

Multi Sourcing

Customer to do Customer to blame Customer to pay



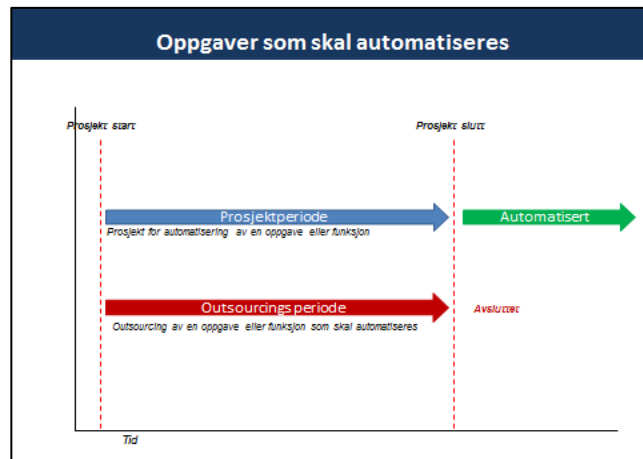
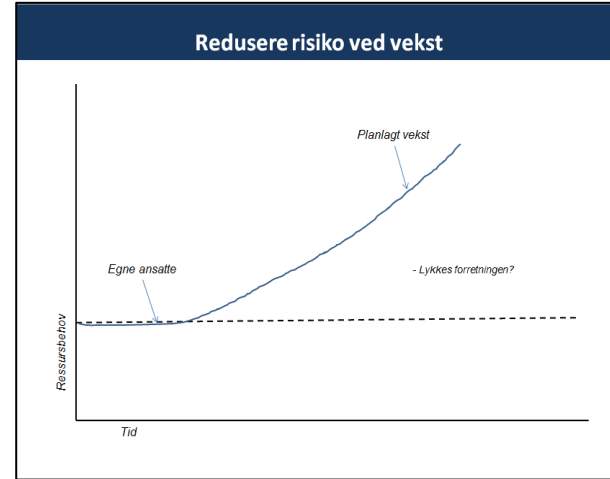
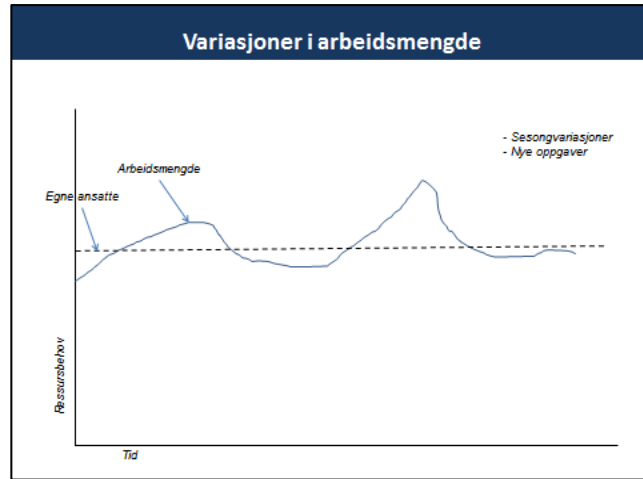
Erfaring - tjenester



Kundesenter
Support
Regnskap
Avregning
Fakturering
Administrasjon, diverse forfallent arbeid
Revenue Management
Produksjonstjenester

IT utvikling
IT forvaltning
IT drift
IT test
IT support

Outsourcing / Off shoring



Målsetting



Redusere kostnadene

Redusere risiko ved vekst

Fleksibel bemanning

Ha mer fokus på forretning og kjernevirksomhet

Mangel på kompetanse eller arbeidskraft

Innovasjon

Risks - Outsourcing



Transition
disrupts
Business

Loss of
competence

Vendor
control

Culture
problems



Fallgruver:

- Manglene formaliteter;
(målsetting, business case, forankring, avtale, prismodeller, risiko analyse, ...)
- Flytte ut kaos (kaos ut – kaos inn)
- Manglende eller lav kvalitet på kurs / trening / opplæring
- Manglende på forretningsforståelse
- Manglende lojalitet hos leverandøren
- Manglende oppfølging / Service Management
- Kultur forståelse



Flight to "Cost savings
and next generation IT"

Konkurskrisen i SAS...

EXTRA EXTRA KONKURS-DRAMAT

SAS har bara timmar på sig att lösa sin ekonomiska kris

Över 15 000 personer som arbetar för SAS har en gemensam önskan: att SAS ska gå igenom en snabb och effektiv omstrukturering. Förklaringen ligger i den ekonomiska krisen som SAS står inför. Det är en kris som har hotat SAS sedan tidigare och som nu har blivit alltmer akut. SAS har bara timmar på sig att lösa sin ekonomiska kris.



DE AVGÖR SAS FRMTID

VAR AR BILDGEMMARNNA I STYRELSEN I SAS AB

LEIF CARLSSON 59 år SVENSKA STATSBANKEN Generaldirektör sedan 2008, tidigare VD för Swedbank och tidigare VD för Swedbank och tidigare VD för Swedbank.	ANDERS RYHÖ 53 år BOKFÖRLAGET LIBRIS VD sedan 2008. Tidigare VD för Libris och tidigare VD för Libris.	SEVEK ÖRSKOV 54 år RINGRIKSBANKEN VD sedan 2008, tidigare VD för Ringriksbanken och tidigare VD för Ringriksbanken.	LEIF RYD 64 år SAS VD sedan 2008, tidigare VD för SAS och tidigare VD för SAS.	TORO PELLA 60 år SAS VD sedan 2008, tidigare VD för SAS och tidigare VD för SAS.
LEIF CARLSSON 59 år SVENSKA STATSBANKEN Generaldirektör sedan 2008, tidigare VD för Swedbank och tidigare VD för Swedbank.	ANDERS RYHÖ 53 år BOKFÖRLAGET LIBRIS VD sedan 2008. Tidigare VD för Libris och tidigare VD för Libris.	SEVEK ÖRSKOV 54 år RINGRIKSBANKEN VD sedan 2008, tidigare VD för Ringriksbanken och tidigare VD för Ringriksbanken.	LEIF RYD 64 år SAS VD sedan 2008, tidigare VD för SAS och tidigare VD för SAS.	TORO PELLA 60 år SAS VD sedan 2008, tidigare VD för SAS och tidigare VD för SAS.



SAS är inte attraktivt för köpare

Det är svårt att hitta köpare som vill ta över SAS. Detta beror på SAS dåliga ekonomiska läge och låga försäljningsbara tillgångar. SAS är inte attraktivt för köpare.

EXTRA EXTRA SÅ KLARAR DU KRISEN

Kommer du orter som trafikeras av SAS att ka färdtjänst?

Det är en fråga som många resenärer är intresserade av. SAS har varit tvungna att stänga ned flera linjer på grund av den ekonomiska krisen. Detta innebär att vissa orter inte längre trafikeras av SAS. Detta kan innebära att dessa orter inte kommer att få färdtjänst från SAS.

30 miljoner resenärer kan drabbas: "Svårt att få tillbaka pengarna"

Enligt en rapport från SAS är det 30 miljoner resenärer som kan drabbas av SAS konkurs. Detta innebär att många resenärer kan ha svårt att få tillbaka sina pengar. Detta är ett stort problem för många resenärer.

Var du vill reser reser som en förtur till exempel turerna till Almedalen

Det är en annan fråga som många resenärer är intresserade av. SAS har varit tvungna att stänga ned flera linjer på grund av den ekonomiska krisen. Detta innebär att vissa orter inte längre trafikeras av SAS. Detta kan innebära att dessa orter inte kommer att få färdtjänst från SAS.

Ellen Montgomery: Staten måste garantera resenärernas pengar

Ellen Montgomery, som är VD för SAS, har uttryckt sin oro över SAS ekonomiska läge. Hon har också uttryckt sin oro över att SAS konkurs kan innebära att resenärer inte får tillbaka sina pengar. Detta är ett stort problem för många resenärer.

Ellen Montgomery har också uttryckt sin oro över att SAS konkurs kan innebära att resenärer inte får tillbaka sina pengar. Detta är ett stort problem för många resenärer.



Ellen Montgomery

Main cost savings programs

Banks and financial institutions takes control New cost reduction programs implemented



New agreements for flying crew & maintenance personnel



New pension schemes



Admin centralization & FTE reduction



Outsourcing

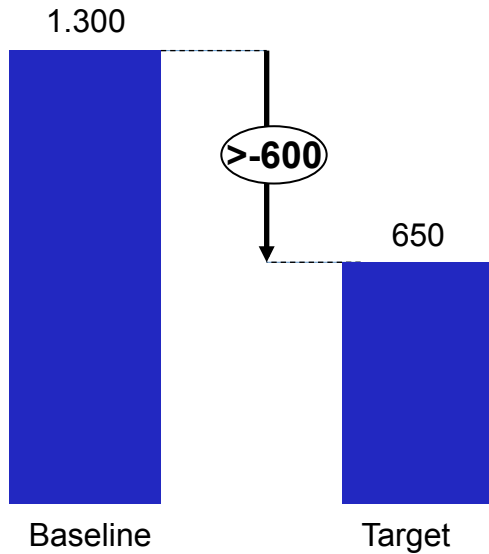


IT restructuring



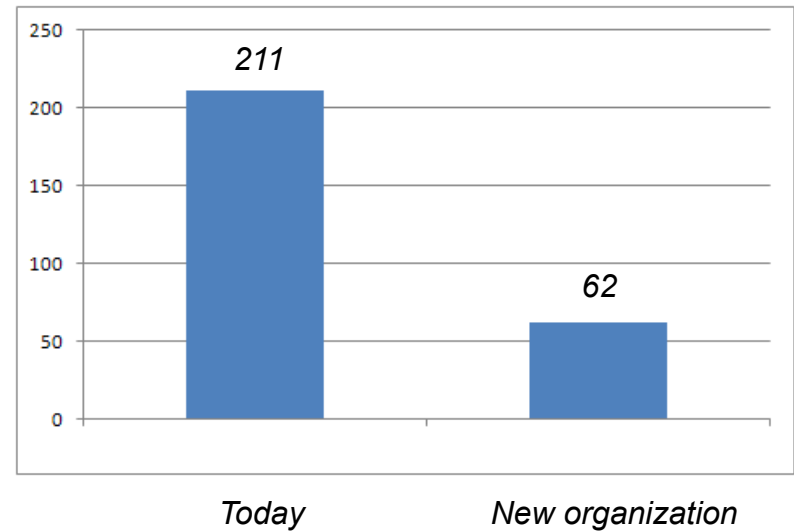
Saving target – 50 % P&L reduction

- IT costs on P&L -
(MSEK)



As much variable costs as possible

- FTE reduction -



+ shadow FTE

How to do it ?

Business migration to Stockholm



Close down Oslo and Copenhagen

New Business IT organization

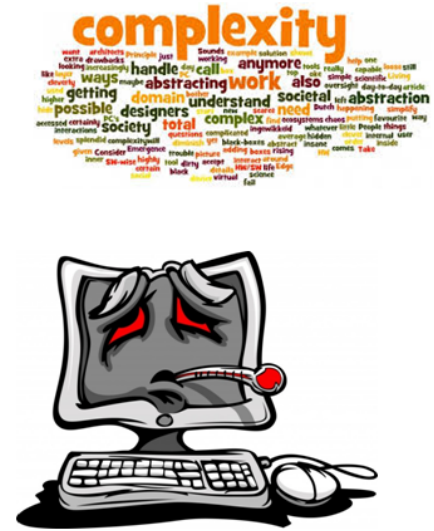


From IT operation to IT Business

Establishing new and modern IT organization integrated into the business units

FTE reduction

New Business IT organization



Simplify SAS's business development by cleaning the application and IT spaghetti structure

Reducing IT cost and development cost



How to start?

Implementation
process

Step 1; economic control, just do it, low hanging fruits

Get control over IT cost, “shadow cost” and agreements



Purchasing accounts were blocked, only a few people had access.

IT vendors did not get paid if they did not follow the new guidelines for ordering

”Just Do It” - Vendors negotiation

Application decommission

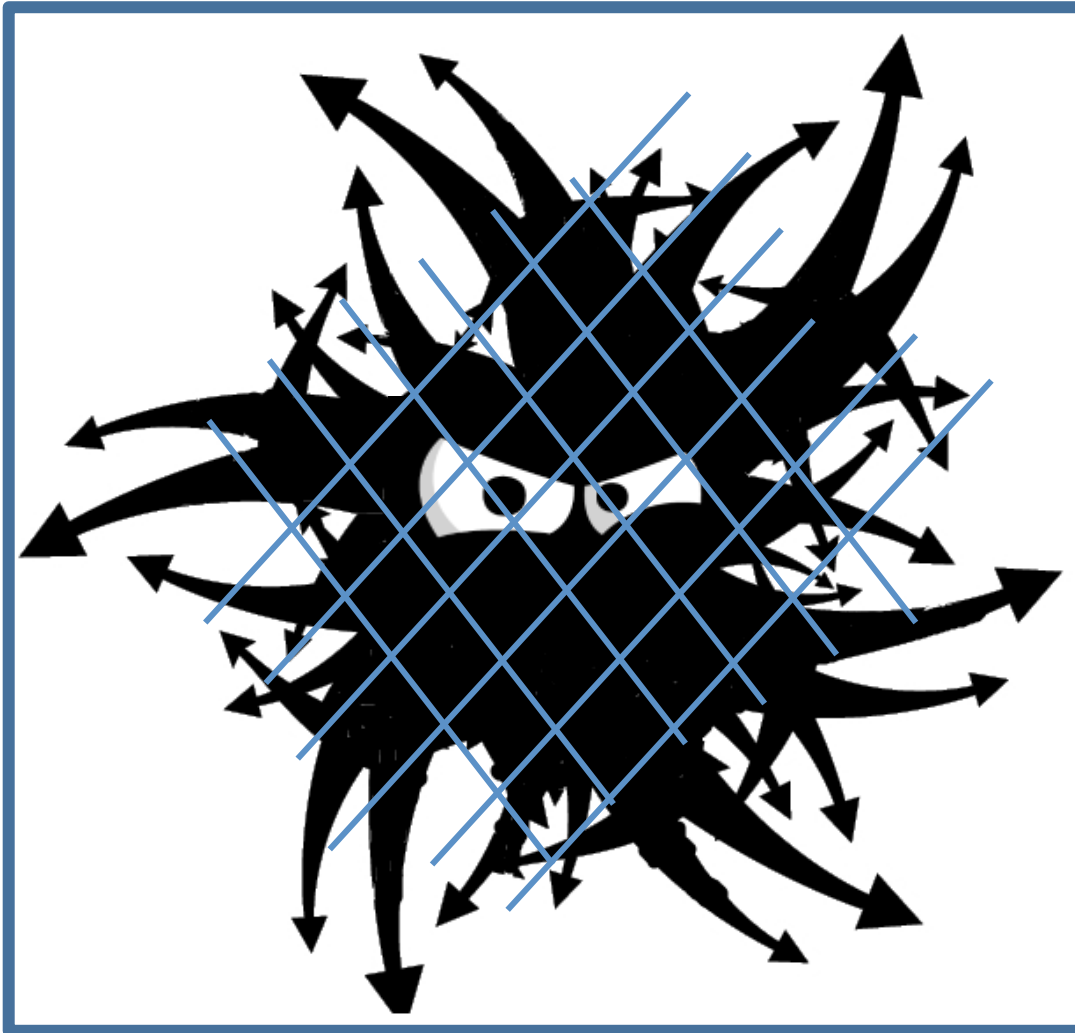
This gave us a direct 7 % cost savings, equivalent to MSEK 100 annually

... but there was a lot of politics and strife

... no money no purchase!

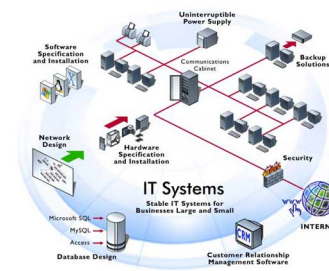
Step 2; overview

Cut the monster in smaller pieces!



... too big to eat, and it not taste very well

Where are we?



Technical overview



*FTE/staff overview



Contract overview



Cost overview

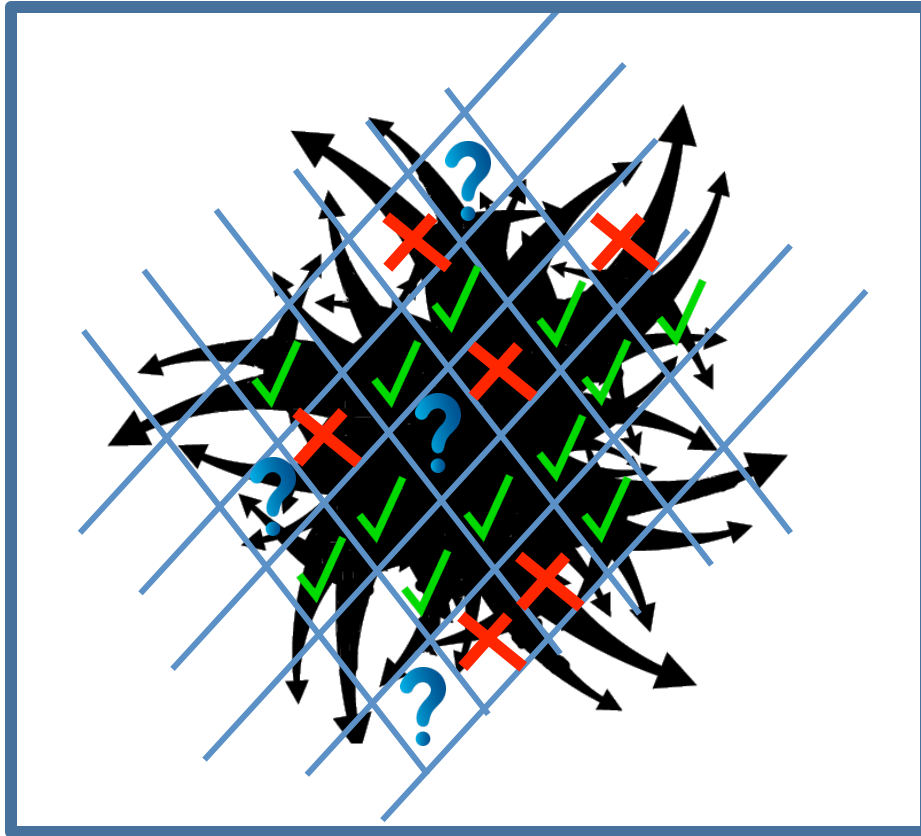


Risk overview

*Full-time equivalent (FTE)

Step 3; business priorities

Get business control!



Out

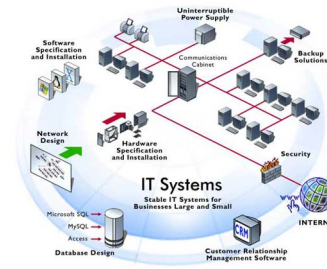


Keep

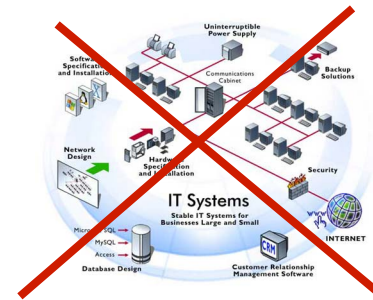


Need more information

What to do?



Prioritized business needs



Not business needs



Standardization SaaS, BPO, ... ?

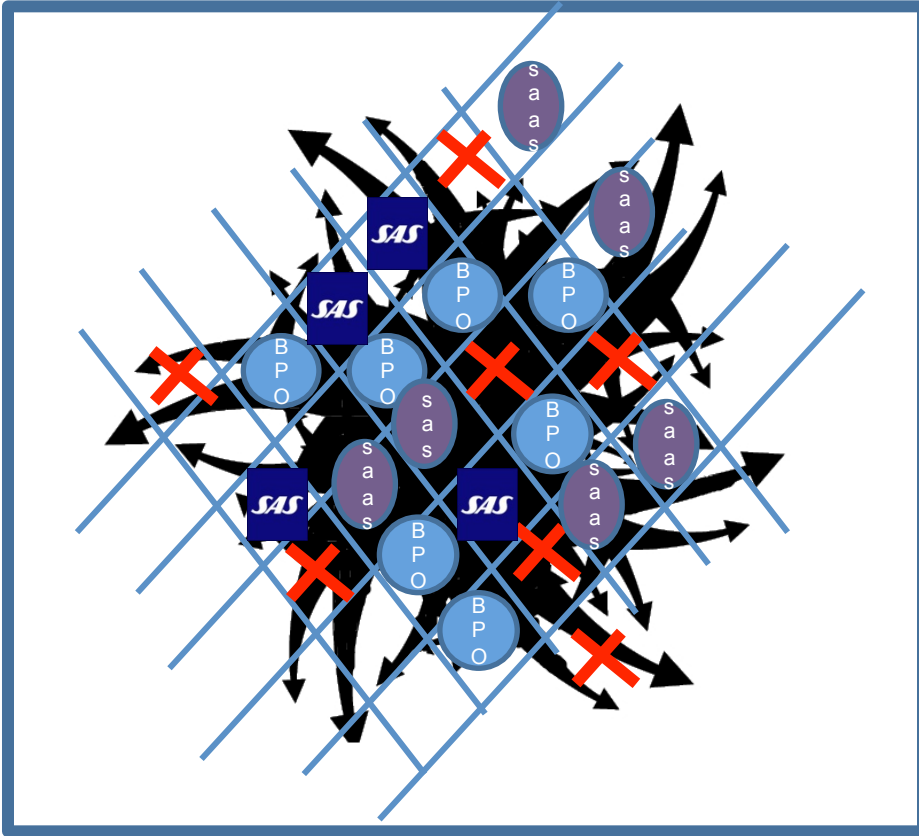


Cost Benefit?

*Full-time equivalent (FTE) / Software as a services (SaaS)

Step 4; business and finance plan

We have a plan!



... and system business control!



Cost save plan

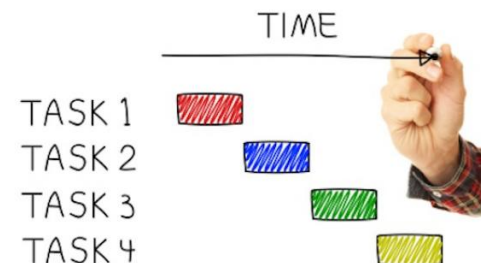
Financing plan



HR/FTE plan



Risk analysis



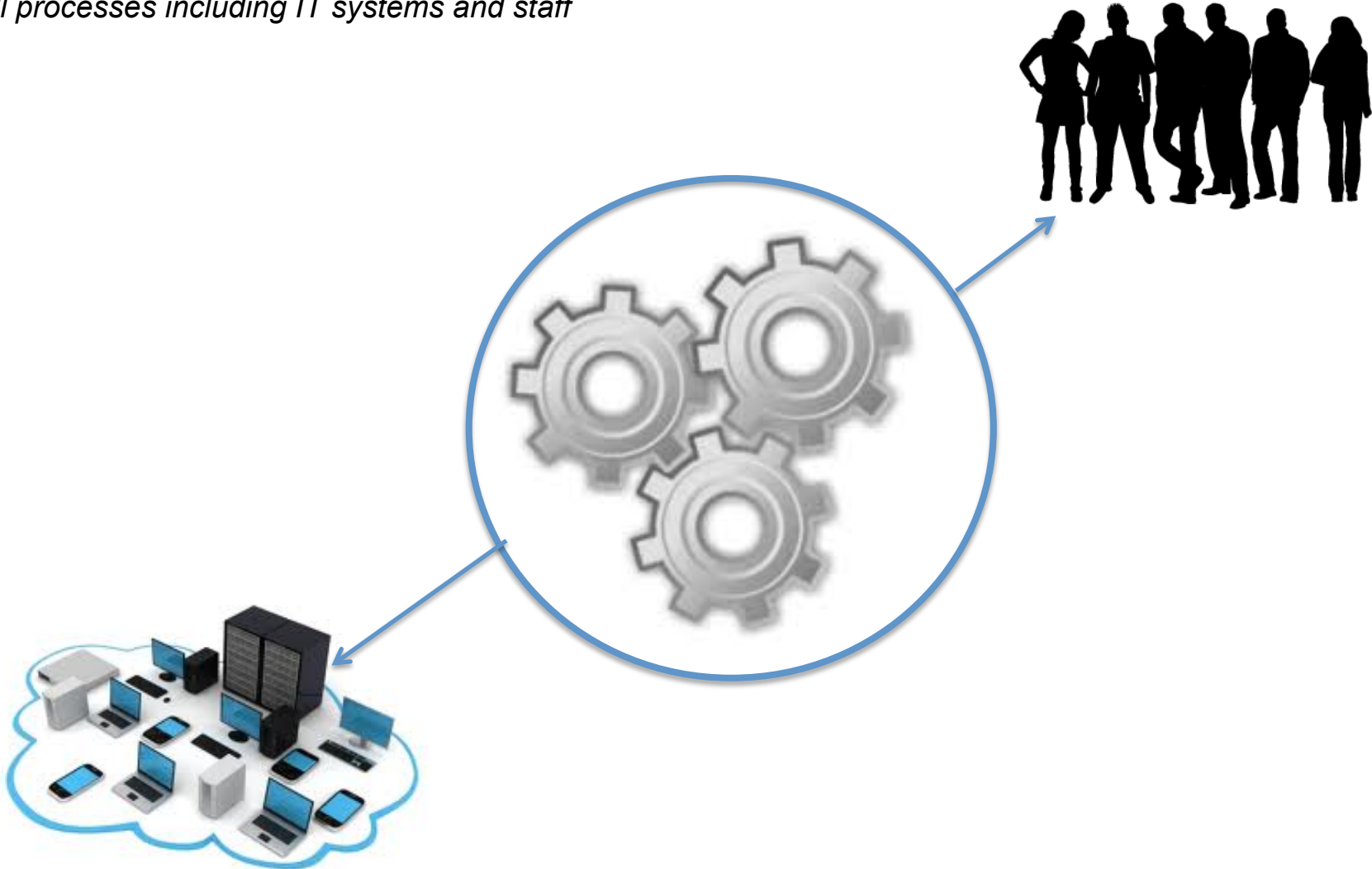
Implementation plan

Business Process Outsourcing



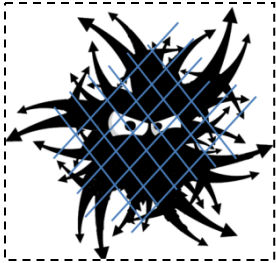
BPO – Business Process Outsourcing

All processes including IT systems and staff



BPO – due diligence documentation

due diligence - basic document



SAS Application Name	Area	Description/Description	FTE	Cost/SE	Employee ID
ORACLE B2B	Finance		0,80	SE	42
CRM Station Support (Non SPS)	Groundhandl	Customer Support	1,00	DK	26
SIP	Commercial	Groundhandl	1,00	SE	11
Amadeus Altea CTETS/TKT	Commercial	SIP (SAS Internet Partner)	1,00	SE	10
CC payment hand terminals	Groundhandl	CC payment hand terminals (excess)	0,30	SE	14
Wizard	Groundhandl	Wizard - Access to online manuals for	0,30	SE	24
IO TravelStart direct	HR		0,30	SE	37
Interface surveillance	HR		0,20	SE	37
PAIS	HR	PAIS - Salary system SE	0,40	SE	37
FINCA	HR	Insurance cost distribution	0,00	SE	37
OW-SAS3	Commercial	SAS Sales Information system to SAS	0,01	SE	31
Webtrends	Commercial	Driftanalyse hos STOPP flokningst	0,01	SE	31
SIP	Commercial	SIP (SAS Internet Partner)	0,50	SE	31
SIP (included in SIP from Q2 2013)	Commercial	Single sign on solution for online	0,08	SE	31
TRIPIC	Commercial	Travel Plans and Travel Pass Corporate	0,01	SE	31
CEP	Commercial	Common Entrance Portal, Sales	0,32	SE	31
Content management tool	Commercial	Content Management Tool	0,09	SE	31
Amadeus Altea CTETS/TKT	Commercial		1,00	SE	38
Amadeus Altea	Commercial		1,00	SE	43
Amadeus Altea Inventory	Commercial	Amadeus Altea Suite is Amadeus PSS	0,40	DK	37
Amadeus Altea BES	Commercial		0,50	DK	37
Amadeus Altea CSP	Commercial		0,10	DK	37
Content management tool	Commercial	Content Management Tool	1,00	SE	40
ORACLE, ORACLE, OPTIMUS, SAS/INTE	Commercial	ORACLE based Revenue Optimisation	1,00	DK	38
Amadeus E Retail	Commercial		0,80	SE	33
Core	Commercial		0,01	SE	33
SAS Ideas	Commercial	application maintained by Snowfall	0,02	SE	33
Social Media platform	Commercial		0,02	SE	33
Eurobusus Gift Card	Commercial	Web shop where you can use your	0,02	SE	33
pointis.com	Commercial	external site where you can buy EB	0,02	SE	33
BI Portal/Decision Support Environment	Revenue IT	BI Portal/Decision Support	1,00	SE	33
BI Portal/Decision Support Environment	Revenue IT	BI Portal/Decision Support	1,00	SE	87
BI Portal/Decision Support Environment	Revenue IT	BI Portal/Decision Support	1,00	SE	30
ORACLE B2B	Finance		1,00	SE	

Application / service descriptions

1 Application characteristics model

1.1 Purpose

The purpose of this document is to act as the base material upon the design of the operational environment and operational support shall be perceived. The application in focus must be observed as a "black box" meaning we are not interested in how the internal processing is done. The interest lies in the characteristics so an operational environment can be properly sized, monitored and cared for to fulfill the availability, accessibility and performance expected.

The purpose of the model is not to describe what the application does, how it is built or its internal architecture, such information is contained within a Software Architecture Document (SAD) or equivalent System Documentation should it be an Common Off The Shelf (COTS) application. The purpose of the model is to ensure all necessary characteristics are included and described as well as possible.

1.2 Model overview

The application model will describe the application from what service components are expected to be used, what characteristics the service components must be configured to support and what volumes must an operational environment be sized to process. The model also contains placeholder for describing service and maintenance related volumes and characteristics such as, change, service tickets, incidents volumes and service desk volumes.

The term application in this context is a system boundary containing one or more systems that SAS perceives as being parts of a single application. Normally an application contains of

Anonyms competence profile



COMPETENCY PROFILE – BPO IT operations

Name:	29	Date:	2013-02-15
Job title:	Senior IT Project Manager	Location:	STO
Functional Area:	Commercial Systems	Number:	(filled by HR)
Reporting to:			

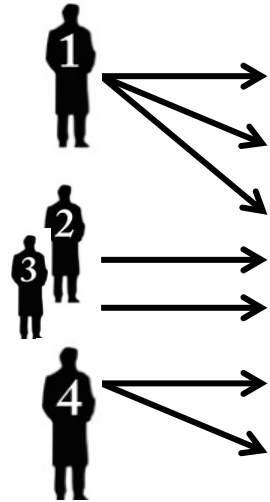
Technical skills:

- Project Management/IT Project Management, Application Management, Business processes, Requirements Management, Rational Unified Process/RUP, IT Architecture, Design, Test, Demand Management, Incident Management, Problem Management, Change Management, IT Cost Management, Risk Management, Business analysis, Test Management, SOA, CRM Systems.
All in all with the overall goal to achieve the project objectives were the primary constraints are, apart from the scope itself - time, quality and budget.
- In accordance with the track record (encl), an in depth Airline Industry and a thorough Distribution System knowledge, in particular related to Amadeus/Altea functionalities.

BPO – information process

due diligence basic document

Providers



SAS Application Name	Area	Application description	FTE	Country	Employee ID
ORACLE B12	Finance	Station Support	0,80	SE	42
CPHM Station Support (Non SYS)	Groundhandl	Station Support	1,00	DK	26
SIP	Commercial	SIP (SAS Internet Portal)	1,00	SE	11
Amadeus Altea CTS/ETS/TKT	Commercial	SIP (SAS Internet Portal)	1,00	SE	10
CC payment hand terminals	Groundhandl	CC payment hand terminals (excess)	0,30	SE	74
Wizard	Groundhandl	Wizard - Access to online manuals for HR	0,30	SE	74
ID Travel/staff direct	HR	Wizard - Access to online manuals for HR	0,10	SE	37
Interface surveillance	HR	Wizard - Access to online manuals for HR	0,20	SE	37
PALS	HR	PALS - Salary system SE	0,40	SE	37
FINCA	HR	Insurance cost distribution	0,00	SE	37
CRM-SAS	Commercial	SAS Sales Information system is SAS	0,01	SE	51
Webtrends	Commercial	Driftsansvar hos STOPY förvaltning	0,01	SE	51
SIP	Commercial	SIP (SAS Internet Portal)	0,50	SE	51
SSO (included in SIP from Q2 2013)	Commercial	Single sign on solution for online	0,06	SE	51
TD/TIC	Commercial	Travel Pass and Travel Pass Corporate	0,01	SE	51
CEP	Commercial	Common Entrance Panel; Sales	0,32	SE	51
Content management tool	Commercial	Content Management Tool	0,09	SE	51
Amadeus Altea CTS/ETS/TKT	Commercial	Amadeus Altea Suite is Amadeus PSS	1,00	SE	18
Amadeus E-Retail	Commercial	Amadeus Altea Suite is Amadeus PSS	1,00	SE	43
Amadeus Altea RES	Commercial	Amadeus Altea Suite is Amadeus PSS	0,40	DK	17
Amadeus Altea CSH	Commercial	Amadeus Altea Suite is Amadeus PSS	0,50	DK	17
Content management tool	Commercial	Content Management Tool	0,10	DK	17
ODRMS, ODYSSEY, OPENIX, SASINST	Revenue	O&D based Revenue Optimization	1,00	DK	58
Amadeus E-Retail	Commercial	O&D based Revenue Optimization	0,80	SE	13
SAS Crew Guide	Commercial	O&D based Revenue Optimization	0,02	SE	13
SAS Ideas	Commercial	O&D based Revenue Optimization	0,10	SE	13
Social Media platform	Commercial	application maintained by Snowfall	0,02	SE	13
Eurobonus Gift Card	Commercial	application maintained by Snowfall	0,02	SE	13
Eurobonus Web shop	Commercial	Web shop where you can use your external site where you can buy EB	0,02	SE	13
pointb.com	Commercial	external site where you can buy EB	0,02	SE	13
BI Portal/Decision Support Environment	Revenue IT	BI Portal/Decision Support	1,00	SE	23
BI Portal/Decision Support Environment	Revenue IT	BI Portal/Decision Support	1,00	SE	67
BI Portal/Decision Support Environment	Revenue IT	BI Portal/Decision Support	1,00	SE	20
ORACLE B12	Finance	Station Support	1,00	SE	

Anonymous Competence profile



SAS

COMPETENCY PROFILE – BPO IT operations

Name: 29
Job title: Senior IT Project Manager
Functional Area: Commercial Systems
Reporting to: [Redacted]

Date: 2013-02-15
Location: STO
Number: (filled by HR)

SAS

COMPETENCY PROFILE – BPO IT operations

Name: 29
Job title: Senior IT Project Manager
Functional Area: Commercial Systems
Reporting to: [Redacted]

Date: 2013-02-15
Location: STO
Number: (filled by HR)

SAS

COMPETENCY PROFILE – BPO IT operations

Name: 29
Job title: Senior IT Project Manager
Functional Area: Commercial Systems
Reporting to: [Redacted]

Date: 2013-02-15
Location: STO
Number: (filled by HR)

Technical skills

- Project Mgmt processes
- Design, UI
- Change Mgmt
- Management
- All in all we constant

Technical skills

- Project Mgmt
- Design
- Change Mgmt
- Management
- All in all we constant

Technical skills

- Project Mgmt
- Design
- Change Mgmt
- Management
- All in all we constant

Technical skills

- Project Mgmt
- Design
- Change Mgmt
- Management
- All in all we constant

Application characteristics model

1.1 Purpose

The purpose of this document is to act as the base material upon the design of the operational environment and operational support shall be perceived. The application in focus must be observed as a "black box" meaning we are not interested in how the internal processing is done. The interest lies in the characteristics so an operational environment can be properly sized, monitored and used to fulfill the availability, accessibility and performance expected.

1.2 Model

The application in focus is described in terms of its operational environment and operational support shall be perceived. The application in focus must be observed as a "black box" meaning we are not interested in how the internal processing is done. The interest lies in the characteristics so an operational environment can be properly sized, monitored and used to fulfill the availability, accessibility and performance expected.

1.3 Model overview

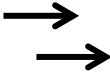
The purpose of this document is to act as the base material upon the design of the operational environment and operational support shall be perceived. The application in focus must be observed as a "black box" meaning we are not interested in how the internal processing is done. The interest lies in the characteristics so an operational environment can be properly sized, monitored and used to fulfill the availability, accessibility and performance expected.

The term application in this context is a system boundary containing one or more systems, that SAS perceives as being part of a single application. Normally an application contains at

BPO – contract signing



Partners

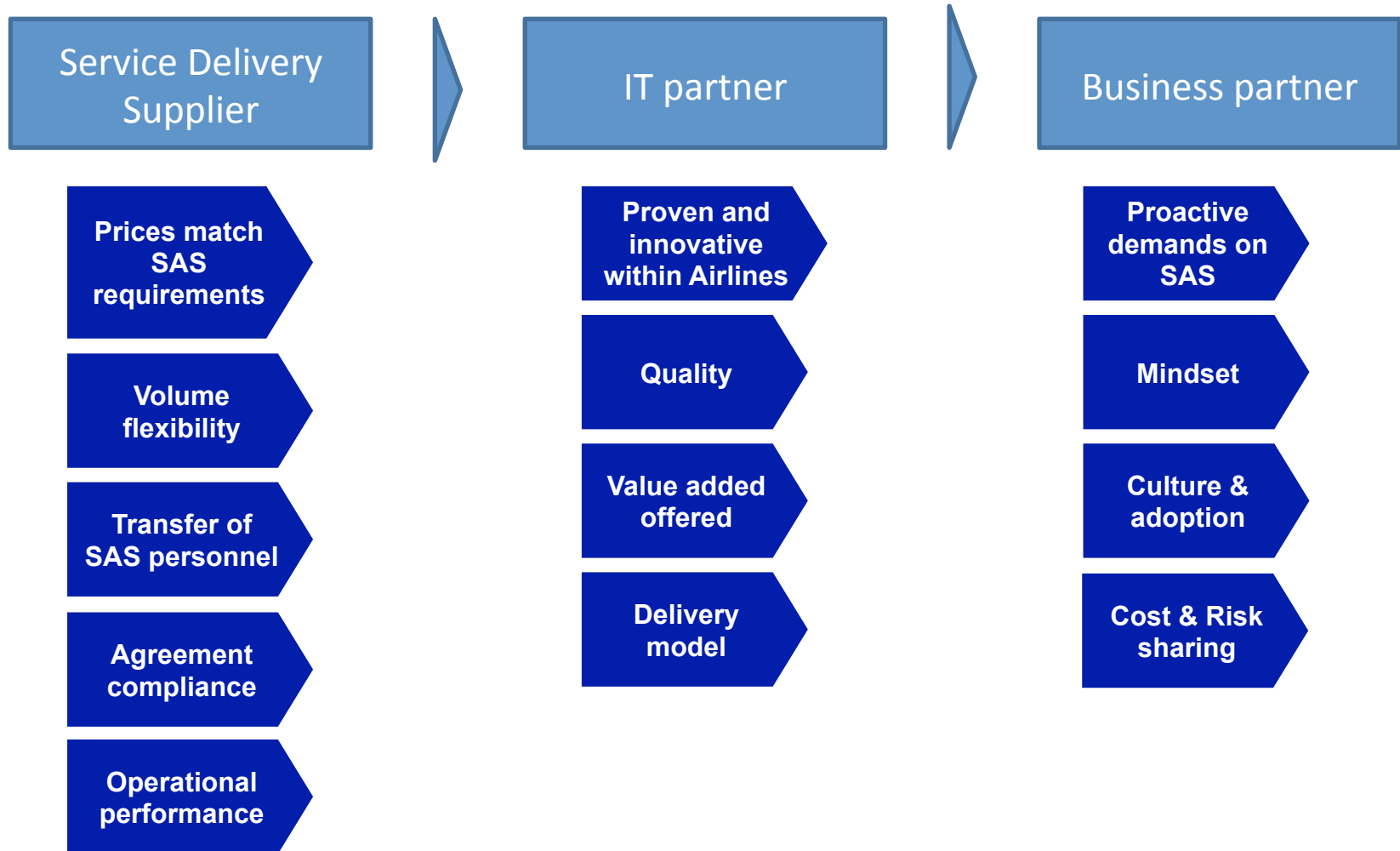


Employees



Agreements

HOW TO REACH SAS IT-TARGETS: OFFSHORING PARTNERSHIP



Experiences

New players in the market!

Outsourcing – price – risk – satisfaction -

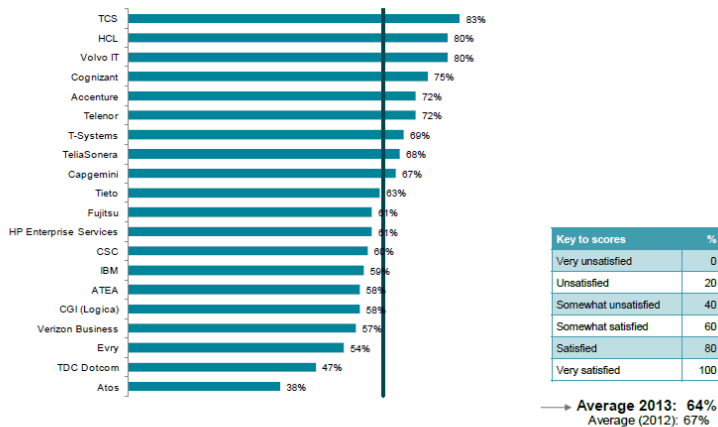


Outsourcing – low cost



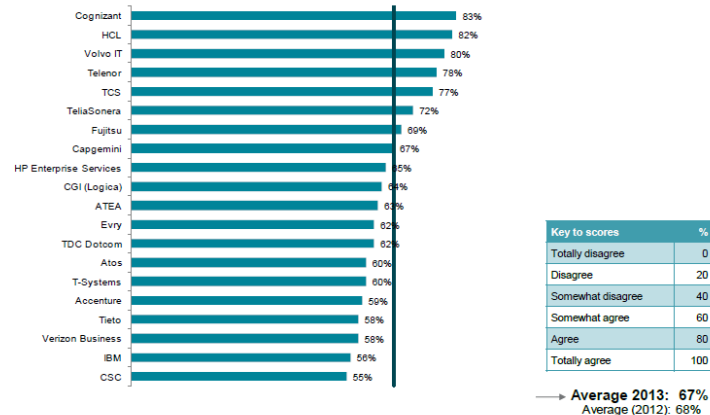
Outsourcing – price – risk – satisfaction -

What is your general satisfaction level for these service providers?



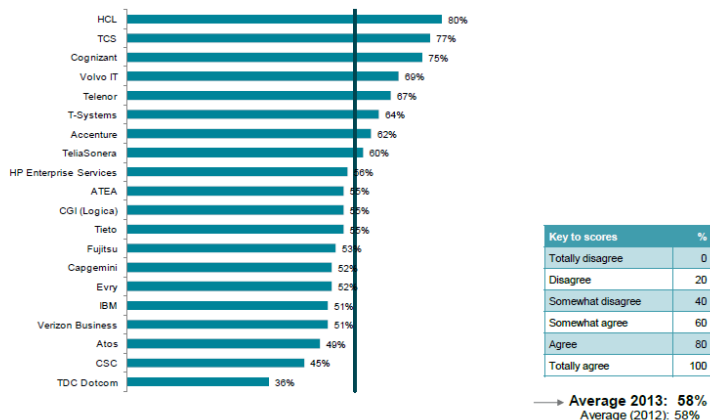
Price

'The prices the service provider charges for its services are (still) in line with current market price'



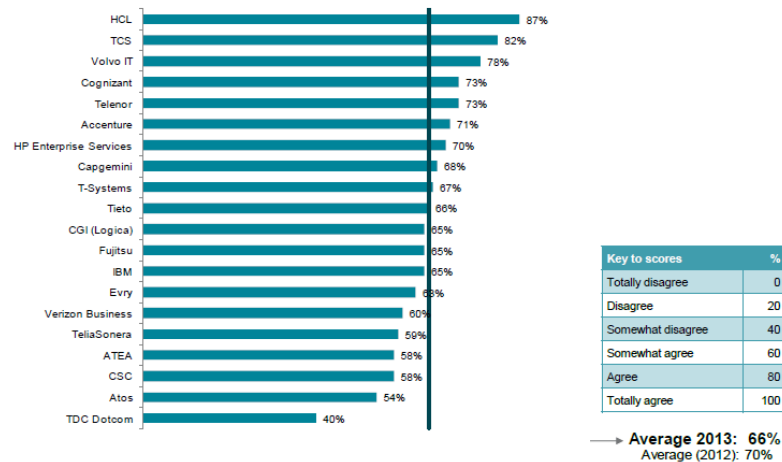
Risk

'The service provider shoulders reasonable commercial risk and makes necessary investments to reduce that risk'



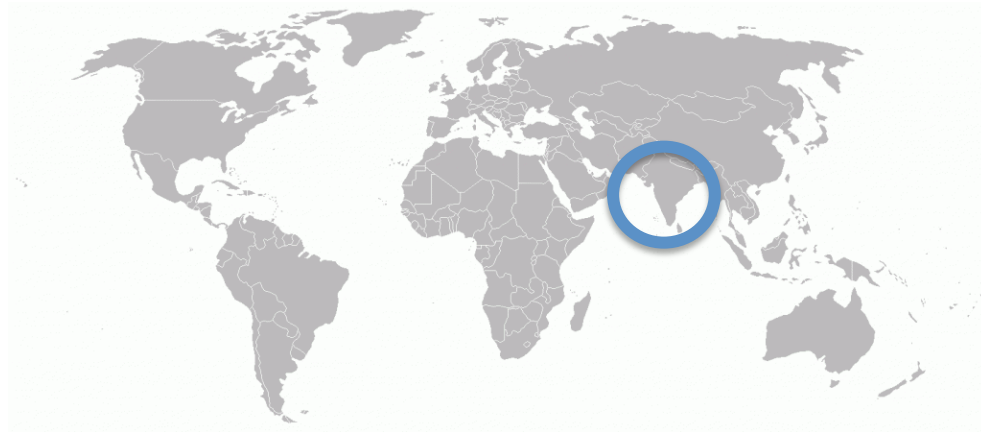
Relationship management (Operational)

'The service provider does a good job actively managing the relationship at the operational level ...'



Why high score?

...taking large market shares in Scandinavia...



Nye i markedet, ingen lang historie.

Lave priser (OBS! raskt stigende)

Langsiktige

Løsningsorienterte

Ydmyke, viser stor respekt

Informasjonssøkende, setter seg inn i situasjonen

Finansiseringsmodeller, økonomisk styrke

Internasjonal kompetanse

Internasjonale referanser

...

Experiences

Migration Out - In

Migration out - Migration in

Customer in the middle



Typical situation;

Contract, business transfer, ARD, cost sharing, lost income, IP, know how, resistance, missing documentation, cooperation between the parties,...

Migration out - Migration in

Business simulation



Questions ;

How will the old supplier handle the situation?

How will the new supplier handle the situation?

Happy or unhappy divorce?

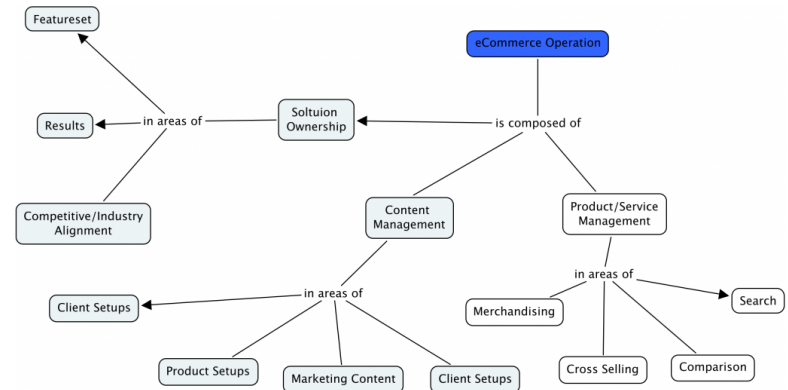
Simulation;

- contract,
- business transfer,
- Knowledge transfer,
- ARD,
- IP and know how,
- resistance,
- missing documentation,
- cooperation between the parties,
- delay,
- missing revenue,
- cost sharing,
- ...

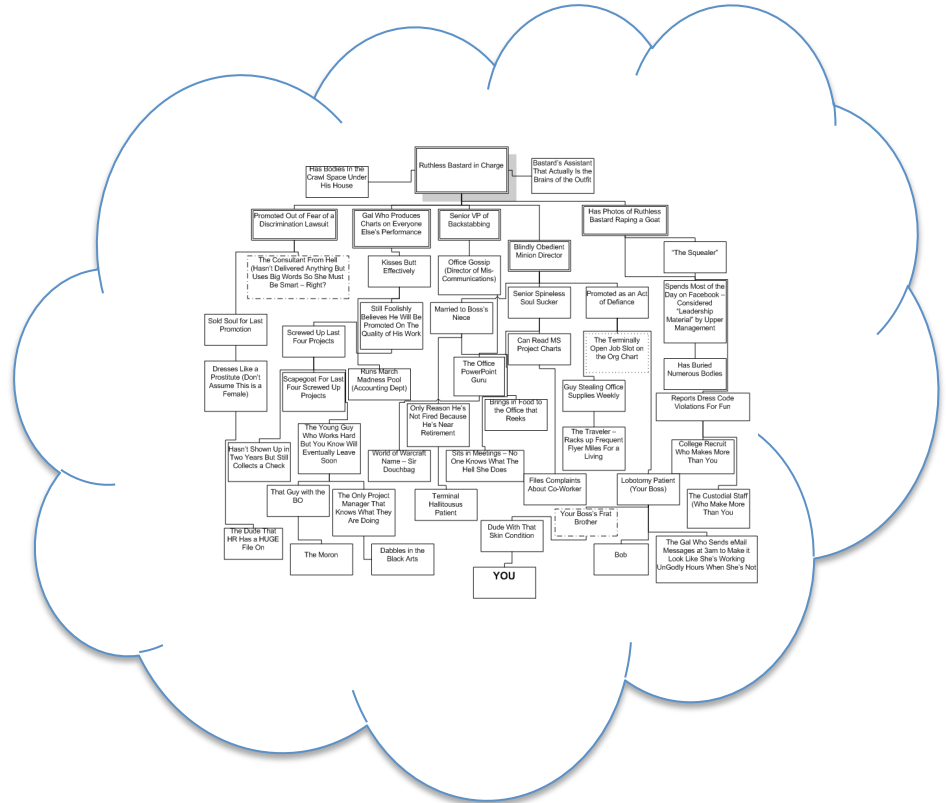
Experiences

Business Culture &
Service Management

Service Management: Mange fine ord, Dokumenter, Verktøy og Prosesser



Real life: many players are involved



Business cooperation, contractors, sub-contractors, sub-sub-contractors, old contracts, old sub-contractors, partners,

Real life: many players are involved

*E.g. Incident or
Change management*



Typical challenges;
Vendor Management
Business cooperation



Audit, control & reviews

Unannounced audit

- Incidents
- Change Managements
- Technical setup



Formally announced audit by SAS

- Service Management
- Service Desk
- Vendor Management

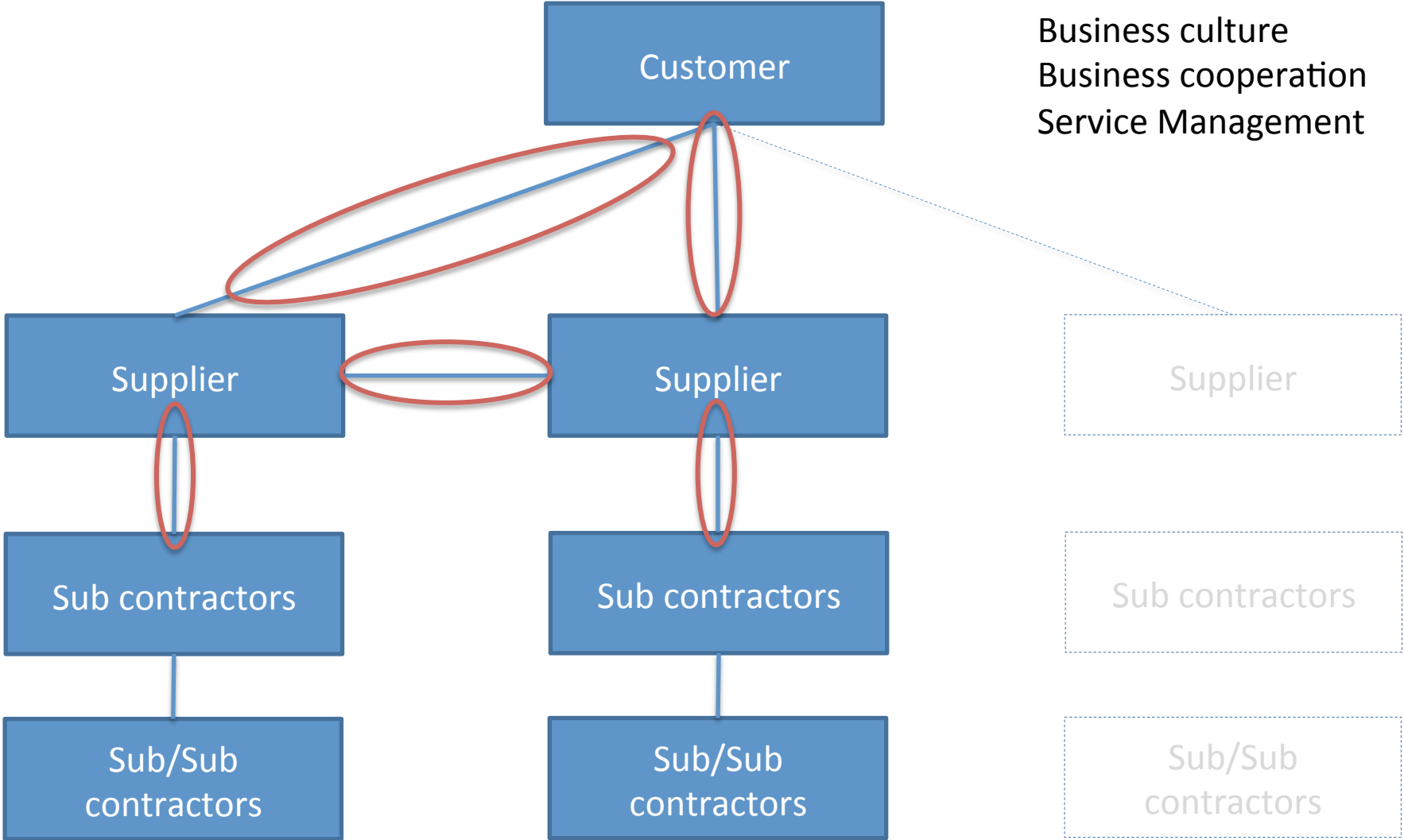
Formally announced audit by third parties IT experts.

- Technical setup

Formally announced audit by official auditor.

- Service Management
- Contracts
- Governance structure
- Technical setup

Findings



Findings



Veldig mye teknisk “slurv”

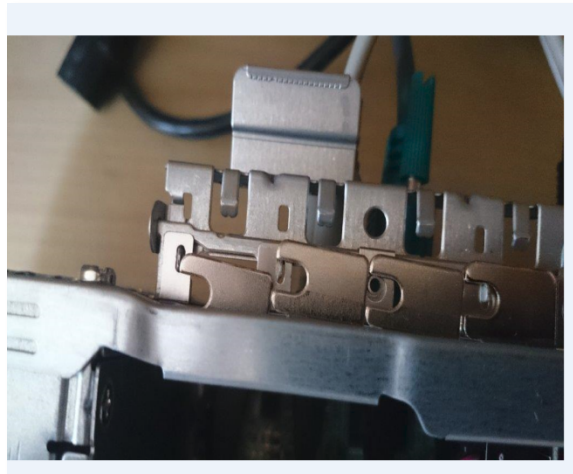
Kontakter var ikke riktig satt inn.

PC'er som lå slengt på gulvet, gjerne opp ned

Chassis ikke skrudd sammen

Feil nettverkskort (ulike serienummer)

mm.

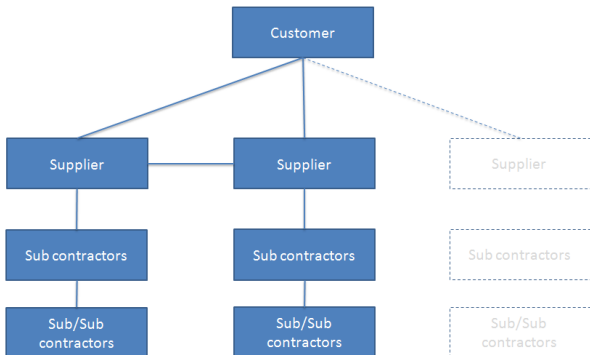


Take control of the processes and tools



SAS Group

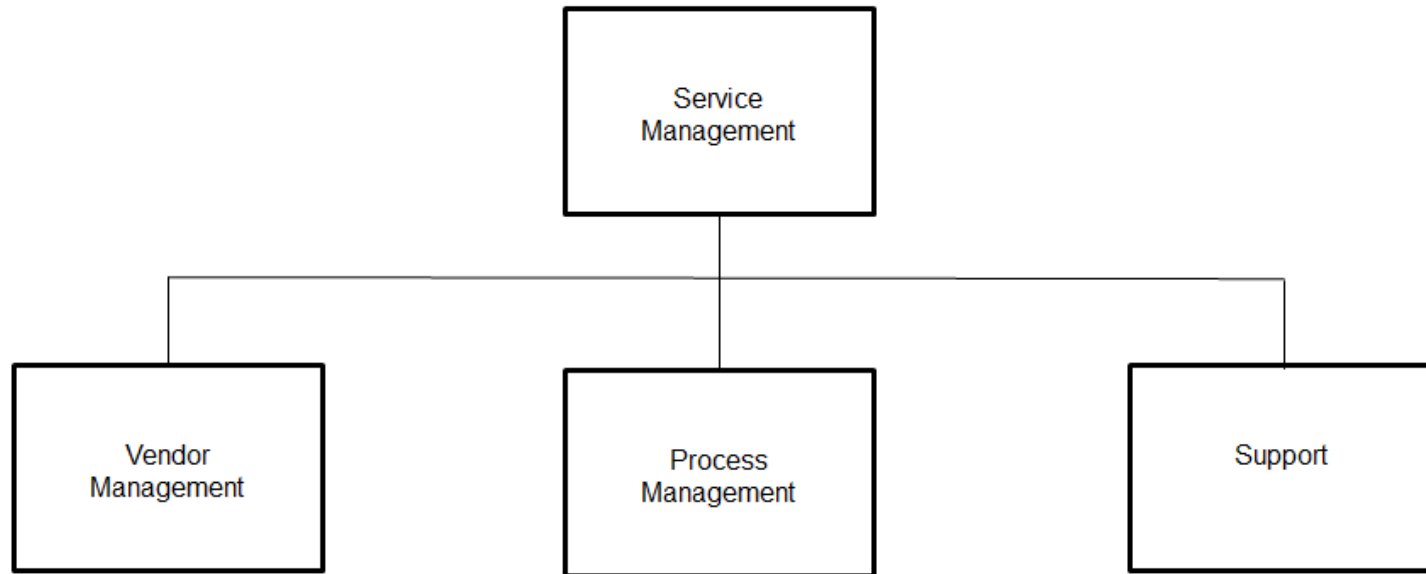
Guardian Supply



Support

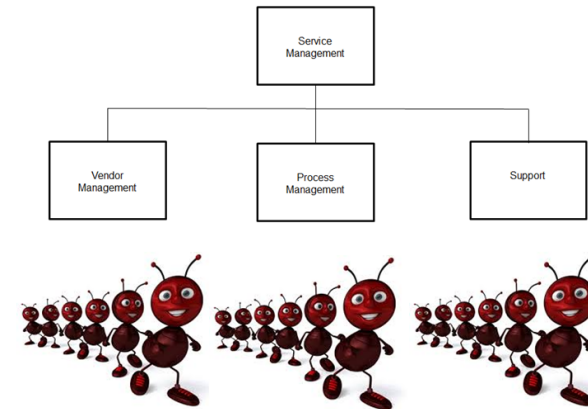


Service Management organization



Conclusion

Success factors



Missing success factor



Service Management

Vendor Management

Process Management

Support



~~IT Business Partner~~

IT Supplier

Simple SWOT

Simple SWOT

Styrke

- Lettere å stille krav til service og leveranser
- Enkelt å bytte ut personer som ikke leverer
- Enklere å skaffe ressurser med riktig kompetanse
- Ikke utsatt for sesongsvingninger
- Ikke utsatt ved sykdom, ferie, avspasering
- Enkelt å avslutte arbeidsforhold
- Mindre risiko ved vekst
- Ikke administrasjons og HR ansvar for de ansatte
- Mer tid til å ivareta egen kjernekompetanse
- Mer tid til å forbedre forretningen
- Enklere å digitalisere / implementere IT systemer
- Standardisering
- Industrialisering

Svakheter

- Manglende nærhet til organisasjonen
- Geografiske avstander
- Kultur og språkforskjeller

Muligheter

- Kutte kostnader
- Redusere «overhead»
- Redusere risiko ved vekst eller ny forretning

Trusler

- Politisk uro / geografisk ustabilitet
- Feil leverandør med feil kompetanse eller arbeidsforhold
- Lav kvalitet på tjenestene
- For store kulturforskjeller
- Manglende arbeidsmoral / arbeidsforståelse
- Stadig bytte av personell, stort gjennomtrekk
- Manglende forståelse av forretning og oppgaver
- Inflasjon (som for eksempel. overgang til EUR)
- Uventet store krav til leverandør oppfølging og kvalitet
- Mister egen nøkkelkompetanse
- Blame game