



Background

The suite of applications had been developed for use by sales offices around the world over the past four years. The team size was more than 300 with 50% of the team located onsite with the client and the other 50% offshore in China. After years of quality issues, the users were running out of patience. The previous year's audit had revealed extensive concerns in security and processes which had to be addressed urgently.

A change was needed, however, there were critical projects slated for production releases and also concerns about loss of domain knowledge which had been built up over the last four years. Minimal disruption to ongoing projects was key.

The management wanted a vendor who had to:

- provide an audit-certifiable environment
- improve quality
- provide long-term cost savings
- help them move towards a results-focused model

The client selected hiSoft.

Audit-certifiable environment

The client's audit team initiated a full-scale audit on the hiSoft's center hosting the client's work four months after hiSoft was appointed as the new vendor. On the back of the audit a year ago, this audit was rigorous and total, inclusive of all processes from resources, financial to project delivery. The audit tested the security framework that hiSoft has implemented in its processes and IT infrastructure.

This also made it the first certified offshore development center that is not owned by the client.

Quality

Time was of essence. The issues that the client was facing had been with them for a long time. There was tremendous pressure coming from all angles to deliver much better quality within a short timeframe.

To minimize the disruption to all the ongoing projects and to ensure retention of the domain knowledge, hiSoft had acquired the team. The immediate challenge confronting hiSoft was:

- how to improve quality with the same team who had been with the same quality issues in this short time?

Since obtaining its CMM5 certification in 2003, hiSoft has established many proven tools and processes. Working jointly with the client to align them to the client's processes, the aligned processes were deployed to the center. hiSoft brought in Best Practices and a team of experienced personnel to work with the team.

As the quality trend begins to move upwards, commendations on the improved quality began pouring in from the locations around the globe.

Within a year, projects from other locations began to be migrated into this center.

Less than 15% of the team consisted of new additions.

Cost

Although the client had established an offshore team prior to the engagement with hiSoft, the client had very little confidence in the offshore team. The offshore team was considered ready only for mid-low end development work. The client continued to engage onsite resources for "more important" tasks.

hiSoft proposed a number of roles and function areas that could be migrated from the onsite team to the offshore team which would result in tremendous cost reduction. This was initially met with a lot of hesitation. The directive from the top became bolder as the subprime crisis deepened. There continued to be a lot of doubt and resistance from the client's project level personnel. The service level provided had to be even higher than before.

By the end of the first year, the onsite-offshore ratio had moved from 50:50 to 15:85. The cost difference between the onsite and offshore resources resulted in tremendous cost savings for the client.

hiSoft also reviewed the structure of work performed by the offshore team and were able to lower the tier of the resources performing certain tasks without sacrificing quality. This resulted in additional cost savings.

A results-focused approach

In the previous model, the client had hand-picked every individual on the team. Annually, the client rated the performance of every individual and selected the role each individual was to play.

From the start of the engagement with hiSoft, the client wanted to work towards a results-focused model. Instead of focusing on individuals and then managing the individuals itself to achieve its results, it focused on deriving its results through hiSoft.

Project governance and metrics were established which allowed clear measurements and service levels, providing transparency.

One year from the engagement:

- the same amount of deliverables was achieved with 50% the team size from before
- the onsite-offshore ratio from 50:50 to 15:85 provided increased cost reduction with no reduction in capacity
- the quality of the projects has improved threefold
- an audit-certifiable environment is in place
- knowledge retention and upgrading has moved from the client to the vendor

hiSoft has not only transformed a team thereby retaining and also extending the domain knowledge that the client has accumulated, it has also improved the cost effectiveness and quality of the same team.

World Class Security Standard

To achieve world class security standard, we have established a comprehensive security program for CLIENT. Initially, a Business Process Management System (BPMS) was designed based on both hiSoft and customer information security requirements. The BPMS was created to provide a documented guideline on how to implement security controls on a day-to-day operation. To ensure the effectiveness of the CLIENT S&C BPMS, several S&C documents like the Guidelines, Handbooks, Posters and various templates were designed as supporting documents. A dedicated S&C Manager is responsible for doing daily S&C check to ensure that all S&C related processes are well implemented.

Another milestone in hiSoft security program was the creation of a Business Continuity Plan for CLIENT. This document ensures that critical services can resume partially or gain full recovery in a short period of time. An Extra-City BCP test is performed to make sure that the BCP remains feasible. Aside from this, regular evacuation drills based on assumption of different types of disasters is held to prepare employees and increase awareness.

An integral part of the CLIENT security program is the annual Internal Security & Compliance Audit. This activity aims to monitor the proper implementation of security process, standards and controls in CLIENT operation. The audit result

serves as the basis of action plan created to implement appropriate measures to correct security incidents and defects. This way, we were able to further improve the level of security required in delivering superior quality service to CLIENT.