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A COMPARITIVE ANALYSIS ON VALUE PROPOSITION OF CARITOR'S SERVICE OFFERINGS TO VARIOUS INDUSTRY VERTICALS WITH RESPECT TO ITS COMPETITORS

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A PROJECT REPORT
Submitted to the

FACULTY OF MANAGEMENT STUDIES

In the partial fulfillment of the requirement
for the award of the degree

Of

MASTER OF BUSINESS ADMINISTRATION

June, 2007

DECLARATION

I, hereby declare that this project report entitled as "A Comparative Analysis on Value Proposition of Caritor's service offerings to various industry verticals with respect to its Competitors", has been undertaken for academic purpose submitted to Anna University in partial fulfillment of requirement for the award of the degree of Master of Business Administration. The project report is the record of the original work done by me under the guidance of Prof. V. S. Elamurugan B.E., MHRM., during the academic year 2007-2008.
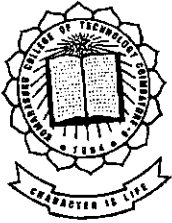
I, also declare hereby, that the information given in this report is correct to best of my knowledge and belief.
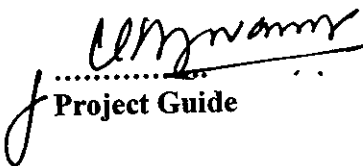
Place: Coimbatore

Date : 01. 06. '07

(S. Sumanth)

Kumaraguru College of Technology
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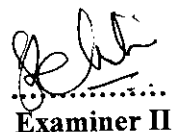**Coimbatore – 641006**

BONAFIDE CERTIFICATE

Certified that this project titled 'A **COMPARITIVE ANALYSIS ON VALUE PROPOSITION OF CARITOR'S SERVICE OFFERINGS TO VARIOUS INDUSTRY VERTICALS WITH RESPECT TO ITS COMPETITORS** ' is the bonafide work of **Mr. S. SUMANTH (Reg no: 71205631052),** who carried out this research under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

Project Guide

Director

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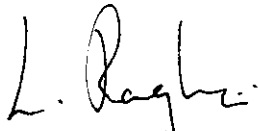
Examiner I

Examiner II

April 20, 2007

To whomsoever it May Concern

This is to inform you that **S SUMANTH** has successfully completed his project assignment titled "A **Comparative Analysis on Value Proposition of Caritor's service offerings to various Industry verticals with respect to its competitors**" as a part of **MBA curriculum.**

As a Project Trainee, he started this project on **29-Jan-07** and completed it on **20-Apr-07**

Please note, as per the company's policies and practices, the company retains ownership of the intellectual property rights concerning work undertaken during projects and disclosure of any other confidential information or data out of the organization is strictly prohibited.

For Caritor (India) Pvt Ltd,

RAGHUNATHAN L
MANAGER-HUMAN RESOURCES

EXECUTIVE SUMMARY

The years to come will prove India to be one of the countries with immense potential in various fields. We have started proving ourselves with our commitment and the lineage of culture and civilization. Today, all the Multi National Corporation has starting wooing towards the Indian Consumer, as we rank 2nd in terms of consumption after China.

There are a lot of growth engines and reforms in the Indian economy to boost the country and achieve a permanent seat in the United Nations. Today, India's GDP for the current fiscal has grown 9.2%; this has been made achievable through the services sector and the outsourcing boom. This has resulted in employing the maximum of disposable income people within the age group of 20 years to 35 years. In this era of globalization, the outsourcing tends to increase annually in numbers due to various vitalizing forces. Indian IT Industry's robustness has shoveled a contribution of 55% in the GDP.

Indian IT scenario is growing because of the various cost benefit opportunities that are being offered. The Business Models of Indian IT Companies serve as a model of various other countries who are plunging in the industry as we offer quality in service, reduction of costs, optimization, productivity gains, skilled personnel etc., We can add a lot more to the study however, this results in the way of business handled by our Indian IT companies.

The term **"Value"** serves a lethal weapon in attracting more and more FDI (Foreign Direct Investment) in a country via its economic policies and outsourcing initiative. This enables the Indian IT companies to hold an upper hand in the era of globalization. Value is often misinterpreted; hence most of the companies have started remodeling their organization and have become customer centric.

Hence, here was one opportunity of knowing what does the term "Value" infers in an IT organization. The research was made in an interview method using tools like Chi-square, Kruskall Wallis, Anova in order to know how does the term "Value" revolves within the organization. This resulted in better Unique Selling Proposition for the company.

ACKNOWLEDGEMENT

I express my sincere gratitude to our beloved correspondent **Prof.Dr.K. Arumugam**, the prime guiding sprit of Kumaraguru College of technology.

I extend my heartfelt thanks to Principal **Dr.Joseph V.Thanikal**, Kumaraguru College of Technology, Coimbatore for providing facilities to do this project.

I express my sincere gratitude and thanks to our Director **Dr.S.Ganesan** for permitting me to carry out the project.

I endeavor my sincere gratitude towards my guiding spirit
Mr. V.S. Elamurugan B.E., MHRM., who has extended his guidance throughout this project.

I extend my sincere thanks and gratitude to Caritor India Private Limited for permitting me to do the project. Specially, I would like to thank **Mr. Venkatachalapathy** for extending his co-operation and guiding me to complete this project.

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INTRODUCTION

1.1 Back Ground of the Study

How to Enhance the Value Proposition from Cheaper To Better to More

Forrester reviewed stakeholder perceptions of IT outsourcing services on behalf of a European IT outsourcing provider. The key driver for a customer to buy into IT outsourcing is to get these services cheaper. Consequently, the providers typically compete for business based on the proposition of lower cost, often resulting in fierce competition around the lowest price point. The provider in question was looking for alternative ways to engage in discussions around the business value of its services and to escape the ongoing price war as well as to protect its underlying service margin.

CFOs in particular are beginning to value both the cost containment and the long-term cost predictability that outsourcing can provide. While many companies typically lack a good understanding of the existing internal costs associated with IT services, the price and cost transparency associated with external service delivery often leads to better financial planning. Furthermore, many business executives are dissatisfied with the standard of their internal service delivery function and are looking to get better service based on outsourcing ability to leverage best practices.

As outsourcing helps convert fixed costs into variable costs, it releases capital for investment in other areas of the business. The key benefit for executive managers derives from the ability to adjust their underlying operational spending to changing business needs and to direct more capital into revenue-generating activities. This assists a company being more attractive to new, existing shareholders and investors, which is often a key personal success metric for CEOs and their direct reports. Based on this information, the outsourcing was able to train its sales staff to communicate stakeholder-centric value propositions across the various levels within client organizations. In addition, the service provider went on to add flexible pricing and contracting components to its IT service offerings that further enhanced the stakeholder alignment of its proposition.

1.2 Review of Literature

Building a meaningful Value proposition

We can distill meaningful business value propositions to a simple sentence: "For stakeholder X, we are doing goal/CSF to make strategy/tactic better, as measured by KPI." The resulting message is clear, tangible, and, most importantly, focused on the stakeholder. Technology providers need to follow four simple steps to complete this equation for their own solutions.

Step 1: Identify the Stakeholders

☐ Who are the stakeholders that you are currently engaging? Who would you like to be engaging?

☐ Where are these stakeholders in the customer's organization?

☐ Who are the decision-makers that they report to or that report into them?

☐ What role do these stakeholders fulfill?

After pondering these questions, it results at the following level of attention in an organization.

- Executive level — Responsible for overall business vision and strategy
- Management level — Responsible for planning and execution
- Operations level — responsible for implementation and deployment

Step 2: Identify the Stakeholders Critical Success Factors

For messaging to be relevant to a stakeholder, it has to address an issue or critical success factor (CSF) that impacts that stakeholder.

Reduction

☐ Reduction of the operational or capital costs of IT

☐ Reduction of Business risk

Improvement

☐   Improvement of brand loyalty

☐   Improvement of Customer Satisfaction

☐   Improvement of product quality

☐   Improvement of productivity

Increment

☐   Increment in overall shareholder value

☐   Increment in Revenues

☐   Increment in Profit

☐   Increment in market share.

☐   Increment in business compliance

☐   Increment in business flexibility

Step 3: Identify the Strategy or Tactic for Change

What, in the simplest terms, will actually change in the customer's business or IT environment?

Tactical change

Examples might involve deploying a more powerful server that allows other systems to be consolidated or standardizing network devices so that network engineers need less training or certification.

Strategic change

Examples might include business process optimization (BPO) around the flow of legal documents in a law firm or implementing Six Sigma certification across banking processes.

One of the biggest challenges for providers at this stage is to not lapse back into a solution-centric mindset and expand on potential changes that their solutions can technically enable, but that virtually no stakeholder would ever actually execute on in practice.

While this change is technically possible, it is very unlikely that this is something that will actually occur in practice. When developing this step in the business value proposition, it is very useful to track back through the questions in Steps 1 and 2 to be sure that the message remains stakeholder-centric and realistic.

Step 4: Identify the Key Performance Indicator That Makes the Change Tangible

The final step in building meaningful business value propositions is to make the value of the change tangible in terms of currency. To poach a popular phrase, stakeholders want you to show them the money. In business, there are very few indicators that are more tangible for both IT and business units than money. There is a very good reason why cost is the primary discussion point for customers — the price of the solution is often the only financial indicator they have.

The key performance indicator (KPI) is the measure of what the change in Step 3 is worth. Moreover, there can be more than one KPI for a given change, and these different KPIs may apply to different CSFs and different stakeholders as well. In short, the KPIs tie the individual value proposition together as well as being a way to show how one change can be valuable to multiple stakeholders. This is particularly important when a solution requires additional justification inside the client organization.

Source: Building a meaningful value proposition, Forrester's research report, 2004

1.3 Objectives of the Study

1.3.1 Primary Objective

"A Comparative Analysis on Value Proposition of Caritor's service offerings to various Industry verticals with respect to its competitors"

1.3.2 Secondary Objectives of the Project

☐ Determination of value proposition of service offerings

☐ Determination of the benefits to the customer due to the value proposition

☐ Identification of competitors

☐ Determination of value proposition of the service offerings of competitors

☐ Comparison of Caritor's value proposition with competitors

1.4 Statement of the Problem

Imagine a world where every thing is in sales. Well, the fact is, everyone is in sales, in some fashion. It's not just the salesman at the car lot or computer reseller who qualifies. Maybe you are trying to sell your spouse your ideas for the next holiday; maybe you're pitching a new project to your boss; maybe you are headhunting someone to join your firm. It's all selling, and, whatever your offer (product, idea, project or job) it's important to have a really strong value proposition.

A value proposition is a short statement that clearly communicates the benefits that your potential client gets by using your product, service or idea. It boils down all the complexity of your sales pitch into something that your client can easily grasp and remember.

It needs to be very specific. Simply describing the features or capabilities of an offer is not enough. The value proposition must focus closely on what your customer really wants and values. The customer wants to solve problems, to improve on existing solutions, to have a better life, build a better business or do more, better, faster and so on.

Creating a value proposition is a useful marketing technique that had wider application than product marketing. Whatever you are selling and to whom, a value proposition is useful, if not essential, tool. The idea is to help them see the specific value your offer brings to them.

IT services business in reality is a situation where the number of competitors is high. So in order to win the race, the value proposition needs to be compelling enough to the client. If you have to use value proposition to a competitive advantage, it needs to answer the questions "What else do we do that no body does?" and "What else does everybody do, but we do in a different way?" Value Proposition is communicated to the customers in Business proposals and corporate presentations. The current method only communicates the value proposition of Caritor's service offerings. The Value proposition at a vertical level is not communicated effectively

The study aims at finding out the Value Proposition of Caritor across three verticals Manufacturing, Healthcare and Banking, Financial services and Insurance. The benefits to the customer for each of the value proposition are chalked out by means of interviewing. The study will further research on the value propositions of companies of the same league (Tier II) and do a comparison of the same. With the help of the results suggestions will be made

1.5 Scope of the Study

Better cost management through flexible payment and billing

If a provider offers its services under a financing scheme, client CFOs can further enhance their levels of cost management and control. Medium-size companies with limited cash flow can particularly benefit from such flexible payment measures.

More shareholder value through flexible contracting and delivery schemes

Flexible contract arrangements that allow the commissioning and decommissioning of IT resources on an as-needed basis can help business executives enhance the shareholder value of a company by bringing on new businesses more quickly.

Performing to the Right Vendor Role

- Technology suppliers focus on cost reduction and IT operational metrics. When cost reduction is a company's primary driver for selecting a solution, the vendors most often focus on meeting the technical benchmarks, features, and functions. Service-level measurement and monitoring tend to focus on penalties for non-performance. Most often, there are fixed prices tied to business activity, such as the number of users or accounts processed, while the contracts themselves tend to be fairly inflexible. Most hardware equipment vendors and telecom service providers fall into this category

- Solution providers help enhance operational performance. For solutions where the underlying aim is to enhance the quality of an operational process or function, the providers typically focus on measures around process effectiveness and output. Service levels are often tied to user satisfaction and user productivity or number of transactions. Vendors in this category will work with other technology suppliers to architect the solution, while contract clauses often include bonus and penalty elements linked to the desired operational performance. Most service providers and system integrators and some application vendors are part of this group

- Strategic partners deliver more business value. Strategic complex solutions are most often delivered by entrepreneurial vendors or divisions of a large outsourcer; they typically involve many partnerships and alliances that help deliver total solutions within the context of the contracts. Rather than focusing strictly on cost, the most successful relationships are those that measure the achievement of business results by monitoring elements like return on investment (ROI), increased revenues/employees, and customer retention. Today, only the few service providers that deliver their solutions via value-based pricing schemes, such as risk-reward or gain-sharing, are part of this group.

By matching the value propositions and respective stakeholders with the choice of the appropriate vendor and service supplier and the relevant pricing, contracting, measurement, and monitoring metrics, buyers and suppliers can take a major step toward ensuring the overall success of their relationship

Source: How to enhance Value proposition, Forrester's research report, 2002

1.6 Research Methodology

In order to arrive at the Value proposition of Caritor's service offerings and subsequently the benefits offered to the customer, we follow a combination of exploratory research and interviewing methodology.

Caritor communicates its value proposition in the Business Proposals submitted to the customer. The business proposal showcases the value proposition of the particular service offering for which the Request for proposal is made.

The current study will research on the proposals and find out the value proposition of Caritor for the three verticals. The study will also take into consideration the Customer WIN LOSS feedback statistics into consideration for determining the value proposition. The benefits offered to the customer through that value proposition will be found out by interviewing the executives of Caritor.

The communication of Value proposition is valid when the proposal is won. Hence the proposals which have been won by Caritor are being taken into consideration for the study.

Apart proposals which have been rated "GOOD "by a third party analyst are being taken into consideration.

Note: Name of the Analyst cannot be disclosed

condary Objective	Key outcomes	Method to achieve
rmination of the e proposition for each cal	Value Proposition for each vertical	• Value proposition can be found out from internal Sources like proposals • Benefits offered to the customer can be found out by interviewing the executives
ermination of the efits to the customer to the value osition	Benefits to the customer	Benefits to the customer can be found by interviewing the executives
ntification of petitors	Competitors to Caritor in each vertical	Use internal WIN / LOSS analysis Sources
ermination of value position offered by the petitors for the ticals	Value proposition of competitors offerings	• Case studies, white papers and annual reports of competitors • Web research

Table 1: Objectives of the project

Vertical	No of Proposals Submitted	Results Known	Wins	Win ratio
Manufacturing	21	16	9	0.56
Healthcare	5	2	2	1
BFSI	16	10	5	0.5
Total	42	28	16	

*We consider the following statistics

Table 2: Win Loss analysis

Apart from this we also consider 9 other proposals rated GOOD by a third party analyst

Note: Name of the Analyst cannot be disclosed

Customer Win / Loss feedback

In addition to the above information the study selects the following parameters to determine the value proposition of Caritor

The parameters for Caritor winning the proposal have been found out using the Customer Win / Loss feedback. Using this analysis we will determine the value proposition of Caritor.

Parameters for selecting Caritor as vendor

Parameters for selecting Caritor as vendor

(Bar chart — X-axis: Number of Proposals (0 to 16); Y-axis: Parameters)

Parameters listed top to bottom:
- Prior experience in project execution
- Strong relationship with the client
- Solution
- Engagement model
- Good domain expertise
- Incumbency
- Local presence
- Low risk
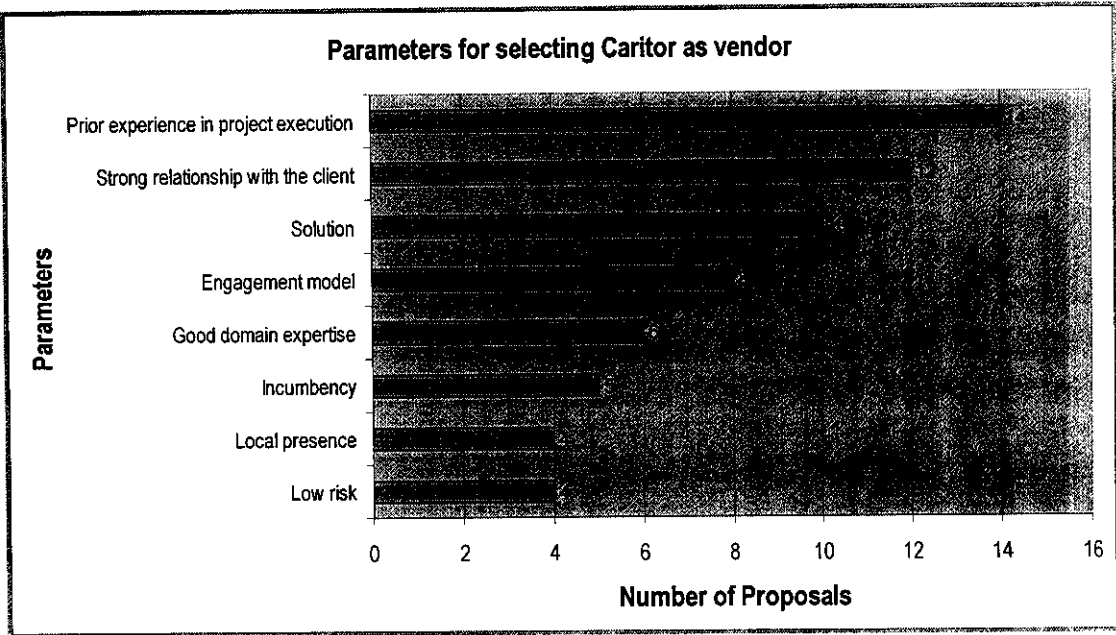
Figure 1: Parameters for selecting Caritor as vendor

Interview method

Pie chart segments:
- BDSM 10%
- VH 10%
- MM 10%
- GMM 3%
- BM 17%
- OCMR 30%
- AM 20%
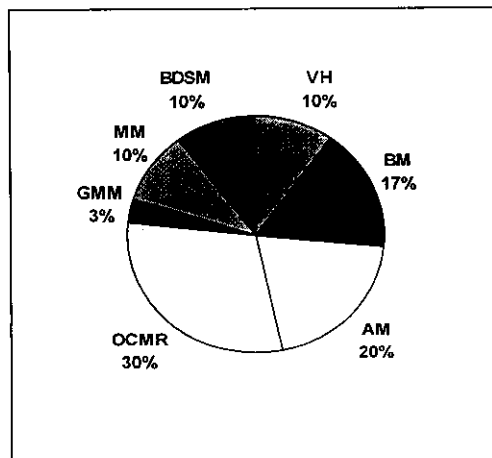
Figure 2: Respondents

Respondents Include: Vertical heads: 3; Business Managers: 5; Account Managers: 6

Onsite Client management representatives: 9; General Manager, marketing group: 1

Marketing managers: 3; Business development support managers:

Note: Names of the executives are being made anonymous upon request

The interviews have been conducted over the VOIP or Telephone. The questionnaire has been sent to the respondent via email much before the interview schedule. The responses have been recorded and the same have been used for subsequent data analysis and interpretation.

1.7 Limitations

☐ Period of study: January 2006 to December 2006

☐ Scope of projects: Projects executed by Caritor in the said period

☐ Scope of the study is three verticals namely Manufacturing, Healthcare and BFSI

☐ Scope of the study is the WON proposals

☐ The reasons for losing a proposal / bid are not known

☐ Pricing of the contracts is not being taken into consideration

1.8 Chapter Scheme

This project is divided into 5 chapters.

Chapter 1 deals with background of the study, review of literature, objective & scope of the study, methodology and limitations.

Chapter 2 covers history of the organization, management, organization structure, service profile, competitive strength, future plans and description of various functional areas.

Chapter3 covers all macro analysis and micro analysis of the study.

Chapter 4 covers data analysis & interpretation through representation of various tables and charts

Chapter 5 deals with findings and recommendations provided from the study.

ORGANIZATIONAL PROFILE

2. Organizational Profile

2.1 History of the Organization

About Caritor

Incorporated in 1993 and headquartered in San Ramon, CA – Caritor is a global IT consulting company with operations in the USA, UK, France, Singapore, Australia, and UAE with distributed offshore development centers in India at Bangalore and Chennai. Caritor currently employs more than 5000 people around the globe. The processes adopted by Caritor delivery centers are assessed at CMMI Level 5, SEI CMM Level 5, and human resource practices have been assessed at PCMM Level 5. Further, Caritor is certified for ISO 9001:2000 & ISO 27001: 2005standards

Mission

"Serve global client needs by innovating market-leading information technology products and solutions while leveraging business best practices and world-class talent."

Vision

"Build an ever-lasting information technology institution that is globally respected for its role in guiding clients translates their vision into superior value."

Core Values

Client Partnership: Approach every client with a view to build a professionally enduring relationship

Integrity: Demonstrate integrity and have the intellectual honesty to refuse opportunities that cannot be fulfilled to the satisfaction of the clients

Result orientation: Leverage technology with a single-minded focus on delivering leadership results for the clients

Accountability: Promote accountability at all levels and honor what is committed to the clients

Flexibility: Encourage flexibility to help serve the clients with technology optimal and cost effective solutions

Global Autonomy:

Ensure global standards while enabling local autonomy to deliver high-quality, responsive and personalized service

The values form the foundation for decentralized decision making and helps in optimizing the organizational structure. It empowers people while ensuring that they're making the right calls the right way. This doesn't mean ethical and legal compliance alone. These are decisions that support Caritor's strategy and brand, decisions that shape the culture. They form the basis of what is done - The mission as a company.

Starting from the initial induction given to new joiners, the importance of the core values are inculcated in the personnel. Every new employee goes though a corporate alignment initiative conducted by The Corporate Alignment and Training department, where they are mentored by senior Caritorians on the core values of the company.

2.2 Management

The Caritor management team brings significant leadership and experience to the company and a proven ability to deliver. The leaders come from some of the world's leading corporations. Their ability to effectively provide value-added services to the clients comes from a combination of world-class experience, unparalleled education and a strong desire to make Caritor a leading global player in the Information Technology industry.

The four-person leadership team at the top consists of Jim Puthuff, Chris Setterington, Srikanth Rao and Marv who have gone about the task of organization building and bringing the entire operational ownership of the rest of the company under them.

The following figure shows the high-level organization structure

Global Client Management Organization - The Client Management (CM) organization is headed by regional Client Management heads for various geographies of our presence

such as US, Europe, and (India, Middle East & APAC). The regional CM heads are in turn assisted by local CM leads in order to ensure that our customers benefit from our highly responsive and personalized customer service.

Global Delivery Organization

Sectors - The Delivery organization is structured into Sectors which are headed by Sector Heads. Sectors are group of Verticals that are aligned to our customers' industry segment of operation. The Verticals are lead by Vertical Heads, who provide exclusive focus towards providing industry solutions for the particular Vertical. Vertical Heads and their team constituted by Account Manager, Project Managers and project team members ensure delivery management, execution excellence and sales support for all of our customers belonging to the vertical

Sector Heads report to the Global Delivery Head who in turn reports to the COO. This ensures that the client management and delivery organizations are managed and controlled by a unified organization structure that can focus on providing lasting value to our global client base. Also, this allows us to build and nurture enduring relationships.

Horizontals - The delivery organization is also serviced by a vertical - horizontal matrix organization that draws specialist teams from horizontal groups such as the Enterprise Business Solutions Group (SAP, Oracle Apps, PLM, and Business Intelligence), Business Analysis Group, Technical Architecture Group, Application Management practice, Testing Practice and so on providing expert services to all the vertical teams.

Corporate Groups - In addition to the Global Client Management and Delivery organization, corporate groups such as Role and Career Management (RCM), Corporate Alignment and Training (CAT), Quality, Infrastructure, Human Resources and so on provide integrated support services to the Global Client Mgmt and Delivery organizations and report to EVP & President Caritor India (Srikanth Rao). Further, Finance as a Corporate Group reports to CFO (Chris Setterington).

2.3 Organization Structure
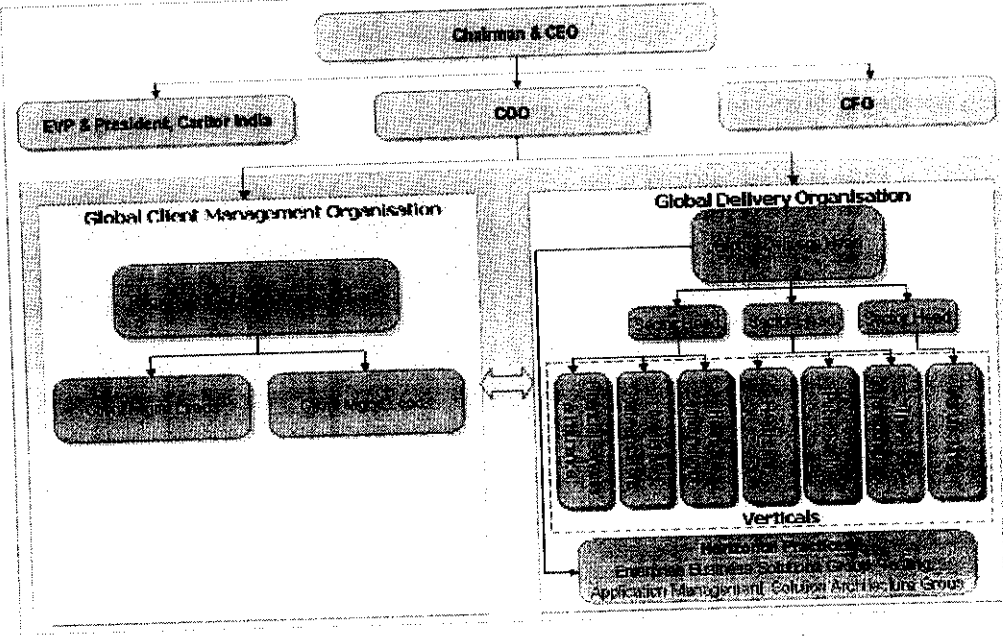
Figure 3: Organization Structure
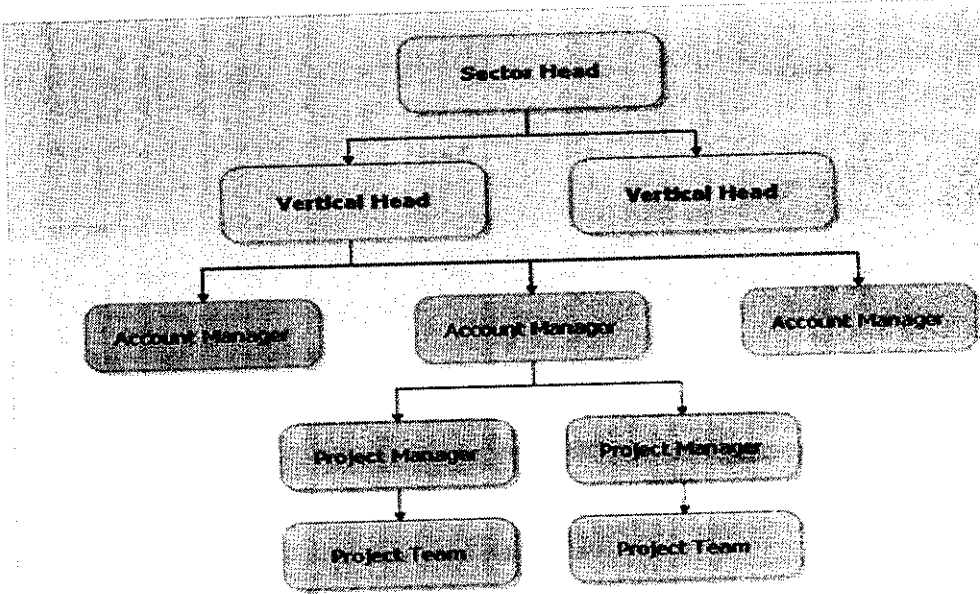
Figure 4: Team wise Structure

2.4 Product's Profile & Market Potential

Caritor's Service Offerings
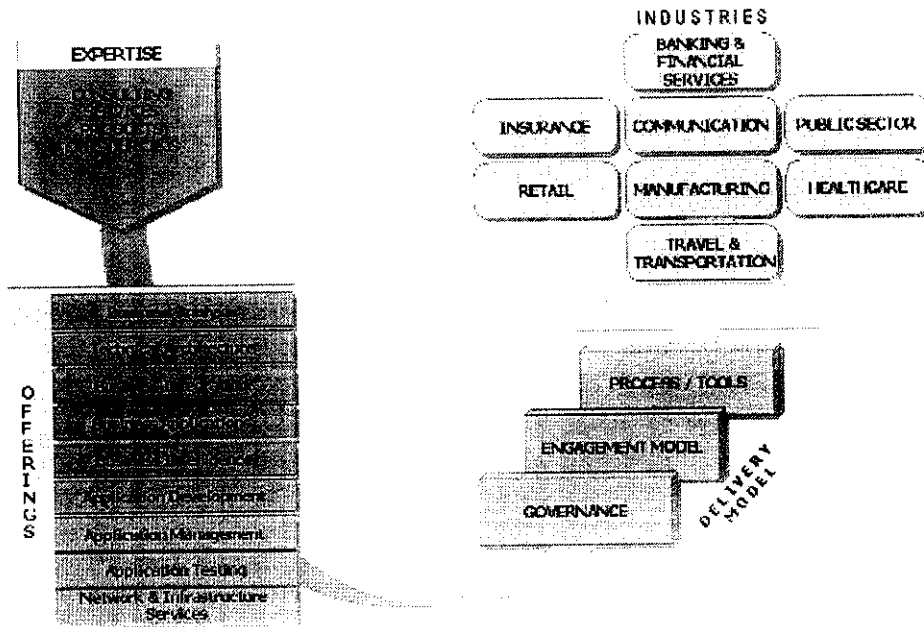
Figure 5: Caritor Service Offerings

The schematic above depicts how Caritor's service offerings and the industry sectors it operate in. The most mature services offerings are Application Development, Application Management, Application Testing (independent third-party testing) and Enterprise Business Solutions. The latest offering to the market is Network and Infrastructure Services. The key industry sectors include Manufacturing, Communication, Financial Services (including Banking and Insurance) and Healthcare. The expertise in consulting, service delivery, product development, and outshining manifests as world-class service offerings that include business analysis, architecture & design, business integration, business applications, business intelligence, applications development, and application management, which can be delivered through delivery model comprising of Process/Tools, Engagement Model and Governance.

Application Development

Caritor has been delivering application development services to blue-chip clients across verticals for more than a decade. The breadth of experience in various technologies, mature process capability, proven execution models, and partnership-led approach combine to enable us to deliver and exceed client expectations consistently.

The clients have leveraged Caritor's Application Development Services both, to design and develop highly customized applications, and to develop commercial-grade product software. Caritor's proven on-site/offshore delivery model is flexible to be adapted any application development engagement, and ensures maximum benefits to clients.

Application Management (Support & Maintenance)

An increasing number of Organizations are looking to the routine maintenance of their business applications to offshore partners. This allows these companies to move critical in-house resources to higher-priority development projects and to provide long-term cost savings to the Organization. While maintenance work tends to be routine in nature, these activities are critical to the smooth running of the business, and establishing an effective and efficient maintenance capability is critical to realizing the benefits of moving this work offshore.

Caritor has developed a well designed and proven framework that ensures all challenges are addressed effectively. This framework has evolved based on Caritor experience with maintenance and support engagements for large Organizations in the US and Europe.

Enterprise Business Applications

Large and medium size enterprises are adopting off-the-shelf products to satisfy their increasing needs for enterprise wide automation requirements. The Enterprise Business Solutions practice seeks to leverage this trend by building expertise in product-based application services covering the leading products in Enterprise Resource Planning, Client Relationship Management, Product Lifecycle Management and Business Intelligence segments.

Business Intelligence

The Business Intelligence Practice at Caritor offers exclusive or combined services in areas of business requirement gathering and analysis, data modeling, ETL application development, report development and dashboard visualization. Caritor also provides data migration services as well as SLA-driven Business Intelligence application maintenance and support. Caritor's Business Intelligence footprint is in the Retail, Manufacturing, Financial Services and Communications industry sectors.

Business Analysis

The Business Analysis team at Caritor complements the technological proficiency to deliver superior solutions to the clients. They form the crucial interface between the Client and the Development team at Caritor. Their domain experience, exposure to industry best practices and proficiency in Business Analysis methodologies and tools lead to their unique ability to propose solutions that, dovetails to client requirements.

Architecture and Design

Caritor's Architecture & Design practice helps Organizations manage the increasing complexity of the IT landscape and effectively address the risks involved through its offerings of Architecture Definition and Solution Design, Architectural Prototyping, and Performance Optimization. Caritor helps Organizations build robust and scalable solutions by leveraging industry best practices, expertise in proven methodologies and tools, and extensive experience in delivering complex solutions to clients across verticals.

Business Application Integration

As Information Technology has evolved to fulfill the changing business requirements of Organizations, the IT environment in a typical Organization today is characterized by a mix of package applications and custom applications and the co-existence of legacy systems with open systems. In this environment, business processes typically span multiple applications running on disparate platforms and technologies. In the current economic environment, there is also constant pressure to consolidate applications to reduce costs.

Caritor can help an Organization establish robust enterprise architecture and help in choosing the right integration products and technologies, while leveraging Caritor's unique Integration Process that incorporates the best practices derived from Caritor's Project Execution Model and a history of successful implementations of Integration initiatives.

Application Testing

Caritor's application testing practice offers its services under two distinct areas – one, independent third-party testing services, wherein the practice directly offers end-to-end testing services to clients, and two – development support for large projects wherein the practice provides comprehensive testing support to Caritor's projects being executed for clients.

Network and Infrastructure Services

This is a relatively new offering from Caritor. We have a small but growing team of professionals providing these services. The Network Infrastructure Services practice can help Organizations to manage their network and infrastructure and provide them an access to large pool of Caritor's consultants. Caritor provide end-to-end services including Integration Services, IT Helpdesk, Network Management, Server Administration, Desktop Management, Email Management, Database Administration, Configuration & Release Management, Business Continuity Planning and Disaster Recovery Administration, Migration and Consolidation Services and Security Services.

IT Products

Caritor offers its product offerings under the brand "Certido^{TM}". Certido^{TM} leverages Caritor's track record of developing commercial grade products and a decade of experience of working with world class clients, delivering best practices across industries. Certido^{TM} currently offers a suite of service delivery management solutions under the brand, Certido Service Xcellence^{TM}.

Certido Service Xcellence™ enables provision of superior client service at lower cost and facilitates effective governance of outsource service delivery operations. Four divisions of a Fortune 500 Organization use Certido Service Xcellence™ to ensure reliable delivery of outsourced IT services to its employees. Certido Service Xcellence™ provides a multi-channel service framework and allows IT Organizations to track, measure and ensure adherence to pre-determined service level agreements

2.5 Competitive Strength of the Company

Caritor is being chosen as the best outsourcing partner for many ventures of Fortune 500 companies due to its consistent growth and award winning performance. Thanks to the growth engines of various economies that are enabling companies like Caritor to carve a niche in the IT industry. It is very evident from the company's financial performance that the company is growing annually at a pace of 18% to 20%. The fruitfulness of the effort is due to the competitiveness of the IT industry and the outsourcing scenario in India. The business model of the company enables its clients to minimize their cost and increase their productivity gains by Caritor's service delivery model. There are various reasons to be cited which is being discussed in the following chapters of this project assignment.

2.6 Future Plans

Caritor intends to create a world class infrastructure facility for its Training & Development centre at Coimbatore with a 10,000 seating capacity. It is named as Caritor University which will groom fresher's graduating out of college as future entrepreneurs in the IT Industry. When Caritor started their operations in San Ramon, CA, the CEO of the company Mr. Mani Subramaniam dreamt of making his company a $billion by the end of ten years of existence of the company. With sincere efforts and great minds groomed within and peers of Mr. Mani has made Caritor to join the league of $billion companies by acquiring a 44 year old company Keane Consulting. The company is in the process of integrating the existing company with the latter.

MACRO-MICRO ANALYSIS

3. MACRO & MICRO ANALYSIS

2006 Global IT Outsourcing study

Introduction

The IT Outsourcing boom appears to be over, onshore providers are facing new pressures, and companies are Outsourcing more strategically and selectively. While a majority of buyers—64 percent (offshore) and 50 percent (onshore)—remain committed to increasing their purchasing, these numbers represent a significant decline from prior years.

Buyers are becoming more selective and strategic in the way they approach Outsourcing decisions, which is slowing the buying process. Additionally, many buyers are reaching the mid to final stages of Outsourcing contracts and find themselves distracted from focusing on their next Outsourcing initiative. Many buyers have already captured the "low hanging fruit" and are hesitant to seek additional Outsourcing opportunities.

Findings of the study

- Strong commitment from both buyers and providers is critical for success
- Communication needs to be consistent and continuous
- Expectation management is the key to success
- Perception is greater than reality and no two buyers are alike
- Proper governance should be established from the very beginning of the outsourcing engagement
- Project goals should be clearly defined and controlled by the buyer
- Understand the customer's requirements as well as they do.
- Spend adequate time and effort in planning
- Change management skills
- Accountability and responsibility for results
- Willingness to partner & Cost benefits
- Risk Mitigation & Ability to work in a multi vendor situation

Source: Diamond Cluster International, 2006

Global Outsourcing trends in 2007

- A continued trend towards smaller, shorter deals as clients focus on individual processes instead of large, complex institutional transactions
- Increased reliance on global service delivery models – Onsite offshore delivery models
- Outsourcing remains a buyer's market: IT Service providers have to be customer centric
- Multi-sourcing has now become the favored sourcing strategy : IT service providers should be able to work in a multi vendor situation
- Customers are building ongoing governance and retained organization costs of 8-15 percent into their business cases
- Human resources Outsourcing (HRO) has not grown as much in 2006 as predicted, not least because service providers have struggled to deliver the savings and performance
- Finance and accounting should be a growth area in 2007 as CFOs have moved on from Sarbanes-Oxley compliance issues to examine more internal processes
- More and more deals now involve an element of offshore delivery, and we have also seen key offshore service providers coming onshore to win business
- Data privacy and security are now established as major concerns in Outsourcing

Source : http://www.kansascity.com/mld/kansascity/16752818.htm

The new strategic architecture: Learning to compete in the twenty-first century

Executive Summary

In the past decade, the focus of much of what passes for the corporate strategy debate has been on factors external to the firm—initially on industry structure and dynamics, and latterly on changing customer requirements and their implications. As it goes, this outward focus has tended to blind executives to a series of internal factors likely to be even more critical to competitive success in the twenty first century. These factors constitute the key elements of what we call the strategic architecture of the firm. Constructing strategic architecture requires conscious attention to developing mechanisms for organizational learning, innovation and experimentation, constructive

contention, empowerment, optimized value potential, corporate sustainability, and strategic re-framing. Firms with a thoughtful and durable commitment to these meta-strategies will not only survive to see the next century, they are likely to dominate it.

Recommendations of the study

The strategic architecture necessary to take high-performance firms successfully into the twenty first century must include the following seven core elements:

- Organizational learning
- Innovation/experimentation
- Constructive contention
- Empowerment/shared leadership
- Optimized value potential
- Corporate sustainability
- Strategic re-framing
- Organizational learning will replace control as the dominant responsibility and test of senior management and leadership
- The essence of creating an innovation strategy lies in creating tomorrow's competitive advantages faster than competitors can mimic the ones you possess today
- The lack of sufficient dissonance and constructive contention leads to complacency and stagnation; their presence increases the company's essential adaptive capabilities
- The objective of empowerment is quite simply to tap the creative and intellectual energy of everybody in the company, not just those in the executive suite
- Optimized value potential is a *conscious*, disciplined, yet creative search for hidden value and for ways to leverage it
- In a world where fully one-third of the Fortune 500 companies can disappear in the brief space of thirteen years, the issue of corporate sustainability is of no small importance

> Strategic reframing is the ability to *transcend* competition altogether by completely re-defining the rules of competitive engagement in such a way as to provide the re framer with at least a temporary monopoly over the critical success factors of the new game

Source :, Dr. Matthew J. Kiernan, Chairman of the INNOVEST Group
International Academy of Management Executive, 1993 Vol. 7 No. 1

IT Services Firms Vary the Pricing Mix

Executive Summary

Buyers and suppliers of IT services today work with a growing variety of different pricing schemes to meet their individual project and business needs. Historically, the great majority of service contracts were billed on a time and materials basis. However, a recent Forrester survey revealed that users and vendors are increasingly moving toward more flexible contract structures built around a combination of fixed-fee/fixed-bid service components and value-based/risk-reward mechanisms based on usage or defined service-level objectives. While the actual rate of adoption still varies by region, the underlying motivations are clear: While vendors are looking to protect margins, buyers are hoping to reduce the underlying engagement risks and enhance the business value of their services investments.

Time and materials: This is the traditional "charging by the clock" scheme. Clients pay for the number of hours or days of consultant time employed for the project, based on negotiated hourly or daily rates. While the risk associated with deploying a consultant under this scheme remains with the client, many buyer companies today negotiate a time limit or maximum charge with the provider to limit their financial risk to a known level.

Fixed fee/fixed bid: These pricing schemes are based on a negotiated fixed fee for the specific scope of work or project detailed in the contract. Users pay a price for completion of the overall project, thereby incenting the vendor to complete the project in a timely and cost-efficient manner. Under this model, the supplier rather than the buyer takes the main engagement risk.

Value-based/risk-reward: Value-based pricing schemes effectively incent vendors to meet predefined business goals or other relevant success metrics for a given engagement. Such contracts typically commit the vendor to set aside part of its fee upfront against the possibility of earning additional defined fees based on the value of the project's outcome to the client or sharing in the cost savings/revenue generation that the client recognizes. Historically, the majority of contracts covering systems integration and IT consulting services have been billed on a time and materials basis. However, over the past two years, the IT services market as a whole has increasingly moved toward more flexible and managed service contract structures built around a combination of fixed-fee/fixed-bid service components and value-based/risk-reward or gain-sharing mechanisms based on usage or defined service-level objectives. As a result, the balance of risk and upfront costs associated with deploying a consultant during the actual contract phase has increasingly shifted from the buyer to the supplier.

Findings of the Research

Fixed-Fee Contracts Cover a Multitude of Sins

While fixed-price contracts are generally on the rise, some significant geographic differences still prevail. Perhaps unsurprisingly, given the lower costs of labor in these specific countries, we found fixed-fee contracts most popular among consultancies in India and Spain. By contrast, buyers in traditionally more conservative markets, such as Germany, Japan, and Korea, prefer time and materials-based relationships

There are two underlying reasons for the growing popularity of fixed-fee contracts:

Enhanced resource flexibility

Fixed-fee contracts give suppliers the chance to hide day rates and be more profitable on well-scoped and well-managed projects.

Reduced engagement risk

In a period of tight budgetary control over IT projects, clients look for more certainty around financial risk. Fixed-fee contracts remove significant risk for the client, both from a business cost and a planning perspective, when compared with time and materials contracts.

Suggestions of the research

➤ Choose time and materials for small, poorly scoped engagements

In particular, firms should pick this approach for smaller projects or projects where there is insufficient information and/or time to scope the engagement in all its detail. These contract mechanisms require the client to have strong project management and vendor governance to guarantee that costs remain under control. On the other hand, time and materials-based engagements are often a good way to build trust and transparency in new buyer/vendor engagements — forming the basis for more sustainable business relationships in the future

➤ Use the fixed-fee option to cap the costs of well-defined projects

Although all vendors will inflate the price for fixed-bid contracts in order to mitigate any risk, providers that write these contracts can typically draw from previous project experience to propose a competitive price. Keys to success with these kinds of arrangements involve defining the scope of the effort — and sticking to it. Any changes or additions to the project will affect the price, so clients need to consider their organizational culture as well. If the buyer company can define project details and agree early on not to include other enhancements or changes, fixed-price contracts are a good tool. If, however, the underlying organizational style is one of frequent change, fixed-price contracts will usually prove troublesome.

➤ Pick value-based pricing to promote the performance of trusted partners

Value-based pricing can deliver outstanding results if done appropriately. However, this means that the parties must define a great deal of detail in the contract. Best practices focus on the responsibilities of the parties, how the results are measured, who determines what the gains actually are, and the frequency of measurement and payment. Forrester

advises buyers to consider this model when the existing relationship between the parties is based on mutual trust and respect, as value-based pricing demands a lot of give and take on both sides. Without trust and good contracting, these mechanisms can be a disaster

Source: Imogen Harris and Pascal Matzke , Market Maturity both Helps and Hinders New Contract Types, November 2005, Forrester

Single Payment Euro Area

Regulatory compliance issues are putting payment service providers under increasing pressure. Over the past few years there has been a tremendous increase in regulations; for example Basel II, Sarbanes-Oxley, Antimony laundering and the FATF (Financial Action Task Force) Special Recommendation VII, to name but a few. One of the latest to appear is the Single Euro Payment Area (SEPA). All these regulations have a major impact on automation developments. The costs for implementing these requirements can be very high, because of the negative cash flows associated with tying up key resources that cannot be used on other strategic developments. At the same time, market pressure is immense. Shorter time-to-market cycles, greater transparency, online real-time product behavior and lower consumer prices are all increasingly important aspects of staying in business.

Key Stakeholders

The following is a list of non-exclusive key stakeholders affected by the regulatory compliances

- Banks
- End users (retail as well as wholesale customers)
- National governments
- European Union, including the four additional countries + European Committee
- National and European banking and payment associations
- Clearing houses
- International clearing organizations

- European Central Bank
- Card companies
- Management consultants
- Information technology vendors

Business Research indicates that the payments industry will become less profitable for payment service providers. Their additional revenues will come from value-added services offered to the market, together with improved efficiencies in processing. Processing very high transactional volumes will be the key to achieving these objectives. Payment service providers will need to achieve economies of scale and reduce transaction costs to a minimum if they are to achieve an adequate return on investment and make up for the high costs of set up. The business case for SEPA will have to be focused on minimizing the costs of running the systems involved. Of course this is in addition to the generation of additional revenues from core SEPA products, revenues from value added services and minimizing the costs of the business process changes.

With the introduction of SEPA payment service providers will have to think of the right product/market mix for payments & cash management products.

Source : http://www.cts.com/SEPA_Whitepaper

Niche specialists and customer empowerment mean a devolving role for financial institutions in their own industry how crucial is web services, technology and innovation in maintaining banks: Importance — and necessity? By Glen Fest in 2015.

Banks and vendors, as well as other IT-intensive industries, have long treated the processes and methods in which they manage their computers, software and information as proprietary advantages, instead of as basic plumbing that most competitors already have. This proprietary mentality extends to in-house operations in the form of silos; in all too many cases, departments are running different accounting, reporting or customer scoring systems

For example: Breaking down barriers and building standards is a core function of Web services, and has become the charge of several IT consortiums in recent years, such as the WS-I, or Web Services Interoperability Organization. The goals aren't the surrender of intellectual property and innovation, but redrawing the starting point where true differentiators can ferment. At Northern Kentucky University, officials there have launched the Infrastructure Management Institute (IMI) to study ways of sharing best practices and methodologies between companies and within their organizations. "People are going to have to learn that the innovation is something different than the implementation," says Tim Ferguson, executive director of IMI and a former vp of research and development at Computer Associates. "The innovation is the idea, the concept, the problem I've got to solve."

Rethinking how innovation provides value and differentiation to an organization is vital. In the current rush to create interoperable, centralized data, future technologists will have to deal with the subsequent issues of storage and analytics that will grow more complex as the datasets bulge into multiple terabytes and pet bytes. Gartner, for instance, noted in a report on the connected world of 2015 that 500 million cars could be connected with wireless sensors for maintenance, insurance or GPS purposes, requiring 6.4 terabyte- per-second capacity across the world's networks. Items passing through Wal-Mart stores crammed with RFID-encoded products could one day command seven terabytes of data.

That doesn't seem to make network administration a very comfortable proposition in the years ahead, but, as MphasiS's Rao points out, it will only be among many internal inventories banks will have to make of their core capabilities and needs. "This creative tension between what you need to keep in, and what you need to keep out...those institutions that resolve it sensibly, they'll be more successful than those that don't."

Business Process optimization for RHIOs

Implementation of an electronic health record (EHR) network entails significant changes in the business processes of participating organizations. Business process management, increased automation, process optimization, user training and end-user adoption together form the keys to success with an EHR. Redesigned processes should be mapped to benefit lines and performance indicators, and monitored continuously to identify improvement opportunities. It is important the new business work flows should match, if not exceed, the existing benchmarks for performance.

Business process redesign is all the more challenging in the context of regional health information organizations (RHIOs), as the business processes of the EHR network have to be aligned with existing process flows of several organizations, each with its own preferences and specific requirements. Even so, most of the discrete individual processes have to be converged, streamlined, assimilated and optimized in the redesigned business processes. This paper proposes a methodology for business process redesign and optimization for RHIOs.

RHIOs and Business Process Management

RHIOs are newly formed organizational entities and are typically not more than three years old when they embark on EHR initiatives. Until then, RHIOs would have spent most of their time doing the paperwork to form the organization, managing contracts with participants and securing funds. They would have defined their vision and mission. A few of them might have lined out detailed requirements for the EHR IT system, but most RHIOs overlook the need for a methodical process modeling exercise.

A well-structured business process management framework helps transform business processes for increased agility and operational performance. Business process management for an EHR initiative needs careful attention, just like the IT system design and implementation. To achieve RHIO goals of improving the quality of healthcare, increasing patient safety and reducing costs, the focus should not be restricted only to improving IT system capabilities. An organizational culture of business process management and incremental process improvements can provide significant assistance in helping RHIOs achieving their objectives

Electronic Health Record: A medical record or any other information relating to the past, present or future physical and mental health, or condition of a patient. An EHR resides in computers that capture, transmit, receive, store, retrieve, link and manipulate clinical data for the primary purpose of providing healthcare and health-related services

Regional Health Information Organization: Multi-stakeholder organizations or consortia of healthcare organizations expected to be responsible for motivating and causing integration and information exchange in the United States' revamped healthcare system. Generally, stakeholders are developing RHIOs to affect the safety, quality and efficiency of healthcare as well as access to healthcare with help of health information technology, primarily electronic health records

Health Information Exchange: The mobilization of healthcare information electronically across organizations within a region or community. This term is used interchangeably with RHIOs

Business Process Management: A management discipline that provides governance in a business process environment, with the goal of improving agility and operational performance. Business process management is a structured approach employing methods, policies, metrics, management practices and software tools to manage and continuously optimize an organization's activities and processes

Business Process Redesign: A systematic, disciplined business process improvement approach that critically examines, rethinks, redesigns and implements the redesigned processes of an organization. BPR's goal is to achieve dramatic improvements in performance in areas important to customers and other stakeholders

Business Process Optimization: The continuous management of performance and incremental business process improvements efforts by measuring the key performance indicators and redesigning the suboptimal processes for better performance

Source : JThenal of Healthcare Information Management — Vol. 21, No. 1 47

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Manufacturing Execution Systems

Introduction

Information systems in the modern process and manufacturing sector bridge several layers, from the boardroom to the shopfloor. At one end of this spectrum are the ubiquitous ERP systems that have become essential to today's IT-enabled enterprises. At the other end are sensors, actuators and other field devices that are equally vital for ensuring perfect process control. Between these is a diverse range of systems with varying degrees of interconnection, fineness and cohesion.

These information systems span a wide range of data, processing power and time scales. The objectives and abilities of each of these systems are different, yet there is a clear need for them to work in sync with each other.

Any disconnect among them leads to inefficient operations, higher costs and lower quality, which ultimately translates into lower profits. It is therefore vital that there should be tight integration and perfect communication between all these systems.

The Need for MES

Historically, shopfloor information and control systems have been in existence for several decades, whereas ERP systems have come into their own typically within the last 5 to 10 years. This has led to a 'generation gap', which has been aggravated by different demands of their end-users - plant process engineers and management staff.

An additional difficulty in complex process plants is that no matter how good the planning is, execution doesn't always go according to plan, due to forecast inaccuracies, capacity bottlenecks and process inefficiencies. As a result, there exists a wide information gap, which is untenable in today's competitive world where customers expect instant fulfillment of orders at globally competitive prices and the highest quality.

There is a clear need for a set of systems that seamlessly bridge this gap. That is where MES comes in - MES controls the operations that enable the realization of the plans, closing the execution gap by providing links between shopfloor instrumentation, control hardware, planning and control systems, process engineering, production execution, sales force and customers. The schematic diagram below shows the relative position of MES in the hierarchy of information systems in a typical process industry or manufacturing plant.

MES Functionalities and Benefits

MES delivers substantial benefits **over and above** those that have already been realized from automation of production lines, streamlining of manufacturing processes and implementation of ERPs. MES provides real-time management of complete process definitions, production and support activities, assuring compliance to plan and specification.

Functionalities

- ✓ Integration with lab systems, automated control systems and ERPs
- ✓ Using real-time data from all other information levels, MES reports and responds to plant activities as they occur, resulting in rapid response to changing conditions
- ✓ Batch/lot management, quality management, specifications and work instructions
- ✓ MES is a plant wide system that provides two-way communications to enable the optimization of production-activities from order launch to finished goods
- ✓ ReSource management, including scheduling, dispatching, equipment monitoring, preventive maintenance, direct and indirect labor coordination
- ✓ Recipe management, detailed material control and actual cost tracking

Benefits of MES

- ✓ Shorter manufacturing cycle times (average 45% reduction)
- ✓ Faster inventory turnover and lower in-progress inventories
- ✓ More on-time deliveries with better quality and fewer defects
- ✓ Higher return on operational assets, improved gross margins and enhanced cash flow

Source: www.tcs.com / white papers / Manufacturing execution systems

Last Year's Outsourcing Trends are Accelerating

February 20, 2007 - New York - Look for accelerated growth this year of the Outsourcing trends that predominated in 2006: Expansion of business process Outsourcing (BPO), the maturing of the offshore market and more multi-sourcing at the expense of single, one-off "mega-deals."

That's the word from a survey of lawyers at the lawyers in Morrison Foerster's Global Sourcing Group. Their view is based not only on their own experience on sourcing projects but also on the opinion of clients, service providers and Outsourcing consultants, the company says.

Each of the trends cited will continue this year but at an accelerated pace, Morrison Foerster says. Not only has the mega-deal suffered, for example, but most deals are now shorter in duration and smaller in value than two years ago. Businesses remain committed to Outsourcing but are less prepared than in the recent past to lock into long-term deals. Flexibility has become the Outsourcing mantra.

Predictions for the Outsourcing market in 2007 include:

- A continued trend towards smaller, shorter deals as businesses focus on individual processes instead of large, complex institutional transactions;

- Increased reliance on global service delivery models;

- More importance for data privacy and data security issues;

- Increased offshoring to China;

- A revival of anti-Outsourcing sentiment with 2006 U.S. mid-term elections;

- Adoption of recognizable elements of IT Outsourcing and BPO into traditional Japanese contract partnering operation

In the meantime, Outsourcing remains a buyer's market. Increased competition from service providers allows customers to pick and choose. Rather than risking whole business lines with a single service provider, shorter duration and smaller value transactions allow businesses to spread operational risk and develop new relationships. The trend complicates governance, a burden that businesses appear willing to shoulder. Besides, assigning a broad set of service requirements to a single service did not always work well in the past.

Niche players are winning more deals at the expense of both the Tier 1 service providers and the sub-Tier 1 mid-range providers. While the Outsourcing market continues to expand rapidly enough that the larger service providers can protect their earnings even with a reducing market share, the potential losers are likely to be mid-level service providers who have not come up with a strategy to overcome the shift. In 2007, many of

the traditional big service providers may change their focus and try to wind more of the smaller deals.

Multi-sourcing has become the favored strategy. One service provider cannot be good at everything--and concentrating on "best of breed" is likely to deliver value. That strategy comes with a cost because businesses need to spend more time and money managing service providers. We find that the clients are more focused on governance than they were even two years ago. They build on-going governance and retained organization costs of 8% to 15% into their business cases. However, many customers struggle to manage deals properly, and project management needs to improve if multi-sourcing is to achieve its goals.

Exceptions occur. Big deals are still signed by the Tier 1 service providers. The difference is that the large deals are now concentrated in fewer sectors, and many larger deals are broken up when they come up for renewal. Outsourcing consultancy TPI predicts fewer than eight deals in 2007 with a value in excess of $1 billion, down from 15 in 2005 and 25 in 2004.

As deals become smaller and customers focus on governance, deals are taking longer to close. There is a difference between offshore-origin service providers (who remain fleet-of-foot and prepared to meet customers' expectations to close deals quickly) and larger (especially Tier 1) providers. The big providers have increasingly protracted and convoluted sign-off procedures and are reluctant to move away from predetermined policy positions. Big service providers need to ensure they have factored their increased cost of sales into bids and that they set realistic expectations about projected revenue.

Still, business process Outsourcing (BPO) will remain the fastest growing sector in 2007. More processes are now in-scope, both front and back office. HRO has not grown as much in 2006 as predicted, as service providers have struggled to deliver the savings and performance. Hewitt and Convergys have revealed less-than-expected performance data in 2006, which has slowed HRO Other areas, however, continue to grow.

Finance and accounting should be a growth area in 2007 as CFOs have moved on from Sarbanes-Oxley compliance issues to examine internal processes. Many of The insurance clients outsource claims administration services to cut costs and improve performance. The insurance sector should clearly remain a key buyer of Outsourcing services, as companies are driven to reduce their costs further. Shortages of skills prompt insurance companies to outsource the support for the roll-out of new products.

In another trend, 2006 saw the convergence of onshore and offshore. More deals involve an element of offshore delivery, and key offshore service providers are coming onshore to win business. In March 2006, for example, Pearl Insurance outsourced payment execution services to TCS, which came onshore to win that work. Many of the Indian-origin service providers now have delivery centers in all key geographic areas. That has helped them win more deals from the Tier 1 service providers and move beyond their typical strengths in applications development and maintenance (ADM).

Increasingly, service providers will be distinguished from each other – and selected by customers – based on the robustness of the global service delivery model–in other words, by their ability to Source services delivery from the right place at the best price.

Last year also saw more work done in China, a trend that will continue. Although India retains a cost and language advantage, China closes the gap year-by-year and is making strides to close the significant skills gap for many types of Outsourcing. Analysts have recently claimed that between 5% and 10% of U.S. and European IT software Outsourcing will be diverted from India to China in a few years. Certainly most of the major Indian service providers are established in at least one major center in China, as are some of the U.S. service providers.

Businesses are looking to China for ADM work. Despite a Chinese regulatory regime that remains less friendly to business interests than the system in India, the Philippines and other popular sourcing destinations, more companies are sending ADM work to China where the cost advantages are greatest.

Deals are won by Indian service providers and are then performed in China, and we believe that trend will continue. India will remain the largest offshore center for the immediate future, and more complex work will be performed there for the moment. China will begin to attract more lower-value work; especially ADM. Businesses also set up their own development centers in China, usually as a joint venture with a Chinese partner. That is done for traditional off-shoring work as well as to position companies for the Chinese domestic market. Operating in China remains complex.

Data privacy and security are now established as major concerns in Outsourcing, too. Global companies have become concerned that their Outsourcing contracts do not protect them from security breaches, and consumers are also alive to the issue after media exposés. Research by the UK's National Outsourcing Association demonstrated how data protection concerns loom large in the minds of companies contemplating Outsourcing.

That trend will continue in 2007, and much more effort will be put into ensuring data security requirements are met and that customers are informed of security breaches by service providers. Meanwhile, global companies will continue to permit cross-border data transfers

Source: New York Times article on predictions of 2007

Scope for further research

The following are the key recordings of the review of literature

☐ No study has been conducted with respect to IT Indian firms

☐ No study had been conducted to elucidate the benefits to the customer

☐ Caritor's value proposition revolves around the practices

☐ Value proposition for the verticals is not being articulated and communicated

☐ The research under study covers the risks involved in outsourcing highlighting a scope of growth in the scenario

- The research gives an insight of the technological capabilities of the IT service providers

- Further study will reveal the importance of domain expertise

- The value proposition of Caritor revolves around the practice capabilities

Note: The value proposition for the verticals is not covered. This forms the scope for further study

Managerial Identification of Competitors

Executive Summary

Competitor identification is a major component of any approach to formulating marketing strategy (e.g., Aaker 1995; Czepiel 1992; Day 1990; Sudharshan1995). The notion of understanding competitors and developing an advantage against them is as basic to strategy as air is to breathing, drawing interest in not only the marketing literature but also economics and management.

Competitor identification is an important area of study for three reasons.

First, competitor identification is a necessary precursor to competitor analysis. Managers cannot, should not, and do not analyze all companies but rather only those that they identify as competitors or potential competitors.

Second, competitor identification has figured prominently in objective research on establishing market structure and boundaries, as outlined subsequently.

Third, competitor identification shapes what Porac and Thomas (1990) call the "cognitive oligopoly" that managers construct as part of their mental models of the markets in which they compete.

Research on the objective market structure that characterizes industries has pursued two approaches to competitor identification

Supply-based approach: This approach identifies competitors on the basis of how similar firms are in terms of technology, strategy employed, products offered, and so forth. The well-developed strategic groups literature in management and economics (for reviews, see McGee and Thomas 1992; Thomas and Venkatraman 1988) identifies competitors in this fashion, grouping together competitors with similar strategies.

Demand-based approach: This approach identifies competitors on the basis of customer attitudes and behaviors and has been an important research area in marketing (Day, Shocker, and Srivastava 1979). Firms whose offerings customers perceive as similar are regarded as competitors, whether through direct judgments of similarity, similarity in attitudes toward competing offerings, or behavior in the form of brand purchase patterns. Marketing has a rich tradition of examining markets from a customer perspective through attempts to identify product market boundaries or competitive market structure (f^or a recent taxonomy of 31 studies in this area, see Cooper and Inoue 1996).

Managerial Implications of the study

☐ Managers should focus more on competitors as defined by customers

☐ Managers should be aware of asymmetry in competitive Perception

☐ Managers periodically should revisit how they identify competitors

☐ Managers should identify' potential competitors for tracking purposes

Findings of the Study
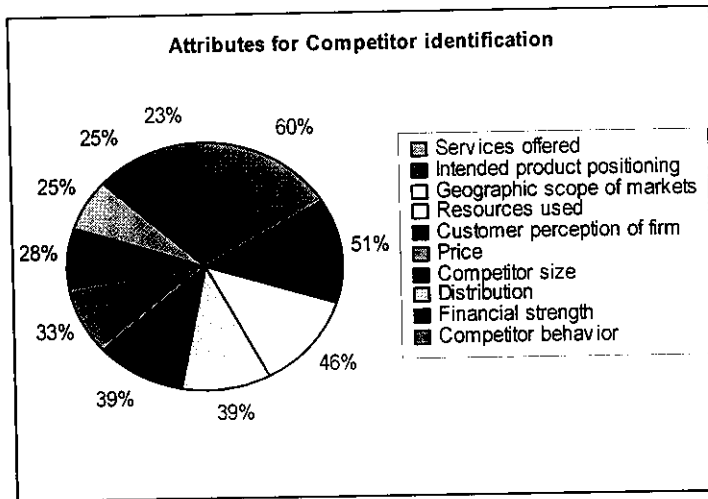
Figure 6: Attributes for Competitor identification

Source: Bruce H. Clark & David B. Montgomery, Managerial identification of competitors, JThenal of Marketing Vol.63 (July 1999), 67-83

ANALYSIS & INTERPRETATION

4. ANALYSIS & INTERPRETATION

PERCENTAGE OF RESPONDENTS

S.No.	Respondents	No.	Percentage	Rank Order
1	Vertical Heads	3	10.0	IV
2	Business Managers	5	16.7	III
3	Account Managers	6	20.0	II
4	**Onsite CMR**	**9**	**30.0**	**I**
5	GM MG	1	3.3	V
6	Marketing Managers	3	10.0	IV
7	BDS Managers	3	10.0	IV
	Total	30	100	

Table 3: Percentage of Respondents

CHI SQUARE TEST BETWEEN NATURE OF QUESTION AND RESPONSE

	RESPONSE		Total
	Yes	No	
Question 1	24	6	30
Question 2	21	3	30
Question 3	19	5	24
	64	14	84

Table4: Nature of Question & Response

Interpretation: Chi square value is 0.705 with probability 0.703 for 2 d.f (Expected value 5.991)

Since the chi square value (0.705) is less than the expected value (5.991) with probability (0.703) being greater than 0.05 it is not significant. ie. there is no association between the nature of question and the response.

CORRELATION MATRIX

Correlation between the no. of respondents responded for each question from option 1 to option4.

Correlation between the options

	Option1	Option2	Option3	Option4
Option1	-			
Option2	0.604	-		
Option3	-0.171	0.486	-	
Option4	0.393	0.505	0.415	-

Table 5: Correlation between the options

Interpretation: In the above correlation matrix , the moderately positive correlation (0.604) is observed between option1 and option2, but still it is not significant.

Correlation matrix between questions

	Q4	Q5	Q6	Q7	Q8	Q9
Q4	-					
Q5	0.334	-				
Q6	0.737	0.688	-			
Q7	-0.21	0.851	0.32	-		
Q8	0.631	0.666	0.987*	0.361	-	
Q9	-0.124	-0.95	-0.428	-0.907	-0.401	-

Table 6: Correlation matrix between Questions

Interpretation: From the above correlation matrix, it is observed that there is a high correlation between question 6 and question 8 and it is significant. Although there are other high negative correlation between question 5 and 9 (-0.95), a high negative correlation between questions 7 and 9 (-0.907) a high positive correlation between question 5 and 7 (0.851) and positive correlation between questions 4 and 6, they are all not significant because the sample size is only 4 (ie options).

It was also inferred that Competitor 1 and Competitor 3 can deal with Legally Compliant Solution whereas Competitor 2 deals only with Risk reduction and certainty of success.

Question	Number of Respondents	Percentage
1	30	100.0
2	30	100.0
3	24	80.0
4	30	100.0
5	24	80.0
6	30	100.0
7	30	100.0
8	26	86.7
9	30	100.0
10	24	80.0
11	22	73.3
12	24	80.0

Interpretation: It was also inferred that Questions 1,2, 4, 6. 7 and 9 had complete 100% response followed by Question No.8 (86.7%) and then Questions 3, 5 and 9 and 12 (each 80%), whereas Question 11 had only 73.3% respondents.

KRUSKALL WALLIS TEST FOR THE DIFFERENCE IN SCORES

1. BETWEEN QUESTIONS

Ranks

	QUESTION	N	Mean Rank
SCORE	4	4	8.25
	5	4	10.00
	6	4	14.63
	7	4	12.38
	8	4	9.13
	9	4	20.63
	Total	24	

Test Statistics[a,b]

	SCORE
Chi-Square	8.530
df	5
Asymp. Sig.	.129

KRUSKALL WALLIS TEST FOR THE DIFFERENCE IN SCORES

2. BETWEEN OPTIONS

Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum
SCORE	24	13.33	8.86	0	28
OPTION	24	2.50	1.14	1	4

Ranks

	OPTION	N	Mean Rank
SCORE	1	6	15.92
	2	6	15.42
	3	6	11.50
	4	6	7.17
	Total	24	

Test Statistics[a,b]

	SCORE
Chi-Square	5.976
df	3
Asymp. Sig.	.113

a. Kruskal Wallis Test

b. Grouping Variable: OPTION

ANALYSIS OF VARIANCE TEST FOR THE DIFFERENCE IN SCORES

BETWEEN QUESTIONS

Descriptives

SCORE

	N	Mean	Std. Deviation
4	4	7.25	7.46
5	4	11.00	6.16
6	4	16.00	11.40
7	4	13.25	8.77
8	4	9.00	7.79
9	4	23.50	3.42
Total	24	13.33	8.86

ANOVA

SCORE

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	686.833	5	137.367	2.211	.098
Within Groups	1118.500	18	62.139		
Total	1805.333	23			

ANALYSIS OF VARIANCE TEST FOR THE DIFFERENCE IN SCORES

BETWEEN OPTIONS

Descriptives

SCORE

	N	Mean	Std. Deviation
1	6	18.17	5.49
2	6	16.33	6.98
3	6	12.33	8.57
4	6	6.50	10.62
Total	24	13.33	8.86

ANOVA

SCORE

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	480.333	3	160.111	2.417	.096
Within Groups	1325.000	20	66.250		
Total	1805.333	23			

CONCLUSION

CONCLUSION

5.1 FINDINGS

The results of the interview process have been recorded and the Value proposition of Caritor for the three verticals Manufacturing, Healthcare, Banking, Financial services and Insurance have been recorded.

Web research has been made on the competitors and the value proposition for the three verticals has been derived.

The following are the artifacts of the interviews and web research

- Caritor Value proposition for Manufacturing vertical
- Patni Value proposition for Manufacturing vertical
- NIIT Value proposition for Manufacturing vertical
- Syntel Value proposition for Manufacturing vertical
- Caritor Value proposition for Healthcare vertical
- Kanbay proposition for Healthcare vertical
- Rapidigm Value proposition for Healthcare vertical
- Syntel Value proposition for Healthcare vertical
- Caritor Value proposition for BFSI vertical
- NIIT Value proposition for BFSI vertical
- Hexaware Value proposition for BFSI vertical
- Patni Value proposition for BFSI vertical

Caritor Value proposition for Manufacturing vertical

Value Proposition	Benefits to the Customer
Project execution experience for over a decade	Leverage on the best practices in every solution offered
Fixed Price engagements	Accountability and Cost predictability
Large portfolio of services Application Development, Management, Testing, Network Infrastructure services, Product development	End to end Solutions to the customer
Expertise in various technologies and ability to learn new technologies and be productive in a very short time span	One stop shop solution for multiple technologies
Dedicated account management structure	Focused attention to the customer and engagement
Prior experience in servicing across geographies	Achieving a cultural fit Multilingual support Ability to execute projects in multiple time
Dedicated Solutions architecture group ▪ Business architecture group ▪ Technical architecture group	Clear understanding of the business needs of the customers and provide scalable technical solutions for the same
Dedicated Software quality assurance group	Ensures delivery of high quality output
Project execution experience in various segments of manufacturing industry	Ability to provide innovative solutions Ability to learn new areas and implement projects

Table 7: Caritor Value proposition for Manufacturing vertical

Patni Value Proposition for Manufacturing vertical

Value Proposition	Benefits to the Customer
Inbuilt training programs for BAAN	Training for applications on BAAN Reduction in training costs
Prior experience in execution of projects in a low turn around time	Reduction in development and deployment costs
End to End Solution tool kit	One stop shop solution to the customer
Experience with major clients	Deep understanding of the manufacturing industry Quality technical solution that addresses the business needs
Expertise in Inventory management	Provide consulting in areas of inventory management
Proven expertise in SSA ERP Ln 6.1	Transparency in the systems Business process standardization
Team of skilled resources for BAAN	Technical solutions for inventory management issues

Table 8: Patni Value proposition for Manufacturing vertical

NIIT Value proposition for Manufacturing vertical

Value Proposition	Benefits to the Customer
Dedicated team of Management consultants	Deep understanding of Insurance industry Ability to provide cost effective solutions
Expertise in multiple areas of Insurance consulting	Robust solutions resulting in resource optimization Aid in achieving long term goals
Straight Through Processing solution	Industry standard solution Reduction in settlement cycles Reduction in clearing and settlement costs
Prior experience in migration projects	Ease in integration of legacy applications with future technologies
Dedicated BPO for Insurance vertical	Round the clock support
Deep domain expertise of Banking industry	Robust solution to meet to the business challenges
Dedicated Banking practice	Attention to the engagement
Unique Knowledge portal	Risk mitigation Continuous improvement on the services offered
Proven dual shoring approach	Reduce the turn around time of the engagement

Table 9: NIIT Value proposition for Manufacturing vertical

Syntel Value proposition for Manufacturing vertical

Value Proposition	Benefits to the Customer
Deep domain expertise of regulatory compliances for Manufacturing industry	Legally compliant solutions
Presence across all the segments of the Manufacturing Value chain	Solutions which enable both backward and forward integration
Clear understanding of what activates need to be outsourced	Improve productivity for the customer
IT Consulting solutions for the Manufacturing vertical	Defined roadmap for IT enablement
Deep expertise in niche areas like Knowledge network building	Solutions to build a more technologically advanced Organization
Flexible global delivery model	Offer both offshore and near shore vendor services Cost benefits Predictability of the engagement
Dedicated Business Analyst group	Ease in training the customer Clear understanding of the business challenges of the customer
Robust offshore delivery methodology	Cost benefits to the customer and reduction in transition time

Table 10: Syntel Value proposition for Manufacturing vertical

Caritor Value proposition for Healthcare vertical

Value Proposition	Benefits to the Customer
Proven ability in Product Co-development	Innovative solutions in developing products and scope for a long term relationship
Preferred offshore vendor for a leading fortune 500 health care service provider	Trust and confidence in execution ability
Expertise over multiple domains of healthcare industry	Reduction in time needed for requirement analysis and development
Dedicated practices for various technologies	Quality functional and technical deliverables
Fixed price engagement model for project execution	Accountability and Cost predictability
Large number of resources in Healthcare vertical	Provision of robust solution that addresses both the business and the technical requirements
Presence across the major components of healthcare value chain	Rich knowledge of the salient components of health care industry
Proven agility in Project execution	Ability to ramp up both in terms of resources and knowledge points
Expertise in implementation of regulations such as HIPAA	Delivery of legally compliant solution

Table 11: Caritor Value proposition for Healthcare vertical

Kanbay Value proposition for Healthcare vertical

Value Proposition	Benefits to the Customer
Composite team of Healthcare domain experts	Deep understanding of the health care industry
Healthcare consultants comprising of CEOs, CFOs CIOs of hospitals	Good knowledge of the needs of the customers
Thought leadership by research and development	Solutions that undergo continuous quality improvement
Team of IT professional well versed with the technology packages of health care industry	Robust technical solutions to the customers
Deep understanding of full scope operational and technological issues	End to End solutions to the customer
Prior experience in executing migration and integration projects	Minimizing Time to market Maximizing return on sales
Proven near shore model	Local touch in relationship with the customer
Partnerships with market leaders	Offers complete knowledge of industry standard products

Table 12: Kanbay Value proposition for Healthcare vertical

Rapidigm Value proposition for Healthcare vertical

Value Proposition	Benefits to the Customer
Demonstrable knowledge of Clinical trail support	Offers end to end solutions for all the players of Healthcare value chain
Dedicated BPO for healthcare vertical	Round the clock support to the customers
Team of healthcare consultants	Robust solution that addresses both the business and technical need of the customer
Long standing relations with customers	Competitive billing rates
Defined methodologies and processes	Reduction in time needed for requirements gathering and analysis
Prior experience in executing projects for Pharmaceutical industry	Good understanding of the supplier network of healthcare industry
Prior experience in working in a multi vendor scenario	Complete benefits from a multi vendor engagement model
Good knowledge of industry standard healthcare applications	Industry standard solutions to the customers

Table 13: Rapidigm Value proposition for Healthcare vertical

Syntel Value proposition for Healthcare vertical

Value Proposition	Benefit to the Customer
Knowledge acquisition and retention framework	Clear understanding of the customers' business and technical landscape
Intelli Transfer methods framework Proven knowledge transition framework	Ability to ramp up resources in the least turn around time
Prior experience in executing large scale projects for customers	Host of learning's that offer cost benefits and quality advantages
Good understanding of HIPAA and NIPAA regulations	Legally compliant solution to the customer
Dedicated team of health care professionals	Good understanding of the challenges in IT enablement for healthcare industry
Stringent metrics and Service Level Agreements	Quality and Timely resolution of issues to the customer
Expertise in Application reengineering for Health care firms	Technologically integrated and upgraded organization
Over 800 consultants with over 3,000 person years of experience	Rich knowledge of the Healthcare industry and best practices

Table 14: Syntel Value proposition for Healthcare vertical

Caritor Value proposition for BFSI vertical

Value Proposition	Benefits to the Customer
Wide range of solutions and expertise in varied domains of BFSI vertical	Clear understanding of the Business and Technical requirements of the industry
Built-in capability and capacity to provide 24 x 7 support	Round the clock functioning of systems
Custom solutions for banks and financial institutions	Reduction in IT costs with no compromise on quality & Improve service & delivery capability
Over 2000 person years of experience in Banking, Financial services & Insurance	In depth knowledge of the solution offered Reduction in investment of time by the customer
Proven project management experience	Ability to execute projects within aggressive timelines
Belief in long term relationships with the customers	Competitive billing rates for the services offered
Significant experience in all the areas of Insurance value chain	Rich knowledge of Insurance industry Reduction in time from customers
Prior experience in Migration & consolidation of IT systems for Insurance customers	Leverage on the best practices
In house training programs for all the resources at various levels	Ability to offer a feasible solution that addresses both the business & technical need
Standards based methodologies & Experience in providing solutions in the Insurance domain	Risk reduction Certainty of success
Expertise in implementation of regulations such as Sarbanes-Oxley	Delivery of legally compliant solution

Table 15: Caritor Value proposition for BFSI vertical

NIIT Value proposition for BFSI vertical

Value Proposition	Benefits to the customer
Dedicated team of Management consultants	Deep understanding of Insurance industry Ability to provide cost effective solutions
Expertise in multiple areas of Insurance consulting	Robust solutions resulting in resource optimization Aid in achieving long term goals
Straight Through Processing solution	Industry standard solution Reduction in settlement cycles Reduction in clearing and settlement costs
Prior experience in migration projects	Ease in integration of legacy applications with future technologies
Dedicated BPO for Insurance vertical	Round the clock support
Deep domain expertise of Banking industry	Robust solution to meet to the business challenges
Dedicated Banking practice	Attention to the engagement
Unique Knowledge portal	Risk mitigation Continuous improvement on the services offered
Proven dual shoring approach	Reduce the turn around time of the engagement

Table 16: NIIT Value proposition for BFSI vertical

Hexaware Value proposition for BFSI vertical

Value Proposition	Benefit to the customer
Turnkey IT-BPO Services	Round the clock support for the end users
Over 35+ customers in the BFSI space	Proven project experience
Over 200 projects, including several Fortune 500 Global banks	Repository of best practices / Lessons learnt
Proven implementation expertise in Credit Card Analytics and Data Warehousing	Good understanding of Financial services industry
Large talent pool of domain and technology specialists	Robust technical solution to address to the business needs
Expertise in high end technologies	Ability to provide IT enablement solutions in line with the industry standards
Process excellence including Accord, LOMA & ISO certified professionals	Deep domain expertise and good understanding of Insurance vertical

Table 17: Hexaware Value proposition for BFSI vertical

Patni Value proposition for BFSI vertical

Value Proposition	Benefit to the Customer
Dedicated team of Insurance domain consultants	Deep understanding of Insurance industry Ability to provide cost effective solutions
Expertise in multiple areas of Insurance	Understanding of the dynamics of the Insurance industry
Straight Through Processing solution	Industry standard solution Reduction in settlement cycles Reduction in clearing and settlement costs
Knowledge of high performance tools	Robust technical solution to address the business needs of the customer
Dedicated Multilingual BPO support for Insurance	Round the clock support Service customers across geographies
Deep domain expertise of Banking industry	Robust solution to meet to the business challenges
Centre of Excellence for Banking	Attention to the customer and engagement
Prior experience in Vendor Management solutions for leading banks	Brings in Best practices and Lessons learnt

Table 18: Patni Value proposition for BFSI vertical

5.2 Conclusion

The following have been found to be common in the Value proposition of Caritor and the competitors

Vertical	Competitors	Common
Manufacturing	Syntel, Patni, NIIT	- Prior experience in execution of similar engagements - Prior experience with major clients - Team of domain experts - Domain expertise of Manufacturing industry - Flexible Global delivery model
Healthcare	Syntel, Kanbay, Rapidigm	- Presence in the various segments of healthcare value chain - Team of functional consultants - Knowledge of regulations Methodologies and Processes
BFSI	NIIT, Hexaware, Patni	- Custom solutions for banks and financial institutions - Expertise in providing solutions for Insurance industry - Dedicated BPO for insurance - Prior experience with major clients

Table 19: Common components in Value proposition between Caritor & Competitors

Caritor's value proposition offers the following additional components over competitors

Vertical	Additional components
Manufacturing	- Fixed price engagements - Dedicated Account management structure - Dedicated SQA group - Presence across various geographies
Healthcare	- Proven ability in product Co development - Selected offshore vendor for a fortune 500 healthcare firm - Proven agility in project execution
BFSI	- Extensive experience in banks and financial institutions - Knowledge of Insurance value chain - Insurance specific training programs - Wide range of solutions for Insurance industry

Table 20: Additional components in Caritor Value proposition

Competitors offer the following additional components over Caritor

Vertical	Additional components
Manufacturing	- Expertise in mySAP business suite - Inventory management solutions - BAAN technology for Manufacturing firms - Consulting services
Healthcare	- Knowledge management - Research and Development solutions - Knowledge of clinical trail solutions
BFSI	- Expertise in mutual funds industry - Dedicated BPO services - Expertise in Credit cards analytics - Domain specific certifications

Table 21: Additional components in competitors' value proposition

Caritor Value Proposition at Organizational level

Value proposition	Benefits to the customer	Justification
Proven global delivery model	Cost reduction	▪ Phases of projects are judiciously divided as onsite and offshore effort and work that can be executed from offshore at a lower cost are moved to offshore
Best in class human capital	Quality functional and technical deliverables	▪ Caritor is pCMM Level 5 certified and is focused on continuous improvement ▪ Leadership groomed from within Caritor ▪ All Staff are engineers , MCAs and MBAs with first class degree ▪ Competencies in various technologies and domains
Proven processes and methodologies	High quality and transparent solution	▪ Caritor's processes are assessed at CMMi Level 5(Version 1.2), SEI CMM Level 5, and pCMM Level 5 ▪ Six Sigma initiatives to bring about improvements to its quality processes and deliverables ▪ Dedicated Software quality assurance group to monitor the quality of deliverables ▪ Dedicated Process Management Group (PMG) for monitoring and continuous improvement of processes
Healthy Financials	Reliability and continuity of the relationship	▪ Comfort level to the customer is high ▪ Instills confidence for a long term relationship
Governance model	Executive level attention	▪ Geographically dispersed senior management ▪ Dedicated Account management structure ▪ Well defined communication methodology where periodic review of the project status, the deliverables and the milestones are done ▪ Senior management's readiness to take up responsibilities in case of escalations ▪ Well defined Global Client management organization

Table 22: Caritor Value Proposition at Organizational level

5.2 Recommendations

IT Services is a market where there is a highly intense competition. The following are the challenges faced by IT Services organizations.

- ➢ Large number of players
- ➢ Similarity in the service offerings
- ➢ Similarity in project execution approach
- ➢ Human resources with similar skills set

In order to be able to sustain the fierce competition companies must adopt the following

- ➢ Value propositions that offer very good benefits to the customers
- ➢ Innovative solutions that address the customers' business and technical needs
- ➢ Methods to improvise on the domain expertise of the industry verticals
- ➢ Robust Knowledge Management practices

Caritor's Strengths

- ➢ Good governance model
- ➢ Long standing relationships with clients
- ➢ Health financials

Caritor must improve on the following areas

- ➢ Domain certifications
- ➢ Consulting Services
- ➢ Presence in Domestic market
- ➢ Strong Knowledge management practice

APPENDIX

Questionnaire

1. Existence of dedicated Solution Architecture Group (SAG) at Caritor aids in understanding the business situation of the customer and provides a scalable technical response for the same

   [ ] Yes   [ ] No

2. Our claim of " Large portfolio of services" namely Application Development, Application management, testing, NIS transforms as an " End - to - End " Solution for all the business challenges of the customer

   [ ] Yes   [ ] No

3. The sign off by our dedicated SQA team on every deliverable is seen as a seal of quality by our customers

   [ ] Yes   [ ] No

4. Our in-house training programs in the Insurance domain helps us offer feasible solutions which address both business and technical requirement

   [ ] Yes   [ ] No

5. Which of the following in your opinion is a benefit to the customer due to Caritor's prior project execution experience?

   [ ] Leverage on the best practices   [ ] Scope for long term relationship

   [ ] Referenceability   [ ] Cost Benefit to the Customer

6. What is (are) the benefit(s) we offer to the customer by providing custom solutions (Tick more than one if applicable)

   [ ] Reduction in IT Costs   [ ] Improve Service Quality

   [ ] Improve delivery capability   [ ] Provide Scalable Systems

7. What according to you are the benefits to our customers in Fixed price engagements? (Tick more than one choice if applicable)

[ ] Cost Predictability   [ ] Accountability

[ ] Risk Reduction   [ ] No effort overruns

8. What according to you are the benefits to the customer in having a long term relationship with Caritor?

[ ] Confidence on Vendor   [ ] Competitive Billing

[ ] Increased Attention   [ ] Reputation

9. What according to you are the benefits we offer to the customer by setting up Centres of excellence?

[ ] One stop shop solution   [ ] Quality Deliverables

[ ] Increased Attention   [ ] Cost Benefits

10. What according to you are the benefits we offer to our customers by providing a dedicated account management structure?

[ ] Focused attention to engagement   [ ] Ease in handling engagements

[ ] Focused attention to customer   [ ] Clarity in allocation of responsibilities

11. What according to you are the benefits we offer to our customers through our prior experience in servicing across geographies?

[ ] Achieving a cultural fit [ ] Ability to execute projects in multiple time zones

[ ] Multi Lingual Support [ ] Process maturity to service across various geographies

12. What are the benefits our customers will derive from our expertise in regulations such as Sarbanes-Oxley act?

Note: This question is specific to BFSI Domain

13. What are the benefits our customers will derive from our expertise in regulations such as HIPAA?

Note: This question is specific to Healthcare Domain

14. What are the benefits offered to our customers from our standards based methodologies in Insurance domain?

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