CAPACITAS

THE TECHNOLOGY EDGE

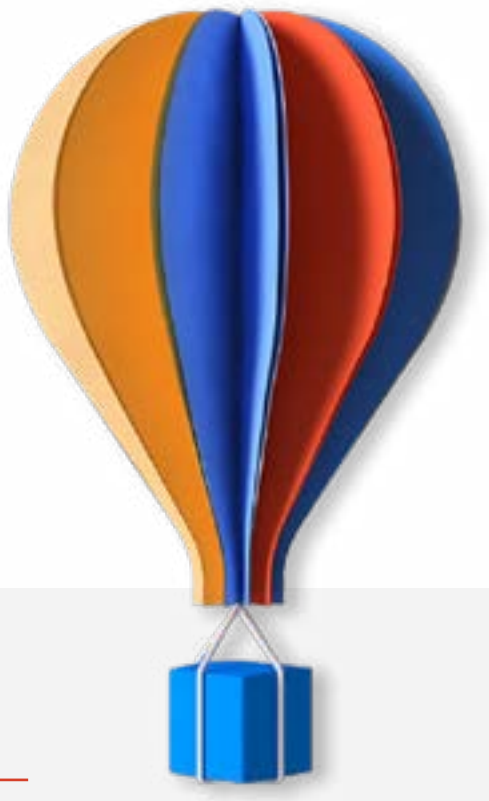


CASE STUDY

CEGID A JOURNEY THROUGH THE CLOUD.

CEGID - A JOURNEY THROUGH THE CLOUD.

Client: Cegid
Service: Performance Audit & Cloud Optimisation Programme



ABOUT CEGID

Cegid is a global leading provider of cloud business management solutions for finance (treasury, tax, ERP), human resources (payroll, talent management), CPAs, retail and entrepreneurial sectors.

Cegid has 4.400 employees serving 500.000 customers in in over 130 countries. In 2021, Cegid recorded a turnover of €632M. The target by 2026 is €1.3B.

THE REALISATION

Cegid recognised that growing a SaaS service quickly, while still managing cost efficiencies and product quality, is very different from managing an existing product set. Cegid has ambitious growth plans for the next 5 years and has invested heavily in tools to support this growth. This growth plan has presented additional business challenges for this very complex infrastructure in terms of transformation, risks, costs, and optimisation - that other organisations may not experience.

The company wanted to ensure they gained maximum value and despite investing in tools and technologies, Cegid wanted confidence in their budgeting and plans of moving services between cloud providers. Internally, they have teams of highly skilled engineers, but they needed to take on new working practises around managing cloud infrastructure, and optimisation of their SaaS platform. There were several elements that made embedding these new working practises challenging:

- Cegid's revenue is based on providing business critical solutions to customers which need to be fully available up to 24/7/365. An interruption of services can have enormous damaging consequences both to customer relationships and revenues.
- Cegid manages a large range of platforms using different technologies, mostly cloud native. This introduces complexity in management of infrastructure and optimisation. There was no single pattern of behaviour of application that could be rolled out to the rest of the environment. This was mainly due to not having an "evergreen" performance methodology which could be applied across technologies.
- There was some reluctancy to change because of the risk of interruption. The changes were examined cautiously with a zero-risk approach. Any optimisations needed to be in-depth insightful and have lots of conviction before acted upon.

INTRODUCTION TO CAPACITAS

- The CTO of Cegid, André Brunetière, and the Cegid board invited Capacitas to do a performance audit of Cegid's complex estate to give an independent assessment on whether more value could be achieved as part of the future growth plans. Capacitas is one of the UK's leading consultancies in the cloud excellence space.
- Capacitas worked with the teams on a benefits and risks approach. Working in collaboration with the Cegid team, collectively they discovered areas for optimising the management of its infrastructure and cloud providers. Although individually the Cegid engineers were highly skilled, collectively the organisation had become a 'run' organisation and accepted the status quo. So, the expectation and how Cegid managed their CSP, especially in private cloud, needed to be renewed given their accelerated transformation to a SaaS organisation.
- Capacitas tested and analysed across seven key areas of performance to achieve a full and complete understanding of Cegid's estate. These are known as the 7 Pillars of Software Performance and are as follows:



Throughput & Response Time



Capacity



Efficiency



Scalability



Stability



Resilience



Instrumentation

Initially, the audit was seen as a 'tick in the box' exercise by some Cegid stakeholders. However, following the audit, Capacitas was able to make key recommendations in terms of a detailed strategy to manage and enhance performance, and indeed around the cost savings that Cegid could achieve. There were some scepticisms and conviction steps that needed to be carried out with the Cegid teams around the audit. Objections were raised, including getting 2nd opinions from different providers, and middle management pushed back on Capacitas's recommendations. This is quite a natural reaction when engineering teams care so much about the customers they support, and as they are closest to the infrastructure, they can often feel that external partners would not necessarily understand their complex ecosystem. However, Cegid's major investors, Silverlake, provided confidence to CTO, André Brunetière, and the board, that the audit findings were accurate based on previous experience working with Capacitas.

The Cegid team embarked on an ambitious 1-year programme to start delivering the recommended cloud strategies. During this programme there were some constraints in terms of bandwidth of teams, CSP contracts and team skills. The start of the journey was challenging as there still was some reluctance from the Cegid team. They were not quite convinced about the audit findings and the recommended optimisation enhancements from Capacitas. Not enough change was seen in Cegid's bi-weekly update meetings, and André Brunetière decided that a change of management was needed, alongside a shift in cultural change. This change ensured a new way of collaborating. In addition, as the actions and optimisations started rolling into production and the benefits were realised, this created a virtuous circle. By the end of spring and summer the optimisations accelerated! There was a real positive energy within the programme that Cegid had not previously experienced.

27%

REVENUE GROWTH

Our collaboration on strategy enabled Cegid to increase **subscriber growth by 27%** with no extra cloud investment, delivering an equivalent enterprise value boost of in excess of $100m*.

"Silverlake(the investors) provided me with confidence that the audit findings were accurate based on previous experiences with Capacitas. my teams embarked on an ambitious 1 year programme to start delivering the recommended optimisations"

Andre Brunetier
CTO & CPO Cegid



CHALLENGES



At one point during the optimisation work there was a significant incident which the Cegid team thought was caused by the optimisation programme, despite the great progress already achieved. Naturally, this caused the Cegid management to become more cautious as they didn't want their teams and colleagues to feel they were no longer in control of the programme. This had an impact, in terms of execution of the optimisations, as the Cegid team needed to gain confidence in implementing further optimisations. However, it was realised that the incident had highlighted some longstanding issues, including visibility gaps on the cloud infrastructure and some housekeeping elements. In addition, the increased growth of client engagements had created challenges, resulting in the incident occurring. Lessons learnt, and Cegid is now in a position where this kind of incident are less likely.

The engagement with Capacitas commenced just prior to the Covid-19 pandemic. Because of this, a majority of the project was fully remote and presented some challenges in terms of collaboration. There were also some language barriers. However, Capacitas worked solidly with the Cegid team, and the overall delivery of the programme was a huge success.

RESULTS



The results speak for themselves. Savings of €6M per annum and a 27% growth in business with no overall increase in cloud infrastructure. This had dual benefits for Cegid in not only releasing investment for people, but also improving Cegid's carbon footprint. Capacitas successfully managed to change the mindset to "Use what you need. Don't overconsume." This change in mindset and culture could also be seen at the programme level, as the Cegid teams worked in a more productive and outcome led way. This allowed Cegid to renegotiate contracts with the cloud service provider in a way that was more aligned to their long-term goals. Several of Cegid's internal stakeholders were also promoted due to the success of the optimisation programme.

THE ROAD AHEAD.

Cegid is on a journey to improve the gaps that were highlighted as part of the performance audit. This means looking at new ways of working that also meet Cegid's vision of being a SaaS organisation that really cares about its customers and teams.



The first stage of that journey is to build a joined-up view of capacity, performance, and cost within the teams. This means looking beyond today and instead to what the future looks like for Cegid's customers, and costs. This involves training the Cegid teams to look at data critically and move away from decision making being made based on estimations and feelings.

Capacitas is therefore now engaged with a program, for Cegid, recruiting graduates, upskilling, and training them, so that Cegid have their own highly skilled, in-house team of experts.
The second stage is for Cegid to get the most value out of their cloud providers both in terms of recourses and teams, so that they can pass these benefits on to their customers.

Cegid is constantly evolving and by engaging with Capacitas in this transformational cloud programme, Cegid are now demonstrating best practise in the efficiency of cloud scalability, service stability and optimisation of their SaaS platform. Capacitas has made a material difference which will aid Cegid in continuing to be one of the world's fastest growing SaaS companies.

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Capactias are **experts in cloud excellence** and our consultants holds deep industry experience. We have a unique and holistic data analytics approach that spans through cloud cost, performance, and scalability vectors to understand and address customers' specific business and technology challenges. This is not possible with traditional approaches that fail to consider interdependencies across all three cloud vectors.

Capacitas goes **beyond traditional cloud optimisation** approaches.
We ensure that benefits across the three key cloud vectors are maintained by helping our clients navigate ongoing business and technology changes.

We go right up through the entire tech stack into the application thereby typically getting x 4 cost and scaling opportunities!

At Capacitas , we also focus on transferring cloud knowledge to customers' engineering teams in a programmatic way, and to a far greater extent than traditional cloud optimisation partners. This ensures that **scalability, performance, and cost benefits** are maintained for the long term.

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Cegid is a leading provider of cloud business management solutions for finance (cash-flow, tax, ERP), human resources (payroll, talent management), CPAs, retail and entrepreneurial sectors. With a solid full cloud business model, Cegid provides long-term commitment to its customers, superior and distinctive experiences and helps companies of all sizes accelerate their digital business transformation, locally and worldwide. Cegid combines a forward-thinking and pragmatic approach of the business with strong capacity to innovate, an in-depth expertise in new technologies and an understanding of regulations and compliance. In today's rapidly changing world, Cegid makes more possible by helping customers unleash their potential thanks to innovative and purposeful business solutions.

Bolstered by its strong international ambition and reach, Cegid has 4,400 employees and sells its solutions in 130 countries.

Cegid reported revenues of €632 million (as of December 31 2021). Pascal Houillon has been the CEO since March 2017.

For more information: www.cegid.com; http://jobs.cegid.com/


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