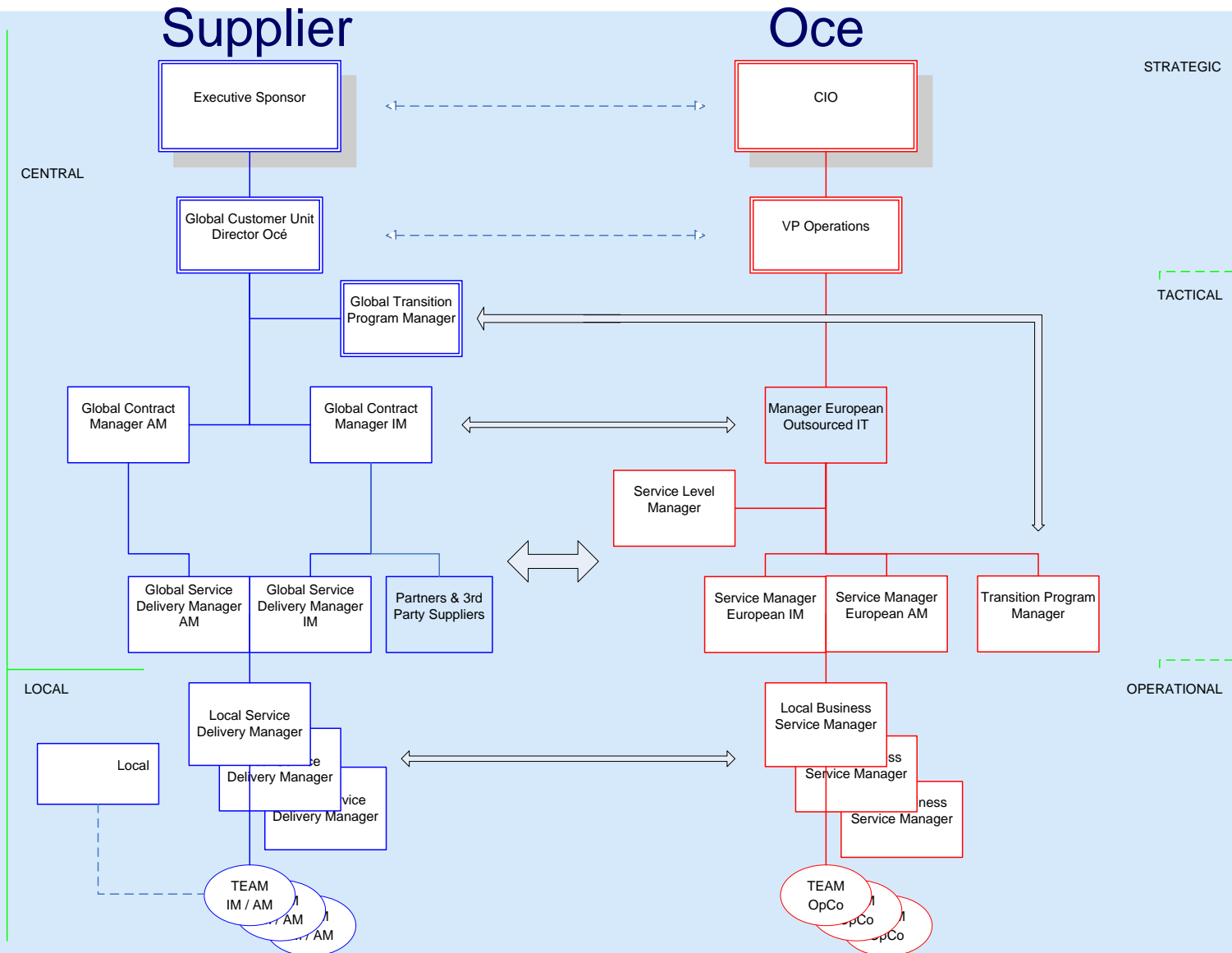


Original Starting points on Demand-Supply



- Demand Supply model developed before outsourcing and integrated into contract
- Central contract, but locally managed as much as possible
- Central team at HQ Venlo:
 - 6 FTE
 - Defining Guidelines, policies and standards
 - Focus on communication with supplier central team & Local Océ Demand in the Opco's
- Local per Opco
 - Capacity Local Demand Manager (LDM) avg 0,5 FTE
 - Focus Local Demand Manager on Business
 - Local Budget
 - Supplier Local Service Demand Manager(LSDM) is responsible for the local ICT and manage local ICT operations

Initial Governance structure between Supplier and Océ



Current situation (year 2 contract)



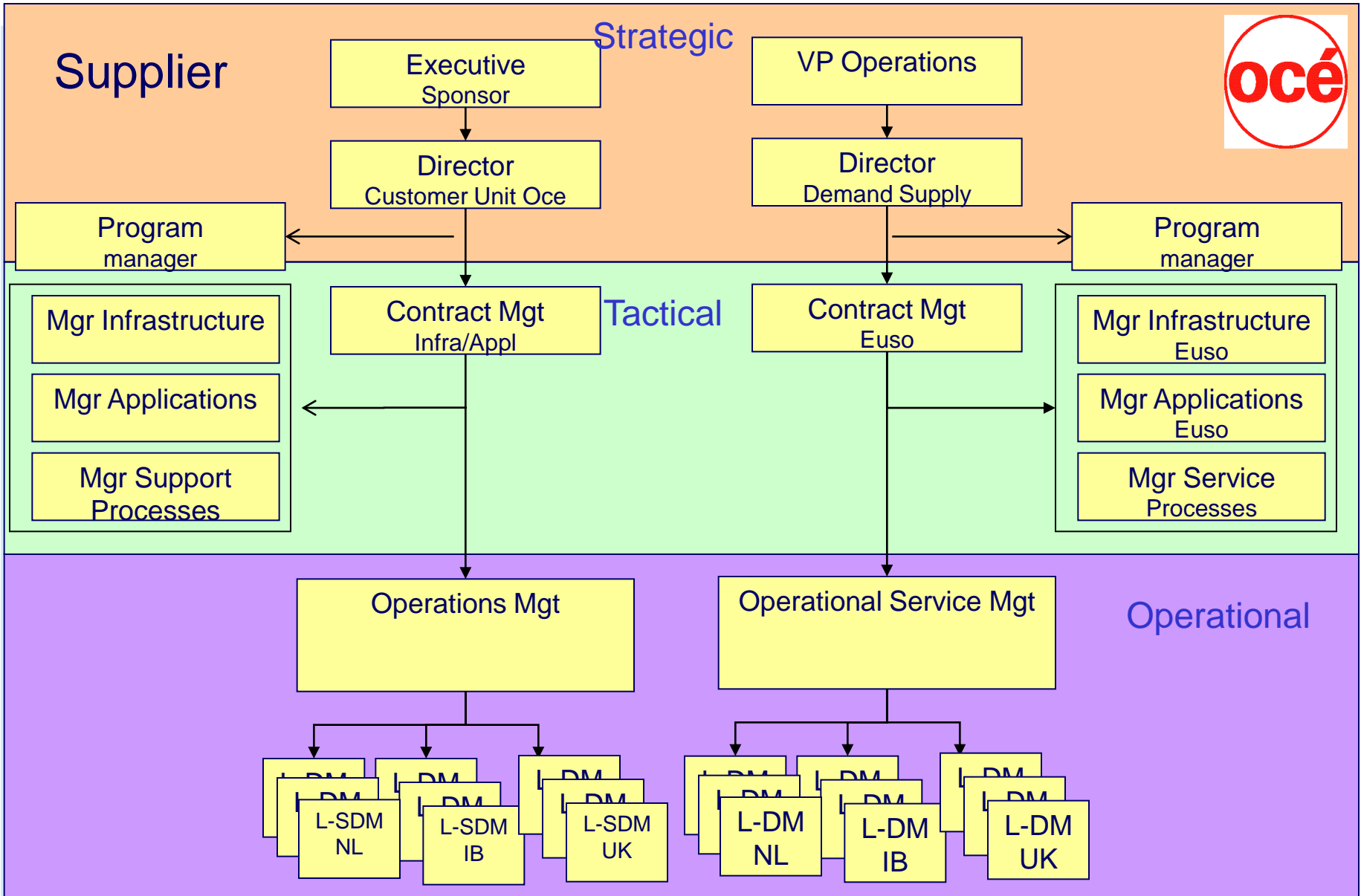
- Governance and service delivery
 - Local Demand Manager (LDM) capacity in most of the OPCO's 1 FTE
 - Focus LDM on ICT operations instead of business demand
 - Supplier Local Service Delivery Manager (LSDM) only manage OSS, but no control over centralized operations → unclear governance on Supplier site.
 - Transition stopped after 12 months
- Contract and Finance
 - Contract and Pricing model not transparent and lead to a lot of discussion with local CFO's and Supplier
 - Local ICT Budgets do not foresee any additional extra investments (Financialcrises)
 - Payment behavior some Opco's put relation with Supplier under pressure.
- Actions
 - Renew contract and pricing model and make it transparent
 - Redefine governance

Proposed changes on Governance

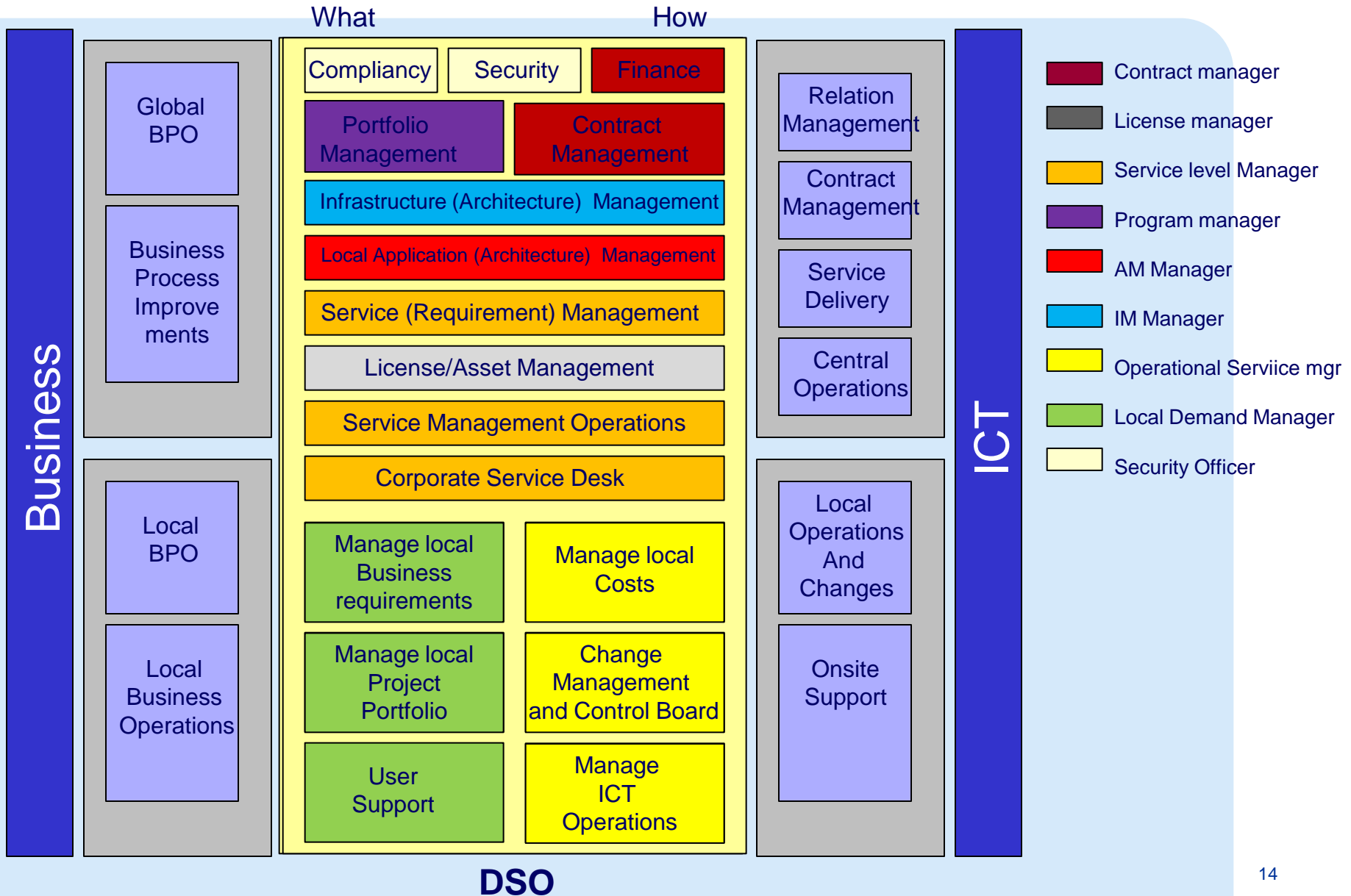


- Manage ICT Operations of supplier by central teams based on dashboards, KPI's and visits (manage the HOW)
- Focus Local Demand Manager (LDM) on organizing Business Demand (Manage the WHAT)
- Inform LDM weekly on status of ICT operations
- But also:
 - Budget centralized to HQ and central team Océ is responsible for this budget in consultation with LDMs
 - Central invoicing
 - Stabilize/standardize local infrastructure and eliminate business continuity risks by central improvement project via central funding

New Governance Structure (Concept)



Océ ICT Demand-Supply Framework



- Central contract needs central governance and central budget (with local delivery)
- Trust is good but control is better
 - ensure clear KPI's and dashboards based on reliable basic registrations, Customer satisfaction is the most important one
- Quality of service desk is crucial, define one entry point
- Ensure acceptance of local stakeholders and spend a lot of time on communication and commitment
- Centralizing ICT governance via outsourcing is very difficult (but can work)
- Ensure that critical business knowledge is not outsourced (special attention to Key Users within ICT dept)

- *Before Shopping, Know Today's Wants.. and Tomorrow's Needs*
- *Outsourcing failure...
... Let somebody else do it!*



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