

## “We are helping to grow local business; we are availing ourselves of the best local knowledge, insight and contacts”



**Stephen Chandler, Vice President, EDS, who is focused on development in Central and Eastern Europe, including Russia, outlines how the strategies which EDS has pursued globally would bring benefits to the Russian IT sector**

Talking to government and business leaders in Russia, the questions which recur are often similar to those raised in other countries around the world. As well as the general question on the EDS view on investment in Russia, I am frequently asked: “Would EDS’s potential presence be a threat or an opportunity for the successful, indigenous, Russian companies in the sector?” My immediate answer is that there is very much an opportunity for all, so I’d better explain why I believe in that so strongly.

To address such questions, it is perhaps best not to comment specifically on what we would or wouldn’t do in Russia, but rather to focus more generically on the EDS core business strategy, and also to analyse how we have approached such challenges and opportunities elsewhere in the world.

While we are not well-known in Russia yet, the major business and

government players know that we are a global leader in information technology, applications and business process services, as well as IT transformation services. We provide a broad portfolio of business and technology solutions and services to help clients worldwide improve their business performance. We are well-placed within the top 100 of the Fortune 500, and trade on the New York (NYSE:EDS) and London stock exchanges. These services are provided to a wide range of public and private sector clients ranging from Defence and Central Government through to Communications, Financial Services, oil & gas and other manufacturing industries. One of our specialities, and one of the areas we are best-known for globally, has been the successful delivery of huge Government IT infrastructure services, where we integrate the capabilities of many expert companies

to provide mission-critical services. Since these contracts can be very large and high-profile, they are often in the international news and so will perhaps be known in Russia. I’ll mention a couple of examples in the Defence sector which are well-publicised. The Navy Marine Corps Intranet for US Navy is the largest IT programme in the world and has been running for a while now. More recently we were awarded the UK MOD Defence Information Infrastructure programme (“DII”), to integrate capabilities across the entire MOD infrastructure.

Why are these significant? Because, taking DII as an example, we have implemented a Small and Medium Enterprise (SME) programme as part of our DII contract, over 30 SMEs are involved, we have held a special event for SMEs and put processes in place to make it quick and easy for them to find

out if there are opportunities for them within DII.

This points to one of our key success models – our ability to marshal resources from many other expert companies, large and small, local and global. Earlier I inferred that EDS is a “capability integrator”. I think this is a very important phrase and it leads me straight to the key message of this short article. We need to provide our clients with world-class services wherever they are located. We need and want to work with the best in the world, whether it be an expert Defence Systems Integration company, or a company specialising in an area of technology, or a hardware manufacturer, or an e-Government specialist, or .... whatever is required. The primary platform for delivering this capability is our global “Agility Alliance” which consists of the leading global alliance partners of EDS such as Microsoft and Cisco. However when we work in an international context, especially on a complex Government deal for example, there may be a need for a much wider range of partnerships to provide the complete, optimal service to the client. DII was one example of that in the UK.

When looking at potential deals in other countries, there is a double benefit if the wider partnership includes those expert companies who are indigenous to the country concerned – for many reasons: we are helping to grow their local business; we are availing ourselves of the best local knowledge, insight and contacts; there will be a necessity for local language skills; there may even be a requirement for national security clearance on some government-related projects. Last but not least - and now mentioning Russia which is an excellent example of this - the ratio of educational qualifications, skills and technical capability to cost is often very strong compared to Western Europe. Russia is well-known for producing very high-quality mathematicians and engineers, for example.

Let me briefly describe the successful EDS Global Partner Solutions programme. It’s an EDS initiative designed to assist information and communications technology companies to market

their services and products world-wide. It typically targets the Small and Medium sized Enterprises mentioned above, but the principle can be applied to companies of many different shapes and sizes. This programme provides these companies with the capacity to generate income, to expand their client base and raise their profile within the global market place. Typically, this will be achieved through partnering opportunities with EDS. The EDS Global Partner Solutions (GPS) program was an Information Communications & Technology (ICT) industry development initiative, introduced to meet EDS’ contractual obligations to federal and state governments. It was originally conceived in Australia but is now applicable anywhere. Its original aims were simple - to help grow an innovative Australia by supporting small and medium sized local ICT organisations to market their products and services throughout the EDS global network of clients and industries.

It was successful beyond the most optimistic estimates of the levels of business that would be generated - with very significant export sales being achieved for our partner companies.

It continues to offer an opportunity for EDS business units around the globe to source economical leading edge solutions that can be used as ‘value add’ to our global customer base, or help differentiate our offerings from our major competitors. These solutions were selected on the basis of their innovativeness and uniqueness; and, potential for integrating with EDS’ service offerings. The process was designed to be a ‘win-win’ situation for EDS, our customers, and innovative Australian ICT businesses. The results of this initiative will continue to be recognised, as EDS global offices now have access to a range of key niche ICT solutions from Australia; and small/medium Australian ICT business entities have been able to access to markets which otherwise would have been beyond their capabilities to reach effectively and efficiently.

#### **The EDS Incubator programme**

The EDS Incubator programme is the UK element of this global programme,

already operating successfully in a number of other countries including the United States and New Zealand. The UK initiative is designed to provide similar opportunities for UK based SMEs. The UK programme initiates the contact within EDS - and then assists both the partner company and EDS in the progression of the relationship. EDS is committed to developing sustainable relationships across all capabilities to enhance innovation and service to our current and future clients. The goal of the UK programme is to design and deliver against a client’s strategic agenda within a trusted, flexible, managed supply chain environment. The UK programme works closely with other elements of the global programme to ensure that world wide opportunities are potentially available for all our partner companies.

Taking these programmes as role models, and for all of the other reasons mentioned earlier, we often develop an explicit strategy to work closely with local industry and this can be based on a single project or an entire country programme. In this way the local companies can gain access to much larger deals and even entire markets that they could not otherwise access. Let me give just one concrete example, this one is from Australia. A local expert company provided some products and services to our team for an Australian client. Because this was very successful and caught the eye of one of our accounts in USA due to our global coverage, the product then went on to be used on a major US project. I’d suggest that this dramatically accelerated that small Australian firm’s ability to expand into a global market. We have other such examples of where companies have increased their local AND their international business by working with EDS.

I therefore see some potential for such a strategy, in concept, working well in future in Russia to the benefit and mutual business prosperity of all. I am well aware of the excellent capability of the Russian IT industry, large and small, and look forward to continuing my discussions with Russian leaders to discover mutual business opportunities. 