



The Positive Way

WAVESTONE



HOSTED BY JEFF VAIL, CEO

# New Sourcing Approaches for a New Normal

## Seeking Value in the Time of Coronavirus

Presented by John Webber, Managing Partner, Value Delivery Practice

# About the Presenter



**John Webber**  
Managing Partner,  
Value Delivery Practice

**Trusted advisor to the C-Suite, driving results from strategy through to implementation**

## **Representative Expertise**

- / Enterprise IT sourcing strategy
- / Service management process and organization design
- / Sourcing transactions and contract negotiations
- / Vendor management office implementation

**35 years' experience across industries on both sides of the table, \$8B+ in sourcing deals**

- / Healthcare
- / Retail and Consumer Goods
- / Financial Services
- / Oil and Gas
- / High-Tech
- / Publishing and Education Services
- / State and Local Government

# What You will Learn Today



**Money is on  
the table**



**New thinking is required for  
new times**



**There is  
a solution for you**



Automation is driving significant price declines in the managed IT services marketplace – there is **money on the table**



New approaches to sourcing enable you to **improve service delivery efficiency and maximize flexibility in the new normal**

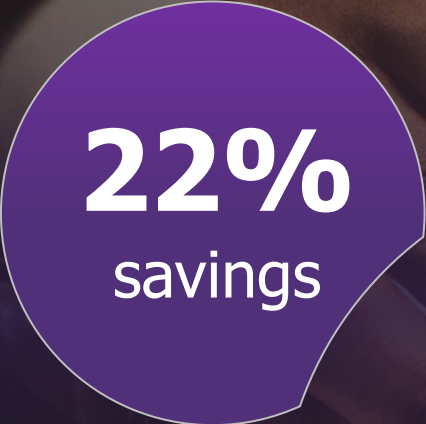


Depending where you are in your sourcing journey, there's a **targeted strategy** fit for your situation

# Money is on the Table!

Over the past year, Wavestone has helped clients close IT and BPO managed services deals in excess of \$500m. Those clients saved 29% on average.

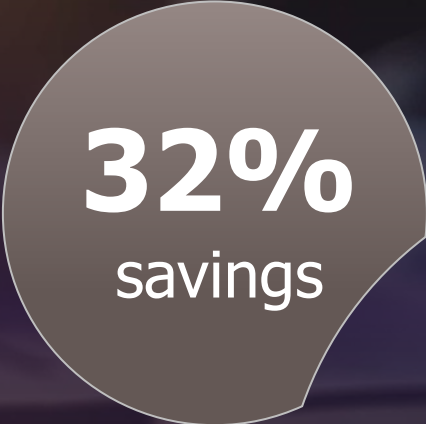
Sole Source deals resulted in



First Generation Sourcing deals netted



Second+ Generation deals yielded



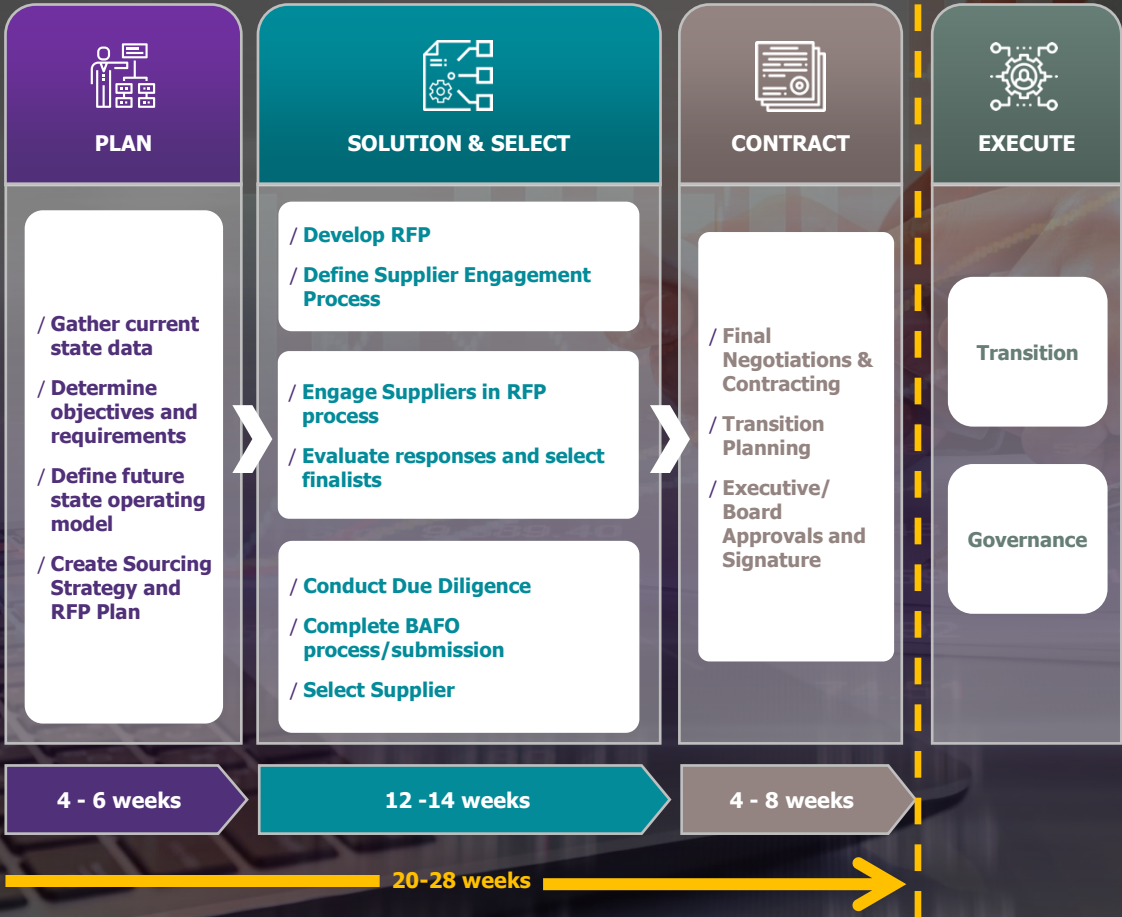
Increased savings, improved services, more flexibility, and enhanced transformation

# New Thinking: Sourcing for Insourced IT Functions

Companies are moving quickly to Value Realization via Rapid Sourcing Models

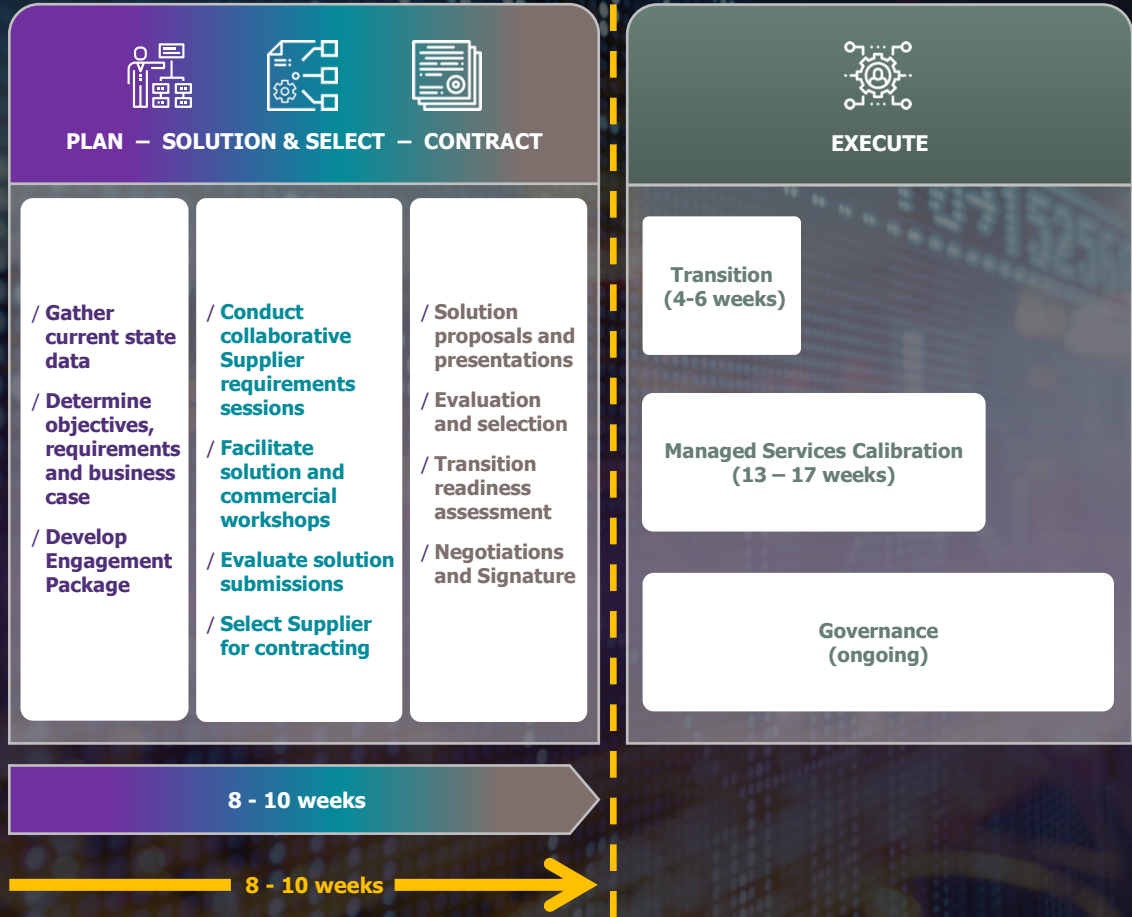
## “Traditional” RFP – Waterfall Approach

Value Realization



## Rapid RFP – Value at Pace

Value Realization



# New Thinking: Sourcing for Outsourced IT

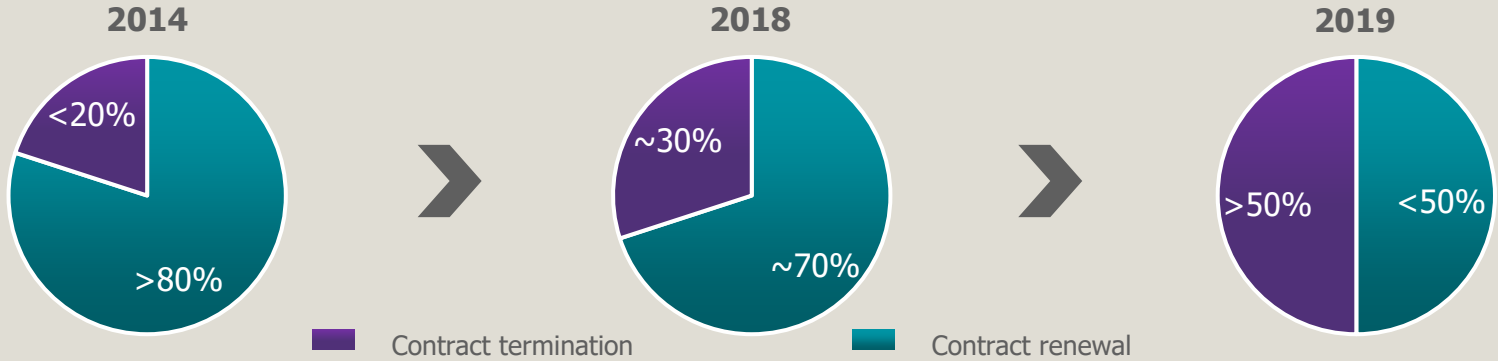
Covid-19 has paused the anti-incumbency trend, but that doesn't mean you have to settle for more of the same...

Here is a Wavestone "Headline" from early 2020:

Six months later, in the new normal, priority on minimizing risk and speed to savings.

To do this, clients seek more value from existing relationships.

## Anti-incumbency trend is prominent and may be pushed further...



CLIENT OFFERING | 360° ASSESSMENT

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### WHAT?

Wavestone deploys its proprietary 360° Assessment framework to identify opportunities across all aspects of your IT services landscape.

We deliver a comprehensive evaluation of your IT transformation opportunities and a plan for success as you approach the decision-point for your current agreement.

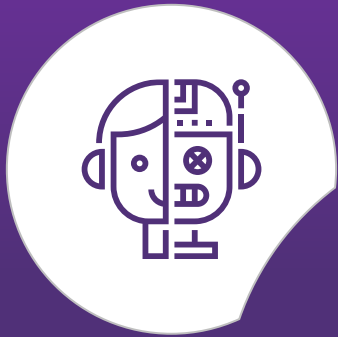
- Technology Transformation Assessment
- Service Delivery Architecture Review
- Commercial Benchmarks (Price, Ts & Cs)
- Business Value Mapping of IT Services
- Service Manement and Relationship Governance Review

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# Strategies for You

## Three New Sourcing Plays to Unlock Additional Value

### The World of as-a-Service



**1**

**Robots-as-a-Service**



**2**

**Captives-as-a-Service**



**3**

**Talent-as-a-Service**



# Robots-as-a-Service



## Robotic Process Automation vs. HPA Robots-as-a-Service

|   |  | RPA                        | RaaS      |
|---|--|----------------------------|-----------|
| <b>Getting Started</b>                      | Establish center of excellence                                     | Required                   | Included  |
|   | Hire RPA Engineers to build and configure solutions                | Required                   | Included  |
|   | Establish RPA training program                                     | Required                   | Included  |
|   | Buy RPA licenses for peak usage                                    | Required                   | Unlimited |
|   | Set up infrastructure  | Required                   | Required  |
| <b>Automating Processes</b>                 | Identify, select, and prioritize business processes for automation | Required                   | Included  |
|   | Build automation library   | Required                   | Pre-built |
|   | Ensure SME availability for process requirements gather            | Required                   | Required  |
| <b>Ongoing Support</b>                      | Allocate 25-40% of RPA team time to maintenance                    | Required                   | Included  |
|   | Annual license renewal   | Required                   | Unlimited |
|   | Continuous process optimization                                    | Optional                   | Included  |
| <b>Total Cost of Ownership over 5 years</b> |  | <b>2-5x more expensive</b> |           |

**850+**  
workflows  
in production

**2,500+**  
robots  
working daily

**90+**  
satisfied  
clients

**8**  
industries

**100+**  
applications  
automated





## GLOBAL INSOURCE CENTER Dedicated Team

- No upfront costs
- No overtime billed
- Scales from 5 to 500+ engineers
- Reduces outsourcing risks with employee-centric model
- Below-market hourly blended rate
- Immediate savings when converting from a Contractor/Outsource model
- Performance of a Captive without upfront capital investment
- Team recruited for fit
- Transfer opportunity with TCO target below \$20/hour
- US productivity and quality guaranteed
- Global Enablement roadmap

OPTIMIZED  
INNOVATION & CAPABILITY

Average  
reduction in  
technology  
talent spend  
**40%**



## CAPTIVE CENTER

- Expensive and complicated to finance and build
- Mixed results with process integration
- Viability only at larger scale
- Poorly suited for small and mid-sized business
- Risk of failure

GICs minimize investment and risk as compared to a Captive



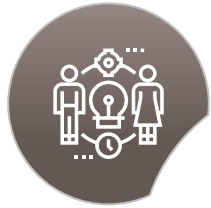
## OUTSOURCED MODEL

- Contractor mentality
- Hourly rates plus overtime charged
- Unpredictable quality and productivity

GICs offer better overall control and reliability than Outsourcing

## VALUE DRIVERS FOR US COMPANIES:

- / **Cost Optimized:** No upfront capital, India competitive rates, no overtime, employee-mindset
- / **Recruited to Fit:** Not pulled from available bench, recruited skills & experience to exactly match timing & objectives
- / **High Productivity, Quality, and Retention:** Proprietary global enablement methodology and team approach drives consistent and referenceable results
- / **Ease of Start-up:** Roadmap works with SMC<sup>2</sup> owning start up costs and risks
- / **Trust:** US-owned, 25+ years corporate experience



## How it Works



### DETERMINE FTEs NEEDED

- Determine # of FTEs needed and the desired skill set



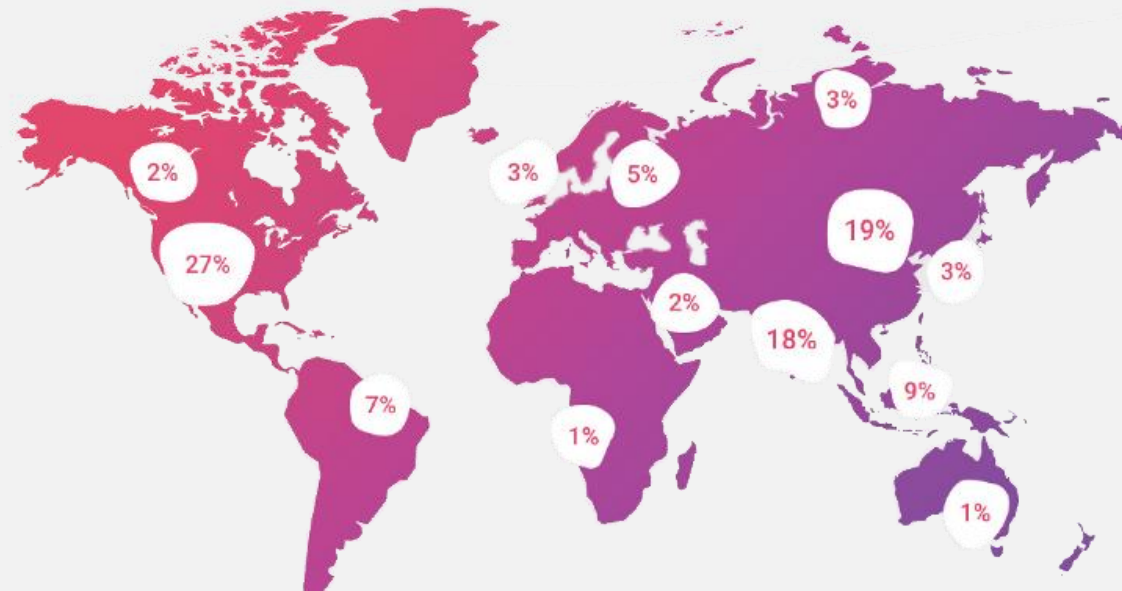
### BUILD A TALENT POOL

- TaaS hand-selects only top members based on skills, availability, or other criteria
- Members are vetted through experience, not resumes



### ASSIGN WORK & MANAGE TALENT

- Assign work and manage the work that gets delivered
- You interact directly with the talent team who work virtually to deliver your outputs



# What You Learned Today



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the table**



Automation is driving significant price declines – there is **money on the table**

**29%**  
Average Savings



**New thinking is required for  
new times**



New approaches to sourcing  
**improve efficiency and  
maximize flexibility**

**Rapid Sourcing**  
**360° Assessments**



**There is  
a solution for you**



Depending where you are,  
there's a **targeted strategy** fit  
for your situation

**Robots-as-a-Service**  
**Captives-as-a-Service**  
**Talent-as-a-Service**

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