



CGI PERSPECTIVES ON THE DIGITAL TRANSFORMATION IN MANUFACTURING

Enabling the Digital Continuum

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FORUM
STRATÉGIQUE SUR
LE MANUFACTURIER
INNOVANT

CC
MM la Chambre de commerce
du Montréal métropolitain

IQ Investissement
Québec

40 BUILDING ON
YEARS OF
COMMITMENT

CGI

Experience the commitment®

CGI is strongly positioned as the partner and expert of choice for manufacturing clients

23%

CGI Global Revenue
Manufacturing | Retail | Distribution

7,000

Manufacturing domain experts

2,800

Supply chain experts

700+

Clients Globally

Best-in-class Cybersecurity

Representative Clients

CGI today



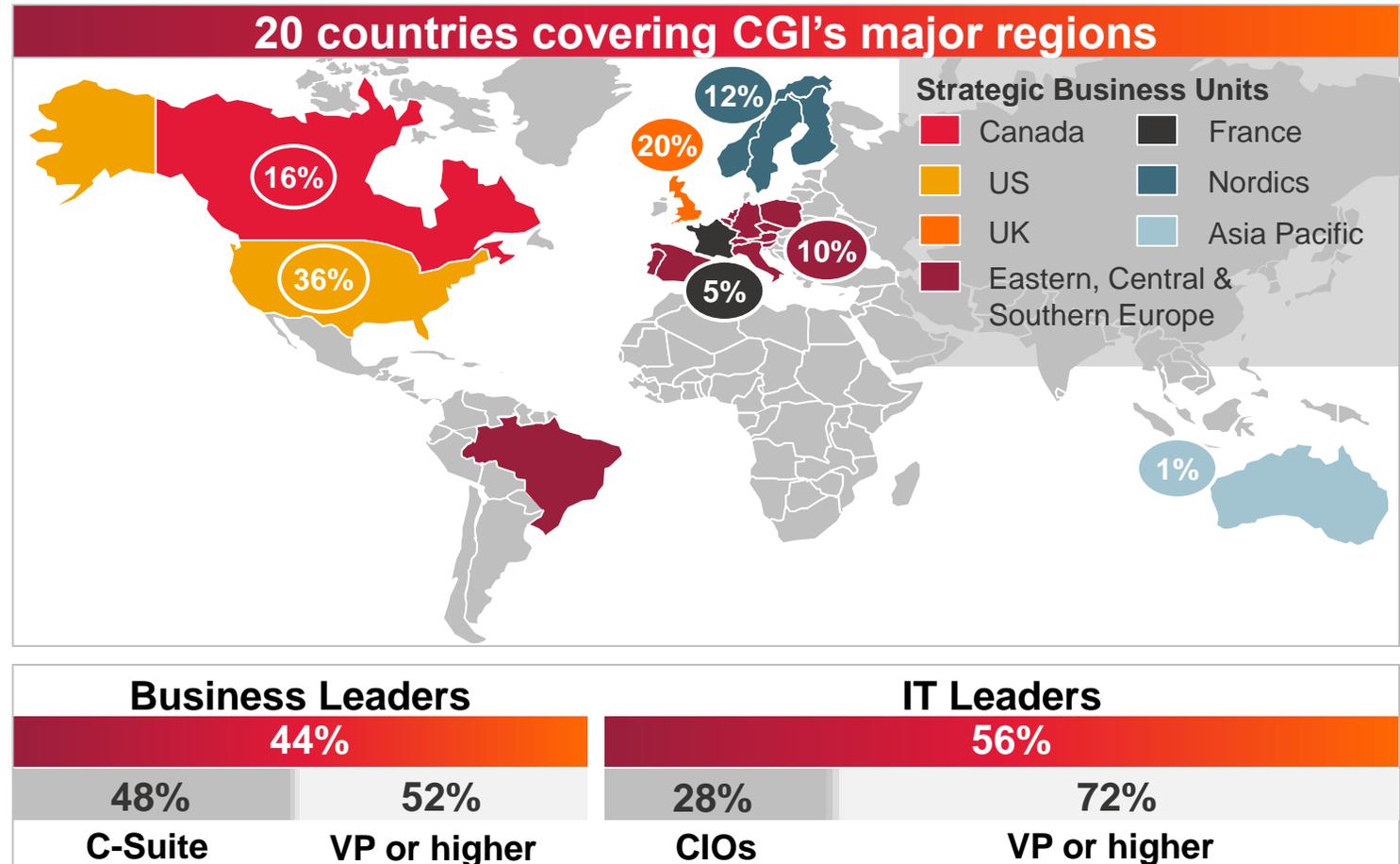
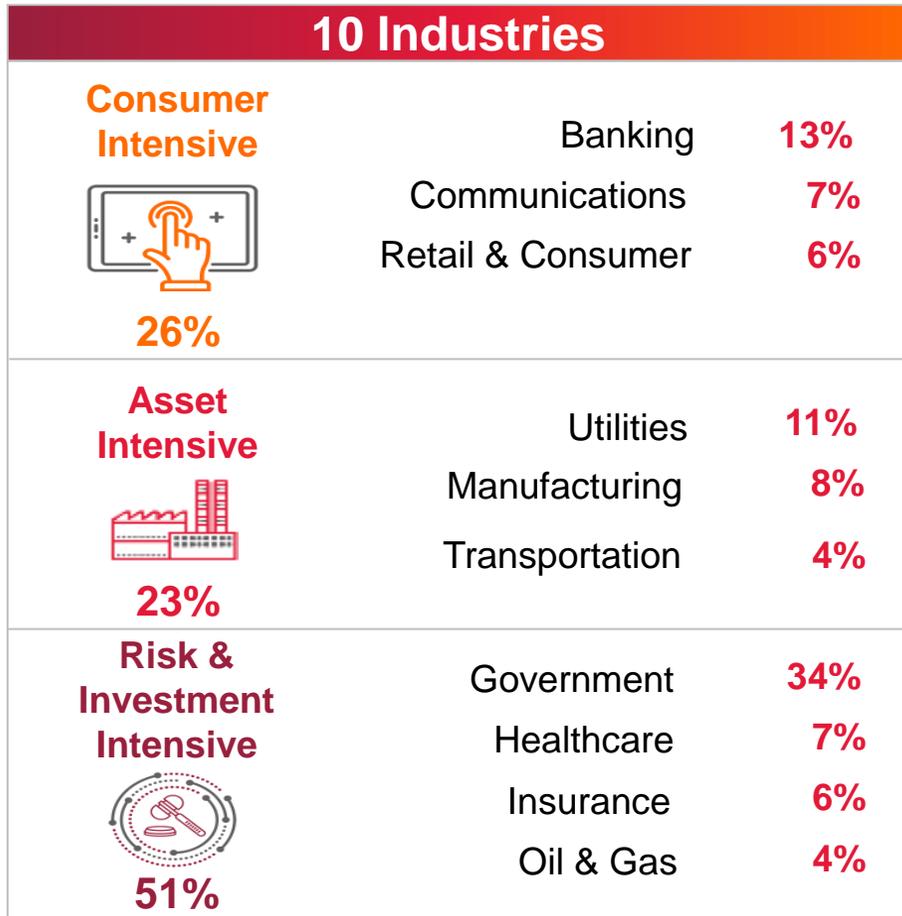
Founded in 1976 in Québec, CGI is the 5th largest independent IT and business process services firm in the world

68,000 professionals	75% shareholders	400 locations	40 countries	9 / 10 client satisfaction
95% on-time, within budget delivery	5,000 end-to-end services clients	150+ mission-critical IP-based solutions	\$10.7B Annual revenue	\$20.9B backlog



CGI Global 1000... The Voice of our Clients

In 2016, we conducted **1000 in-person** client interviews as part of our annual program to **listen** to their perspectives, **refine** our thinking, **inform** our investments, and **evolve** our strategy as their **partner** and expert of choice



Most organizations are in early stages of designing and implementing enterprise digital transformation roadmaps

Most “in progress“ work is focused on discrete digital projects

40%
discrete implementations

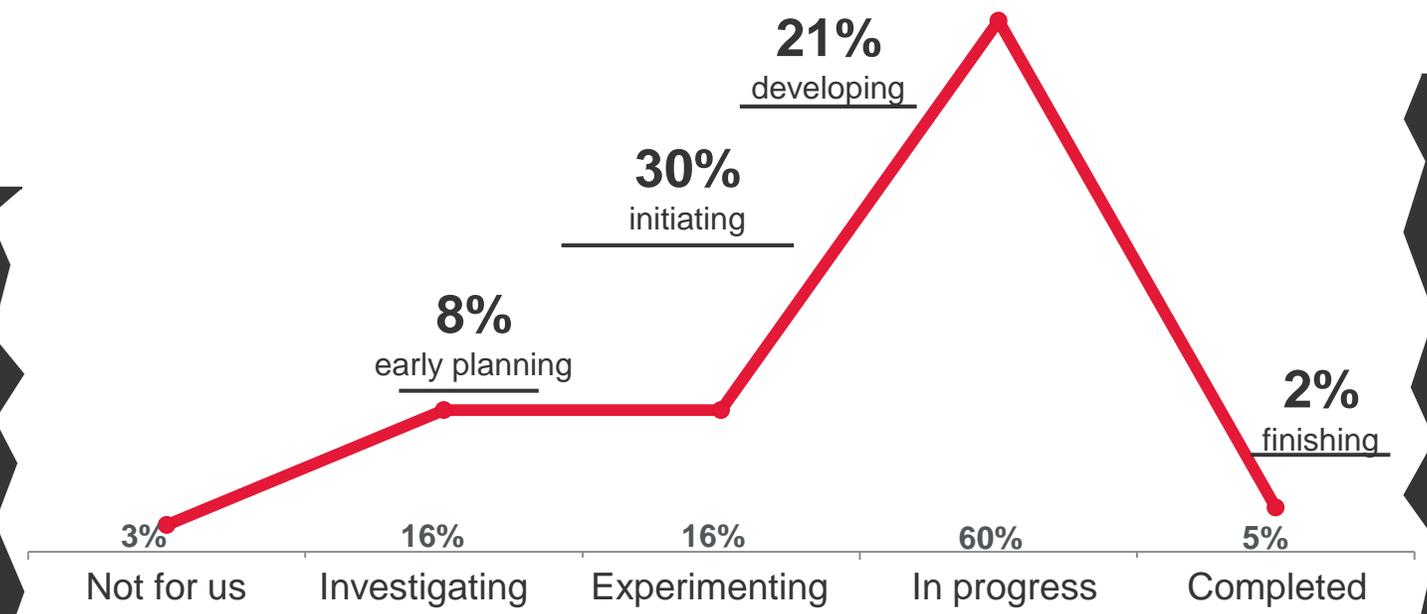
Future State

Current State

Revenue under pressure

Investments to “Change” challenged

Increasing run cost of legacy platform



Drive growth...

...by building a digital organization...

...on a transformed, modern digital platform

Urgency to change >>>

<<< Urgency to change

Source: CGI Global 1000 (2016)



Culture change and addressing Legacy are the top barriers to implementing digital transformation



Source: CGI Global 1000 (2016)

Digital transformation in the Manufacturing sector is accelerating...

- **Becoming digital organizations is on the C-Level agenda**
- **Reducing costs while improving agility + speed to market are the business drivers**
- **IoT, mobile and cloud solutions are essential for the transformation**
- **IT/Legacy modernization is a key enabler**

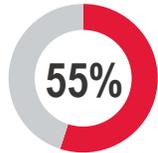
Industry Trends



Becoming digital organizations



Transformation from product-centric to customer-centric



Protecting through cybersecurity



Digitalization extending beyond the enterprise



Growth is crucial and BRIC countries remain key despite volatility

Business Priorities



Optimize today's operations - cost pressure, agility and speed to market



Collaborate across the boundaries - digitalization



Improve the customer experience



Deliver product and service innovations with increased speed to market

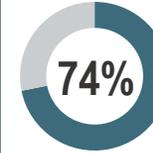


Harness the power of data-real-time insights and creation of new revenue streams

IT Priorities



Digitize and automate business processes



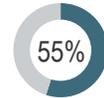
IT modernization, rationalize / replace legacy systems



Leverage Internet of Things (IoT), mobile, cloud



Leverage data and analytics to derive actionable insight



Embrace new IT delivery models (e.g. SaaS PaaS agile)

Source: CGI Global 1000 (2016)

CGI's vision is centered on building the pillars of Industry 4.0, leveraging technology and creating a digital continuum across the value chain

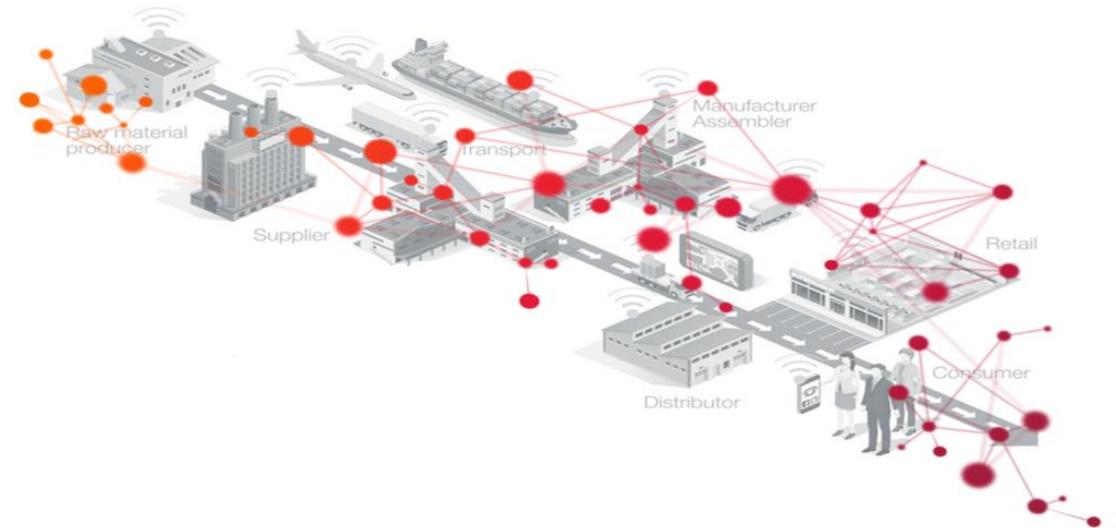
Digital Continuity

Horizontal integration
Value Chain

Vertical integration
Enterprise
Operations

Product lifecycle
End-to-End

Combination of Technologies



Connecting silos to enable a single, unbroken collection of data that is woven throughout the value chain

- **New levels of collaboration, operational excellence and agility**
 - **End-to-end tracking of global production processes**
 - **Enterprise approach to continuous process improvement**
 - **New approaches, new business models, new sources of revenue**

CGI recommends a holistic approach to develop a roadmap that drives business value on the onset and throughout the journey

Customers expectations have never been higher. Great products or services are not enough, great *customer experience is the end game*, from the purchasing idea until the product or service end-of-life (if there is one !)

Our observations and recommendations

There are no silver bullet

Many elements to address to achieve the desired results... It's a journey !

You don't put lipstick on a pig

Digital front end sure but the operations must deliver the promise

Standardize, modernize, re-architect

It does require investments

It's not just about technology

Do not underestimate the culture change

Just do it... Start somewhere

Learn by doing

