

IT Advisory Services



Given today's tough competition and strict regulatory requirements, as well as their experience of IT system implementation projects, CFOs and other executives from various business units are focusing more and more on IT efficiency, productivity and costs. IT problems impede company development, damaging its reputation and leading to a loss of customers and reduced market value, and hinder growth. In connection with this, the requirements for IT service managers are increasing significantly and becoming more complex. On one hand, IT has to help the company meet market demands, focusing on cutting costs and increasing ROI; on the other, it has to help the organization function effectively and provide access to the necessary management information.

In many organizations, IT services try to meet the aims and objectives of the business as fully as possible. KPMG's IT Advisory professionals use their tools and methodology, plus the experience and knowledge of our experts, to provide our clients with the required support for business initiatives from IT, as well as to justify the cost of IT applications and infrastructure.

IT Advisory group

KPMG team supports all stages a company's IT solution: we design plans and conduct a comparative analysis of systems, implement and integrate software and technology, assess the effectiveness of existing IT infrastructure, and help to develop IT management policies and procedures.

We help companies of all sizes from different industries to plan and manage IT investments effectively, streamline IT planning and support processes and improve IT management, and help companies to cut operating costs, improve IT service efficiency and quality, and to respond to the rapidly changing IT and business environment.

KPMG's extensive network of offices, located in 153 countries, allows us to use best practices, methods and ideas, and to engage experts from the US, the UK and other European countries.

We act as a trusted member of the company's management team, and our engagement work is objective and independent.

We help the client's IT service to:

- make their IT investments more effective through the use of best practices and optimization of their IT initiatives
- increase the success rate of their corporate information system implementation projects
- complete projects on time and on budget
- further the company's development, using the latest and most appropriate IT systems and IT management tools

Our Services

KPMG's team of professionals provides a wide range of IT management and support services, including:

- Creating competitive advantages through IT
- Making corporate information system implementation projects more effective
- Pre- and post-investment IT analysis
- Justification of IT investment

From cost-cutting to adding value

A recent KPMG survey of company IT departments worldwide showed that:

- 1 IT value now dominates the CIO agenda.** IT is now seen not just as a cost-cutting tool, but also as a tool for adding value.
- 2 People drive IT value.** CIOs recognize that value is not created simply by technology, but by people exploiting its full potential.
- 3 Cost optimization remains important.** The first focuses on improving the effectiveness of business processes, the second - related issues directly with IT, such as staffing and technical support of IT services.
- 4 CIOs want to better service from sourcing partners.** The first major IT outsourcing wave has now ended. At the same time many CIOs are becoming more critical of their external IT providers and large majority intend to increase the pressure on sourcing partners.
- 5 With technology developing rapidly, CIOs should be the first to begin to apply new methods of work.** CIOs see the implementation of tools for collaboration and cloud computing as priority areas for technology development.

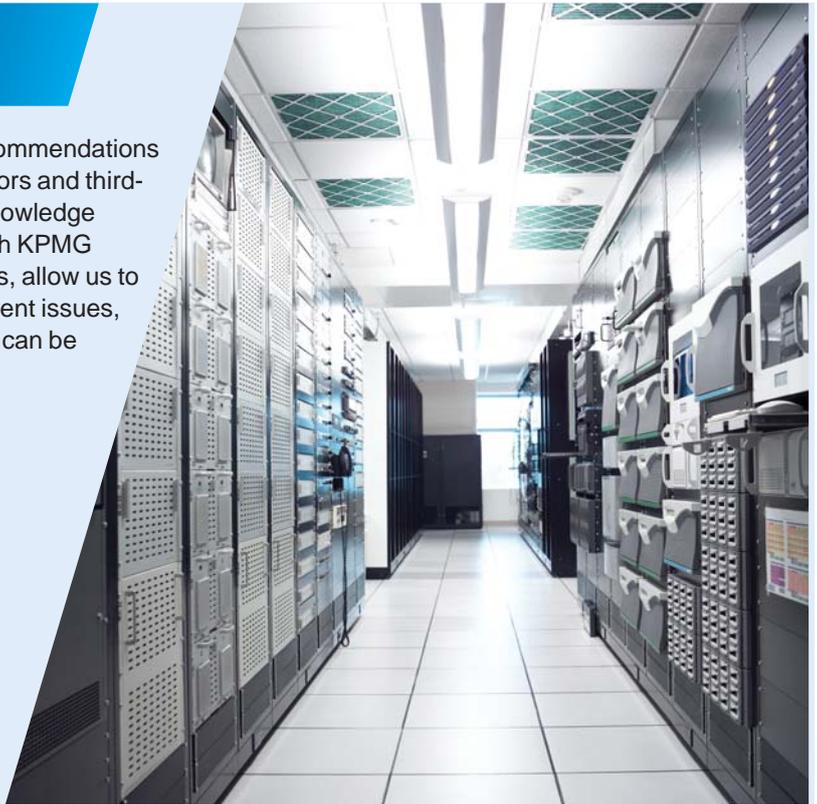
Service	Description	Potential benefits	Our experience
Creating competitive advantages through IT	<ul style="list-style-type: none"> • Strategic planning ensuring business needs are met; IT management structure optimization • Definition of business goals, monitoring implementation and analysis of achievement of the goals • IT project portfolio development and optimization • Development of standards and policies (including those based on international standards (ITIL and COBIT)) • Defining the target IT architecture (applications, data and infrastructure) • Help in the move to outsourcing certain IT functions (determining outsourcing strategy and the target model, IT management, help in the move to the target model) • Organizing and moving to an insourcing model • Service-oriented architecture - management, planning and transition 	<ul style="list-style-type: none"> • Significantly lower IT costs • An optimized IT project portfolio with measurable benefits and payback period • Effective monitoring of IT processes and management practices in line with corporate standards • An improved level of service for IT services • Competitive advantages through well-managed and planned projects in the transition to outsourcing and insourcing 	<ul style="list-style-type: none"> • Updating the IT strategy of a leading Russian oil company • IT assessment and development of a target model for IT organization at a large trading company • IT cost optimization for a leader in the Russian logistics and cargo transport market • Analysis of the effectiveness of outsourcing some IT service functions for a Russian energy transportation company

Service	Description	Potential benefits	Our experience
Making corporate information system implementation projects more effective	<ul style="list-style-type: none"> • Analysis of the solutions market and information system suppliers • Help in choosing suppliers, including preparation of tender documents; evaluation of vendor proposals • Project quality control during implementation • Assessment of project status and risks • Project office organization and management 	<ul style="list-style-type: none"> • An objective and independent evaluation of vendor proposals • Implementation cost optimization and system maintenance • Ensuring that the requirements of business units are met when choosing a vendor • Better project risk management • A much lower probability of failure when implementing large IT projects 	<ul style="list-style-type: none"> • A study of the global market for securities transaction automation software for a major Russian bank (one of the top five lenders) • Choosing an automated banking system for the largest specialized state-owned financial institution • Choosing a tax accounting system for a large international provider of services for oil producers
Pre- and post-investment IT analysis	<ul style="list-style-type: none"> • Overview of the following areas, including the planned changes: <ul style="list-style-type: none"> – IT architecture and direction of its development; – Organizational structure and governance of IT; – The basic agreement on IT outsourcing (if applicable) in the context of service delivery and payment terms; – Analysis of the volume and dynamics of IT spending; – Analysis of capital expenditure on IT (development costs to date compared to budget and plan for the implementation of ongoing and completed projects); – IT control environment and business continuity. • Development strategy for the integration of IT in the merging companies, including the design of the target operating model, IT management 	<p>For the seller:</p> <ul style="list-style-type: none"> • Recommendations on possible pre-sale initiatives to make the asset more attractive and to reduce the potential risks associated with its sale <p>For the buyer:</p> <ul style="list-style-type: none"> • Objective and independent assessment of the current state of IT, identifying potential risks and costs of business integration 	<ul style="list-style-type: none"> • An overview of key IT aspects as part of pre-investment analysis for a large insurance group with a presence in Russia and CIS
Justification of IT investment	<ul style="list-style-type: none"> • Building a business case to justify IT projects • Development and audit of financial models to analyze IT investment options 	<ul style="list-style-type: none"> • Facilitating coordination in project initiation (projected project income), including defending the need to implement projects when the company is cutting costs • Reducing the risks in choosing and implementing an IT solution • A detailed financial model enables more effective project budget control 	<ul style="list-style-type: none"> • Creating a 3-year IT project program and helping to coordinate it with business units for a major oil company

Our resources

KPMG's IT Advisory professionals provide their recommendations independently of system integrators, software vendors and third-party business process performers. Our in-depth knowledge of the IT sector, as well as our close cooperation with KPMG professionals working with other business segments, allow us to help our clients not only to effective solutions to current issues, but also to get a better idea of where improvements can be made in the following areas:

- **Financial management**
- **Improving business performance**
- **Personnel management**
- **Development of operational strategies**
- **Implementation of IT systems based on SAP products**



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