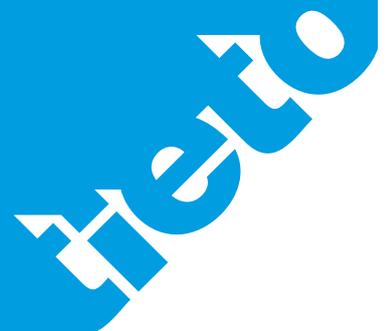


Focus. Determination. Continuity.

How Tieto became
an alliance Partner of Choice

“When it comes to partnerships, Tieto is punching well above its weight, outperforming bigger and well positioned companies. Tieto has put some real meaning and evidence into the claim - A Partner of Choice”

Mike Nevin, CEO, Alliance Best Practice



Executive summary

No man is an island. Today's IT industry business ecosystems have become so competitive that the ability to manage alliances in a smart way is necessary to succeed. This document describes Tieto's key achievements and learnings in building and managing partnerships during 2009–2012.

While issues revolving around partnerships are and should be in anyone's interest at Tieto, we felt that we needed better support for business development. As a result, in 2009 we created a global alliance team to provide dedicated and centralised support for taking partnerships further. The goal of this journey was to turn us into a more compelling partner, meaning a lot easier to work with. And more interesting in the customer's eyes.

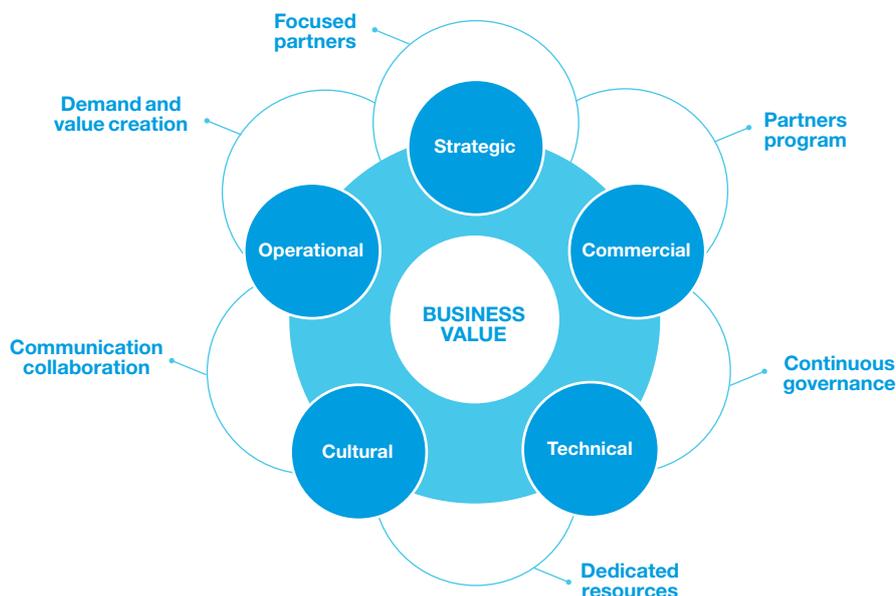
In many ways, this goal was met in less than four years:

- Tieto managed to build a systematic partnership model that enabled keeping partnership development steady even while organisational changes took place.

- New valuable points of contact were opened and cooperation with Microsoft, IBM, SAP and Oracle has taken off. This includes focused offerings with each partner and joint sales and go-to-market activities.
- Tieto has reached an endemic partnership phase, i.e. partnering has become an organisational competence and other players recognize this ability.
- Commercial results in relation to partners show a rise in Tieto total contract value (TCV) up to five times from 2009 to 2012.

Our next focus will be on further aligning our offering portfolio in line with our partnership strategy. This will further define the technology choices behind different services and this is where the commitment of our strategic partners will be essential. Without having started the journey towards more systematic partnerships in 2009, this would not be possible today.

Figure 1. Systematic business partnership behaviour enables increased revenue and growth.



Focus

Beginning the journey

In a large organisation such as Tieto, it was found that there were up to 10–15 departments talking with a single partner. Partners found it difficult to partner with Tieto. There was a need for partnering skills. A major step forward was to designate an alliance manager for each, as a single point of contact. The results were encouraging given that all key partners subsequently found it helpful to address all questions and inquiries to one place. This also simplified things for Tieto employees, who had a lot of questions on different levels: how to contact a partner, how to connect to the right people in sales, strategic alignment, offering development, marketing, technical support etc.

Aiming to the next level

According to external research company Alliance Best Practice, organisations typically go through three phases when they develop partnerships:

1. The opportunistic phase occurs when an organisation simply spots an opportunity and exploits it almost randomly, often without structure, function or systematic approach.

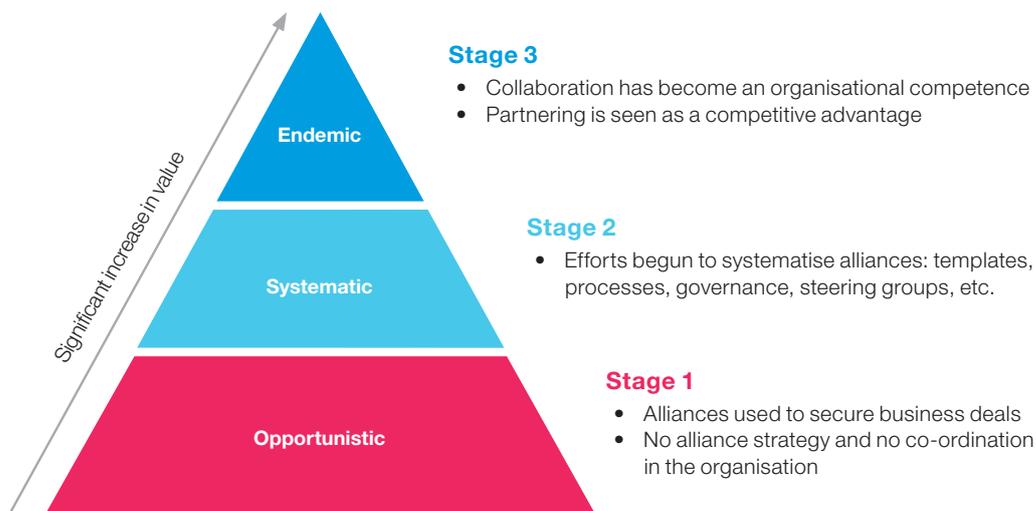
2. The systematic phase is achieved when a structured and collaborative way of working has been established, and it delivers joint business results.

3. The endemic phase is reached when partnering becomes the organisation’s competence and other players recognise this ability.

Building a compelling joint offering

Complex offerings such as software as a service, virtualization etc. all require collaboration from different players – in hardware, software and services – to become one business offering. The desire from clients to have a world-class partner drives suppliers to seek partnerships. In our case, we found fruitful synergies of skills and innovation with SAP, Microsoft, IBM and Oracle, as well as other specific technology partners for selected offerings.

Figure 2. Alliance maturity levels. Source: Alliance Best Practice.



There are generally three levels of alliance maturity

Determination

Developed during the journey

Resource allocation and dedicated full-time personnel to alliance management soon became an important differentiating factor for Tieto – a sign that we took building a partnership culture seriously.

Driving sales together

From the sales perspective, the Global Alliance Practice focused on developing joint partner business plans, opening and sharing market goals and establishing joint go-to-market plans with partners. Salespeople from both sides held regular meetings which led to more efficient and goal-oriented use of resources.

More value to the customers

Genuine customer value was achieved through partnerships by pooling knowledge and resources, and this saved time from dealing separately with the technology provider and integrator. Partners were able to provide value during shared customer meetings. Further value was created by means of joint innovation processes, deliveries and quality assurance as well as by means of joint centres of excellence for specific industries.

Success in partnerships was measured concretely:

1. Sales pipeline based on joint efforts
2. Wins
3. Offerings launched based on partner technology and services

“A systematic approach combined with skilled people and strategy alignment guarantees excellent results. The Partner Program gives Tieto the foundation and the support to be a Partner of Choice.”

Nina Christiansen

Director, Global Alliances Practice at Tieto

Business with some partners showed an average growth of 30% per annum, of which at least half can be allotted to alliance management.

Simplify. Humanize. Tell stories.

Best practices are important. And it is equally important to turn them into common behaviour. Here storytelling is crucial. It is important that compelling storylines are created for both customers and internal audiences. When both parties are made not only to truly understand the mutual benefits and the ways they can strengthen each other – but also get inspired – anything is possible. A shared dream of the future is needed. Indeed, the alliance team together with partners produced marketing presentations and films, which gained popularity among employees and helped to carry the torch.

The fast development of Tieto Alliance Practice

Tieto’s development in the alliance area has been extraordinary fast. Tieto has moved from opportunistic to borderline endemic in just three years. *This kind of transition usually takes 10–15 years for an organization.* As shown in figure 3, the journey from a low score of 15/100 in overall to 49/100 during first year is substantial (database of 180,000 entries with 600 in-depth benchmarks). The figure also illustrates how Tieto managed the momentum, making it to 63/100 in second year and 70/100 in third.

Figure 3. Tieto’s development 2009–2012 in Alliance Best Practice score. Size indicates TCV growth factor.

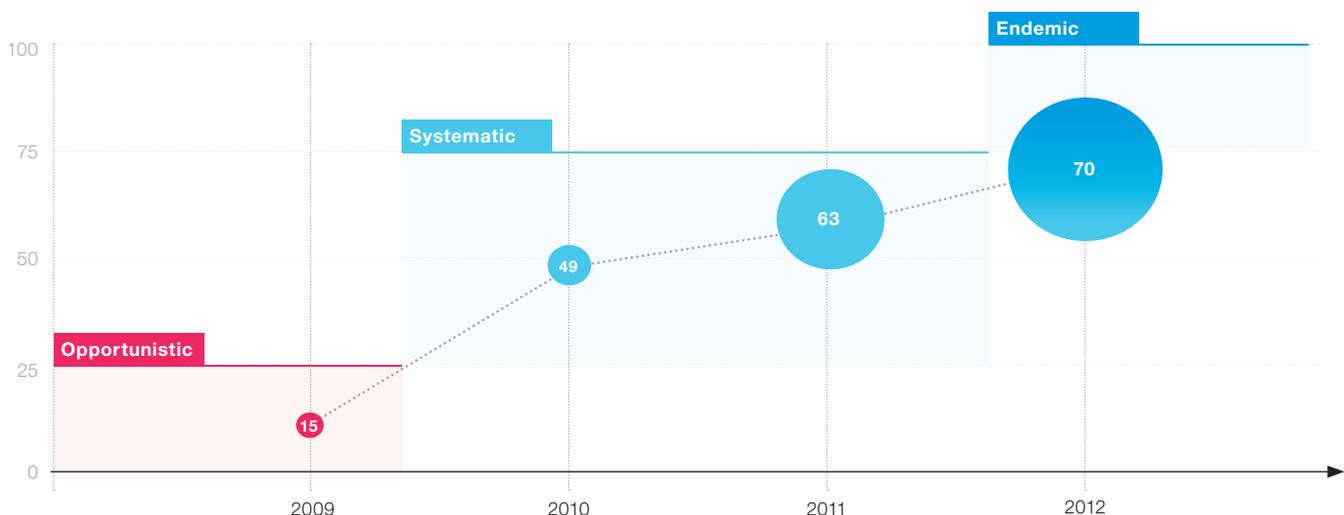




Figure 4. Delivering more value to customers

“Partners are interested in Tieto, both small and large global players. They need Tieto to complement the value chain for their technology products.”

Antti Ritvos, CTO at Tieto

Continuity

Where are we on our journey and what's next?

Systematic and determined effort through Tieto partner program has paid off. The markets have been difficult during the past five years, but Tieto's partnerships have grown. This is very much thanks to smooth and well-thought processes, even despite changes in Tieto company structure. Tieto has shown the quickest progress in the database benchmarked by Alliance Best Practice with more than 600 in depth diagnostic assessments related to strategic alliances - and is now a Partner of Choice.

Tieto now has a partner program firmly in place. Partnership statuses are clearer: which are strategic and which operational. Tieto has a clear method of assessing different partnership categories and is invited to the knowledge sharing pool of key global players. Embedded in the program is an annual survey and benchmark by Alliance Best Practice, tracking Tieto's progress in alliance management, as well as the performance of each of the strategic relationships.

Cooperation is the word

Large global players have also their own partner programs to which Tieto should comply. A well-functioning ecosystem needs to respect both programs.

Reaching clouds and beyond, partnerships are strategic

In the next decade IT service providers will be busy integrating complex hybrid service solutions and making them suitable for customers. Cloud-based service offerings will prevail and the positioning of today's players remains unknown. Anyone who wants to stay in the game needs to master partnering and collaborative behaviour. The solid foundation for partner management had to be built in order to compete and win tomorrow.

A tough journey, but well worth taking

Tieto has been successful in building towards an endemic alliance culture and bringing it closer to business. Success and balance between value and investments in partnerships requires strategic focus, determination and continuous high-level executive support. We are proud of the journey.

Trust and collaboration is key for business

Partnerships deliver value to customers

“If you want to work with strategic partnerships, you need systematic practice in place.”

Annette Ibsen
Global Alliance Manager, IBM at Tieto

IBM

STATUS:

A deep and mature partnership: excellent communication, shared goal setting, plans, strategic alignment and governance model. Strong industry focus aligned with Tieto's experience and strategy.

EXAMPLE:

ASE, a Danish unemployment benefit fund, converts it's members into ambassadors with better customer service. This is achieved through increased automation of their "benefits process" using Tieto's BPM services.

“Co-selling, joint go to market execution and common view about our customers' benefits are key. We have built a clear understanding of what partnership means, now we can integrate it to the very core of our business.”

Michael Wittwer
Global Alliance Manager, Microsoft at Tieto

Microsoft

STATUS:

The most MSFT competent company in Northern Europe and Microsoft Gold Competency Partner holding 1000+ certifications, covering wide range of industry-specific and cross-industry offerings. Better connected than ever.

EXAMPLE:

A Nordic Communications Service provider achieved increased service quality and reduced costs with Tieto's Application Management and Infrastructure Services for MS SharePoint & Unified Communications.

“We are able to form a clear picture of partnership status and category assessment. Global partners are taking Tieto seriously and invite us to their internal forums.”

Robert Kaup
Head of SAP Growth Business / Global Alliance Manager, SAP at Tieto

SAP

STATUS:

A partnership with yearly average growth far above the market growth, of which at least half can be ascribed to alliance management. Tieto invited to EMEA level SAP Forums/ Programs.

EXAMPLE:

A multi-national Forest company enjoys seamless order-to-cash and supply chain processes like instant order promising and multi-mill planning enabled by Tieto's SAP Integrated Paper Industry Solution.

“One must have courage to make decisions. Do not expect results unless you are really committed. The word “partnership” is often used, but it takes courage not only to say, but really understand the meaning of it and act accordingly.”

Riikka Pyykkö
Global Alliance Manager, Oracle at Tieto

Oracle

STATUS:

A well-established partnership with shared service areas, jointly focused offerings, go-to-market plans and account planning.

EXAMPLE:

Finnish Police executes transformation to integrated information system providing smooth processes and services to strengthen the police work. Tieto delivers with profound customer and process knowledge, based on solution with Oracle's world class products.

What is Tieto?

Tieto is the leading IT service company in Northern Europe providing IT and product engineering services. Our highly specialized IT solutions and services complemented by a strong technology platform create tangible business benefits for our local and global customers. As a trusted transformation partner, we are close to our customers and understand their unique needs. With about 18 000 experts, we aim to become a leading service integrator creating the best service experience in IT.

www.tieto.com

