Project Management Institute
Belgium Chapter

Transition Management : From onsite to offsite

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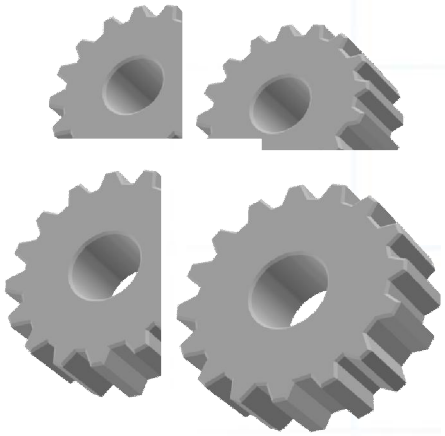
What is “Rightshore”® ? Our Rightshore® Delivery Model

On site

- Delivering Service and Support on the client site
- Business / Requirements Analysis



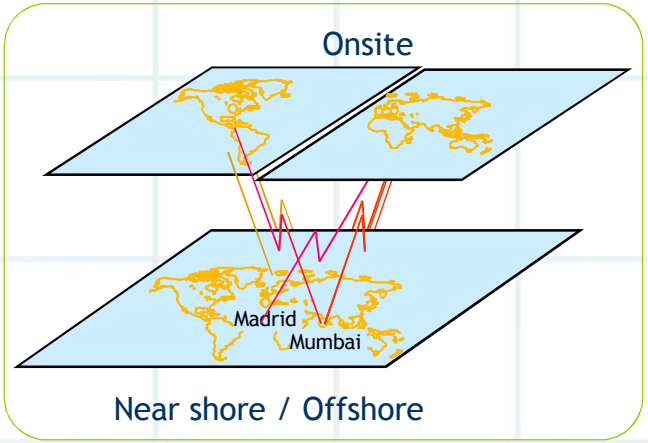
Offsite

- Delivering ‘Centre based’ services within the same country

Near shore

- Leveraging capability in a nearby region of the world
- ABAP Factory at Toulouse; Poland for BPO

Distributed Delivery

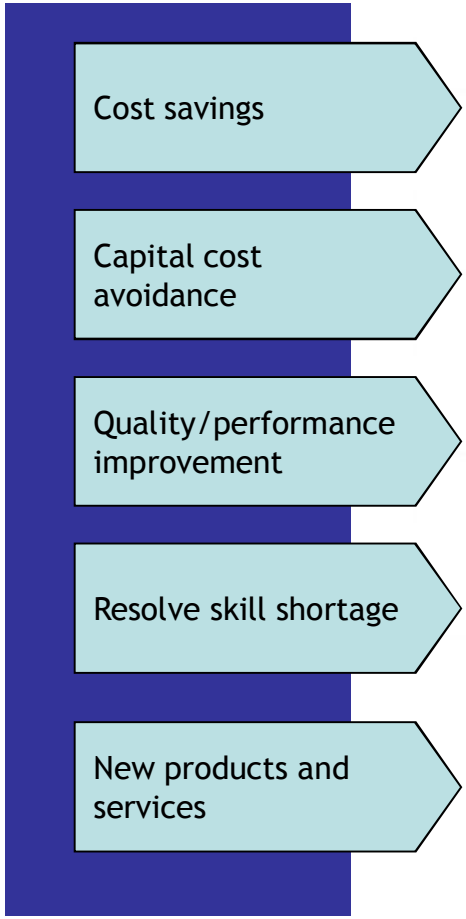


Far shore / Offshore

- Leveraging low-cost potential of far shore locations
- Moving service provision to another region of the world

Rightshore®: The right resources, at the right location, at the right time – leveraging our network of industrialised ‘near’ and ‘off’-shore centres to provide increased value at reduced TCO.

Rightshore® is not all about cost



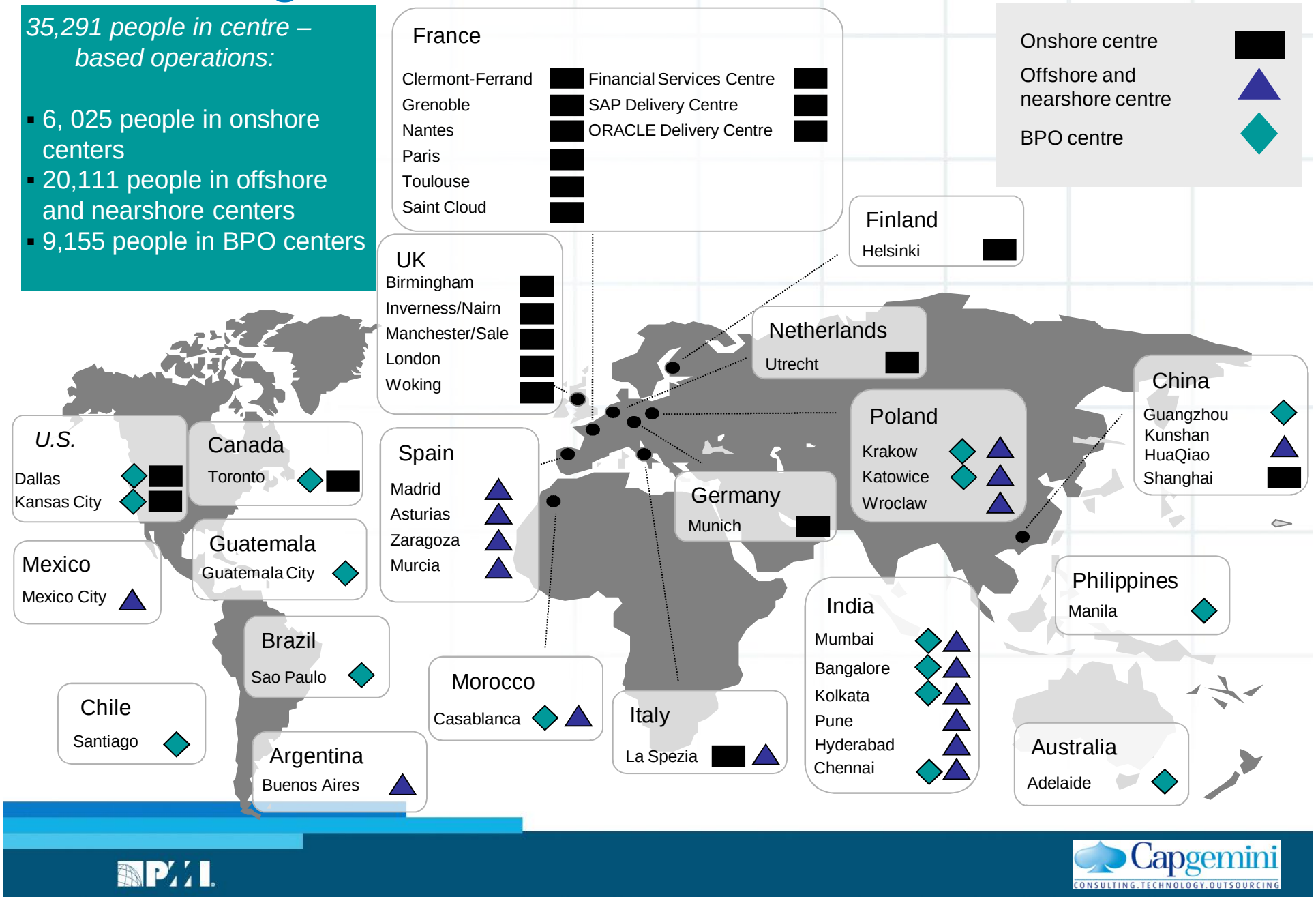
- Vendors often guarantee savings of 10-20% (Onsite) to 40-60% (offshore)
  - By moving to India and Malaysia, Dell lowered support costs by 80%
- Permits customers to leverage vendor infrastructure (eg. IT systems, faculties) & variable cost
  - CIBC saved over $20 mn HRIS capital outlay by outsourcing HR
- Vendors / managers are process experts and can often deliver superior performance
  - A top software company reduced critical “code line” errors on checks to 4 defects / million
- Extends reach into broader talent pools
  - GE Medical Systems now has 25% of its development team in India, Hungary, other offshore sites
- Cost structure permits service offerings that were earlier infeasible
  - A top software provider provides live customer support for $40 application

Source: “Strategies and preconditions for outsourcing and offshoring” May 2005

Our Rightshore® Network

35,291 people in centre – based operations:

- 6, 025 people in onshore centers
- 20,111 people in offshore and nearshore centers
- 9,155 people in BPO centers



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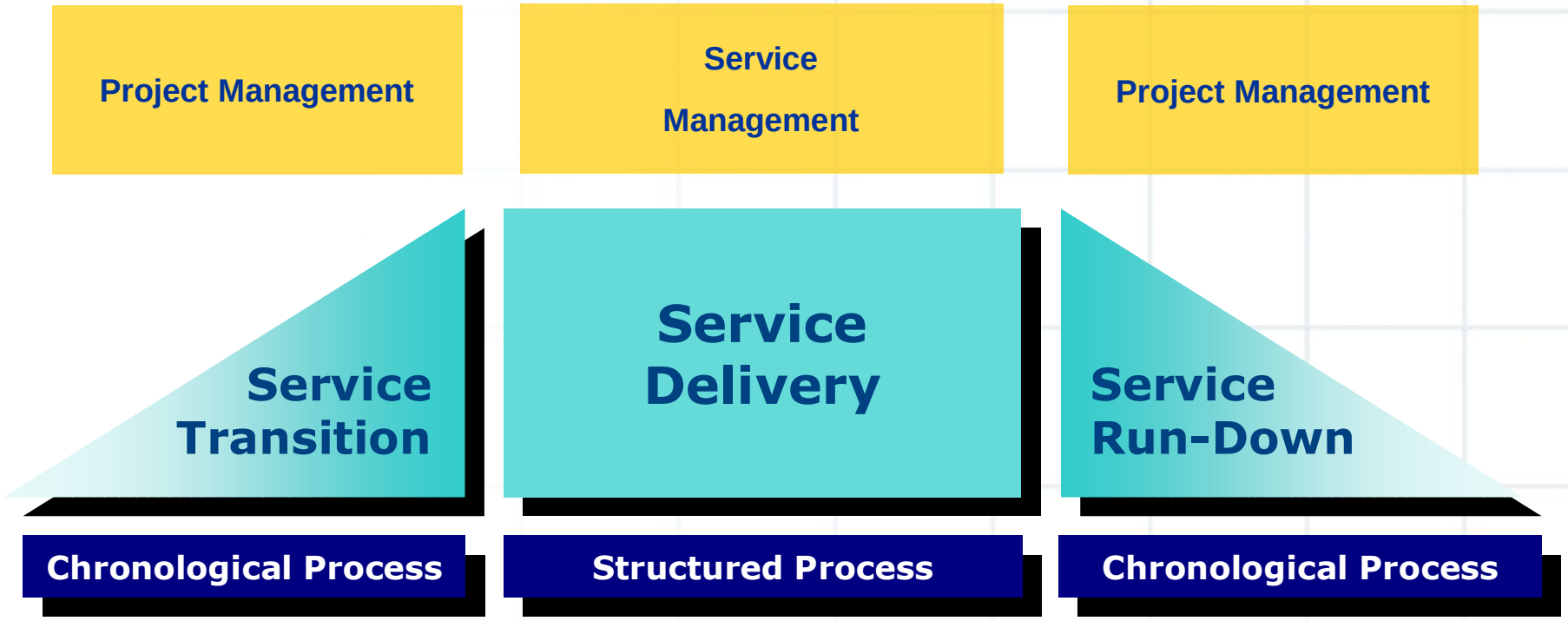
What makes a Global Delivery different from Local / Onsite Delivery

Some key differences for a Rightshore® project are:

- Difference in time zones
- Difference in culture
- None or limited face to face communication
- Working with one team distributed over several locations
- Increased complexity on knowledge sharing and transfer
- Roles and responsibilities need to be formalized more explicitly to compensate for the reduction in effectiveness in communication
- Hand over/transition points between local and offshore offices need to be formalized to guarantee quality and setting the right expectation
- Estimating process to be prepared and agreed by both onsite and offshore
- Total man days for successful project completion will be greater than conventional project, but total cost will be lower than an equivalent onsite project
- Visa and work permits are often required, and can take several weeks to obtain

DELIVER® Service Life Cycle

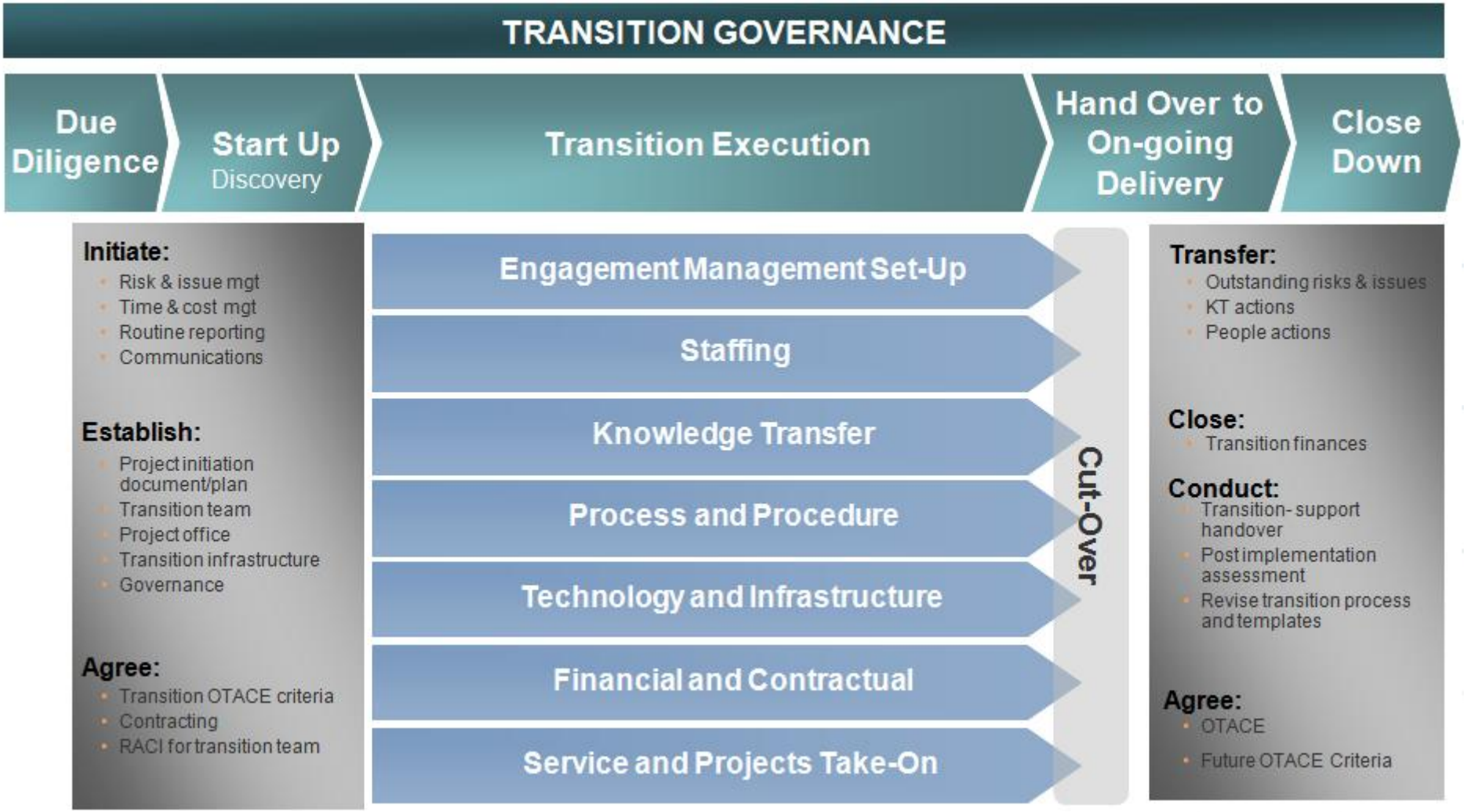


Deliver® Service Life Cycle

Transition Objectives and Goals

- To set up the infrastructure required for service delivery in a timely manner
- To staff the team with suitable resources
- To plan the processes and procedures that will need to be established for delivering services using a Rightshore™ model
- To establish SLAs for the service
- To complete knowledge transfer at minimum cost and time frame
- Ensure that support team gains adequate knowledge of the systems in order to support SLAs
- Select and implement an effective toolset to improve knowledge capture, classification, transmission and retrieval
- Meet the success criteria to cutover to service delivery
- Ensure disruption free service handover

Our Global Transition Method



Transition Index (TI)

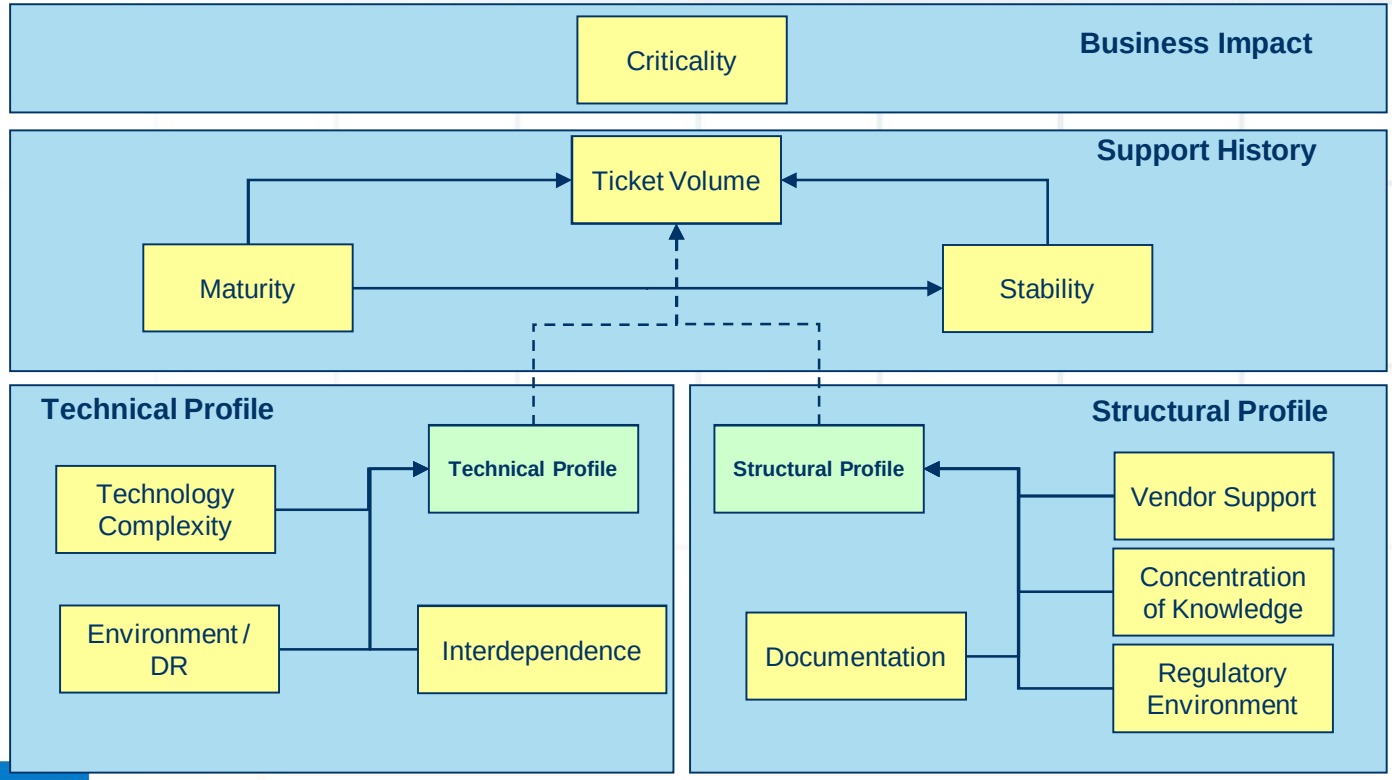
The TI can be used to help prioritize / organize many transition areas.

1 — Transition Index — 5

Low TI
Not Critical
'Simple'
Stable…

High TI
Critical
'Complex'
Volatile…

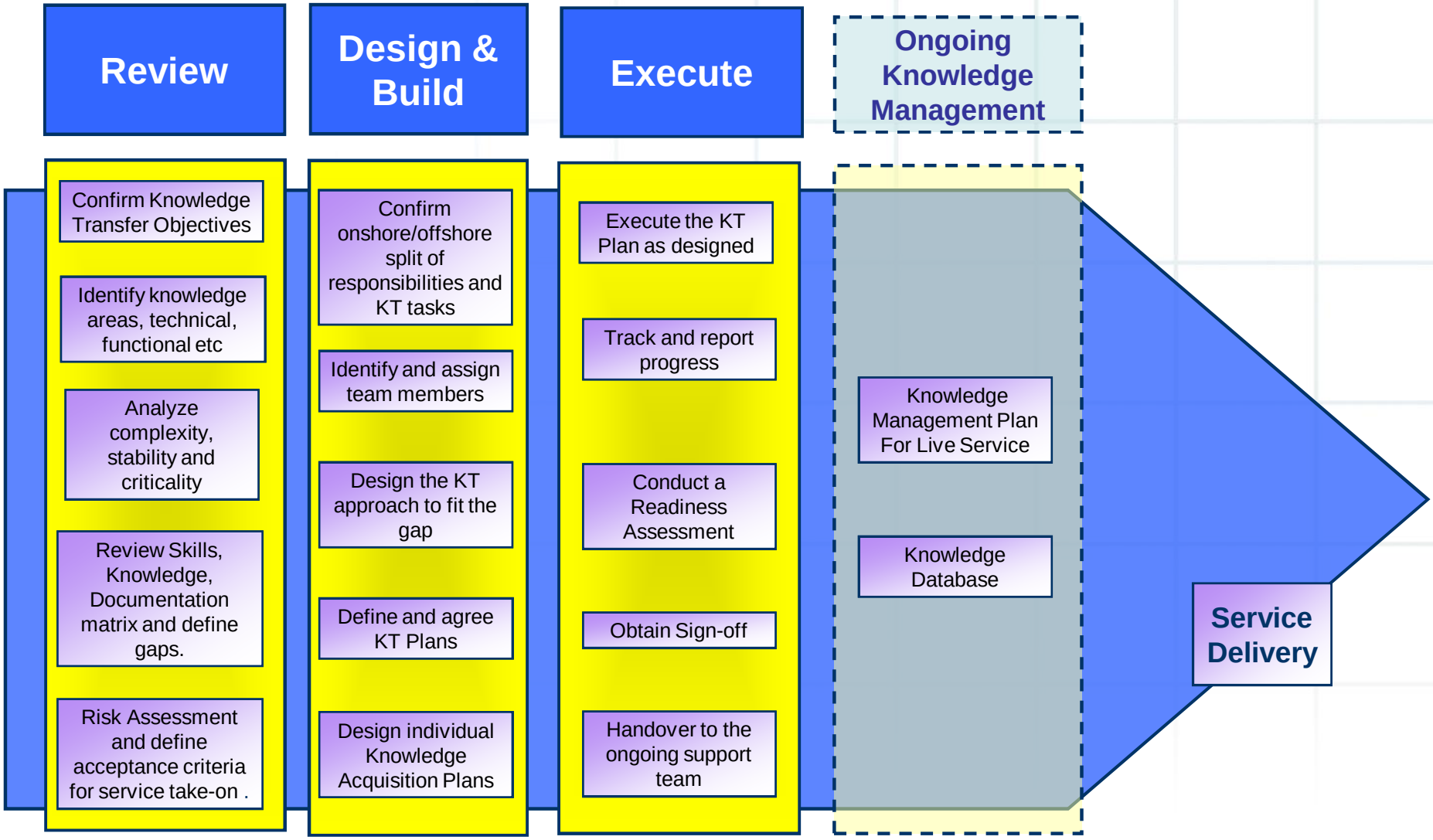
Factors affecting the Transition Index for Application Management



Transition Index Overview

Transition Index	Degree	Description
1	Very Low	*A small, simple Transition Unit (TU) that almost never breaks and has no material impact on the client's business when it does. Example might be a stand-alone leave application system.*
2	Low	*A TU that is not mission critical and rarely inconveniences users when it breaks (which is only occasionally)*
3	Medium	*A medium complexity TU that has been in production for over a year, generally stable, but still receiving some (1 per week) tickets each month. It is important to the running of a department or business unit but usually does not result in a Severity 1 situation.*
4	High	*This TU is used extensively by an entire business unit or department and is critical for certain periods of time (e.g. financial year close). It has some production problems, complex technology and complete documentation to help the support team. New systems typically fall into this band due to unknown production performance or systems with manual/undocumented support activities.*
5	Very High	*This mission critical TU used by the whole company that has a history of a large number of changes (repairs or enhancements). It may have a few, key SMEs and a significant learning curve due to poor documentation, complexity and/or fragility.*

Knowledge Transfer Framework



Our Knowledge Transfer Approach is multi-dimensional

Technical *Application/ Infrastructure Specifics*	Horizontal *Business/ Operational Processes*	Vertical *Industry Information*	Organizational *People/Politics*
Subject Matter Expert  Technical Expertise	 Client Unpublished Business Processes	 Client Industry Experience	Corporate Culture
Technical Support Processes; Program Code/ Comments; Problem Logs; Documentation	Published Business Processes	Published Industry Information	Client Stakeholders; External Vendor Relationships; Corporate Directories

Implicit

Knowledge Type

Explicit

High

Difficulty to Acquire

Low

There are different types of knowledge with various methods of acquisition. Different roles require different knowledge. Our approach to KT is multi-dimensional

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Critical Success Factors Service Transition

Critical Success Factor	*When Measured*	*How Measured*
Buy in and Support to Transition process e.g. Dedicated transition team, staff transfer etc.	Continuously throughout Transition	Via feedback through regular open review meetings with key client people and third parties. Via the issue and risk registers where all issues and risks resulting from insufficient support to the process will be documented, managed and escalated
Actions completed on time	Weekly	Highlight report, Milestone reporting
Risks identified and resolved quickly e.g. Subcontractors or staff leaving during transition	Continuously	Risks allocated traffic light status and actioned accordingly
Knowledge Transfer is effective	Continuous review of progress	Current support team sign off each element of training when appropriate skill level is reached. Skills matrix continuously reviewed. Current support team involvement progressively reducing
Current Service is not degraded during transition	Continuously	The SDM & Current client team leaders will be fully aware of impact on current service and act accordingly to ensure current service is maintained.
		Development team members involved in the changes that are planned are available for a minimum period of 30 days to provide warranty support, should there be any problems that cannot be resolved by the new Capgemini team
Open communication and effective change management	Continuously	Via feedback through regular open review meetings with key client people and third parties. Via the issue and risk registers where all issues and risks resulting from insufficient support to the process will be documented, managed and escalated