Atos
Application Outsourcing

Vendor Assessment
Report Abstract

February 2014

By Dominique Raviart
IT Outsourcing (ITO)
Research Director
NelsonHall

13 pages

research.nelson-hall.com

Who Is This Vendor Assessment For?

NelsonHall's Application Outsourcing Vendor Assessment for Atos is a comprehensive assessment of Atos' application outsourcing offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for application outsourcing services

- Vendor marketing, sales and business managers looking to benchmark themselves against their peers

- Financial analysts and investors specializing in the application services, application support and maintenance sectors.

Key Findings & Highlights

On June 30, 2011, Atos Origin completed the acquisition of Siemens IT Solutions (SIS) and Services. The acquisition had a major impact on the size of the resulting company, Atos, especially around IT infrastructure management. SIS also increased the application outsourcing revenues of Atos by ~50%, bringing new clients in countries including Germany, Austria, and Switzerland. SIS also brought an increased focus on India by more than doubling the application outsourcing headcount in India.

As part of the new organization resulting from the merger with SIS, Atos has integrated its application management (AM) line of business within its Systems Integration unit, along with SAP (services) and Solutions (custom application development, systems integration). AM accounts for ~30% of the revenues of SI.

The inclusion of AM within SI mirrored the structure existing at the former Atos Origin, and was meant to facilitate the provisioning of bundled design, build and run application services. Application management capabilities of the former Siemens IT Solutions and Services were not located in SIS' systems integration business but in its IT outsourcing unit, which was largely infrastructure management-centric.

Altogether, AM has a headcount of ~10,800, representing ~47% of SI's headcount (~23,000).

AM is the largest unit within Atos addressing application outsourcing opportunities, along with country units. Global AM addresses international opportunities and contracts over €15m in TCV.

The initial priorities of AM, after the merger with SIS, were to:

- Standardize tools and re-design business processes

- Align the cost structure on industry benchmarks and develop delivery presence in India

- Evaluate current contracts to secure renewals

- Expand the service portfolio, initially with the launch of the Right-Fit offering, formerly a SIS service brand and offering.

2

Scope of the Report

The report provides a comprehensive and objective analysis of Atos' application outsourcing offerings, capabilities, and market and financial strength, including:

- Analysis of the company's offerings and key service components

- Revenue estimates

- Identification of the company's strategy, emphasis and new developments

- Analysis of the profile of the company's customer base including the company's targeting strategy and examples of current contracts

- Analysis of the company's strengths, weaknesses and outlook.

Contents

Report Length

13 pages

Report Author

Dominique Raviart

dominique.raviart@nelson-hall.com

Other Published Profiles

Steria and Wipro.

February 2014