



Application Management - Highlights

- Managed service
- Onsite-offshore model
- Guaranteed year on year savings
- Proven processes and methodologies
- Service level based delivery
- Productivity improvement

It is a stark reality that around 80% of company's IT budget goes into maintaining existing applications and provides maximum opportunities for savings. The biggest challenges for IT Managers today are:

- To reconcile the spend on application management with the volume and quality of work delivered
- Inadequate mechanism to track costs resulting in lack of accountability on IT spend
- Inability of IT organization to bring down cost of sustained application management year on year

This is where Mphasis' Incident based Pricing Model makes a difference.

Mphasis' Incident based Pricing Model

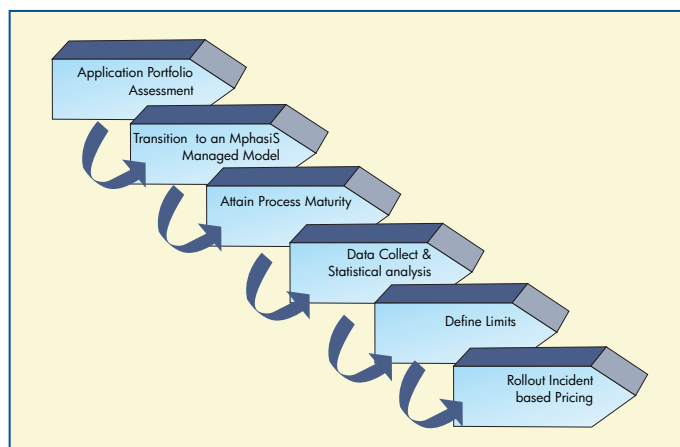
Mphasis' Incident based Pricing Model brings in complete predictability in application management costs by ensuring the spend proportionate to the work volumes. The flexible model delivers cost savings beyond the point where conventional models like Fixed Price or T&M cease to yield benefits.

Pre-requisites for the Model

- Maturity into an Mphasis managed model
- Availability of historical application management records for 6 – 12 months
- Forecast of enhancement requests for a year

Roadmap

The road to establish an Incident based Pricing model includes the following steps:



Incident based Pricing Model - Commercial Framework

The advantage of moving in to an Incident based Pricing model is to forecast and fix the Floor and Ceiling (spend limits) with precision for estimated work volumes. Floor is the minimum number of incidents for which the client would be charged irrespective of the actual volumes (eg. can be 85% of previous year's spend). Ceiling is the maximum number of incidents for which the client would be charged irrespective of the actual volumes (eg. can be 95% of previous year's spend). The client is charged based on a published price list.

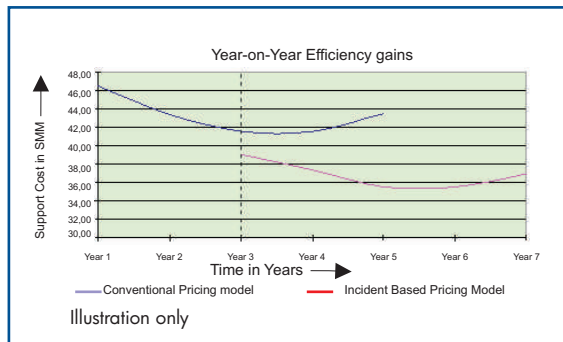
Year on year efficiencies provide additional flexibility in bringing down spend limits.

Severity	Category	Price per Incident
Severity 1	Break Fix	\$1,343
	Maintenance	\$1,046
Severity 2	Break Fix	\$1,168
	Maintenance	\$939
Severity 3	Break Fix	\$1,407
	Maintenance	\$783
Severity 4	Break Fix	\$2,290
	Maintenance	\$439
	Break Fix	\$561
	Maintenance	\$2,140

Illustration only

Benefits

- Increase control over spend for clients
- Upfront commitment on floor and ceiling by MphasiS
- Shared gains from efficiency and productivity
- Improved utilization of resources
- Enhanced application stability



About MphasiS

MphasiS is a leading Applications, Infrastructure Technology, and Business Process Outsourcing services provider. The company delivers real improvements in business performance for clients through a combination of technology know-how, domain and process expertise. With currently over 34,000 people, MphasiS services clients in Financial services, Manufacturing, Healthcare, Communications, Media & Entertainment, Transportation & Logistics, Energy & Utilities, Consumer & Retail industries and Governments around the world. To know more, visit www.mphasis.com

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