



Outsourcing:

Mending ways for a Smooth Ride - A Success Story

Outsourcing is a **long term commitment**, often between two dissimilar parties, that needs to be carefully nurtured and maintained over time. Almost every outsourcing venture faces teething troubles and ongoing challenges. Only the ones with maturity and foresight can keep the commitment going during trying phases to come out successful in the end.

This case study talks about how KVP Business Solutions partnered with our client and intervened at the right time to salvage a well-intended outsourcing strategy that was going off-track.

The Client

Our client is one of the **largest manufacturers** of high speed **electronic cables** based out of USA. The client had **outsourced** several engineering tasks to a **reputed Indian vendor** of offshore engineering services. However, after a good start, **sustenance** became a challenge; quality issues and differences in expectations made it difficult for our client to take the outsourcing engagement to the next level.

Challenges

Here are some of the reasons that made this business case a challenging one:

- Both parties, being players of international repute, were giving in their best respectively. The root causes for their problems was not obvious; figuring out meant looking for the **devil in the details**.
- Since the outsourcing deal was already in place, any improvements must be worked **around the existing framework**.
- **Time** was of essence. Challenges, if not sorted out at the right time, could **undermine** the entire outsourcing strategy, leading to heavy loss of resources to both parties.

The Client

- A US-based manufacturer of electronic cables
- Working with a well established vendor of offshore engineering services in India
- Facing challenges in leveraging their go-to-India strategy

The Challenge

- Digging deep to unravel problems that are not obvious
- Limited room for negotiation and change
- Limited time at hand

KVP Advantage

- Strong outsourcing consulting team that is well versed with developing and troubleshooting outsourcing strategies
- Young and dynamic members
- Cost effective



KVP's Proposal

Recommendations for:

- Better control over outsourced services
- Effective and timely communication
- Improving quality of delivery aligned with roadmap
- Improving overall productivity

Identify best practices for outsourcing to India to understand the nuances of working with Indian vendors



Use the best practices and knowledge of work culture and management styles to improve working relationship with the India vendor



Fine-tune the outsourcing strategy to achieve expected ROI and fully leverage the go-to-India strategy



Develop tools and methodologies to audit the progress of the outsourcing engagement in future



KVP's Collaboration

KVP's consulting team was called upon to study the challenges and provide expert advice to **leverage** our client's **go-to-India** strategy. Although it was evident that the parties to the engagement were not on the same page, our first job was to **uncover the specifics** of the problem at hand. After a careful study, we grouped the challenges under four major categories:

- **Lack of Control:** Having invested in a Product Data Management (PDM) system to add value to their outsourcing strategy, our client was keen to get best out of the investment. **Inability to get adequate control** over the outsourced services and take the outsourcing strategy to the next level was threatening to jeopardize the future of the engagement.
- **Poor Communication:** Lack of transparent and effective communication between the parties was taking a toll on their relationship.
- **Low Quality:** Offshore engineering deliveries need strong alignment with the roadmap defined at the beginning of the engagement. In the **absence of such alignment**, our client was experiencing several gaps in quality of delivery and the offshore party's capability of managing medium to complex tasks.
- **Low Productivity:** Mismatch of expectations and **differences in management styles** was acting as a dampener of spirits and morale resulting in low productivity.

Our team of experts then provided detailed recommendations to overcome the challenges.

Identifying Best Practices for a Successful Go-to-India Strategy

We figured that one of the biggest stumbling blocks was the **lack of clear understanding** of successfully outsourcing work to India. We developed a detailed synopsis of best practices to leverage our client's go-to-India strategy. Our report dwelt on the following aspects of outsourcing

- **Best practices** around core and surrounding aspects of outsourcing to an Indian vendor
- **Sourcing landscape** that provided an overview of Indian vendors in the engineering industry to build a sustainable supply base

Bridging the Work Culture Divide

We studied our client's **work culture** and understood how they interact with their stakeholders. We then made a **comparative study** of the Indian partner to understand their culture and **communication techniques**. Based on our understanding of both the parties, we made suggestions on outsourcing successfully to the Indian partner keeping in mind Indian management styles, their communication styles, culture and other related topics.

Improving ROI

At the end of the day, generating the expected Return on Investment (ROI) lies at the core of any outsourcing strategy. We made several recommendations to improve quality of delivery, reduce project lifecycle time and improve communication to **increase productivity**. We also provided guidelines to utilize the PDM systems effectively to **improve the ROI** of the strategy.

Auditing the Outsourcing Strategy for Long-Term Continuity

Nurturing a long and fruitful relationship is an important aspect of outsourcing. We recommended several means to effectively **monitor** and track the working of the offshore team. We also provided our client with tools like **maturity index**, C-Sat, T-Sat and D-Sat **indices** to closely monitor their relationship with the Indian partner on an ongoing basis.

Benefits

KVP's multi-pronged recommendations helped our client achieve the **best out their go-to-India strategy** while ensuring that the Indian vendor was not sidelined in the bargain. We also **fine-tuned** the client's outsourcing engagement to take it to the next level and maintain it in future. Our **best practices guidelines** enabled our client understand the nuances of outsourcing work to India and hence get the best out of their outsourcing strategy.

If you found this case study interesting and would want to know more about how KVP can collaborate with you to improve business, then visit us at www.kvpcorp.com or write to us at info@kvpcorp.com.

Benefits

- A win-win situation for the client
- KVP undertakes detailed study of all aspects of the outsourcing deal, both quantitative and qualitative to identify the roots causes of the challenges
- Timely remedial action to put the outsourcing strategy back on track
- Far-reaching recommendations to solve the immediate problem at hand and also ensure that such complexities do not arise again in future

