

“The problem is not the talent in India. It’s the IT outsourcing model.”

SMC Squared CASE STUDY

At-A-Glance

- **INDUSTRY**
Vertically integrated manufacturing, distribution, and retail operations.
- **ISSUE**
Under-performing outsourcing vendor. Disjointed communications and workflows.
- **CORE FUNCTIONS**
Logistics, procurement, and commerce technology platforms.
- **TECHNOLOGIES**
SAP, Websphere, Data Security
- **SOLUTION**
Global Insource Center



THE CUSTOMER

A US-based, vertically integrated global retail and manufacturing company specializing in a diverse portfolio of lifestyle accessories. This industry powerhouse operates an extensive brand portfolio, as well as a wholesale distribution network across 150 countries and 500 retail locations.

THE PROBLEM

The company had an extensive outsourcing presence in India for years but recently had been adversely affected by cost overruns, under-performing contractors, and poor resource management processes. All were creating a significant drag on productivity and profitability, as well as distracting from the core focus of being a fashion trendsetter and market innovator.

The objectives established for the outsourcing operation were not in dispute. The culprit was the deteriorating execution. The company wanted to regain control in their approach to outsourcing.

THE SOLUTION

After extensive evaluation, the company partnered with SMC Squared to strategically “right-source” the execution.

“Given our experience with poor-performing IT Service providers, many on our team were initially very skeptical. We had tremendous cost challenges combined with a heavy IT demand from our growing business,” noted the development director. That quickly changed when the right-sourcing project got underway.

The SMC Squared US Enablement team worked with them to define a vision and operational plan using SAM, their Strategic Assessment Model. SAM is a management tool that enables everyone involved to deeply understand the unique history, needs, expectations, and current capabilities all from the same perspective.

Through this collaborative approach, SMC Squared’s Global Insource Center model was proposed, tailored for companies who already have an entity in India. It is designed to virtually eliminate all the start-up risk while adding a highly-productive, cost-effective global IT team to complement the Company’s local teams.

From the placing of the organizational cornerstone of the insourcing center’s technology director to the on-boarding of other critical hires meeting the Company’s skills and experience requirements, SMC Squared’s proven approach and local connections in India were invaluable in successfully building out the team quickly.

“SMC Squared’s US Enablement framework really made the difference. While we were focused on getting the talent hired cost-effectively, that was only half the story. We also needed to change how our team in the US operated. This wasn’t the old IT Services throw-it-over-the-wall, let-the-Account-Manager-handle-it-all business as usual process. Instead, we saw a complete transformation of our local team that enabled them to maximize the delivery performance within the context of our Global One Team.”

It didn’t take long for the Company to reap the benefit of partnering with SMC Squared. Within a year they realized a 44% savings in total-cost-of-ownership compared with their old IT sourcing strategy. Now, they have a fully-functioning, high-performing India-based IT team delivering a 50% boost in productivity with a 1:1 US FTE equivalency that exceeds all development quality standards.

Now with their three-year strategy underway, the partnership with SMC Squared has eliminated poor performing IT practices and bottlenecks resulting in high productivity and healthy communications.

44% Savings in Total Cost of Ownership.

ONE YEAR Turnaround with No Start-up Risk.

50% Productivity Boost through a Strategic Talent Overhaul.



LET'S BRING YOUR IDEAS TO LIFE

“We achieved a **44% cost savings** as compared to our old IT services strategy. The handcuffs came off and our ability to impact talent and mitigate risk improved.”

- Chief Information Officer

Eliminate Risk • Reduce Cost • Gain Control
+1 833-762-2552 | info@smc2.com | smc2.com

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