

# ***Transformaatio on pysyvä tila – vastaa tulevaisuuden IT-haasteisiin***

**CIO of the Year**

**6.5.2010**

**Jussi Pyykkö**

Head of Enterprise Architecture & Integration Services

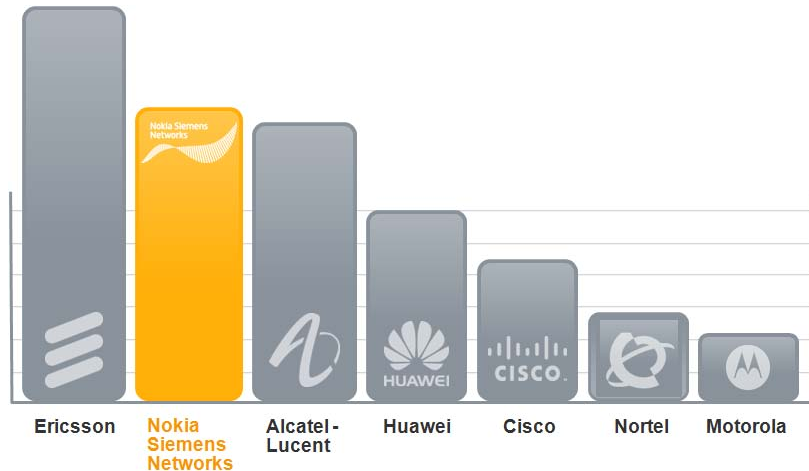
Over 60,000 people in more than 150 countries  
More than 600 Communications Service  
Provider customers

World's second largest telecommunications  
supplier

Every second we touch the lives of millions of  
individuals

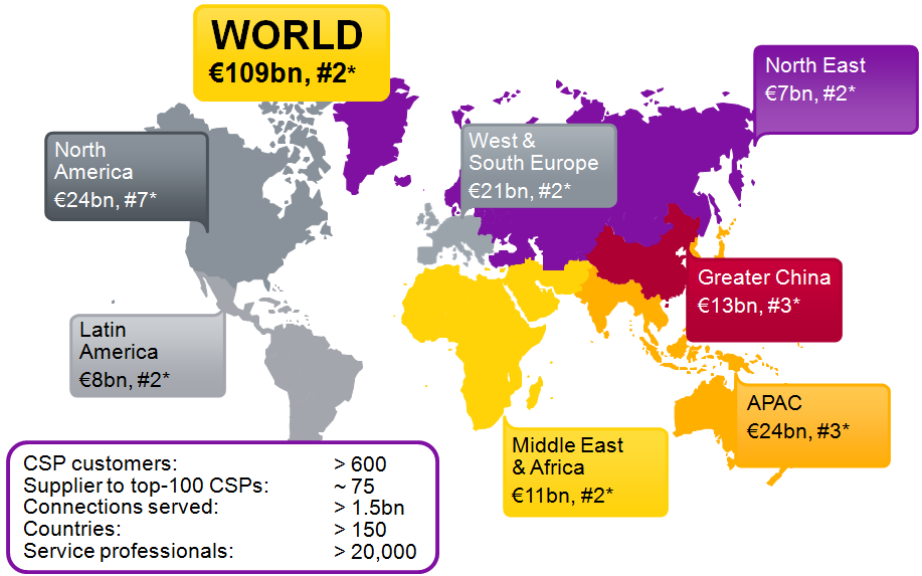


# The world's second largest telecommunications supplier with global presence and service capability



- More than **600 Communications Service Provider customers** in over **150 countries** are served by 600 account teams. **75 top-100 operators are our customers.**
- As the **world's second largest telecommunications supplier**, we are globally present and provide local support.
- Over **one and a half billion people** connect through our networks.

- **#2 or #3 in all regions** except North America
- NSN is the **leading provider of telecommunications network solutions in India**. We are rolling out more than 5,000 mobile network sites per month.
- Our **Services business** accounts for **about 40%** of Nokia Siemens Networks sales.
- We have more than **20,000 service professionals** across **150 countries**.
- Our **Global Service Delivery capabilities** differentiate us from competition. We are pioneering a unique, **centralized global delivery model** through integrated, multi-technology, multi-vendor central delivery hubs that build scale and drive the world's most efficient networks.

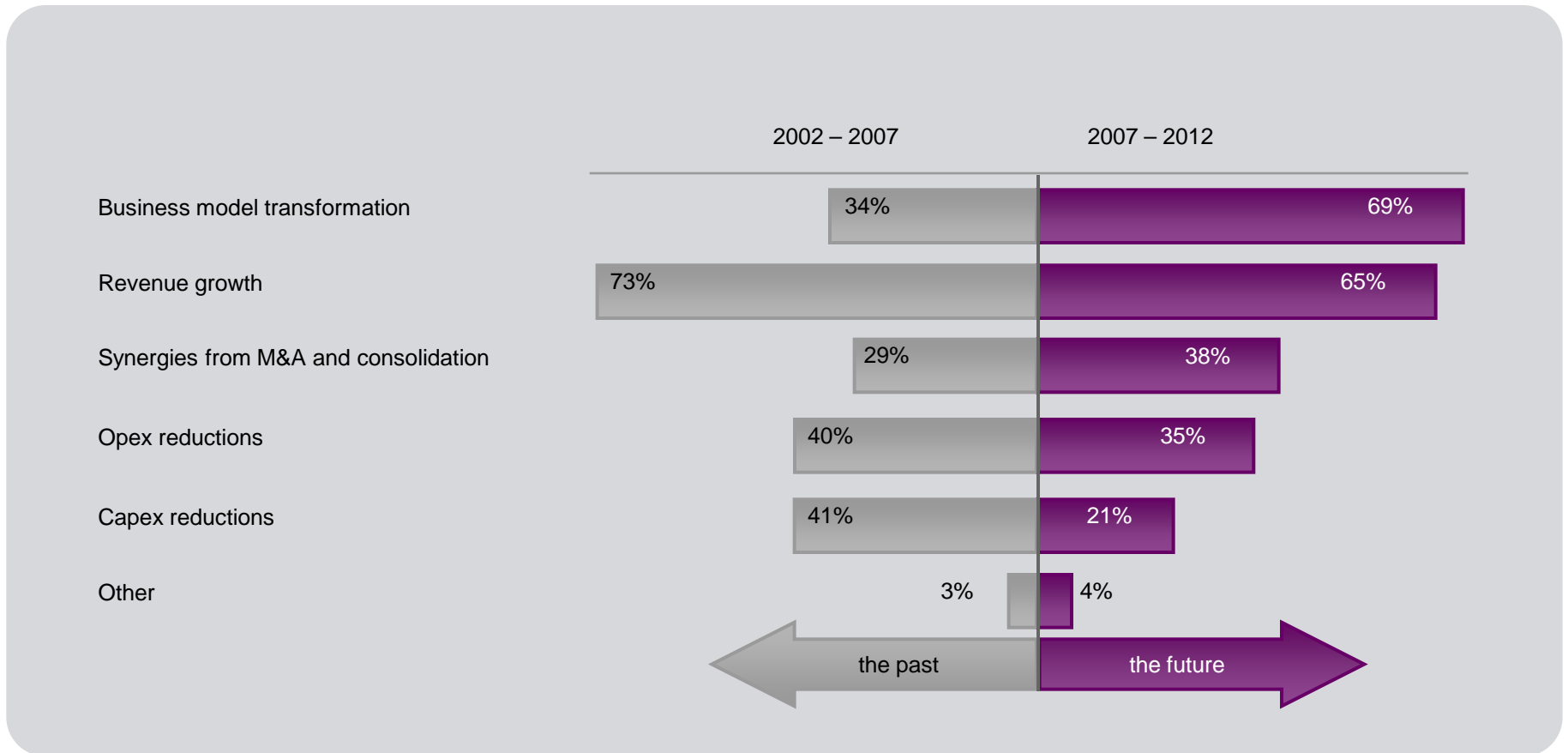


CSP customers:	> 600
Supplier to top-100 CSPs:	~ 75
Connections served:	> 1,5bn
Countries:	> 150
Service professionals:	> 20,000



# Transforming business models: a key driver of future value

## Sources of value in global telecommunications 2002 – 2012



Source: The 2007 IBM Institute for business Value (IBV) and Economist Intelligence (EIU) Telecom Industry Executive Survey (n252)

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# Nokia Networks and Siemens Communications joined operations to form Nokia Siemens Networks

## Nokia

### Company description:

World's leading supplier of mobile phones, having around 40 percent share of the global market.

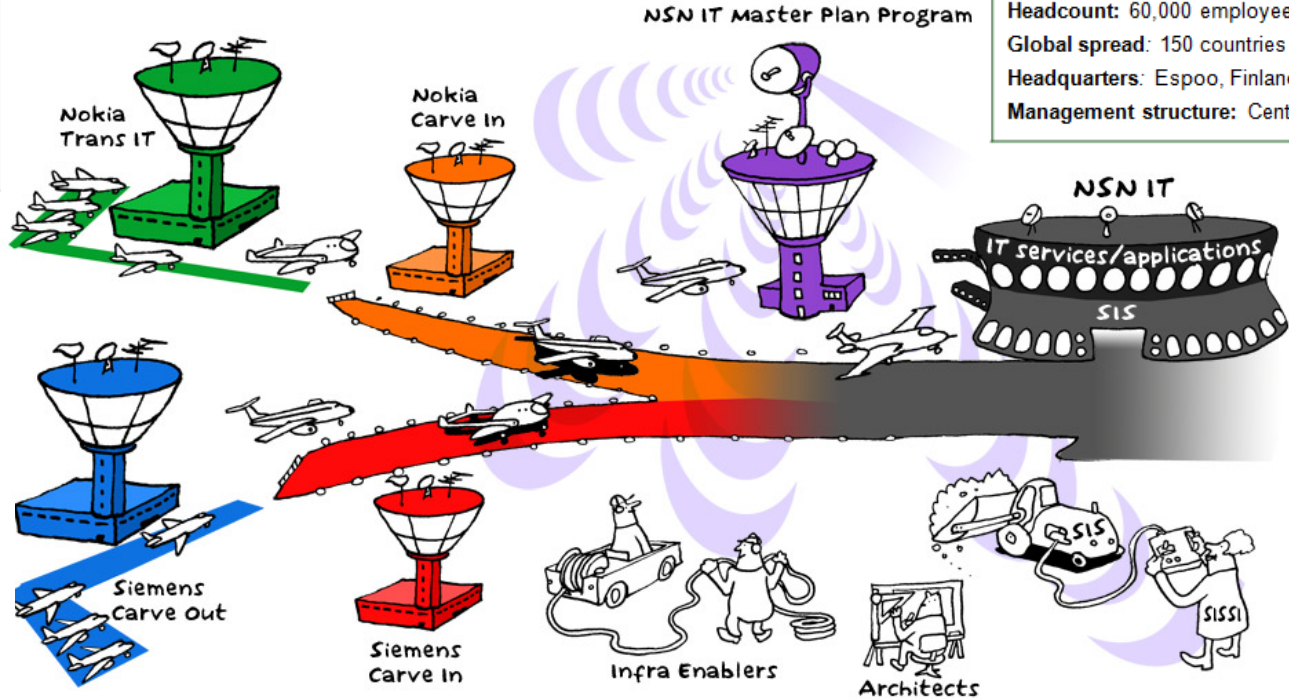
Revenue in 2008: ~\$50 billion

Headcount: 60,000 employees

Global spread: 150 countries

Headquarters: Espoo, Finland

Management structure: Centralized



## Nokia Siemens Networks

### Company description:

Leading provider of communications services with a portfolio of mobile and fixed network infrastructure solutions.

Revenue in 2008: ~\$20 billion

Headcount: 60,000 employees

Global spread: 150 countries

Headquarters: Espoo, Finland

Management structure: Centralized

## Siemens

### Company description:

A conglomerate of three main business sectors: Industry, Energy and Healthcare with a total of 15 Divisions.

Revenue in 2008: ~\$110 billion

Headcount: 480,000 employees

Global spread: 190 countries

Headquarters: Munich, Germany

Management structure: Decentralized

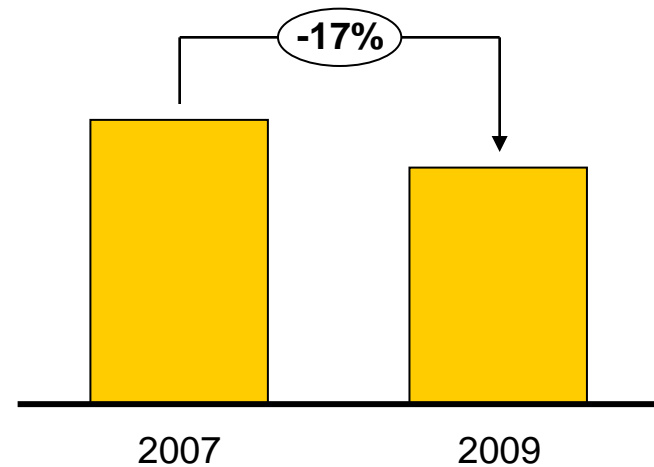
# The NSN Post Merger Integration in a nutshell

- Post Merger Integration completed without major impact on Nokia Siemens Networks' Business Operations
- Outsourcing of major parts of the Infrastructure Services successfully completed:
  - Workstations & Software Mgmt
  - Mailboxes
  - LAN
  - User Care
  - 6 Data Centres established
- Global Support Concept implemented for all IT services
- Consolidated NSN application landscape from 1.125 to approx. 600 applications
- Shared Services established with Nokia for Voice and WAN services
- Synergy savings secured according to initial calculations at deal closure
- Fully independent IT environment established 2 ½ years after Day 1

## Key Facts about the Post Merge Integration:

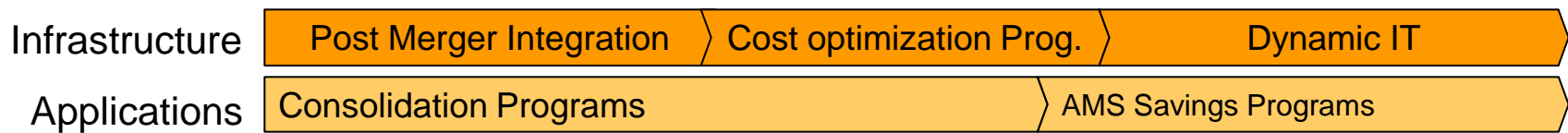
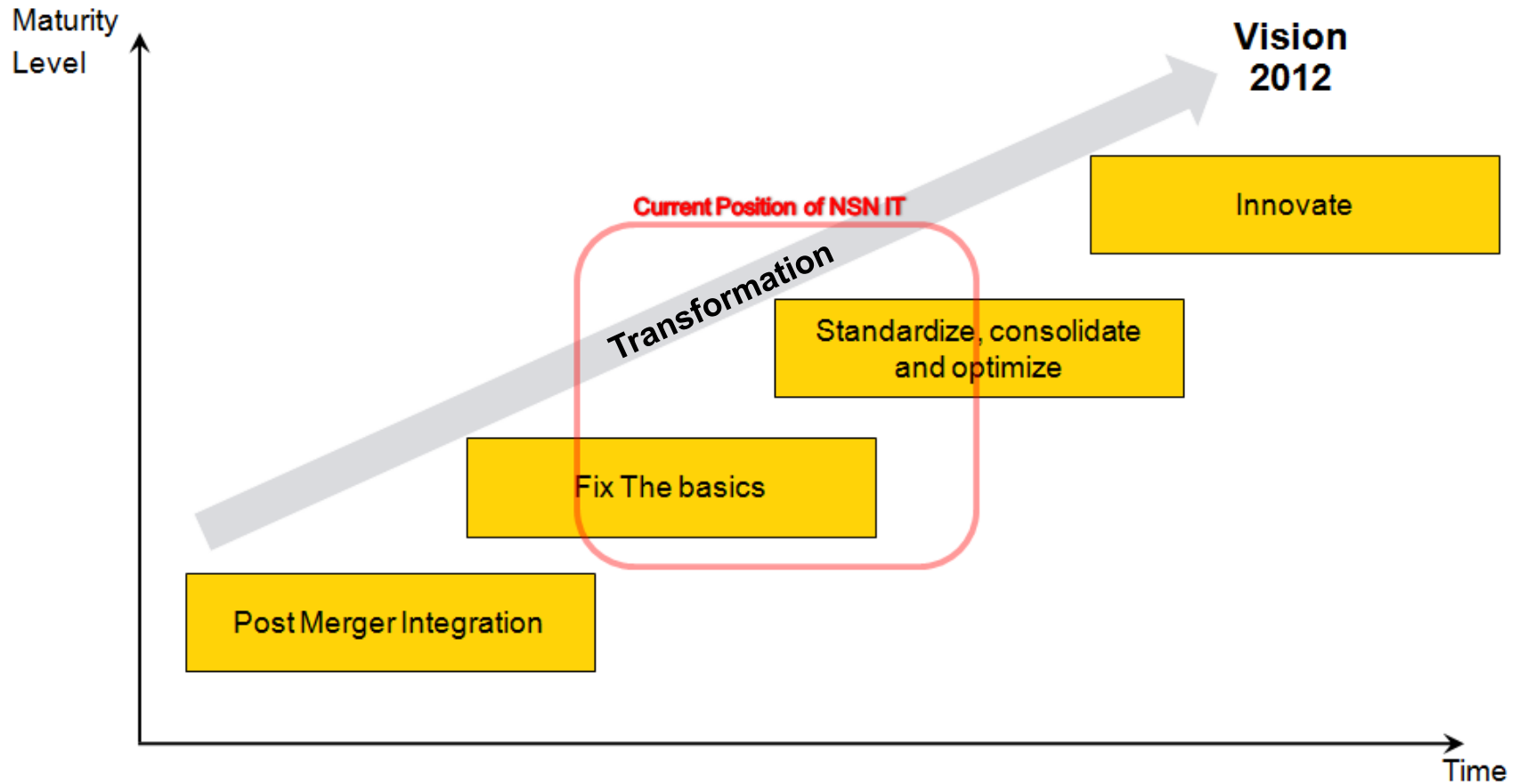
Duration: 2 ½ years  
Cost: approx. 240 M€ (NSN, Nokia and Siemens)  
Statistics: 60.000 internal users migrated  
447 Locations / LAN sites migrated  
70.000 workstations  
78.000 mailboxes  
1.125 applications  
Active Directory and I&AM services, Internet connectivity, LAN & WAN connections, WLAN

## Reduction of Overall IT related cost

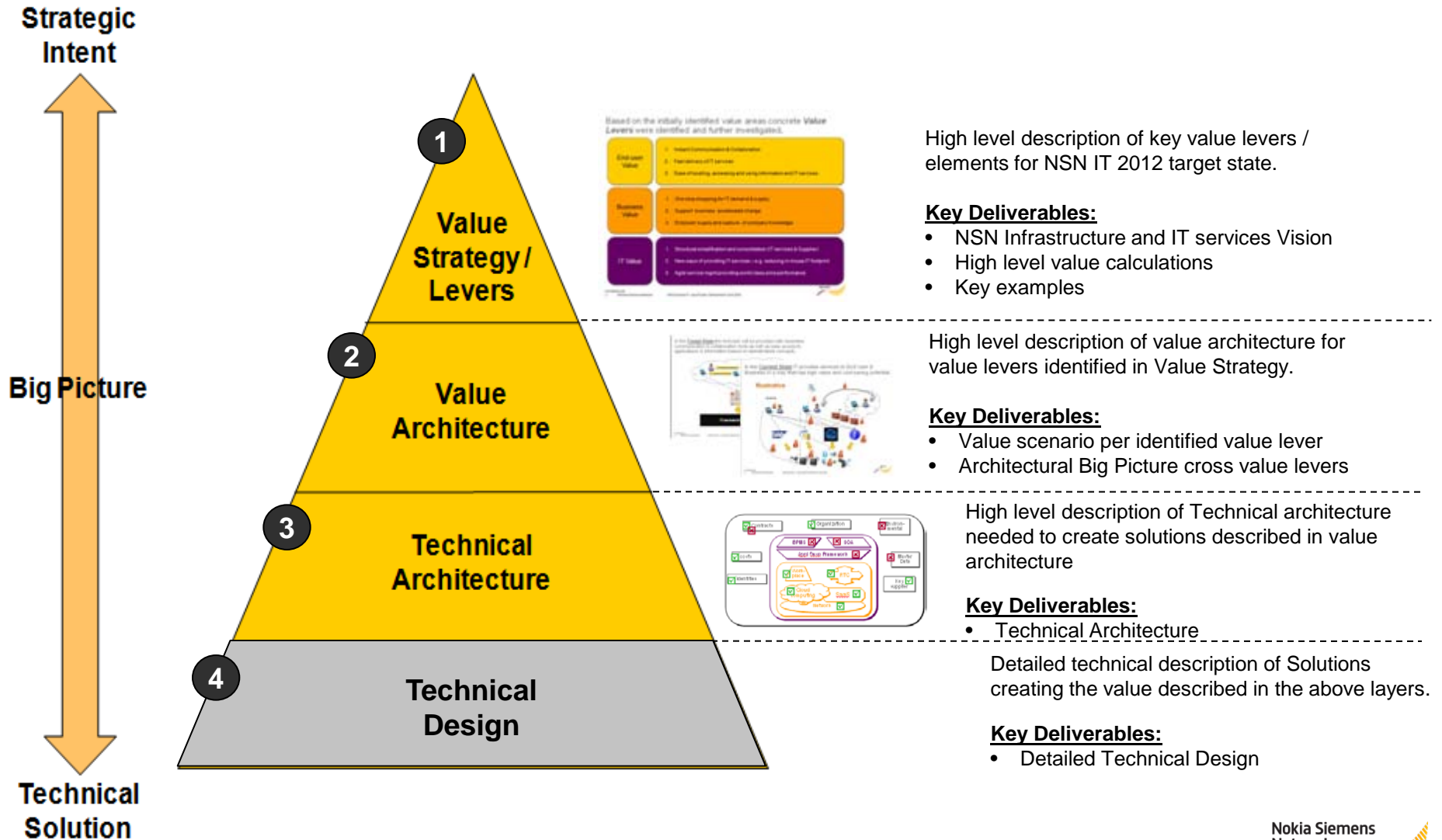


Based on baseline scope at time of PMI start

# After the Post Merger Integration, NSN IT started the took the next step to become a **World Class IT Service Provider**



# Linking value strategy and technical architecture, a four layer Value Pyramid was created



# In the next step the **Dynamic IT Value Framework** with a clear focus on *IT supported value generation* was defined

Increase End-User, Business and IT value  
by simplifying the use and access to the service offerings,  
building in agility and increasing the cost effectiveness of IT.

Provide IT services to end users that are creating clear added value utilizing current and emerging technologies focusing on:

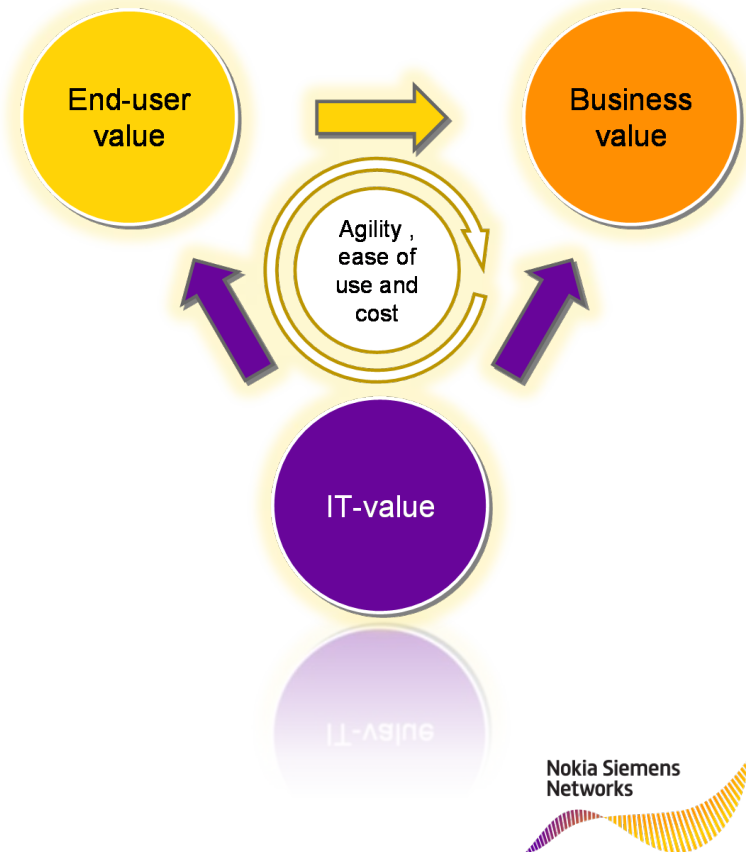
- Ease of use and management of IT services and information
- Ease of access to IT services and information
- Speed and predictability of provisioning of IT services, e.g. phones, laptops
- Instant & planned collaboration and communication in- and outside of NSN

Streamline IT services to support business operations, change and growth in the best possible way by providing agility, scalability and flexibility of IT (organization, processes and systems)

- Enhancement of IT service offering for Business Organization
- Ready-made IT concepts to support business change & growth

Optimize IT operations in order to provide IT service in the most efficient way, focusing on

- Suppliers and services consolidation (simplification and effectiveness)
- Service management & delivery effectiveness
- IT innovation (e.g. emerging technologies)
- Utilize best practices where possible



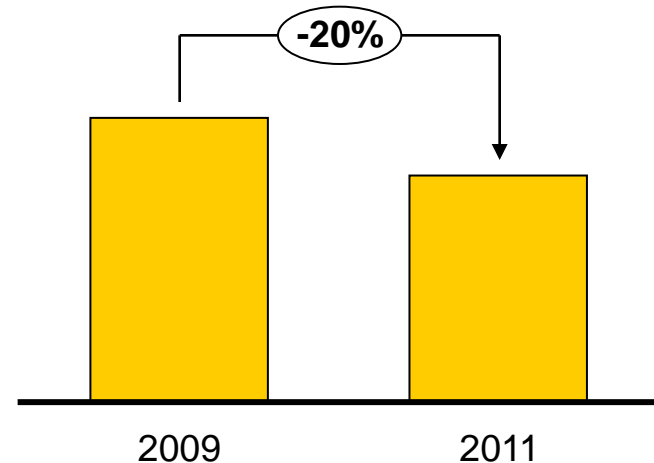
# The NSN IT Transformation in a nutshell

- Application Rationalization from 650 to 450 Applications by 2011
- Network Transformation from currently WAN typology to optimized sourcing model
- Voice Transformation from current multi-vendor environment to consolidated sourcing strategy
- Enable new way of working by implementation of Corporate wide Unified Comms & Collaboration infrastructure
- Data Center Consolidation to key strategic Data Centers globally
- Enhancement of service governance model to stream line service delivery & provisioning
- Optimization of Workstations management and streamlining of related services per user category
- Simplification and modernization of IAM infrastructure to support future business change and growth
- Transform IT service portfolio to web-based service provisioning

## Key Facts about the planned IT Transformation:

Duration: 2 -3 years  
Savings: 20-30% of current IT use cost (estimated target)  
Cost: approx. 50-100 M€ (based on taken approach)  
Statistics: Applications: 650 today > 450 tomorrow  
Reduce number of locations in WAN typology  
Implement Telecom Expense Mgmt  
Consolidation of Voice Service Provider base  
Reduction of number of Data Centers globally  
Promotion of deskless worker concept  
Utilization of Cloud services were applicable

## Estimated Use cost reduction potential



# NSN is committed to drive business change & growth as joined effort between IT & Business



3 years ago we joined Nokia Networks' and Siemens Communication's operations.

Now the integration & consolidation has been completed successfully.

Looking forward we are aiming to create a business driven IT organization to help our business flourish.

# Thanks for your attention!

## Time for Questions ...

