

An aerial night view of a city and port. The city skyline is illuminated with lights, and a large body of water is visible in the foreground. A semi-transparent teal overlay covers the middle portion of the image, containing the title text. In the bottom right corner, a large container ship is docked at a pier, with its deck and cranes visible. The overall scene is a mix of urban and industrial activity at night.

STEPS TO SETTING UP YOUR OFFSHORE SERVICE DELIVERY MODEL



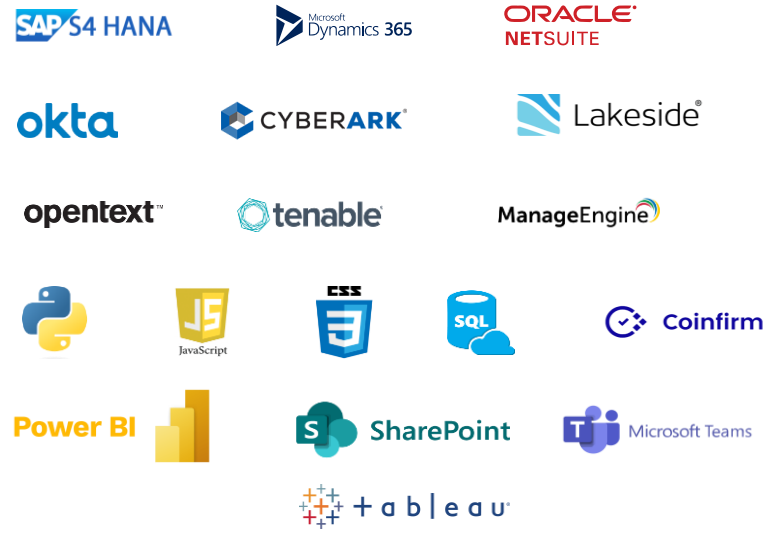
ABOUT SPC NXT

SPC NXT is a leading integrated solution and outsourcing partner for Corporates. With a team of 250+ professionals; 70+ years experience; Technology & Information Security investments we continue to empower global businesses by providing high-impact and cost-effective solutions.

We offer services in domains of Technology, Risk, Transaction Support, Integrity & Forensics, Strategic Consulting, Functional & Manpower Outsourcing.

Our integrated approach is designed to utilize our global talent pool, technology & best practices to serve organizations of sizes from Mid-Size to Multinational Corporations across the globe.

Tools & Technologies We Breathe



15+ Countries
International Clientele

200+ Clients
Partner-Led Partner Managed Approach

50+ Service Offerings
Experienced and Friendly Team

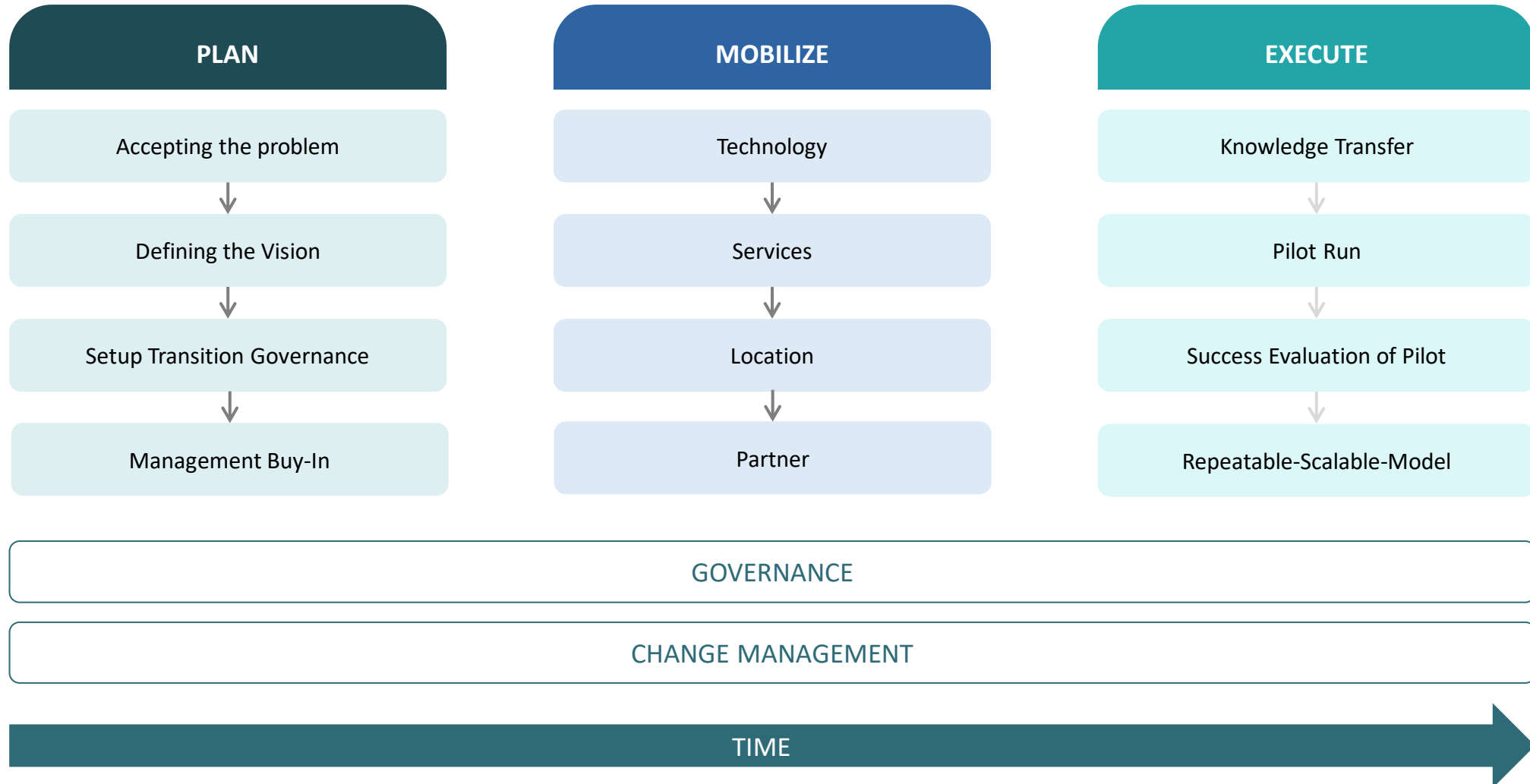
250+ Professionals in India
Investment in human capital & Training

\$10B Assets
Investigated under Forensic & Integrity Practice

50,000 Hours
Off-Shore Service Hours Served

Aerial view of our Corporate Office in Noida

BIRD'S EYE VIEW

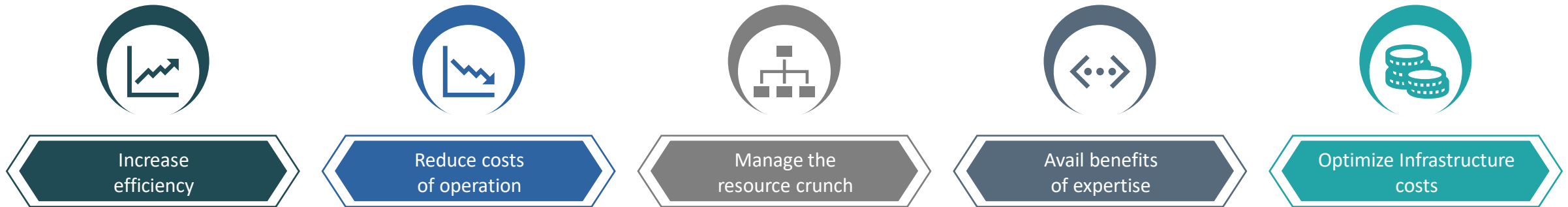


A. PLAN

ACCEPTING THE PROBLEM & DEFINING THE RISK

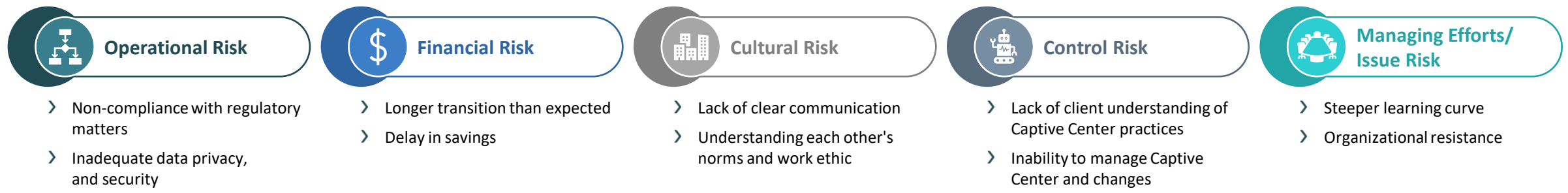
The first step in setting up a dedicated offshore development center is to accept the problem and understand the need for outsourcing

THE ORGANIZATIONS SHOULD OUTSOURCE TO:



RISKS TO BE CONSIDERED WHILE DEFINING VISION

After realizing the need for outsourcing all the risks and infrastructural requirements should be weighed. Some of the risks may include:



A. PLAN

DEFINE THE VISION & REQUIREMENTS OF YOUR BUSINESS

The next step is to set up a dedicated offshore development center and understanding the infrastructure needs of your business and project and defining the purpose of the SSC

FOLLOWING THE BELOW STEPS CAN HELP YOU CREATE A BETTER VISION FOR YOUR OFFSHORE TEAM:

- **Outline the Scope of Work-**

Define the project's purpose- Building a new product, building new features in an existing product, or upgrading it to better technologies. What features do you wish to build? What technologies do you wish to integrate? Whether it is a simple development or complex development with changing requirements?

- **Define the Term of Engagement-**

Whether it will be a short or long-term engagement? One-time, recurring, or permanent technical support? This will give you an answer to which offshore development center model- Product engineering, Build-to-Scale, or Build-Operate-Transfer model, would work best for your business.

- **Define the Talent Requirements-**

Detail the different experts required for the project at various stages of development. It will help you choose the right mode of engagement with the hired team- Fixed Cost, Hourly Cost, Retainer Model, or Hybrid model.

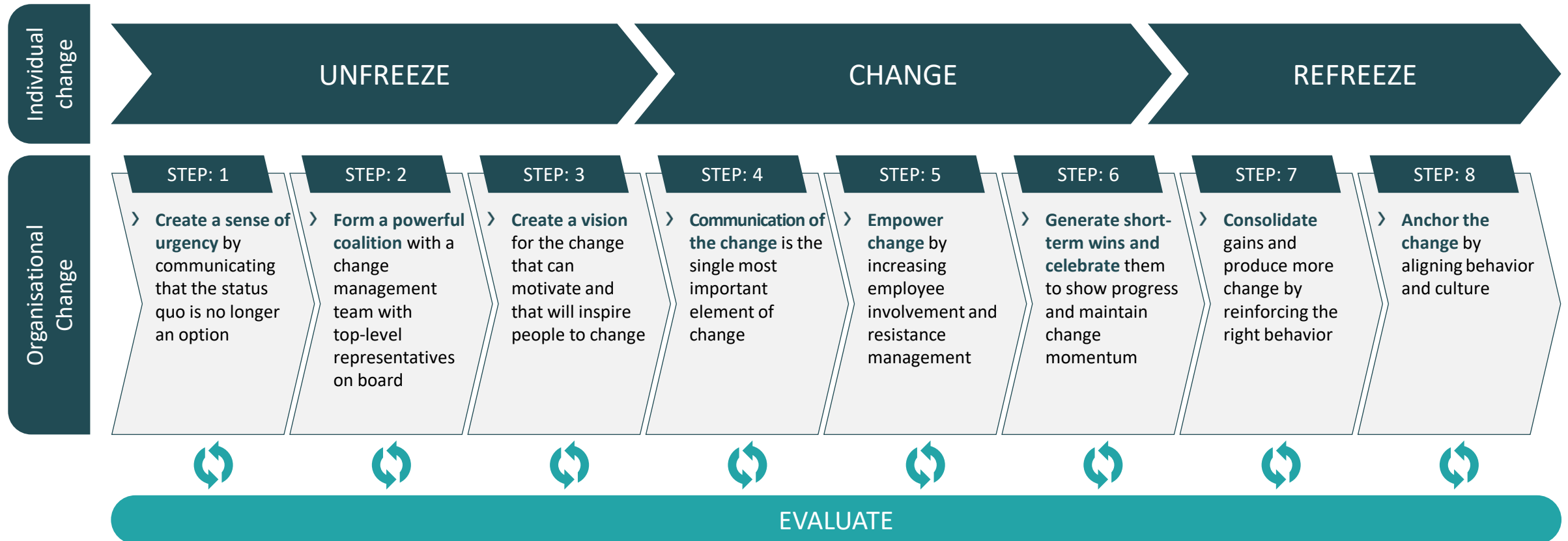
- **Choose a Development Methodology that would Work Best for the Project-**

The above steps would help you build an efficient project strategy.

A. PLAN

COMBATING RESISTANCE TO CHANGE

Governance of transition inevitably means **engagement with people about change** and, given the dynamics of transition, the **rules** or **codes** of such **engagement** are vital for a successful transition.



A. PLAN

MANAGEMENT BUY-IN

Implementing outsourcing is a major event in a company's life, involving considerable change and disruption, particularly to staff. Before attempting to implement the change, you will need the **buy-in, support, and commitment** of **key stakeholders**, namely **executives** and **senior management**.

Once you have identified key stakeholders, invite them to workshops where their concerns and perceived barriers to implementation can be understood and addressed.



A POSITIVE TOP MANAGEMENT SUPPORT:

- It delivers a **commitment to excellence** and high quality.
- **Motivates** employees to **extract value** out of this outsourcing activity by either reengineering the underlying business processes or identifying and eliminating nonvalue-added tasks/ activities.
- **Extended teams** with specified tasks can be created across the globe.

B. MOBILIZE

TECHNOLOGY

Technology is a key lever that has become increasingly relevant to maximizing value generation potential for outsourcing. Organizations that adopt new technologies are continuously forming value networks with clients and technical team to develop new capabilities and deliver increased value.

Specifically, robotic process automation (RPA) has become a key component of outsourcing operations

RPA PROCESS DEVELOPMENT STAGES



Currently the most common

- > "Unattended" Automation: Does not require constant human supervision
- > Typically used for repetitive back-office tasks –
- > Works 24/7 based on defined work plans or business triggers

Classic performance levers

- > Business process reengineering
- > Basis automation
- > Shared services
- > Offshoring

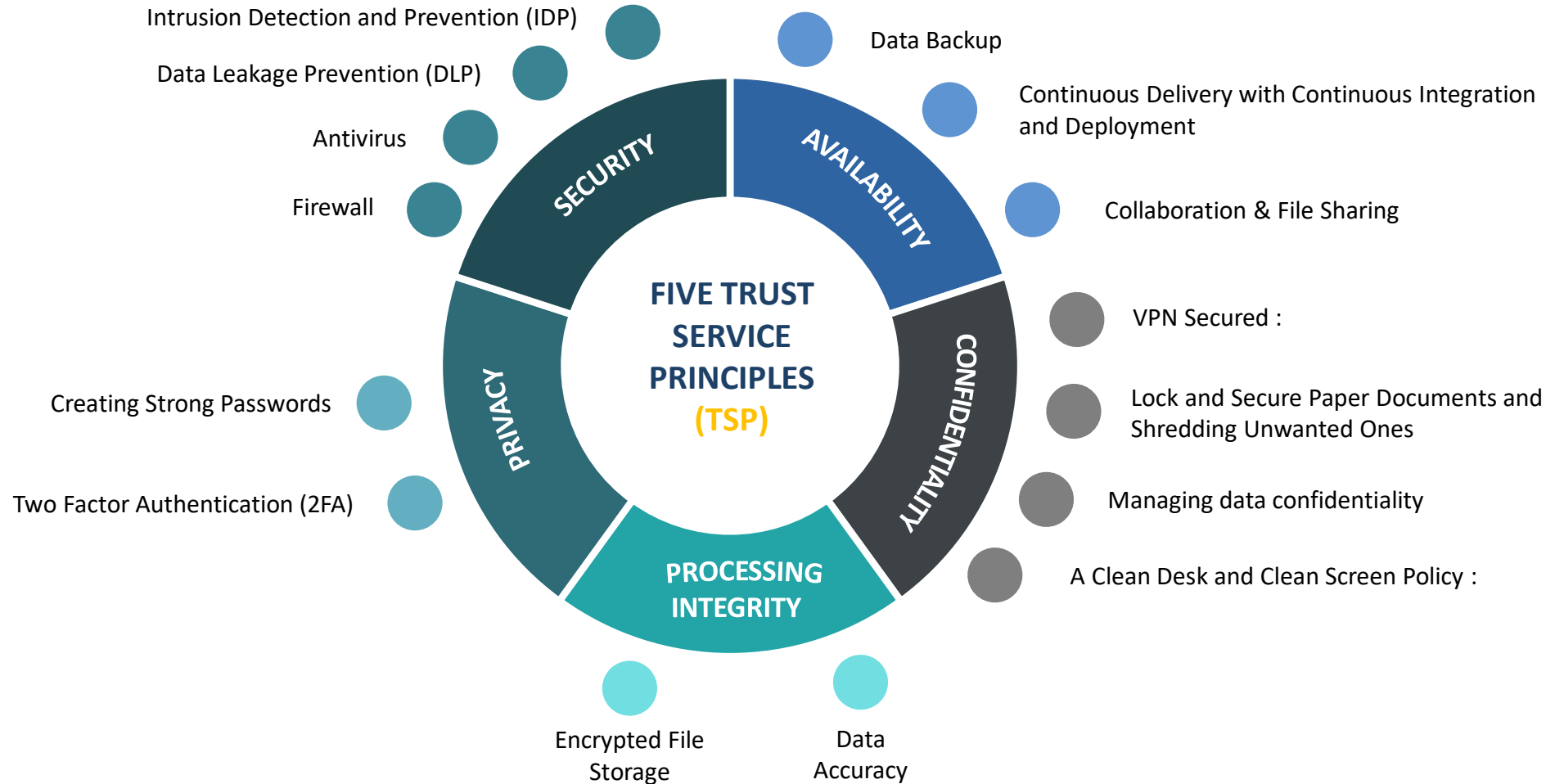
RPA additional performance levers

- > Automation of the "hard-to-automate"
- > Robots mimic human activities
- > Better control and transparency
- > New roles and activity profiles for employees and executives

B. MOBILIZE

TECHNOLOGY

IT SETUP AND INFORMATION SECURITY READINESS



B. MOBILIZE

CHOOSE: SERVICES

When evaluating and defining services that could operate under a shared service center model, management needs to identify the **nature of each service** and classify it into three main segments: strategic, cognitive, and operational services:

SERVICE CLASSIFICATION CRITERIA

OPERATIONAL



Services or processes that are characterized by:

- › **Ease and replicability** of actions
- › Limited need for **key talent**
- › High **Automation** potential
- › **Non-critical services** for business lines

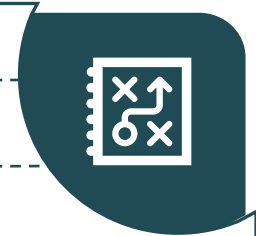
COGNITIVE



Services or processes that are characterized by:

- › **Knowledge-intensive** and depend on the handling of a large amount of data
- › High need for **Qualified talent**
- › **Aligned** to business lines

STRATEGIC



Critical processes for the business characterized by:

- › High or **continuous interaction** with the **external client**
- › Necessary for the continuous **development of business lines**
- › Essential for the definition of **organizational strategy**

Based on services classification and requirements, the initiatives must be assessed in order to determine impact and potential location

High-risk initiatives due to proximity and relevance to core business

B. MOBILIZE

CHOOSE: LOCATION

After the initial service classification, it is necessary to consider the impact that location will have on the shared service center. To do so, certain key variables need to be analyzed, such as:

DECIDING THE RIGHT LOCATION LEVERS




	Talent Availability	Cost Saving Potential	Required Infrastructure
Operational Services	<ul style="list-style-type: none"> > Routine and repetitive activities with low requirements of specialized talent 	<ul style="list-style-type: none"> > Economies of scale are crucial due to the high level of operations 	<ul style="list-style-type: none"> > Limited infrastructure required; Savings are driven by economies of scale as well as process evolution into Lean Solutions
Cognitive Services	<ul style="list-style-type: none"> > Services required technical and specific knowledge. Personnel know how is crucial in the succeed of the centralization process 	<ul style="list-style-type: none"> > Relatively small work teams > Saving potential is mostly driven by the integration of new services/technologies 	<ul style="list-style-type: none"> > Required technological infrastructure, potential impacts tends to rely upon digital solution

B. MOBILIZE

CHOOSE: PARTNER

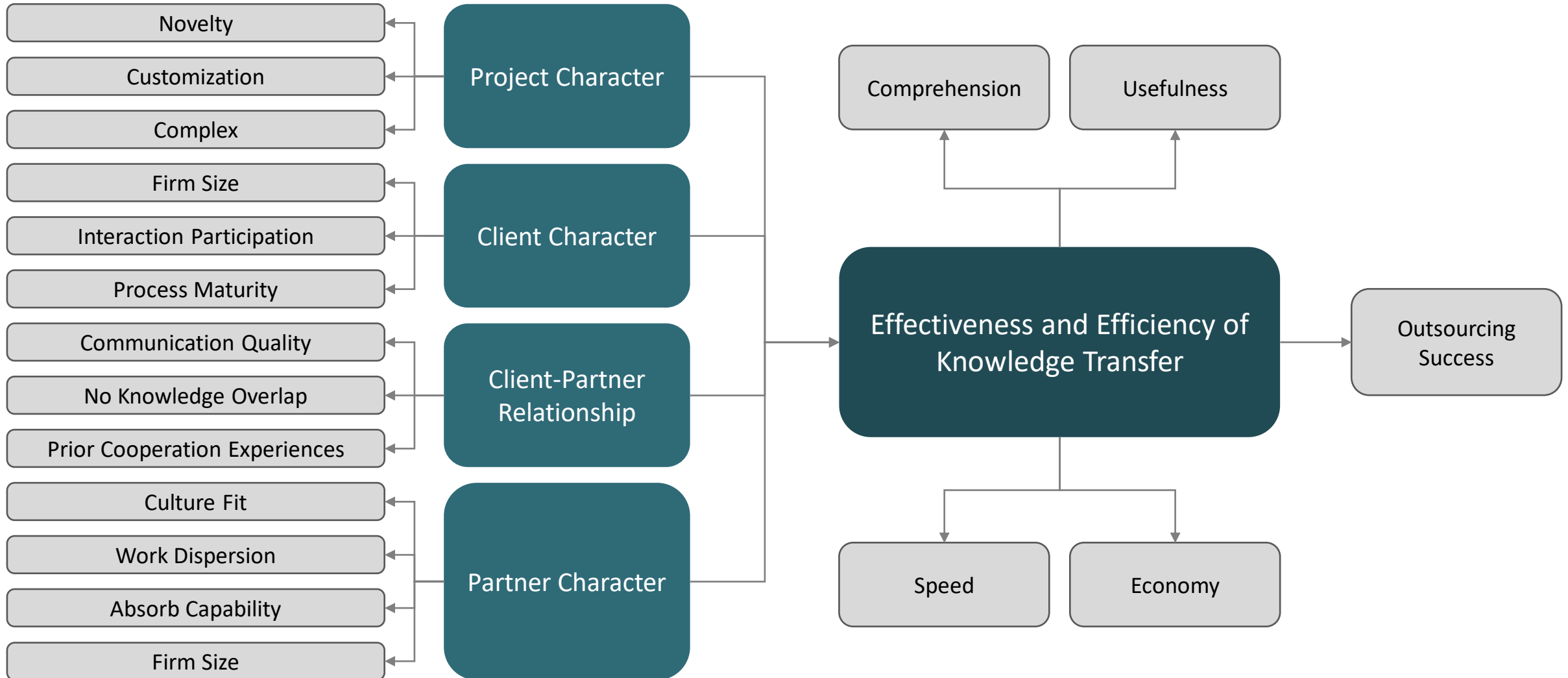
Once services are classified accordingly and potential SSC locations are identified, organizations should quantify the expected impact, potential risks, and feasibility of implementation while assessing a suitable partner.

SERVICE POTENTIAL KEY LEVERS

 <p>POTENTIAL</p>	<p>Volume of FTES</p> <p>People executing the service</p>	<p>Productivity enhancement</p> <p>Potential for standardization and/or improvement of process</p>	<p>Improvement in quality</p> <p>Existence of a country with high quality and best practices migrated</p>	<p>Technology boost</p> <p>Use technologies to boost business or generate savings</p>	<p>Incremental Savings</p> <p>Business management allows you to capture new revenue</p>	<p>Talent Availability</p> <p>Access to talent or knowledge required</p>
 <p>RISK</p>	<p>Relevance to business operations</p> <p>The service is critical for operation and the company highly depends on the service</p>	<p>Interaction with local clients</p> <p>Level of interaction with customers at commercial, operational, administrative, etc.</p>	<p>Local regulation</p> <p>Degree of local legislation applicable to operation of the service</p>	<p>Reputational risk</p> <p>Reputational impact in case of operating faults</p>		
 <p>FEASIBILITY</p>	<p>Organizational change</p> <p>Number of areas involved in the execution of the process</p>	<p>Requirements of systems/IT tools</p> <p>Number of countries that require technological change – simplicity of integration with current core systems</p>	<p>Know-how requirements</p> <p>Staff with experience in the service</p>	<p>Standardization of the service</p> <p>Standardization level of the process between countries</p>		

C. EXECUTE

KNOWLEDGE TRANSFER



C. EXECUTE

PILOT RUN & EVALUATION

All the plannings and preparations prove to be fruitful only if the execution is perfect.

For effective execution, the practice of a pilot project, and an initial small-scale implementation should be followed. This implies that before outsourcing the actual project it is necessary for the organization to assess the capabilities of the service provider/outsourcing partner. This requires proper evaluation which could be achieved by outsourcing Pilot projects.

Pilot run shall be carried out to assess the following:

Concept Clarity:

When a pilot project is outsourced, it will help evaluate whether there is clarity regarding the concept of outsourcing, responsibilities of teams at both ends, expectations, etc. Concept clarity is very crucial to decide outsourcing of further projects.

Effective Responsiveness:

It is imperative for teams at both ends to have a clear and effective channel of communication for smooth functioning of the project

Detailed Documentation

The work steps performed during the pilot project should be properly documented.

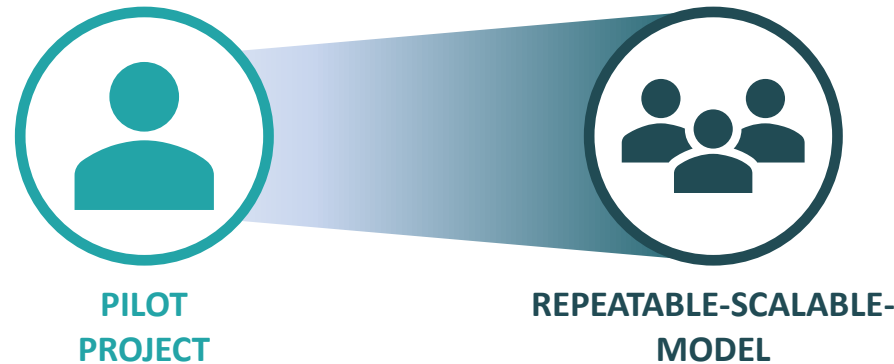
Timely Delivery:

It is important to follow the timeline mentioned in the guidelines. Turnaround time should be frozen and the same should be adhered to. This will depict the discipline of the partner organization and will help evaluate whether the partner will be able to meet the deadlines

The outcome of the pilot run should be thoroughly monitored and analyzed to determine the success factor on the basis of pre-defined criteria.

C. EXECUTE

REPEATABLE-SCALABLE-MODEL



- It is important to **monitor any flaws** encountered during the evaluation of the pilot run so that both parties may **improve** upon them and can move forward toward the execution phase.
- After all discussions and negotiations, the **success of the pilot run** can be **implemented** in the actual project planned for outsourcing
- Now as both the client and the provider are **satisfied with the results**, an agreement can be drawn upon and the **contract can begin**.
- The execution of outsourcing agreements should include the **continuous monitoring** of previously agreed **success metrics**.
- In the future, both parties can circle back and **mutually modify the terms and conditions** as necessary.

C. EXECUTE

REPEATABLE-SCALABLE-MODEL

SIGNING OF SERVICE-LEVEL AGREEMENTS

Prior to the migration of services into a shared service center structure, it is crucial that certain **milestones** and **targets** are defined. This ensures adequate **transition** and **operation** for both the client and the service provider. As a result, **service-level agreements (SLAs)** need to be developed and structured based on the following general components:

1. Clear understanding:



Clear understanding of where the value of each service will come from under the outsourcing structure. This can be efficiency, revenue generation, or **quality of service**.

2. Trust and reliability:



The service provider needs to be defined as a reliable source of information and a time-effective solution to ensuring reliability beyond cost efficiencies (i.e., **time to resolution**, **availability** of service).

3. Risk control:



Management of all potential risks during migration and operation of the service, through the implementation of **controls** and **contingency mechanisms**.

In general, the defined target and milestones for transition and operation of services under an SSC structure will set the guidelines and limits. They will also enable adequate **monitoring** and **adjustment** as required. A sufficient definition of SLAs is key to ensuring that results are aligned to overall management expectations.

TOUCH POINTS

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Connaught Place, **New Delhi**-110 001

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Uttar Pradesh 201301

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Thaltej,Ahmedabad, **Gujarat** 380059

503, Dalamal Chambers, 29,
New Marine Lines, **Mumbai**-400020

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