CIO Forum
Outsourcing/Offshoring June 21th, Oslo

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A seamless journey

➤➤ **The world leading independent global provider of outbound logistics for manufacturers of automotive and rolling equipment**

This is WWL....

Two topics this morning...... closely linked

- **Share some experiences related to global sourcing**

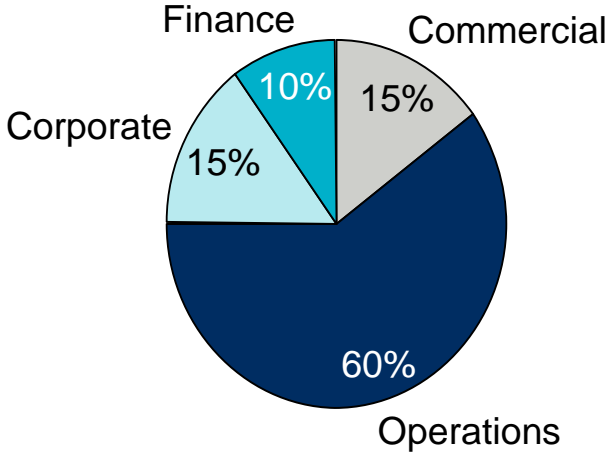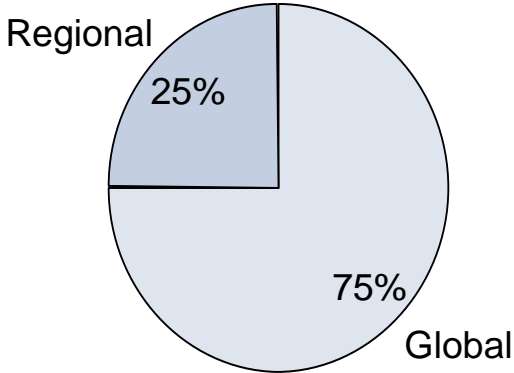- **Our approach to moving towards a cloud based service**

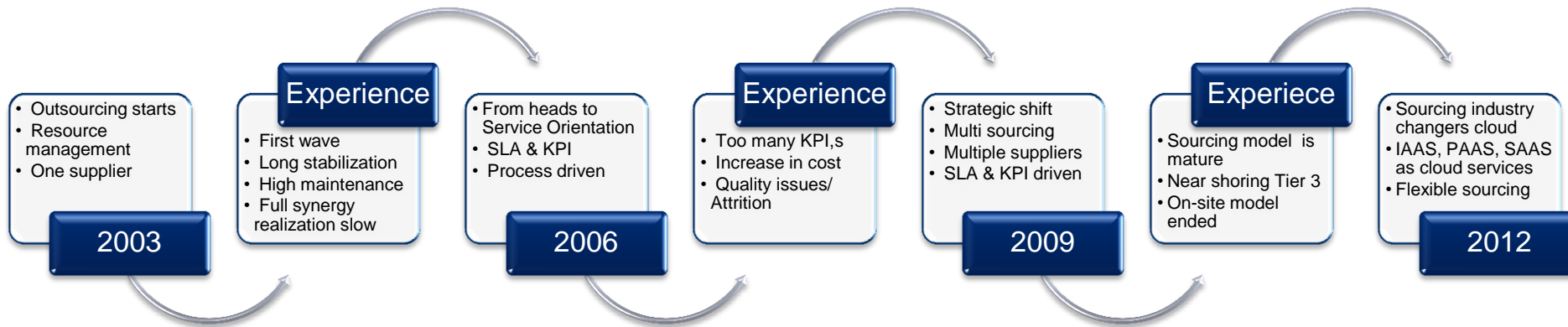# WWL has a comprehensive systems portfolio and automation throughout most functions

46 Business Systems

PIERS	EZTariff	FQS	Oceania Rate Quotations	weConnect	CRM Vista
TRS	Various Codes	VOP/ CLE	DCS	CCS	STRATA
PLASA STF	PLASA Allocation	SPS	CQS	SAGA	Web SI
Web NOA	Web IT	ATT	WITS	FAPS	Big Dog
SO: Business	M4/M4+	VM	TOPS	ProAct	SQS
LoCS	WWSAdmin	2VU	CODA	Contempus	Cadenza
Conso	People Performance	Learning Management	SharePoint	Cognos Reporting	Data Warehouse
	INCA	Gate	GEMS	HRIS	

Regional 25%

Global 75%

Finance 10%

Commercial 15%

Corporate 15%

Operations 60%

Heavy outsourcing in happening in waves since 2003…. and model changing every 3rd year..

2003
- Outsourcing starts
- Resource management
- One supplier

Experience
- First wave
- Long stabilization
- High maintenance
- Full synergy realization slow

2006
- From heads to Service Orientation
- SLA & KPI
- Process driven

Experience
- Too many KPI,s
- Increase in cost
- Quality issues/ Attrition

2009
- Strategic shift
- Multi sourcing
- Multiple suppliers
- SLA & KPI driven

Experiece
- Sourcing model is mature
- Near shoring Tier 3
- On-site model ended

2012
- Sourcing industry changers cloud
- IAAS, PAAS, SAAS as cloud services
- Flexible sourcing

Cost development

| 2004 | 2006 | 2007 | 2008 | 2009 |

A simple, but intense dashboard…..

Sourcing model SWOT – from my point of view….

And now….. cloud computing……

SAAS, PAAS, IAAS……..
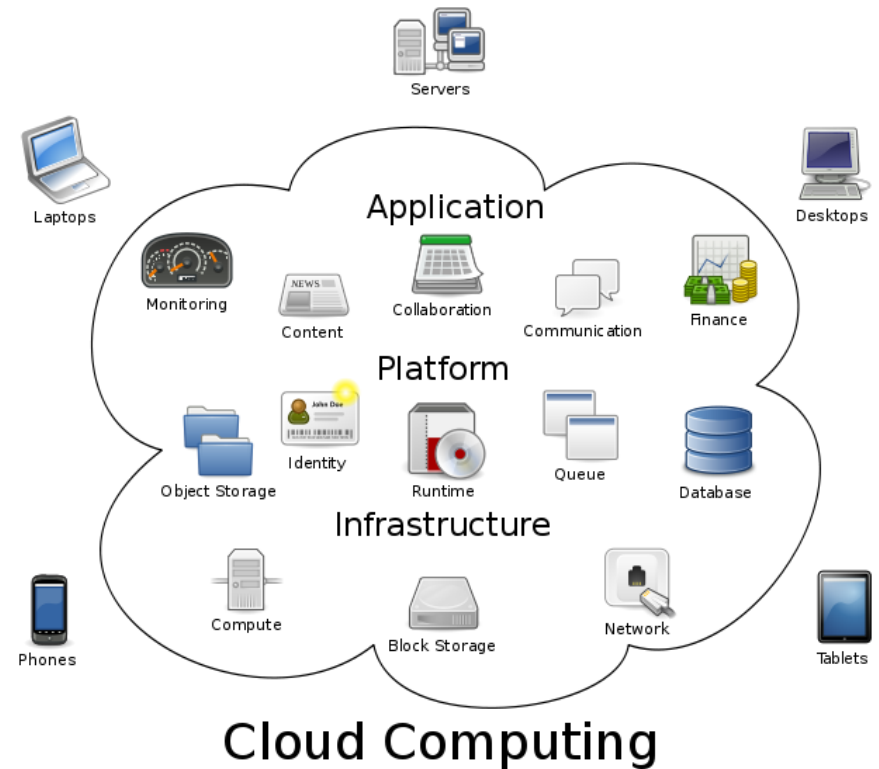
Cloud computing – from slide ware to mature services

WALLENIUS WILHELMSEN LOGISTICS

» **Services starting to mature**

» **Global trend of larger infrastructure providers teaming up with Telco providers to enable global distribution and fully managed services**

» **Is a natural next step in the infrastructure roadmap**
  - **Utilizing shared services**
  - **Utilizing ramp-up capabilities**
  - **Utilizing distributed environments**

» **Needs to be done gradually**
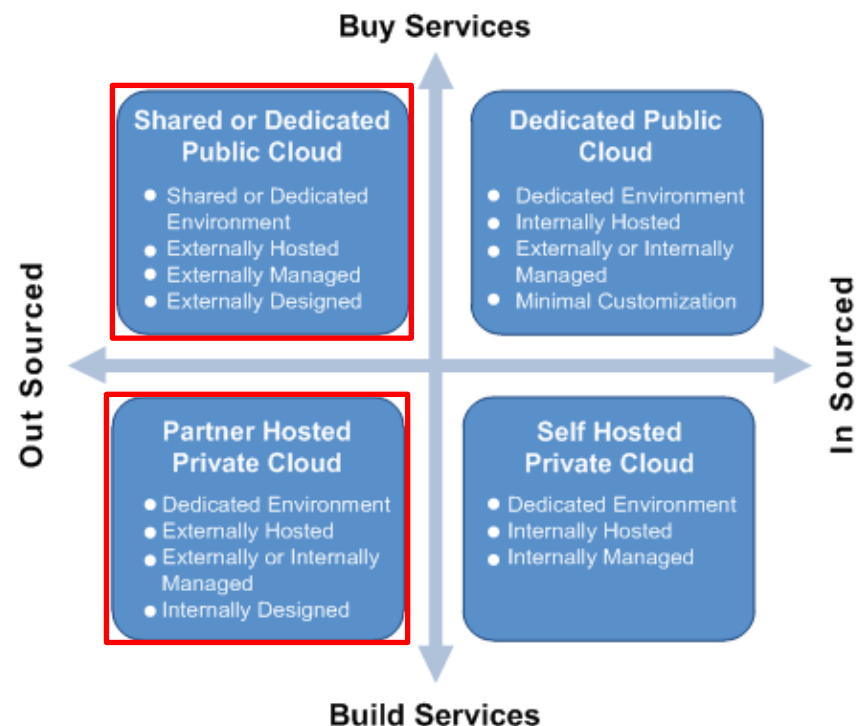 - **Risk**
  - **Governance**
  - **Effective cost models**

Cloud success ? …… tons of areas to consider..

- **An effective governance structure around cloud services is required to meet the business objectives of the organization**

- **The extent of infrastructure standardization among the existing applications**

- **The complexity and degree of customization and integration of the current architecture**

- **The willingness of lines-of-business to share infrastructure**

- **Past experience in deploying technologies and concepts critical for clouds, such as consolidation, virtualization and clustering**
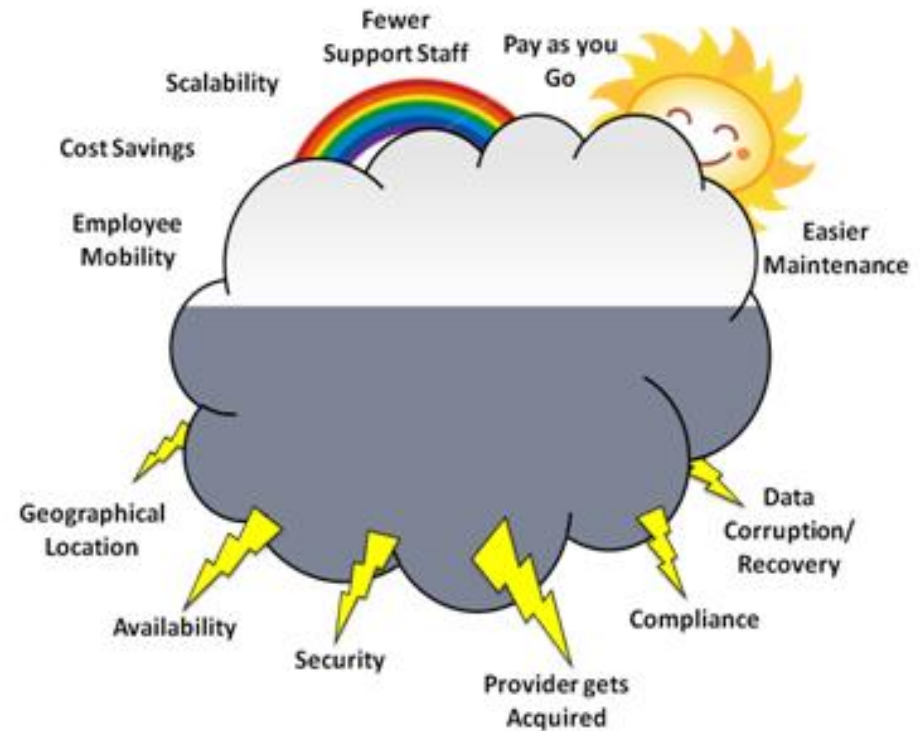
Public or Private Cloud ? … difficult to avoid a mix….

» **We will move toward a Partner Hosted Private Cloud for business critical and bespoke applications**

» **Will be a mix of**
  – **Virtual server resources shared with others**
  – **Dedicated server resources for bespoke systems**
  – **Externally hosted**
  – **Model spans from paying for year on year services...down to paying for the hour….**

» **Other SAAS solutions will run on the public cloud...**

Buy Services

Out Sourced ← → **In Sourced**

Shared or Dedicated Public Cloud
- Shared or Dedicated Environment
- Externally Hosted
- Externally Managed
- Externally Designed

Dedicated Public Cloud
- Dedicated Environment
- Internally Hosted
- Externally or Internally Managed
- Minimal Customization

Partner Hosted Private Cloud
- Dedicated Environment
- Externally Hosted
- Externally or Internally Managed
- Internally Designed

Self Hosted Private Cloud
- Dedicated Environment
- Internally Hosted
- Internally Managed

Build Services

Our Cloud project describes a staggered roadmap to move WWL's IT infrastructure onto a private cloud solution

» **The path to moving into a shared environment will start with the BCP solution and have <u>clearly defined decision steps pr. phase</u> until production environments is lifted onto the future service**

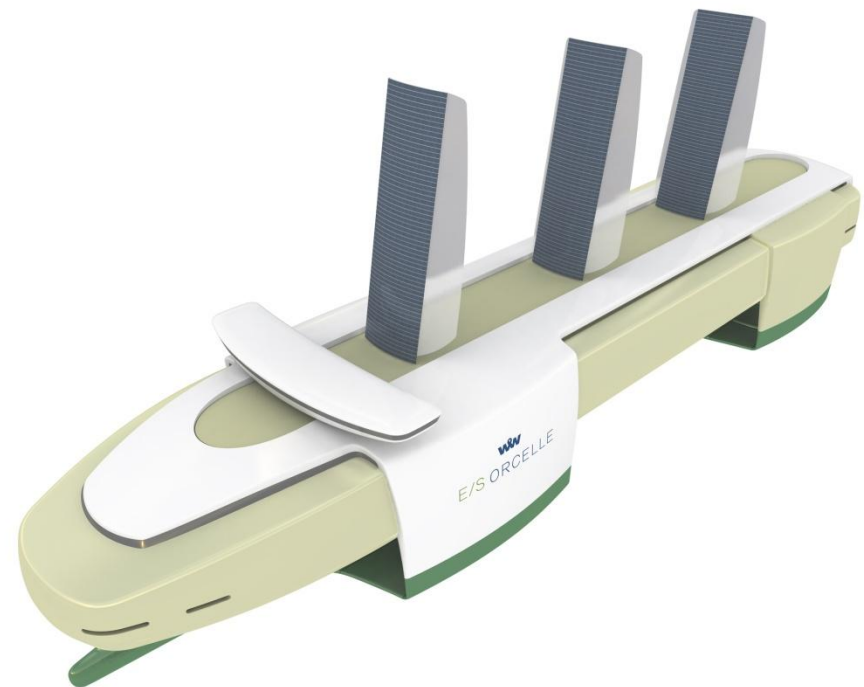» **The roadmap will last for a significant period of time and we foresee 3-4 years before completion**
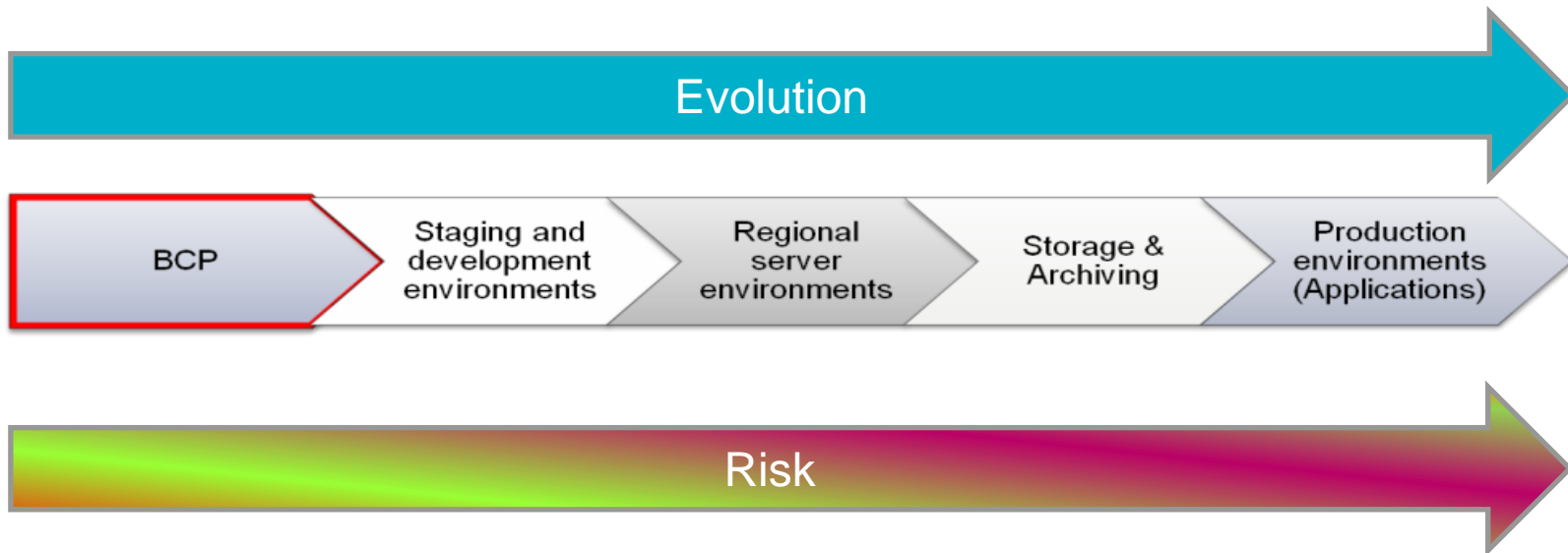
The "Future end game picture"

- **Global distribution capabilities**

- **Closing down the Oslo Data Centre**

- **Massive capacity in the Private cloud**

    - **Dual site production**
    - **Proximity to global production networks**

Short summary

- **Sourcing models changes as suppliers change – needs continuous adjustments**

- **Cloud services starting to mature and getting industrialized**

- **IAAS is a natural next step in the Cloud roadmap**
  - Utilizing shared services
  - Utilizing ramp-up capabilities
  - Utilizing distributed environments

- **Move gradually towards the cloud**
  - Risk
  - Governance
  - Effective cost models

- **It is indeed a strategic decision**
  - Organisational and financial impact

Thank you !