

## **Swisscom IT Services launches pilot project to maintain its competitive position**

**Swisscom IT Services wants to be able to provide its customers with the option of choosing products and services for which customer support is managed in Switzerland, but is partially carried out from locations abroad. The aim of this move is to maintain our future competitive position in comparison with international competitors and therefore safeguard jobs in Switzerland in the long run. As part of a pilot project, our IT service provider is testing the ability of an international partner to carry out various services.**

The division of labour between international locations has long been part of the general business model for globally active competitors. To remain competitive, Swisscom IT Services wants to offer its customers products and services for which customer support is managed entirely in Switzerland, but is partially carried out from locations abroad ("Swiss Managed"). Services that are completely managed and produced in Switzerland will continue to remain available for our customers ("Swiss Produced").

By differentiating between "Swiss Produced" and "Swiss Managed" products, Swisscom IT Services can cater better to the needs of its customers, tap into new growth segments and maintain its competitive position. Price pressure, international competition and customer expectations have required Swisscom IT Services to supplement its range of services with a business model featuring the international division of labour.

Over the last couple of days, Swisscom IT Services has started a pilot project with "Swiss Managed" products in the areas of Workplace, Hosting and SAP. The aim is to evaluate and find a suitable international partner by the end of 2012 and define the exact scope of the services that they will offer from 2013 onwards.



**swisscom**

**Press release**

As Swisscom IT Services' largest customer, Swisscom will take part in the pilot project and will help its IT subsidiary to obtain valuable experience with "Swiss Managed" products. Irrespective of this pilot project, Swisscom will continue to provide IT services that are performed exclusively in Switzerland (Swiss Produced).

It still remains to be seen in which way the updated business model will affect the workforce at Swisscom IT Services. Swisscom IT Services, however, wants to preserve the jobs of its employees in Switzerland in the long-run via customer growth. The social partners are involved in the project.

"If Swisscom IT Services wants to continue to play a leading role in the Swiss IT market, they need to establish a level playing field with global service providers", says Ueli Dietiker, CFO of Swisscom and CEO of Swisscom IT Services. "Swisscom is therefore using the pilot project to get a foot in the door and to speed up the acquisition of new customers. In so doing, we will proceed with a sense of proportion – our main focus is on the long-term safeguarding of jobs in Switzerland."

Berne, 16 August 2012