

MBA Technology Conference

Tampa, Florida

Offshoring Panel

Tuesday, March 27 2:00 – 3:15 pm.

Cyrus M. Brinn, President,
Metavante Lending Solutions/GHR Systems, cyrus_brinn@ghrsystems.com

Prahant Kothari, CEO and Founder,
String Real Estate Information Services, ppkothari@stringinfo.com

Steve Kropper, President,
Bank On Real Estate, steve@kropper.com

Steven Jo, SVP Business Process Management,
GreenPoint Mortgage, Steven.Jo@greenpoint.com

Srini Vijayaraghavan, Vice President
iGATE, srinivas.vijayaraghavan@igate.com

Steve Kropper, President
Bank on Real Estate
617 306 9312
steve@kropper.com

Most projects fail because:

- ✓ Cost reductions not achieved
- ✓ Performance not improved
- ✓ Implementation unsuccessful
- ✓ US due diligence inadequate offshore

Experience and planning improves the odds.

What can be off-shored?

- ✓ Labor intensive
- ✓ Stable & documented.
- ✓ Over 50 FTE
- ✓ Isolated, not integrated
- ✓ Limited outcome set
- ✓ Significant savings
- ✓ B2B > B2C
- ✓ Remote IT access
- ✓ Limited SME required
- ✓ Not time sensitive

Start with most promising processes....

.....progress to challenges.

PCRA Criterion

global strategies



Figure 1	Process Cost Reduction Analysis (PCRA) Worksheet	
	Scale Definition	
Define the Process: Is the process—	Not Attractive to Offshore: Process is a low outsourcing priority if—	Very Attractive to Offshore: Process is a high outsourcing priority if—
Manually intensive	Entirely automated	Very labor-intensive process
Standardization	No standard steps in the process	Process is completely standardized with clear rules
Process maturity	Process is new or poorly defined	Process is well-defined or is being outsourced now
Links to other processes	Process is not easily isolated; links at many steps	Process stands alone—minimal linkages to other groups or processes, or already outsourced
Expected savings	Additional cost outweighs the savings	Minimal infrastructure expenditure; outsourced full-time equivalent (FTE) cost lower than current
Consumer contact	Face-to-face interaction with the consumer	Process requires no contact with the consumer
Legal aspects	Legal/compliance issues impede moving offshore	No regulations impact moving the process
Quality improvement	Fall in productivity exceeds cost savings	Major improvement opportunities
Language requirements	High fluency in multiple languages	Low/medium fluency and single language (English)
Risk to lender	Critical process; failure has major consequences	No impact on client; virtually risk-free
Information technology (IT)/telecom architecture	Systems not equipped for external interface; major IT spending required	Process can be easily interfaced with minimum technology; solution already exists
Complexity	Extremely complex—much knowledge capture is required, and many configurations	Simple process
Human resources/skill availability	Specialized skills required; not available offshore	Work force with the required skills is available
Open to change—client's organization	Resistance to change in the organization	Management supports offshoring the process
Work force impact	Major layoffs; work force cannot be redeployed	Already outsourced—work force can be redeployed; only growth is being met by the outsourcing; does not impact current work force

SOURCE: EQUINOX CORPORATION

Usual Scrutiny not Adequate

You arrive in India tired, amazed, befuddled.

- ✓ Show me don't tell me. Generator. Redundant
- ✓ Talk to customers - lots of them.
- ✓ Sample customer's services
- ✓ Monitor vendor's network uptime
- ✓ "Response-ability". Beeper, permission, skill?
- ✓ Financial backers. Manager stability
- ✓ Trust "gut", don't compromise for offshore