

Chapter 16: Success Criteria

Success is often hard to measure or define in life. Did you achieve success by getting an inflation-busting pay increase this year or did you deserve more? With an outsourcing programme, success is something that needs to be understood in more defined terms. This is essential for both the client and supplier to have an appreciation of what works and what does not.

Specific targets are a certainty. Just do not enter the offshoring programme with a vague idea that 'it will save some money'. Think about the end-result, rather than the process of getting there. After all, you are performing this function already, whether it is answering telephone calls or creating computer software. Outsourcing is just another way of getting the job done. Measuring whether the outsourcing programme really works is going to need some metrics and expected results.

Chapter 7 defined the drivers that are moving you toward the decision to outsource and chapter 13 should have helped to clarify the specific objectives. When you reach chapter 19, you will read further information on the definition of Key Performance Indicators (KPIs), the very well defined and specific measurement of service provision that define success or failure, but what are the 'big picture' elements of an outsourcing programme essential for success? Furthermore, is there anything specific about outsourcing to India that must be in the initial game plan?

Specific details of the programme can be codified in the contract and SLA; however these are the five areas that need careful attention in any offshoring programme:

- Get the right people in the right place
- Design your metrics for results
- Design KPIs for the future
- Build a great relationship with your new partner
- Benchmark the service against others

If these five critical areas are planned well then the programme is going to be a success. For example, if you planned a poor SLA, then enjoying a good relationship with the partner will ensure you can revise it with ease. These are the five 'outsourcing manifesto' items you need to print on a small card and carry around in your back pocket - as political parties like to do. However you need to deliver on your promises, unlike most political parties!

Everything in the Right Place

Patrice Hervé, a project manager at SG Software in Bangalore, said: "A key success factor is the use of an onsite manager. If the person does not have very strong management capabilities or the right mindset then there can be a problem."¹

Hervé is referring to the practice of locating a manager from 'head office' out in the new Indian facility. His own role allows him to not only manage projects in the normal sense of controlling budgets, deliverables and project teams, but also to act as a mentor and business advisor because he moved to India from SG headquarters in Paris, France.

The team in India cannot know as much about your business as the staff on the ground in the main office. A European investment bank needs its Indian team to understand the intricacies of equity trading and settlement. An airline needs its technical team to understand the process of managing high-value frequent flyers. All these business processes are learned by the local service teams, because they speak to the business teams on daily basis. Pay careful consideration to how this knowledge will be created in the new team.

If you are planning a captive facility, then it is essential to get some of the business line teams to India. Ensure the end users visit the team and arrange a few key expatriations so there is always a person in the Indian office who knows how the end users think, feel and behave in Paris, London or New York.

Plan the relocation of people and travel throughout the programme; don't award people a trip to India for good behaviour. There will be a lot of flights booked throughout the transition and afterwards, but the initial and ongoing cost is more than compensated for by the success of delivering a great product from India.

The point Hervé makes is not quite so essential when dealing with the major outsourcing suppliers, though it is important to ensure your end users meet the outsourced team. With a vendor team, you don't need to worry about placing your own experts in India because companies like TCS, Wipro and Infosys already have experts with experience of working in Europe or the US.

It may seem like a cliché but the career path of a young Indian knowledge industry worker can often be summarised thus; graduate from school, build up a couple of years of local work experience in India, work for a decade in Singapore, Europe or the US then return home to raise a family.

This is a common story for a number of reasons, most Indians want to experience the better opportunities and higher wages on offer outside of the country, yet there are many attractive positions now tempting people back home. Many are now actively seeking a job back in India because it is where the 'action' is taking place. Some people do stay in their adopted homes, but many return to raise a young family.

The point of this story is the fact that there are many highly-skilled people in India working for the outsourcing suppliers with experience of US and European companies. Outsourcing suppliers love these returning knowledge workers because they have a decade or more of solid work experience in the same places that