The Next Level of Business Excellence

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Summary

This presentation will describe the journey of Hinduja Global Solutions (HGS) to the next level of business excellence using the eSourcing Capability Model for Service Providers (eSCM-SP) from ITSqc.

Jeff Perdue from ITSqc will give a brief overview of the eSCM-SP model of sourcing best practices.

Ruchi Gupta from HGS will describe their eSCM-SP adoption and the customer visible results.
eSourcing Definition

IT-enabled sourcing, or eSourcing, uses information technology as a key component of service delivery or as an enabler for delivering services.
Appendix D in both books maps the eSCM to the OPBOK.
eSCM-SP Practices are Classified 3 Ways

1. **Sourcing Life-cycle**
   - Ongoing
   - Initiation
   - Delivery
   - Completion

2. **Capability Areas**
   - Knowledge Management
   - People Management
   - Performance Management
   - Relationship Management
   - Technology Management
   - Contracting
   - Service Design & Deployment
   - Service Delivery
   - Service Transfer

3. **Capability Levels**
   - Levels 1 - 5
The eSCM-SP Sourcing Life-cycle Components

**Ongoing:** Ongoing Practices represent functions that are needed throughout the sourcing process

**Initiation:** Practices concerned with gathering requirements, negotiating, contracting, and designing and deploying the service, including transitioning of resources

**Delivery:** Practices concerned with the delivery of service to the client

**Completion:** Practices concerned with completion of service and termination of the engagement - this includes the transition of resources from the service provider to the client or to a third party
### The Five Capability Levels of Service Providers in the eSCM-SP

<table>
<thead>
<tr>
<th>Level Number</th>
<th>Level Name</th>
<th>Number of Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Sustaining excellence</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Proactively enhancing value</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Managing organizational performance</td>
<td>26</td>
</tr>
<tr>
<td>2</td>
<td>Consistently meeting requirements</td>
<td>48</td>
</tr>
<tr>
<td>1</td>
<td>Providing services</td>
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</tbody>
</table>
### Distribution of Practices by Sourcing Life-cycle, Capability Areas, and Capability Levels

<table>
<thead>
<tr>
<th>Sourcing Life-cycle</th>
<th>Capability Area</th>
<th>Capability Level</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>51 Ongoing</td>
<td>Knowledge Management</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>People Management</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Performance Management</td>
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<tr>
<td></td>
<td>Relationship Management</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Technology Management</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Threat Management</td>
<td>6</td>
</tr>
<tr>
<td>21 Initiation</td>
<td>Contracting</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Service Design and Deployment</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Service Transfer (in)</td>
<td>2</td>
</tr>
<tr>
<td>8 Delivery</td>
<td>Service Delivery</td>
<td>7</td>
</tr>
<tr>
<td>4 Completion</td>
<td>Service Transfer (out)</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td>48</td>
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How are the eSCM Models used?

The 2 basic ways of using an eSCM Model are:

1. Capability Determinations (organizational diagnostics)
   A formal and reliable method for determining the compliance of an organization with the Practices of an eSCM (either eSCM-SP or eSCM-CL)
   There are 6 types (variants) of the Capability Determination Method

2. Capability Improvement (guiding improvement)
   The Model serves as a (partial) set of requirements for an organization’s processes
   Organizations use the eSCM as a roadmap or guide to improve their processes
Uses of the eSCM-SP

By clients

Use evaluations to determine provider capabilities
Evaluate multiple potential providers in a consistent and comparable manner
Reduce risks in sourcing relationships

By service providers

Systematically assess their existing capabilities
Improve their capability to form, manage, and expand sourcing relationships with clients
Demonstrate their capability through Certification
Reduce risk of failure
eSCM Capability Determination Process Overview

**Prepare**
- Determination Team Leader
  1. Determines span & scope
  2. Develops a plan
  3. Forms a team

**Evaluate**
- Team
  1. Gathers data
  2. Consolidates and analyzes data
  3. Rates organization’s Capability

**Report**
- Team
  1. Report results
ITSqc Role in Certification

ITSqc approves selected Authorized Organization, Determination Team and the Determination Plan
ITSqc monitors team progress during the Determination
ITSqc Certification Board reviews Determination data and issues certificates for service providers (or client organizations) indicating:

- span of organization being certified (sites)
- duration of certification (effective and expiration dates)
- Provider Services being certified
- Model Scope covered
- Results of the certification
  - Capability Level achieved or
  - Capability Areas satisfied
HGS Overview

- **Who We Are**: A global customer relationship management corporation with its principal North American office in Warrenville, IL

- **Global Customer Support Services**: Global provider of business process outsourcing and customer support solutions by phone, e-mail, chat, and social media with more than 24,000 employees, 120 clients, and 46 centers located in 12 countries

- **Stable Operations and Client Base**: In business for 38 years, with Fortune 100 to 500 clients, and listed in *Fortune Magazine*’s Top 100 Global Outsourcing Companies, 2011

- **Consistent Growth**: Growing corporation with over $320 million in revenue

- **Financial Stability**: Publicly listed company, financially sound (Standard & Poor Crisil rating AA-)

- **Certifications**: Six Sigma, ISO 9001, 27001, HIPAA, GLBA, PCI, eSCM Level 4 (2012)
# HGS – A Decade of Growth

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<td>15</td>
<td>20</td>
<td>40</td>
<td>60</td>
<td>70</td>
<td>75</td>
<td>80</td>
<td>80</td>
<td>110</td>
<td>485</td>
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<tr>
<td><strong>Global IT / BPO Revenue (US$ million)</strong></td>
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<td>1400</td>
<td>1700</td>
<td>5000</td>
<td>7000</td>
<td>9500</td>
<td>12600</td>
<td>14500</td>
<td>15600</td>
<td>19442</td>
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<td><strong>Delivery Centers</strong></td>
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<td>4</td>
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<td>19</td>
<td>20</td>
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HGS Business Excellence Framework

**Excellence Frameworks**
- eSCM/COPC
- Project Health Assessments

**Perception Management**
- CSAT Survey
- Internal Customer Satisfaction Survey

**Capability Enhancement**
- Knowledge Management
- Quality COE

**Brand Building**
- Technical Papers
- Articles in Journals
- Seminars

**Compliance**
- Industry Specific Standards
- Contractual Compliance
- Compliance to methodologies

**Audit**
- Quality Management System
- Information Security
- Occupational Safety and Health Management
- Internal Audits
- Self-Assessment

**Operations Quality**
- Transactions Monitoring
- SLA & Metrics Management

**Transition Quality**
- Customer Interfacing
- SLA Base-lining
- Tollgate Reviews

**Shared Services Quality**
- Process Creation
- Metrics and SLA creation

**Quality Tools and Macros Development**
- Automation team for design and development
- Small tools development

**Opportunity Assessment**
- Process Capability Baselining
- Benchmarking

**Continual Improvement Methodology**
- LEAN & KAIZEN
- Six Sigma

**Training & Awards**
- Training on Quality Concepts, CI Methodologies, Quality Professional Excellence

**Process Adherence**
- Adherence to Continual to Improvement Methodology

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eSCM worked towards the uniformity on our practices and our ‘One HGS’ Strategy
Our goal was to strengthen practices across the business life cycle to accomplish the following:
• Build on our strategy of ‘One HGS’
• Manage organizational growth and Improve processes
• Assure HGS clients on our process capabilities
• Reduce Risks

Some of the key capability areas targeted:
• Relationship management
• People management
• Threat management
• Service Design and Deployment
• Service delivery
Benefits of eSCM

Knowledge Management & Innovation


Global Knowledge Repository

- Substantial Growth in knowledge aspects assets and replications
- 700 Knowledge Assets in our repository, +300 replications across GEOS

Idea Generation Tool – AIM

- 271 Themes launched
- 2023 feasible ideas identified
- 1220 ideas implemented

Knowledge Management & Innovation

Knowledge, Idea Generation Tool- ‘AIM” All Ideas Matter and our global QMS – repository of our global methodologies, Policies, procedures guidelines etc.
Benefits of eSCM

Relationship Management

- Enhanced process related to managing client relationships, proactively providing value addition through structured approach resulted in process improvements and improved client satisfaction.

- Overall satisfaction scores have been maintained at high level despite addition of new clients and geographies.

Customer Satisfaction

- Business Impact Via Improvement projects – 100 completed projects since FY10-11.

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**Client Satisfaction Scores**

- 2010: 5.69 (76%)
- 2011: 5.78 (77%)
- 2012: 5.63 (80%)

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**Business Impact from Improvement Projects**

- FY 2010-11: 52
- FY 2011-12: 725
- FY 2012-13 (YTD Dec’12): 568
Benefits of eSCM
Service Design and Deployment

Implementation of robust Transition Methodology ensured seamless transition of client business processes to HGS leading to improved satisfaction for clients going through transition phase experience.

Internal Reviews - Transition
- Increase in the toll gate scores

Customer Satisfaction
- Customer SAT on Transition seen and upward trend YOY

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Transition Tollgate Scores:
- Period 1: 64%
- Period 2: 76%
- Period 3: 82%
- Period 4: 83%
- Period 5: 90%

Customer Satisfaction - Transition Stage:
- 2010: 5.26
- 2011: 5.65
- 2012: 6.11
Benefits of eSCM

Sustenance and Improvement

Periodic self assessment using the eSCM comprehensive model ensured sustenance and improvement of best practices implementation across the engagements

Self Assessment

• Self Assessment is deployed through an online tool where every engagement evaluates themselves with respect to best in class practices as derived from eSCM-SP requirements.

• HGS has seen improvement in scores over four assessment periods demonstrating robust implementation of eSCM practices across engagements

![Self Assessment Scores (Median across engagements)](chart)

- Dip due to revision of assessment model and addition of result oriented questions.
Benefits Realized. . .

“HGS added $6M in annual revenues to our Pharma program through ideas that they brought to us.”
— Fortune 100 Pharmaceutical Company

“HGS have reduced our time to market for new services by 60% and have saved us millions in claims adjudication.”
— Fortune 100 Healthcare Insurance and Managed Care Provider

“HGS helped us double our Net Promoter Score, improving consumer advocacy and revenue.”
— #1 Financial Services Company
Questions

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ITSqc Contact Information

This overview of the eSCMs cover several topics at a very high level and omits some important concepts due to time constraints.

The eSCM model books are available. Details at www.itsqc.org and select then Publications menu, or visit www.vanharen.net or www.amazon.com and search for eSCM.

Questions or comments - please email us: jsiegel, jperdue or bhefley @itsqc.org
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