



Offshore Development Center

An Overview

Dynamic business environment, growing complexity and increased competition pressures are preventing organizations to focus on core business. Some of the challenges being faced by the industry include:

- ❖ Pressure on margins
- ❖ Unmanaged growth and inability to market in time
- ❖ Rapid scaling for short-term high volume tasks
- ❖ Sourcing high-end talent pool
- ❖ Business continuity and disaster recovery
- ❖ Competitive pressures leading to impact on quality. This ultimately leads to loss of market share and impacts the brand image

It is imperative for an organization to stay competitive by focusing on core operations and adopting global sourcing strategy especially for IT& ITES services. A recent study by Mckinsey Global Institute shows that the potential cost savings from a typical global sourcing engagement will be in the range of 45% – 55%. Global Sourcing with a focus on business transformation will add another 15% – 22% in the total cost savings.

Depending on the business's maturity level in global sourcing, customers can opt for any of the five engagement models – based on various selection parameters like ROI, start-up costs, level of management control, IP protection, exit policy etc.:

- ❖ Captive Units
- ❖ Build-Operate-Transfer (BOT)
- ❖ Joint Venture (JV)
- ❖ Dedicated development Center (DDC)
- ❖ Dual Shore Centers

Performance of the vendor can be managed effectively through risk and reward strategy, using tools like Business scorecard, which is aligned to organization goals, objectives, targets and key initiatives.

NIIT has implemented successfully global sourcing solutions for the leading Airlines, Travel Distribution and Logistics companies in USA, UK, Europe, Middle East and Asia-Pacific and has addressed following business needs:

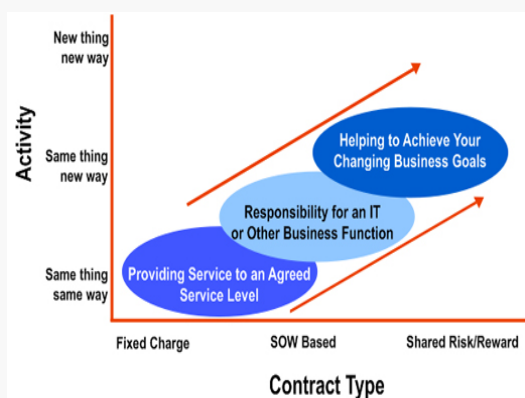
- ❖ Transferring financial risk
- ❖ Improved service levels
- ❖ Access to global best practices to improve quality of end product
- ❖ Flexible capacity & access to domain and technical talent
- ❖ Risk Management
- ❖ Variability & scalability of service
- ❖ Accelerated deliveries
- ❖ Fast paced technology change

Business Benefits

- ❖ Focus on core business to stay ahead while IT partners manage IT risks better
- ❖ Access to rare skills talent pools such as mainframe, D2K, TPF, analytics, engineering, R&D, domain specialization.
- ❖ Flexibility and agility in scaling-up/down operations to service distributed customer base with differentiated needs
- ❖ Excellent efficiency by keeping abreast with fast changing technology
- ❖ Moving away from fixed cost model to variable cost model, ensuring risk and reward sharing
- ❖ Lower cost structure as result of providing services from lower cost base locations
- ❖ Overall improvement in business through reduced operational cost, improved quality of services, satisfied customer and reduced time-to-market

Dedicated Development centre Framework

NIIT has offered this solution to fortune 500 global customers and maintained long-term relationships with them. These engagements have helped the customer to move from fixed charge engagement model to shared risk/reward model based on their maturity level in global out sourcing.



Features of a Dedicated Development Center:



The Dedicated Development centre facility is a virtual extension of the customer's operating environment, which offers following customer values:

- ❖ **Secured dedicated offshore centre:** It is segregated from NIIT network and has dedicated link with client site, which helps to protect IPR and provide multi site solutions seamlessly.
- ❖ **SLA based contracts:** Ensures quality and motivates business partner to innovate continuously
- ❖ **Full time dedicated Account Manager:** maintains relationship and is a single point of contact for client, also helps in escalation management and quick resolution
- ❖ **Quarterly Senior Management Review:** ensures strategic relationship management with periodic performance review, SLA revisit, which helps in direction setting and forecasting
- ❖ **Talent pool:** DDC has right mix of domain and technology experts, it ensures quality and high productivity. It has got minimum startup time and can also be ramped up & down quickly
- ❖ **Centre of Excellence:** Facilitation from NIIT centre of Excellence for QA, Technology and Domain knowledge
- ❖ **Core team dedicated to customer:** It focuses on bringing innovation and improvement in core business area through tools, techniques, process and automation.
- ❖ **Well defined operational and resource movement process model:** Enables better visibility of operational process and clarity in roles and responsibility.
- ❖ **Customer risk management:** Partnership based on sharing of risk & reward.
- ❖ **Knowledge management:** NIIT's Knowledge Management capability adds value throughout the life cycle of the project. The Knowledge Portal, "Matrix" helps to capture the existing knowledge base, enables the training of project teams through structured learning plans ensures collaboration with teams in the dual-shore model.

Get in touch



NORTH AMERICA

USA

+1 (770) 551 9494

EUROPE

Germany

+49 (0) 711/7287 5700

Belgium

+32 (0) 2234 7867

Netherlands

+31 (23) 568 9263

Switzerland

+41 (0) 41 360 48 77

UNITED KINGDOM

+44 (1494) 539333

APAC

Singapore

+65 68488300

Australia

+61 (0) 2 9963 0000

About NIIT Technologies Limited

NIIT Technologies Ltd. is a global IT Solution major, providing services to customers in North America, Europe, Asia and Australia. It provides services in Application Development and Management, and Enterprise Solutions including Global Sourcing and Business Process Outsourcing to enterprises in the Travel, Transportation & Logistics (TTL), Banking, Financial Services, Insurance, Retail and Manufacturing sectors.

NIIT Technologies is IATA's Simplifying the Business (StB) partner and has gained extensive competency and experience in the TTL (Travel, Transportation and Logistics) business by working with leading airlines, airports, travel distribution and logistics companies. We work with our clients to provide them next-generation solutions on diverse platforms. Our technology expertise and business understanding ensures efficient, scalable, secure and robust solutions that are tailored to the needs of clients.

Reference:

We have successfully implemented the solution for companies of international repute in the TTL domain. We are currently running Dedicated Development Centers for leading airline companies and travel distribution companies of US, UK & Europe.

For more information contact:

NIIT Technologies Limited

Travel, Transportation & Logistics Vertical

8, Balaji Estate, Sudarshan Munjal Marg, Kalkaji, New Delhi - 110019

Ph: +91 (11) 26482054, +91 (11) 26482055

Email: ttl.solutions@niit-tech.com



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