



Managing the Offshore Relationships..

**The role played by
BCA Management Consultants
private ltd
in Business Process Outsourcing**

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Managing the Offshore Relationships

"When you go in, you have to go into offshoring in the spirit of partnership," The bottom line is that it is important to have a successful offshore-outsourcing relationship.

Despite a rigorous due-diligence period of pilot programs and vendor reviews, the real work starts with the Management of offshore relationship

A common misconception is that once the service providers are chosen and the contract is complete, the bulk of the work is done, Although correctly choosing a vendor and developing a solid contract is critical, the importance of the Independent Agency's role after the first phase is often underemphasized.



Managing the Offshore Relationships

In reality, much of the effort begins after initiating the project

Firms who jump on the offshore-outsourcing bandwagon too quickly and are struggling with their relationships. Issues have arisen as a result of insufficient direction, cultural differences, lack of communication, inadequate management of projects, and differences in the way projects are structured.

However, experts agree the most important problems stem from a relationship that is not well thought out before the deals are sealed.

The client should know what it wants from the relationship as well as from each project and communicate that clearly to the service provider



BCA ... The experts who DO THE DILIGENCE

BCA take their time and do their due diligence. They didn't just blindly jump in to get there first, like some other firm's have, that is struggling to manage its own offshore-outsourcing deal.

We wanted to be sure that we'd get the benefits advertised before jumping into a long-term relationship, Those benefits include cost savings quality differences and faster time to market.

We review the vendors ourselves, tour their facilities and get client references ,this due diligence is important because choosing the right vendor is the starting point of creating a lasting and successful relationship.

In addition, the pilots Overseen by BCA through its subject specialist Consultants allow our clients to get a taste of the relationship and are instrumental in giving the firm the confidence to proceed.



Managing of Offshore Partnerships

BCA offers the Managing of Offshore Partnerships which include

Three Essential Components

- * Offshore Best Practices**
- * Good Governance**
- * Communication**



Managing Offshore Partnerships

Structured Oversight Requires:

- * **Steering Committee:** Charged with setting clear objectives for the relationship.
- * **Project-Management Office:** To act as the operational control house for the project.
- * **An Offshore-Liaison Office:** To handle the tactical elements of the relationship such as project delivery, quality control and status reports.



BCA offer MANAGING THE PARTNERSHIP

It's not uncommon for any company to struggle with an outsourcing agreement. Outsourcing firms are experiencing lots of pain in managing these projects.

The truth is, it's difficult enough to manage a technology project onsite, and that difficulty is amplified when a project is being conducted on another continent.

BCA offer over all independent Managing of the Partnership After studying many of the relationships that exist between service providers and institutions, we have come to the conclusion there are three issues that must be addressed when considering outsourcing:

offshore best practices, governance and internal communication.



MANAGING THE PARTNERSHIP

the BCA way

Offshore best practices can mean many things including: what type of offshore-outsourcing relationship makes sense; vendor selection - which ones and how many; how to conduct comprehensive due diligence and how to issue an RFP.

The creation of effective service-level agreements is a very important part of best practices. These are some of the areas of assistance BCA offers

It is necessary to spend time choosing the right vendors for its objectives,

In addition to the pilot process, some other basic points that we consider when choose a vendor include selecting vendors that are sizable and established, financially stable, geographically diverse and experienced.



MANAGING THE PARTNERSHIP

with Quality auditors an integral part of BCA expertise

Our In house quality auditors ensure the vendors should be CMM Level-5 certified, which ensures they are mature companies with well-documented processes in place.

These auditors offered by BCA have taken development from an art to a science.

This is one of the benefits to outsourcing, in India particularly. They have a very stringent development process so projects come back well planned, well tested and on time. BCA takes pains to ensure that

This can also be where some conflicts arise between the U.S. client and the offshore provider.

In the United States, programming is more of an art - every step isn't outlined. U.S. clients have to get used to the stringent process and both sides have to be onboard with a detailed plan, he explains.



Structuring THE PARTNERSHIP

BCA's Experience in the market place provide them with the best opportunity to structure the Partnership as required ideally for the Business partners. Also falling under best practices is structuring the deal. More than not a structure based on fixed costs for projects is acceptable rather than paying for time and material.

That way, if a project took longer than expected, missing a deadline wouldn't cost the firm more money.

Cautious about the agreement, The contract needs to be flexible by including exit and roll-over provisions. These provisions allow the firm to get out of the contract or extend it.



BCA offer of Monitoring

After choosing providers and setting out goals, the next step is monitoring the project. This is good governance. It includes contract management, developing a plan to cultivate internal-managerial skills that address offshore-management issues and creating a project-management office.

The importance of setting up a management office to oversee projects. The management office can consist of five or six people who measure the project's progress and redefine it, if need be. This what BCA offers for independent monitoring

This team may also include staff from both the client and the service provider to ensure that expectations are monitored and matched by both sides.



BCA & the establishment of a Management office

A project-management office and an outsourcing-steering committee to handle governance. Its five-person project-management office, handles the contract, setting up the infrastructure in India, training the outsourcer's employees, managing the growth of the outsourcing and making sure the firm dollar savings.

In addition, the project-management office has people stationed full time at each of the vendor sites, for each project, on average, 30 percent of the team will work onsite.

The outsourcing-steering committee is chaired by reports.



COMMUNICATION IS The KEY

Communication is the next important issue that is essential to a relationship and, more importantly, a partnership.

The management must effectively communicate the goals of the outsourcing arrangement to internal staff. To be successful, internal staff must understand that this is the new strategy for the firm and that they must accept working on projects with their new partners.

The program-management team has to be culturally sensitive to the backlash around outsourcing.

it's important to communicate that these arrangements are not necessarily about replacement but about acquiring the right set of skills and achieving a level of quality.



COMMUNICATION IS The KEY

The communication is important in a number of other areas.

- * For example, clear goals must be set out and understood by both parties.**
- * There has to be an attitude of openness and true partnership. There are going to be some mistakes - what matters is how quickly they are rectified. We're not only sharing information but also risks and rewards.**
- * Some communication problems, which have been rectified. For the most part, the issues stemmed from the complex interactions between two cultures that this type of outsourcing demands.**



BCA ensures outlining The specifications

BCA`'s experience ensures the outlining of specifications, including deadlines, and reviewing them is very important. The nature of the culture is that it is non-confrontational.

You have to be careful about what is being really agreed to and what they're just being polite about."

In addition, the language and accent issues can come up in areas such as help-desk communication.

Here, the language becomes very important to the success of the project.



Lingua COMMUNICATION

BCA offers assistance in Language and etiquette training if need be

The communications style as is outsourced to India is a little awkward by American standards, noting that in India people use British English.

The difference can result in some peculiar phraseology. For example, when we call the help desk a person from India might ask them, "Do you know your name?" rather than, "What is your name?"

This is Important as some people's accents are better than others and are better suited for the help desk.

As a result, BCA normally has one person stationed at sites to personally help with hiring as required by the client



BCA`s assistance for Captive Sites

Outsourcing agreements are still predominantly being used for development of applications that need little knowledge

The next phase is trying to extend these relationships so the outsourcer can handle more specific business applications.

To this point, outsourced approximately 100 applications including call-center functions and support, as well as back-office and corporate functions related to the programming and maintenance of systems.

Specifically, database-administration support, help desk and distributed-operations support as examples.



BCA`s assistance for Captive Sites

The outsourcers would one day like to develop specific types of applications in India, only not necessarily with its partners. "extending the outsourcing model" by creating a small captive site. BA offers a turnkey solution for such captive sites by providing independent Human resources which are identified by the Human Resource consultants on the BCA panel

By a captive site BCA means an India-based, where the firm would hire locals to work directly for the outsourcing company

This arrangement would allow the outsourcer to have talented programmers develop quality-trading applications for both equities and fixed income at a lower cost.



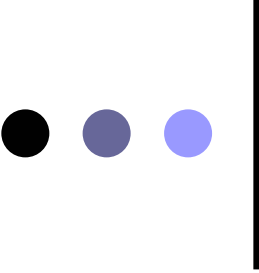
The Concept of Captive Sites

The outsourcers might like just use the existing service providers for establishing captive outsourcing sites ? We feel that Certain groups would feel more comfortable if they were working with BCA Identified employees (on these types of applications)." When it comes to proprietary applications, outsourcing becomes a trickier issue.

In addition, some secondary issues come into play.

For example, it is easier to obtain visas for employees of the company rather than a vendor's employee.

There is also a high turnover rate among the service-providers staff and most programmers are junior-level.



BCA believe that the captive-site model will be the next phase in outsourcing..

These mission-critical applications, domain expertise and lack of turnover are critical.

The large firms may choose this route but medium and small firms won't have the luxury.

Some firms will create captive sites, but will eventually sell them to a service provider or create a shared utility by partnering with several securities or investment firms.



BCA as a co-ordinator

When it Comes to managing the Offshoring activity on behalf of the client or the vendor BCA play a stellar role

The role is that of an independent auditor and adjudicator of the assigned parameters dutifully executed by BCA and its Independent experienced subject specialist Consultants for the benefit of both the partners as the Business Model BCA offers is that of joint growth of the fortunes of all