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Offshore Projects

The Supplier Perspective

15th October 2008

Audit. Tax. Consulting. Financial Advisory.

Agenda

Offshoring – The Why, When and What

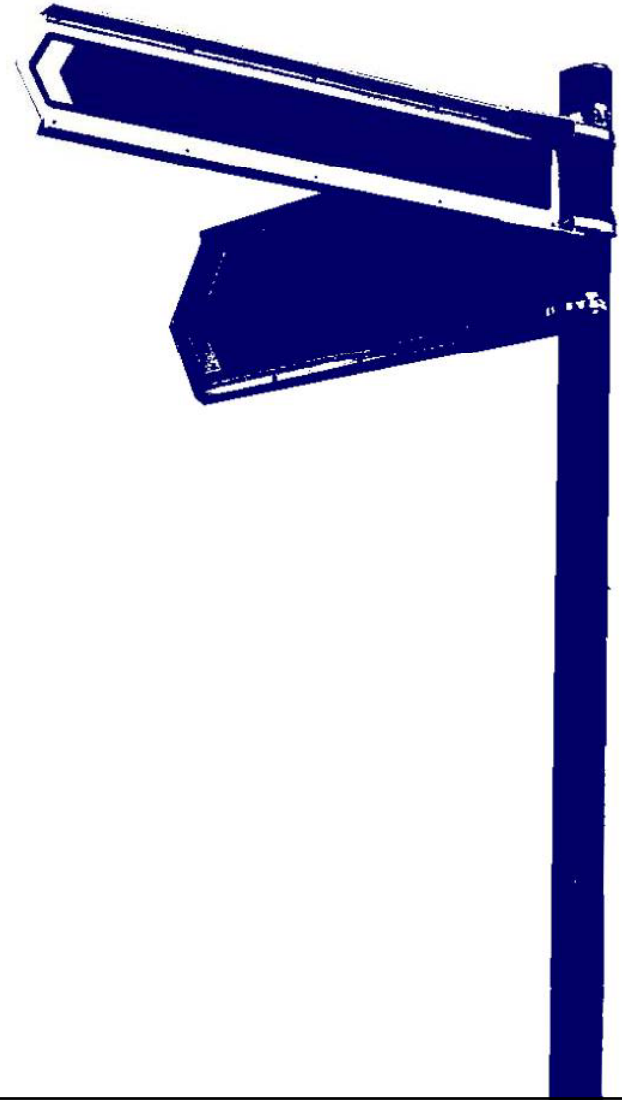
Challenges and Strategies for success

Delivery models

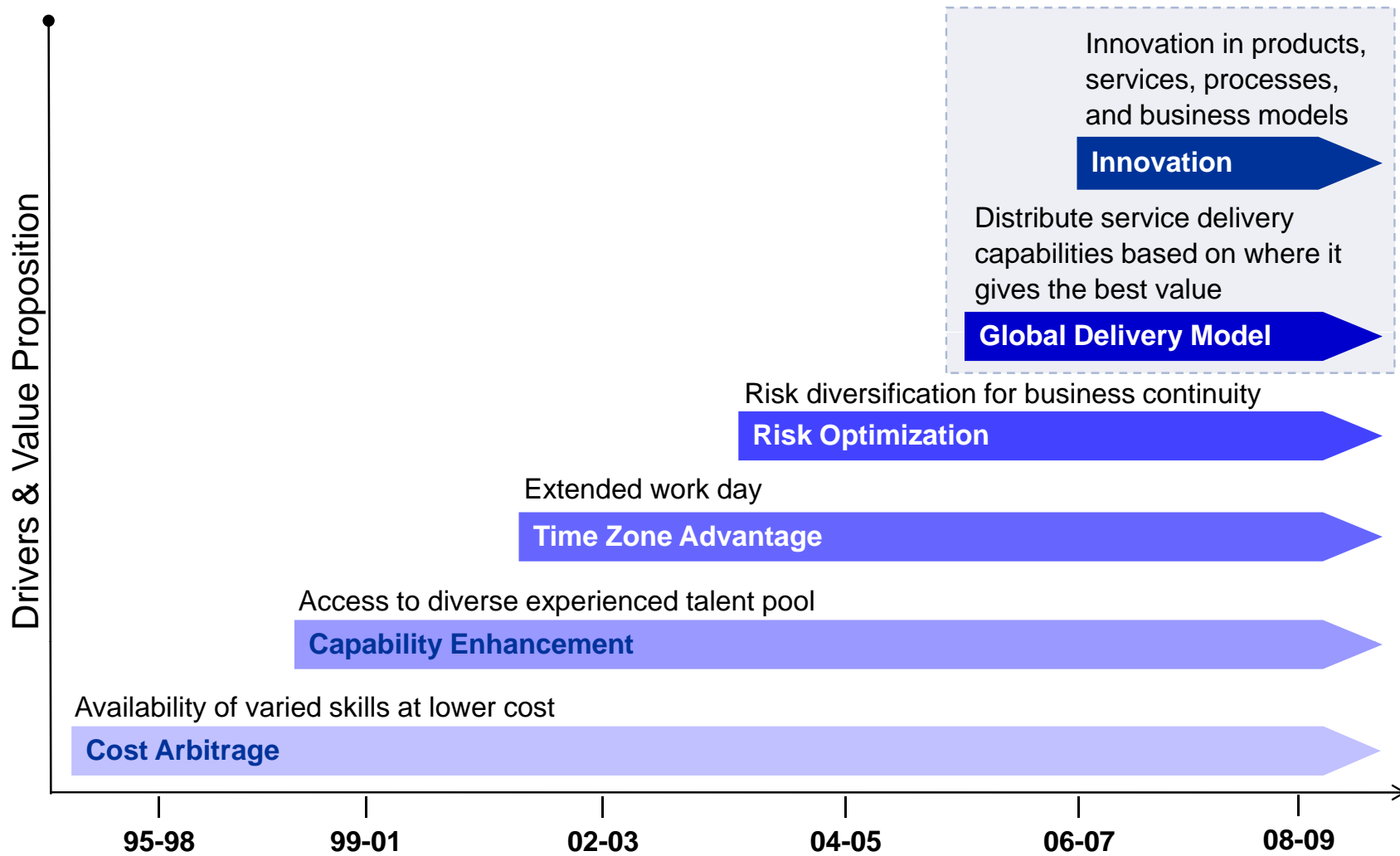
Project case studies

Q&A

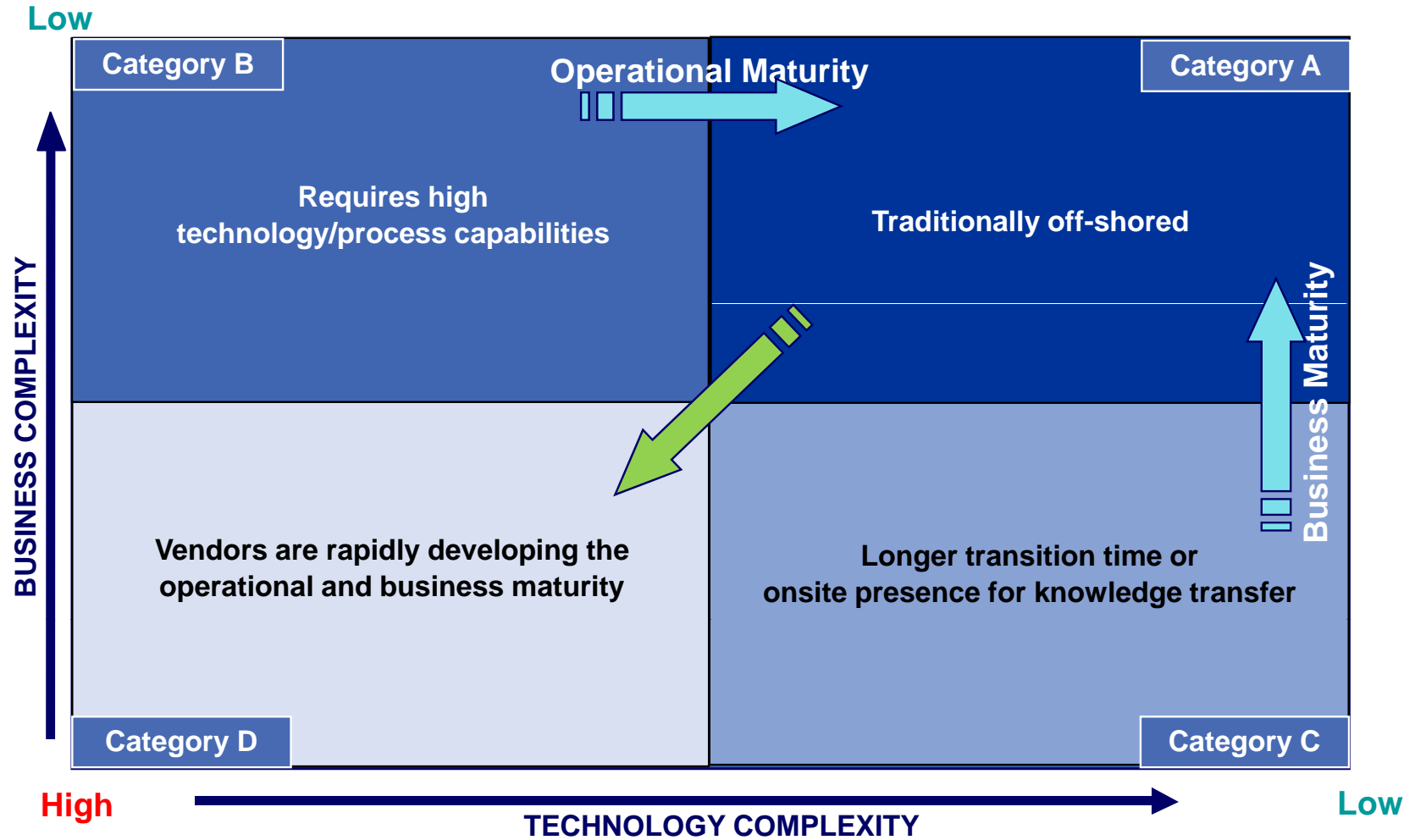
Offshoring The Why, When and What



The decision drivers to offshore are evolving

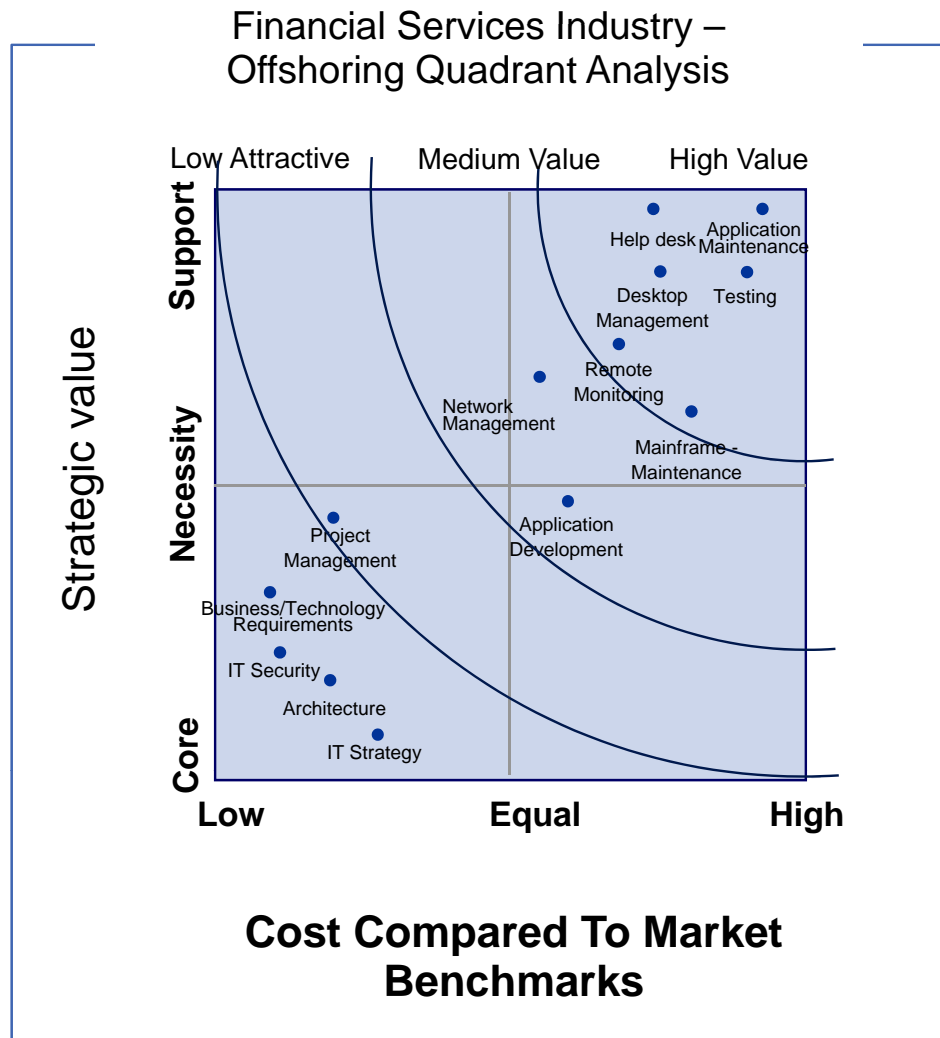


When to Offshore



What to Offshore

- Application Development
- Testing
- Package Implementation
- Application Maintenance
- Content preparation
- Content migration
- Database maintenance
- Support
- Helpdesk
- Knowledge Process Outsourcing
- Business Process Outsourcing



Challenges and strategies for success



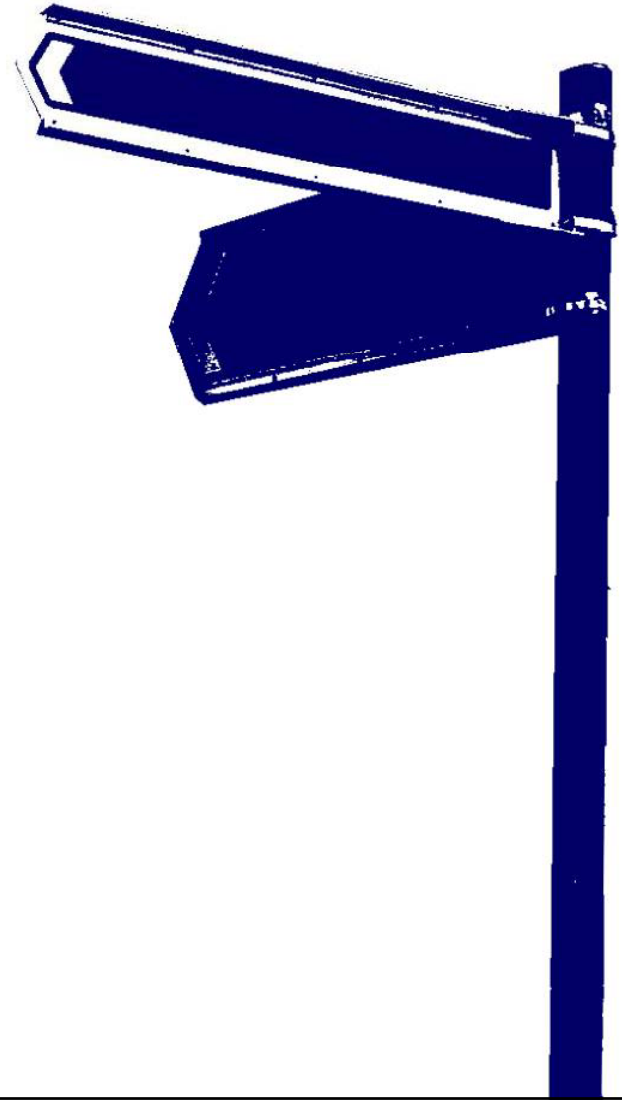
Key challenges in off-shoring and Strategies for success

Key Challenges	Mitigation Strategy
Business Knowledge	<ul style="list-style-type: none">• Cross-site visits:<ul style="list-style-type: none">• Subject Matter Experts to offshore• Offshore team leads to onsite• Early involvement of offshore team in project life cycle• Leverage the offshore industry groups expertise
Data Privacy	<ul style="list-style-type: none">• Use of confidentiality/non-disclosure agreements• Prepare data without sensitive and confidential data• Document and regulate data access rights
Access to Client Environments	<ul style="list-style-type: none">• Replicate the environment at offshore• Institutionalize periodic data refresh mechanisms• Provide access through Virtual Private Network (VPN) to selective development or staging environment

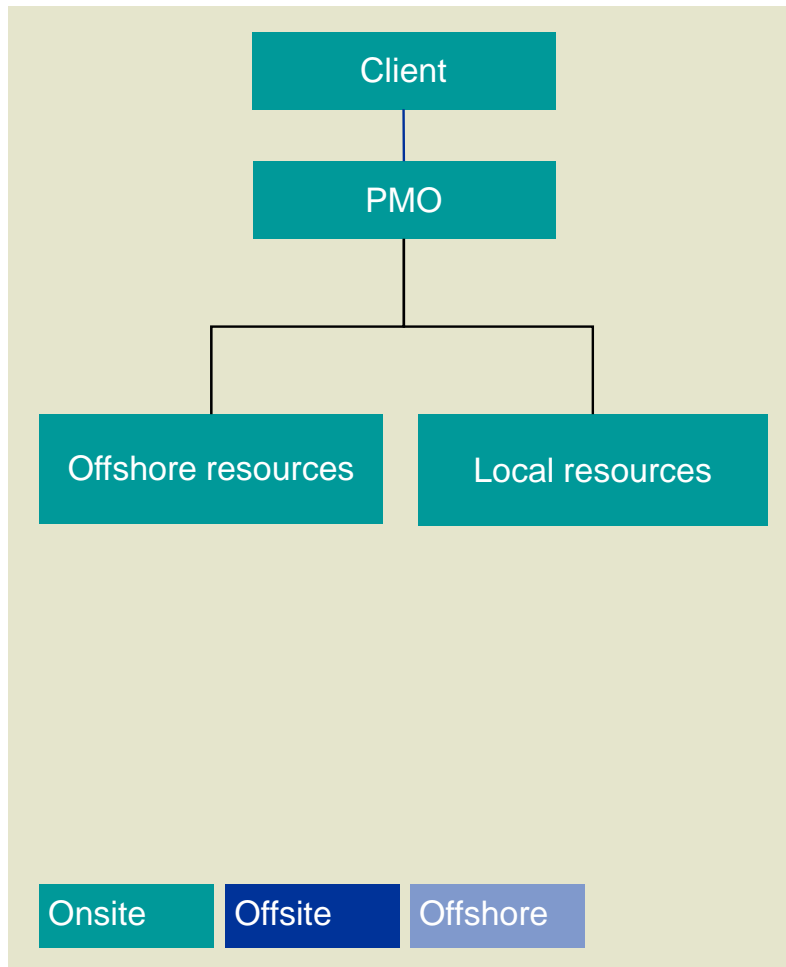
Key challenges in off-shoring and Strategies for success

Key Challenges	Mitigation Strategy
Communication	<ul style="list-style-type: none">• Schedule conference calls to suit the time zones• Strong emphasis on documentation (meeting minutes, technical discussions and etc.)• Set up formal and structured communication processes• Structure the team organization, right roles at right location
Development Methodology	<ul style="list-style-type: none">• The offshore model enables execution of both agile and waterfall development methodologies• Put up a team of functional, technical leads at client location and have technical leads counterpart at offshore• Revisit estimates after every iteration or piece of functionality is developed• Functional testing after every iteration or release
Change Management	<ul style="list-style-type: none">• Rigorous sign-off and change control process• Baseline documentation• Create and adhere to processes for managing scope changes

Delivery Models



Delivery Model – Onsite



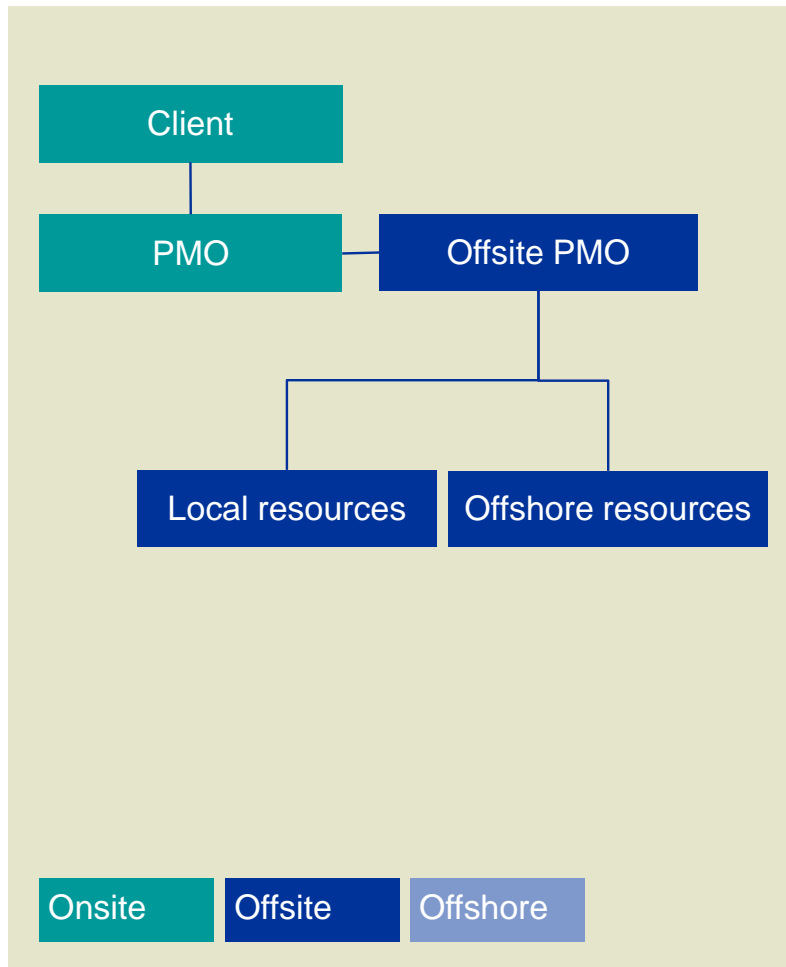
Characteristics

- Project completely runs in client's location
- Global Talent Sourcing to address specific skill requirement and availability gaps

Where applicable

- Need for direct and continuous interaction with the client
- Client/Project is in a single geography
- Regulatory constraints - security, confidentiality, etc. limit off-shoring
- Specialty skill requirements
- Short Duration and High Complexity

Delivery Model – Onsite/Offsite



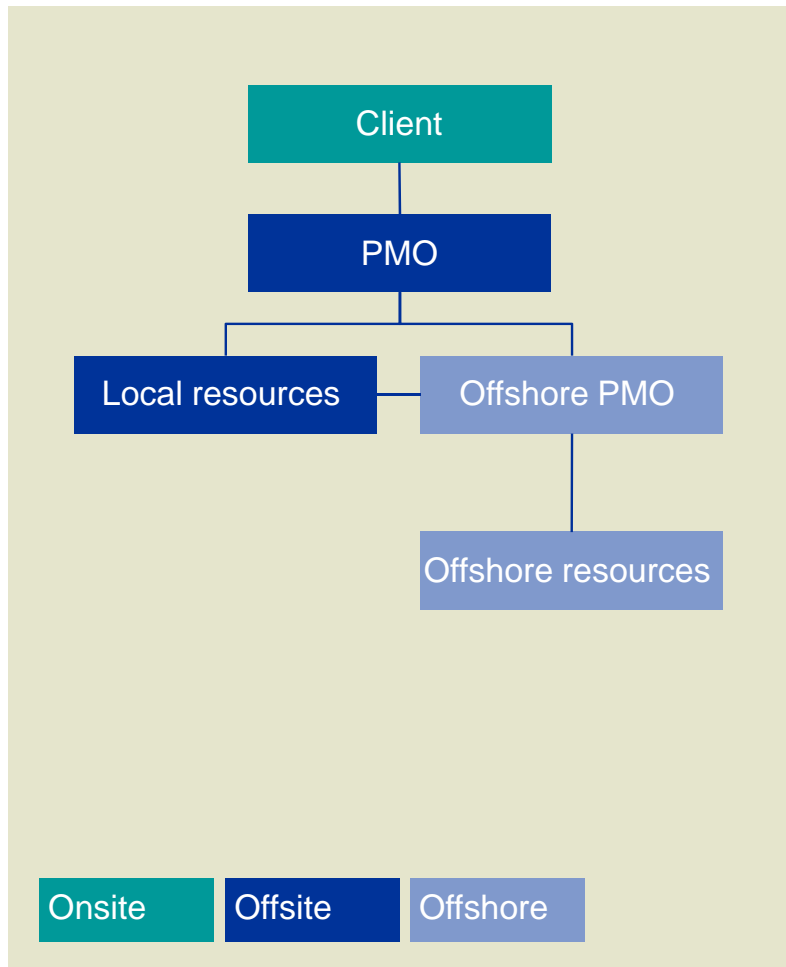
Characteristics

- “Lite” PMO at client location
- Service provider works in the area of the client (City/Region/Country)

Where applicable

- Client and service provider need to have face to face interactions on a regular basis
- Client’s requirements are not well defined and requires quick detection, understanding and accommodation
- The client is deeply involved in the development process
- Client site facility not sufficient to accommodate the service provider’s team

Delivery Model – Onsite/Offshore



Characteristics

- Project jointly managed from onsite and offshore locations
- Ability to scale up/down based on client needs
- Enhanced operational flexibility

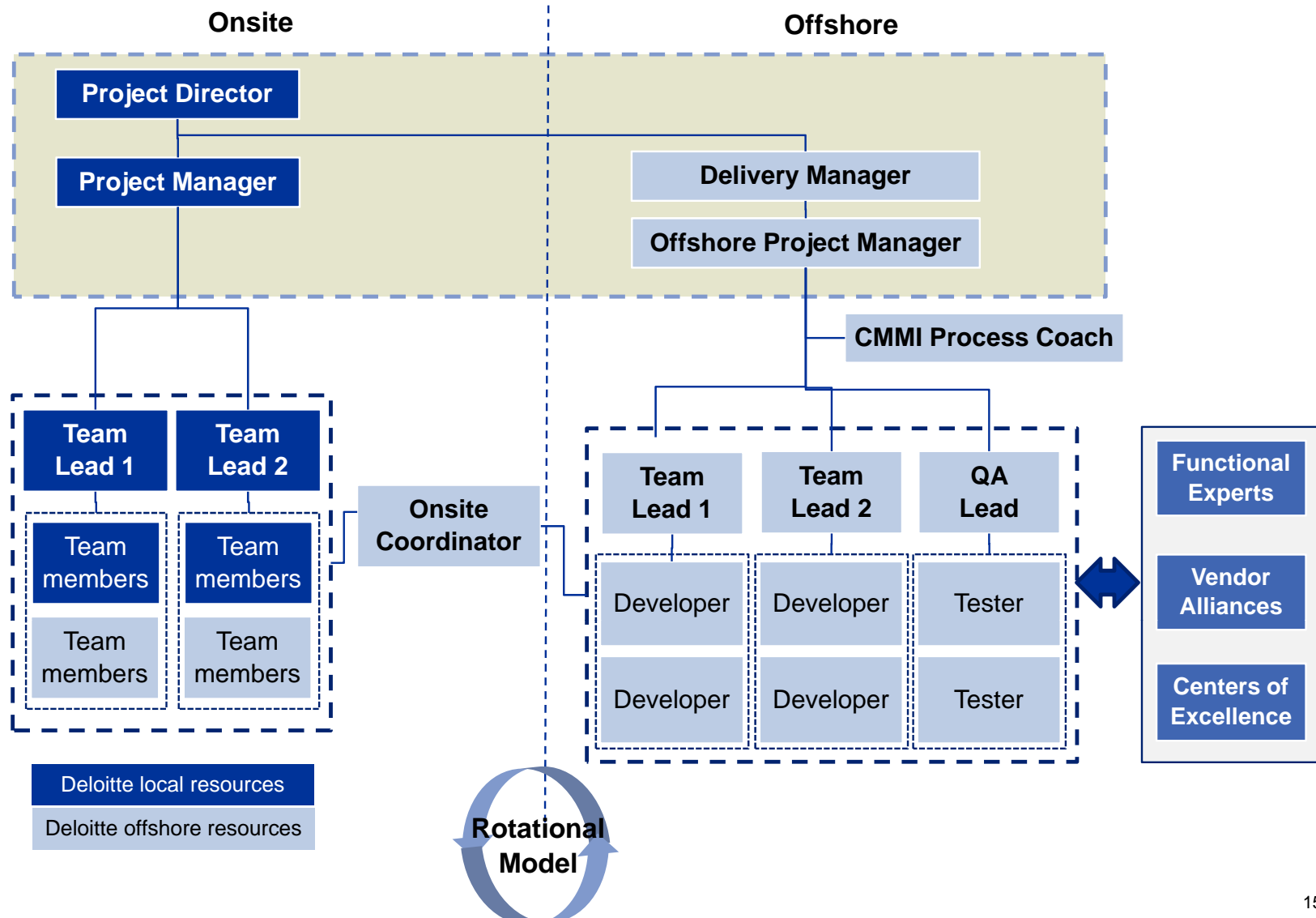
Where applicable

- Price constraints
- Access to resources to deliver a large project
- Project components are 'off shore-able'
- Integrated tools and methodologies exist for delivering multi-location projects
- Long duration and more large technical team requirement

Each delivery model offers unique advantages and the client/ project's unique requirements determine what model is best suited

	Onsite	Onsite/Offsite	Onsite/Offshore
Project Duration	2 – 3 Months	Any	> 4 - 6 Months
Client Interaction	Continuous	Regular during the same time zone	Planned
Resource Scalability	Low	Medium/Low	High
Security and Risks	Ideal for clients/projects requiring high security	Enables risk diversification and business continuity	Enables risk diversification and business continuity
Productivity	Limited to Same Time Zone	Limited to Same Time Zone	24 X 7 Productivity
Cost Savings	Low	Medium	High

A typical project organization structure employing offshore resources



Integrated onsite-offshore delivery model

The leverage can be adjusted to varying project requirements

Phase	Onsite/Offsite	Offshore	Key Deliverables
Development/Build Model			
Requirements	████████████████████		<ul style="list-style-type: none"> • Scope definition document • Business requirement document
Functional Design	████████████████████		<ul style="list-style-type: none"> • Proposed solution document • Gap analysis document • Test strategy • Signed off functional specs.
Technical Specs	████████████████████		<ul style="list-style-type: none"> • Architecture document • Standards document • Technical design document
Development and Unit Test	████████████████████	████████████████████	<ul style="list-style-type: none"> • Unit tested application • System test scenarios
Functional Testing	████████████████████	████████████████████	<ul style="list-style-type: none"> • Executed functional test plan
Acceptance Testing	████████████████████		<ul style="list-style-type: none"> • Executed user acceptance test plan
Deploy	████████████████████		<ul style="list-style-type: none"> • Application source code • User guide

Project case studies



Major European Financial institution

Client Situation:

For one of the major European Financial institutions operating in several countries in Europe, Asia and Americas, we helped to shape common sales and servicing processes across countries and business lines and implemented a shared CRM platform worldwide.

Objectives

- Enhance cross-selling effectiveness between the businesses worldwide
- Enhance servicing effectiveness (request handling)
- Rationalize platforms

Approach

1. Plan & Scope (Implementation Roadmap)
2. Solution Design & Proof of Concept
3. Requirements Gathering
4. Build & Test
5. Deliver

Deliverables

- Scope statement and Requirements
- Implementation Roadmap (multiple years)
- Functional and Technical Design of the Solution
- Built and Tested Solution
- Training & Communications delivered

Participants

- Program management
- Business Process Management
- Solution Architecture and Delivery team
- Transformation Leadership Team (incl. Change Mgmt & Deployment)

Deloitte Consulting Resources

- Team of 50+ consultants in the areas of Project Management, Functional, Package, Integration, Data Management, Infrastructure & Change Management

Results

- Established optimized sales and servicing processes worldwide
- Common CRM platform rolled-out to sales and service employees worldwide

Large North American Financial Institution

Customer Management Program

Client Situation:

The client is one of the largest financial institutions in North America with about 11 Million individual and business clients, revenue above \$11 billion, and more than 35000 employees world wide. The bank did not have a true “Book of Records” for customer data – disparate & numerous legacy systems used their own data stores. We helped the bank define the business case for initiating a three year program to overcome the existing technology and process issues, and we also manage and implement that program.

Objectives

- Enhanced Customer experience – better understanding of customer needs
- Improved LOB/Channel processes – Single source of customer data AND consistent & accurate presentment of that data
- Reduced operational risk – Controls to manage fraud, privacy issues, risk
- Improved operational efficiency – Migration to more cost effective technology platform & maintain fewer applications

Participants

- Client Program Directors
- Client Project Directors
- VP Customer Marketing – Retail
- Client Project Managers

Approach (Phases II - V)

1. Build Foundation – Implement new technology platform and Migrate & centralize numerous data stores into a single, authoritative source of customer data
2. Capability Realization – Implement a services based, portal application to replace legacy systems and change operational processes

Deloitte Consulting Resources –

About 30 Deloitte Onsite and about 40 Deloitte Offshore practitioners at peak

Deliverables

- Program business case
- PMO deliverables
- Portal UI application
- Enterprise QA deliverables (QA strategy, Approach etc.)

Results

- Allowed the bank to achieve their vision of becoming “Customer centric” and not “Product centric”
- Operational efficiency improved – time to market for new products decreased, “real time” messaging and leads across various channels & lines of business

Q&A



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