



Outsourcing

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White Paper

By

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Topics Covered

- Highlights
- Approach & Methodology
- Proposed Scope
- New Dynamics in Outsourcing
- The Right Vendor
- Cost Analysis
- Risk Analysis
- Next Steps

Highlights

- ◆ Align our proposal with overall outsourcing strategy of client organization to facilitate and bring:
 - operational efficiencies, business transformation and business optimization
- ◆ To bring in a cost saving of over 40 % in a year by outsourcing support and enhancements of client application to our offshore center
- ◆ Work with you to define a long-term business focused technology vision:
 - by bringing-in outsourcing expertise and external perspective
 - by bringing-in value propositions that are built around proven business processes in the industry
 - implement a process to identify, exploit and measure value in IT
- ◆ Establish a well-defined and flexible contract:
 - Open for joint-venture
 - Open to contract modification as desired by your business.

Approach & Methodology

- ◆ Adopt industry proven methodology and best practices
- ◆ Bring-in expert resources to focus on:
 - Technology and Outsourcing areas
 - Process and Quality aspects
- ◆ Requirement analysis and design to be done Onsite. Code construction from Offshore
- ◆ Regular Status & Performance reporting to your management
- ◆ Utilize existing knowledge base amongst our consultants to minimize transition time
- ◆ Adopt a Service Delivery Model (agreed SLA)
- ◆ Conduct regular audit and project management reviews
- ◆ Establish a relationship governance model that is vigorous and capable of adapting to change as business conditions evolve.

Scope of Work

- Architecture evolution and enhancement
- Application Enhancements
 - Data and functional enhancements
 - Software Upgrades and DBA support activities
- Corrective Maintenance
 - Bug Fixing, Analysis and solution of Data Integrity issues etc.
- Performance improvement
- Data-warehousing; OLAP; Data Mining; Reporting, ETL (Data Stage)
- Knowledge Management
- ORACLE Financials : application support

New Dynamics in Outsourcing...

We have identified current outsourcing trends and analyzed the key challenges and concerns faced by Enterprises. Our proposition is based on our experience and analyze of market trends.

- **Enterprise Demands**
 - Price, delivery option , end-to-end solution
 - upfront investment, (in global infrastructure, global resources and new domain solutions) to achieve cost reductions
 - Deploy proven solutions and experienced workers
- **ESPs Value Proposition**
 - Meet your expectations on cost, timeliness, quality and business transformation
- **Global Delivery Model**
 - Optimum combination of onsite, domestic, near-shore and offshore
- **Focus on Quality**
 - Hiring CQA's and adopting to standard processes. Best practices in outsourcing
- **Open to new, flexible contracting and pricing model.**

New Dynamics in Outsourcing...

Frank J Casale of Outsourcing Institute.....

...While most enterprises try to survive, the outsourcing industry continues to thrive.....

...It's "do or die" and outsourcing is no longer about cost savings....

...Outsourcing is an essential revenue and growth strategy for every corporation.....

...Now everybody wants to plug into "OPR"—other people's resources—and strategically focus internal resources towards doing what they do best. No more, no less.....

...Record number of deals will be struck in the next 6 to 12 months.....

Excerpt from 2003 predictions: Gartner research

... many countries are seeking to emulate India's success as source of English speaking, skilled IT staff and management.....

Rita Terdiman of Gartner.....

...Although choosing the ESP with the lowest offshore rates may make for happy buyers in the short term, it will likely produce unsatisfactory results and dissatisfied customers in the long term.

10 Top Reasons Companies Outsource

Improve company focus	55%
Reduce and control operating costs	54%
Free resources for other purposes	38%
Gain access to world-class capabilities	36%
Resources not available internally	25%
Accelerate reengineering benefits	20%
Reduce time to market	18%
Share risks	12%
Take advantage of offshore capabilities	12%
Function difficult to manage or out of control	10%

NOTE: Numbers don't add up to 100% since respondents selected more than one answer.

Top Five Criteria For Choosing A Vendor

Price	65%
Commitment to quality	51%
Flexible contract terms	39%
References/Reputation	34%
Scope of resources	28%

Factors for successful Outsourcing...

- ◆ **The Right Vendor**
 - We possess the technical competency to execute the work
 - We will best meet your requirements and bring-in the value add that aligns with your strategic vision.
- ◆ **Management of the relationship**
 - We'll offer personalized and focused approach to the relationship.
 - Our staff has respect for your culture and share similar values.
- ◆ **A properly constructed contract**
 - We are willing to structure the contract in a flexible fashion to allow for changing business conditions.
 - We are open to JV/Partnership model.
- ◆ **Communication:**
 - We'll focus on communication : "key to forging a successful outsourcing partnership is spelling out in detail exactly what is needed and the expectations."

"It is paramount that you develop a comprehensive contract to govern the relationship,"

.....Bob Rosetta,
.. JPMorgan Chase.

Survey respondents said the three most important factors for successful outsourcing are selecting the right vendor (63%), ongoing management of the relationship (46%), and a properly constructed contract (40%).

The Right Vendor...

We are committed to....

- Establish a trusted partnership based on mutual respect for work culture. A partnership that would result in mutual benefit and enduring relationship
- Bring-in best of technical know-how in Architecture, Tools and Technology, Data-warehousing
- Define and follow new set of practices around business trust, honesty and ethics
- Follow best practices in Process and Quality
- Demonstrate a real, measurable ROI by translating business demands into effective IT strategy. Deliver ROI within required time frames and with expected results.

The Right Vendor....

Our Focus on Quality

- ◆ Will do the following:
 - Walkthrough and Reviews
 - Causal analysis of past problems and documentation of lessons learned
 - Identification of hot spots and corrective measures
 - Internal Quality Audit
 - Regular Project Management review
 - Error logging & tracking till closure
 - Performance Data analysis and reporting
 - Enhance system documentation
 - Proactive approach (instead of reactive)
 - Focus on Human Resource

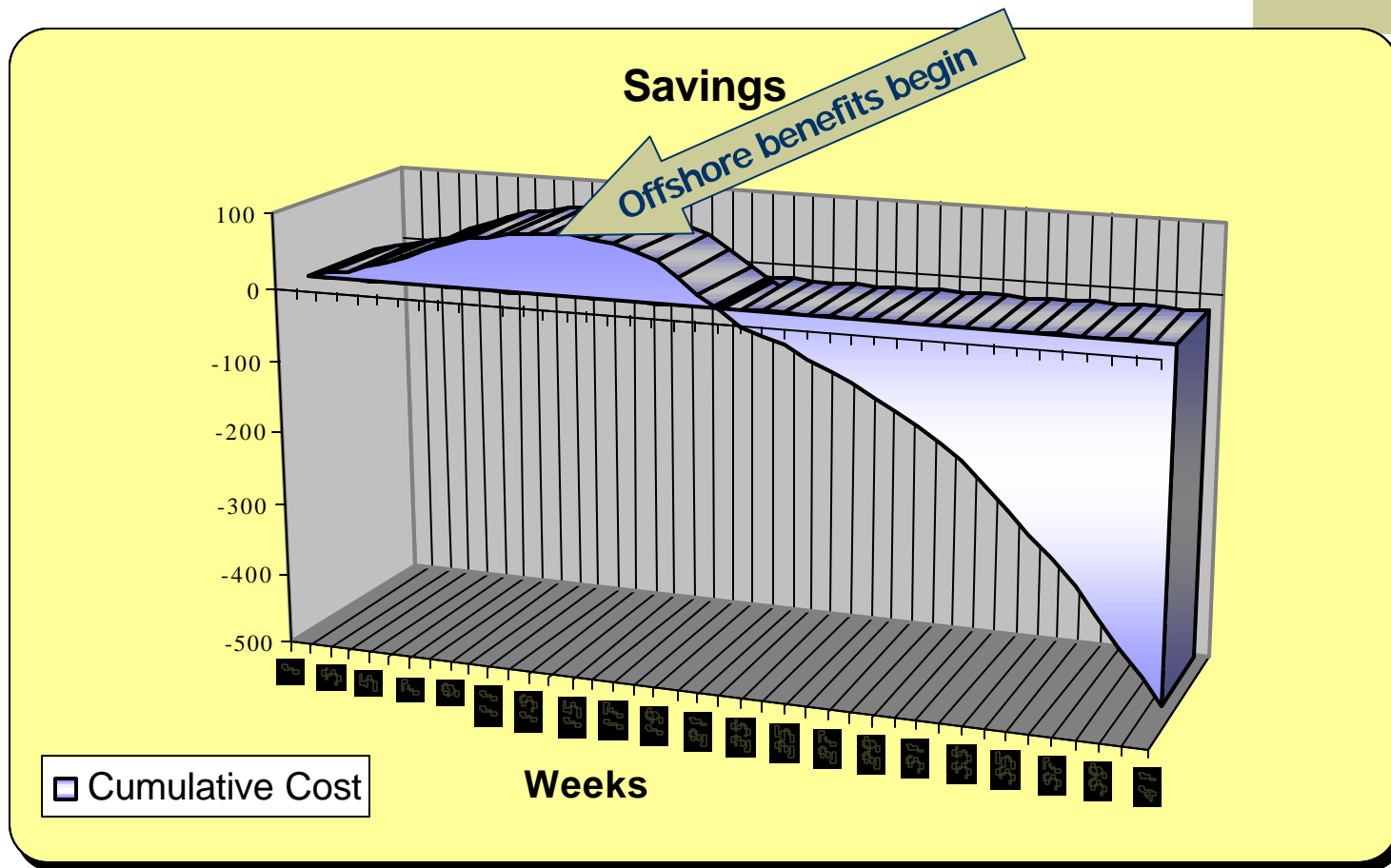
The Right Vendor

Program Management

- ◆ Implement best-practices in outsourcing such as Service Delivery Models and Procedure Improvements
- ◆ Own full responsibility, reducing dependency on your management & technical resources. You may shed non-core competencies and deploy precious resources in more-strategic way
- ◆ Strictly adhere to best practices in Project Management. Focus on scope, cost, time, quality, communication, risk and human resources
- ◆ Lay rigorous measurement and management methodologies to define and realize bottom-line business benefits from your outsourcing investments.

The Right Vendor

Our Cost Proposition



A typical outsourcing Cost Benefit for Client

The Right Vendor

Program Risks Evaluation and Responses

- ◆ Reliability & Delivery
 - Strict adherence to process
 - Continuous improvement of process
- ◆ Resource Identification
 - Leverage our partnership
 - Strong network of qualified professional
- ◆ Business Continuity
 - Daily backups at two locations
 - Mobile Offshore resources (can be brought Onsite on very short notice)
 - Leverage partnership for Onsite infrastructure and resources
- ◆ Relatively small/start-up offshore setup
 - Focused approach
 - Advance stage of discussion to acquire offshore facility
 - Compensated by best resources in industry
 - 100 person years of work completed successfully

Key Differentiators

- ◆ Domain expertise: Architecture and data-warehousing
- ◆ Access to highly qualified and skilled resources
- ◆ Focused, personalized and dedicated service from us
- ◆ Structured and well defined approach/methodology for execution of outsourcing engagements
- ◆ Proven Track record
- ◆ Direct Cost advantage because of offshore model
- ◆ Minimal Time for Offshore setup
- ◆ Open to JV/partnership model
- ◆ Risk free transition model

Next Steps

- ◆ Two week outsourcing assessment study to define:
 - ◆ Scope
 - ◆ Time
 - ◆ Cost
- ◆ Submit Outsourcing Proposal
- ◆ Begin the Relationship...



Thank you

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