



Business Solutions for
the Competitive Edge™

R2K's Offshore IT Services

Reducing Costs
High Quality
Lower Risk

Presentation Overview



- ▶ Industry Trends
- ▶ Benefits to Customer
- ▶ Implementation Success Factors & R2K
- ▶ R2K's Subsidiary in India
- ▶ R2K Delivery Model Differentiators
- ▶ R2K Relationship Management Strategy

“Offshore software development is entering the mainstream...”



- ▶ ...Mid-market companies are now eager to join large global concerns in outsourcing application development overseas.”

Stephan Lane, Aberdeen Group
Source: Datamation

Financial services survey



“93% of global financial services executives are interested in offshore outsourcing to reduce cost...and have the potential to save close to \$30 billion by migrating approximately 500,000 jobs offshore.”

Andrea H. Bierce, A.T. Kearney. Reported in Insurance and Technology, July 2003.

Lower Operational Costs



- ▶ Reduce your full time staff costs.
- ▶ Reduce your fixed overhead costs.
- ▶ Take advantage of skilled offshore personnel at a fraction of the cost.
- ▶ Increase your productivity.

Customer Benefit #2

Strategic: Competitive Advantage



- ▶ Your revenue growth is accelerated by shortening time to market of new products and services.
- ▶ Benefit from virtual around-the-clock development by leveraging time zone differences in your favor.

“...This arrangement [offshoring] eliminated one-third of the normal time to market period for our last several applications.”

Bill Roeder, Phillips Semiconductor

Customer Benefit #3

Focus on Customer Service



- ▶ Focus on your core business and customer service without diffusion of resources to IT for development of new systems.
- ▶ Stage part of your technical support operations offshore (HelpDesk, bug fixes) and accelerate response time to your internal operations. Your customers benefit from smoother operations.

HR Talent Management



- ▶ Flexible staffing on a full time or project basis.
- ▶ Just-in-time capability
- ▶ Scalable staffing to meet growth requirements.
- ▶ Access to best talent from distributed locations.
- ▶ Reduce risk of depending on single talent market.

The Quality – Cost Tradeoff



“Many companies move to offshore with a sense of urgency to cut costs. They are not putting metrics in place... as a result initiatives are not as successful as they hoped.” Polled financial services executives rating their offshore activities:

- > 9% rated very effective – **Would you consider this an acceptable service delivery rating “onshore?”**
- > 41% rated effective
- > 32% rated somewhat effective

**Stephan Spohr, A.T. Kearney (an EDS Company)
as reported in Insurance and Technology, July, 2003**

Customers are demanding offshore IT delivery to attain multiple benefits...but recognize that change is part of the process.

What are the concerns?

Customer Due Diligence



- ▶ **Here today, gone tomorrow?**

Evaluate the stability of offshore companies and onshore suppliers to build and support mission critical applications.

- ▶ **Method or madness?**

How consistent is the use of proven delivery methodologies across lifecycle for quality.

- ▶ **Who's minding the store?**

What relationship management practices are used across the project and corporate spectrums to keep projects within budget and on time.

R2K Service Quality Standard



To deliver excellence and meet or exceed existing service levels in delivering offshore IT solutions.

We identified **four critical success factors** and have implemented recommended best practices

Success Factor #1

Choose a company, not a country



“...An offshore partner should exist as a virtual extension of the internal IT department.. This [collaborative relationship] can only be evaluated at a company, not a country level.”

Stephan Lane, Aberdeen Group

R2K's investment in quality:

- > R2K India is a wholly-owned subsidiary of R2K in Bangalore.
- > R2K's deep expertise in scalable, enterprise-level software development and system integration.
- > R2K's project management skill with cross-functional teams, e.g., business, development, QA.

Success Factor #2

Abundance of educated resources



“Only India, China and Russia are capable of scaling up enough to meet demand.”

Rita Terdiman
Gartner Group

R2K India's Location

- > Bangalore: The Silicon Valley of India
- > Fluent in English
- > Stable, democratic, good infrastructure
- > Huge pool of talented resources to recruit from

R2K India's Strengths

- > Experienced management with U.S. experience
- > Fluent in core enterprise technologies such as VB, Java, C++, Windows, IIS, ASP, SQL Server, etc.
- > Cross-trained in R2K horizontal specialties

Success Factor #3

Align methodologies



“One set of coordinated plans and procedures must exist between the offshore developer and the onshore vendor.”

Datamation

R2K India uses a *proven* software development and integration methodologies:

Planning, tracking, reporting

- > **Risk assessment & mitigation**
- > **Functional and design specification protocols**
- > **Technical and user documentation**
- > **Formal unit, functional, regression, system test protocols**

Success Factor #4

Collaborative Management Excellence



R2K's Partnership Focus:

Project managers offshore, onshore, and at the end-user site must work collaboratively, eventually “thinking as one.”

“Using this method, our overall results have far exceeded expectations. It instills the necessary communication and cooperation to bridge any cultural divides.”

Richard Wirt, Intel

Coordinated technical project management

- > No subcontracting
- > No fragmentation

Corporate relationship management in U.S.

- > Business management of roles and responsibilities
- > Contract issues
- > IP issues

Commitment to Success



- ▶ Investment in R2K India
- ▶ Technical Delivery Model Differentiators
- ▶ Relationship Management Model

R2K's Corporate Investment in Quality



- ▶ Strategic corporate investment to ensure continuity of quality methods and project control while containing cost.
- ▶ R2K India established as a wholly owned subsidiary of R2K located in Bangalore, India.
- ▶ Fully integrated on R2K's intranet, email, project management and corporate communication infrastructure.
- ▶ Investment in the same state-of-the art hardware and software tools for project work and communication used by U.S. staff.
- ▶ Stringent recruitment standards used for hiring.
- ▶ Training and development programs used to educate staff in R2K technical methodology and relationship management protocol.

Offshore Delivery Model Standards



- ▶ Same R2K Standards Offshore:
- ▶ Systematic process to understand both business and technical requirements.
- ▶ Rigorous development approach: formal methodology; prototyping; peer reviews.
- ▶ Robust testing: special cases, load and stress – not just “sunny day” scenarios.
- ▶ Commitment to customer satisfaction, two-way communication, and professional integrity.

R2K's Enterprise Software Development Process



Deep expertise in a proven methodology for scalable, enterprise application development and support:

- > Project Initiation (proposal, statement of work, schedule)
- > Analysis (requirements, functional spec, estimate, plan)
- > Development (design, coding, unit testing, reviews, documentation, software builds)
- > Quality Assurance (system test, defect tracking of bugs, user acceptance, pilot testing)
- > Project Planning (tracked using Microsoft Project)
- > Configuration Management (deliverables documentation)
- > Coding Standards (C/C++, VB, Java guidelines, process to raise errors, error logging)

Relationship Management



- ▶ Technical Project Management
 - > Daily operational tracking according to the technical development plan and maintaining the metrics at all points along the project lifecycle.
- ▶ Account or Contract Management
 - > Align business goals with technology solutions. Tracking, budget, proposals, customer relationship management, communication & documentation.
- ▶ Corporate Relationship Management
 - > Senior management from both organizations guiding the strategic development of the partnership to collaboratively grow business including roles, responsibilities, boundaries, major deliverables, and IP issues.

R2K India in Action



- ▶ Prudential Financial
 - > Integration of security management products with legacy imaging and workflow applications.
 - > Re-certification of custom applications with new operating system and database releases.
- ▶ Comfidex, Inc.
 - > Software development for system administrator control of web-based document processing application.

Business Applications



IT Applications for Offshore Delivery:

- ▶ Legacy application integration with new, emerging technologies.
- ▶ Software customizations and migrations for existing systems.
- ▶ New business applications.
- ▶ Quality assurance testing and help desk.
- ▶ Data capture, software distribution, other horizontal applications.

For more information



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