

Case Study | Resource & Site Strategy

Optimizing vendor, real estate and resource portfolio to maximize return on expenses



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Note: WiQi Financial Services Inc. is a fictional company



Background



Industry :

Financial Services

Size:

320,000 resources

240k employees

80k non-employees

Tech Resource Spend :

\$4+ billion

Resource Distribution:

99 countries

2,700 cities

6,600 locations

1,900 suppliers

- *As a result of growth thru acquisition, coupled with size and process inconsistencies, **WiQi** is a highly complex enterprise.*
- *In 2011 a new group was created to develop strategies to optimize the site & resource portfolio*

“If I had asked my customers what they wanted they would have said a faster horse.”

Henry Ford

The Ask

- Develop governance and reporting framework that provide transparency into spend and number of resources by
 - Contract types (T&M, Fixed Price, etc.)
 - Service types (production, support, operations, etc.)
 - Delivery roles (Developer, DBA, etc.)
- Survey customers to understand vendor performance
- Comparative analysis across sectors, regions and LOBs



Mission

Enable technology and business partners to deliver “the right resources, from the right source, in the right location, for the right cost at the right time.”

As a result of growth thru acquisition, coupled with size and process inconsistencies, WiQi is a highly complex enterprise.

Problem Statement

Lack of transparency into:

- What services are we buying from what suppliers
- How/where are we spending the \$4 billion
- Do we have consistent pricing across the enterprise
- Are we satisfied with the services we're receiving

No additional funding



| Deliverable | Volumes | Headcount |
|---------------------------|-------------------------|--|
| Aggregate Data collection | 7 Suppliers per Month | 6.5 Offshore Resources (Bangalore, India) |
| Supplier Overviews | 7 Suppliers per Quarter | |
| Annual Survey | 7 Suppliers Annually | |
| Resource Portal | 7 Suppliers Summaries | 1.5 Offshore Resources (Sao Paulo, Brazil) |

Starting Point

- The Procurement organization managed an offshore team that focused on 7 suppliers
 - The team was based in Bangalore, India and consisted of 6.5 heads; annual run rate of \$480k USD
 - The information collected and produced was summary level and had limited use
- A custom (Java based) portal was in place; majority of the content was provided by suppliers – *mostly sales 'fluff'*
 - The team was based in Sao Paulo, Brazil and consisted of 1.5 heads; total annual run rate of \$250k USD



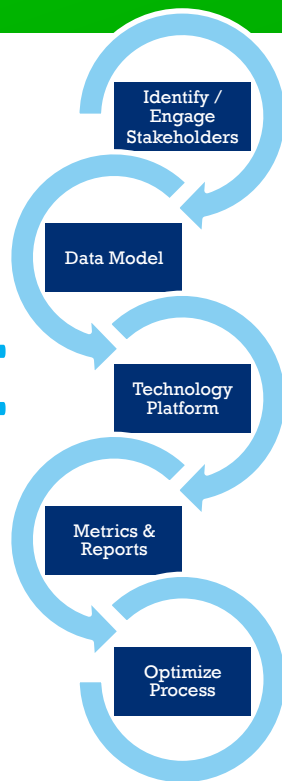
Dollars and resources are allocated to realize business goals



BUSINESS GOALS



The Approach



- Identify & Engage stakeholders
 - *What are their pain points*
 - *What are their process*
 - *Where do they want to be in 12-24 months*
 - *What do they do now that did/does (not) work*
- Develop common lexicon; *managed services, fixed price, etc.*
- Identify & Build data model
 - *What I have, what I need, what I want*
- Identify & Build technology platform
- Identify key metrics & design reports (dashboards, scorecards and operational)
- Establish and mature processes; *repeatable, consistent, automated, evolving*

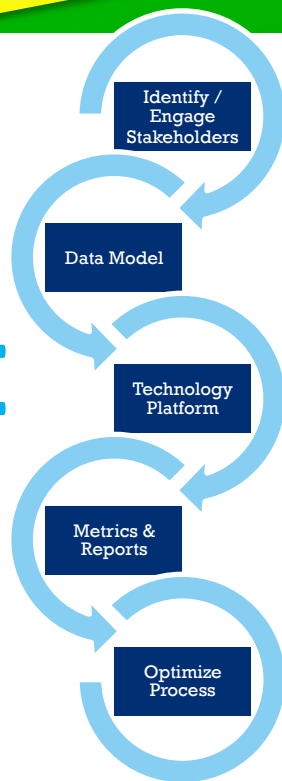
Data and Technology **increases leverage** resulting in a reduction assets needed to **drive business value**.

**BUSINESS
VALUE**



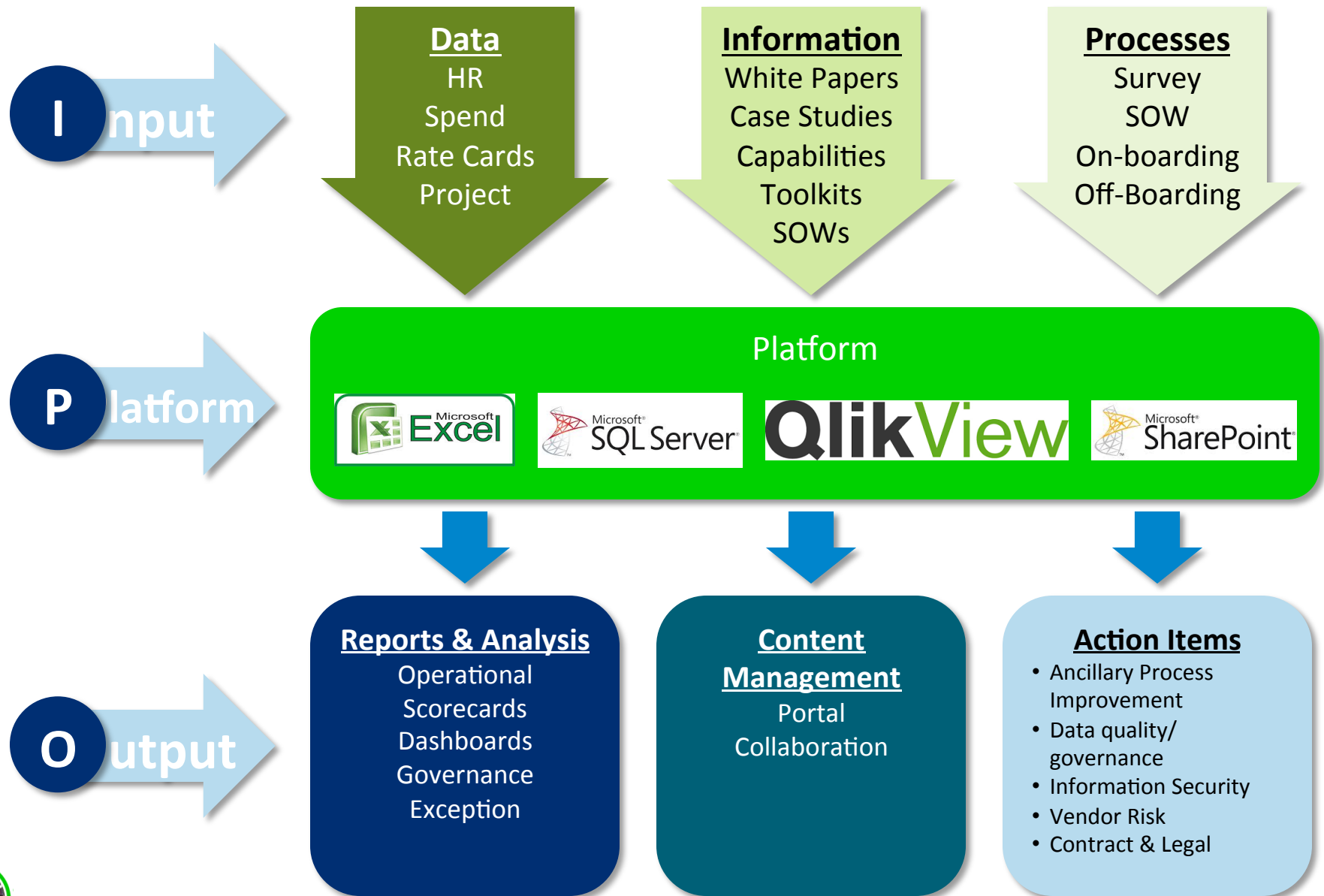
Data & Technology

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Solution Layout

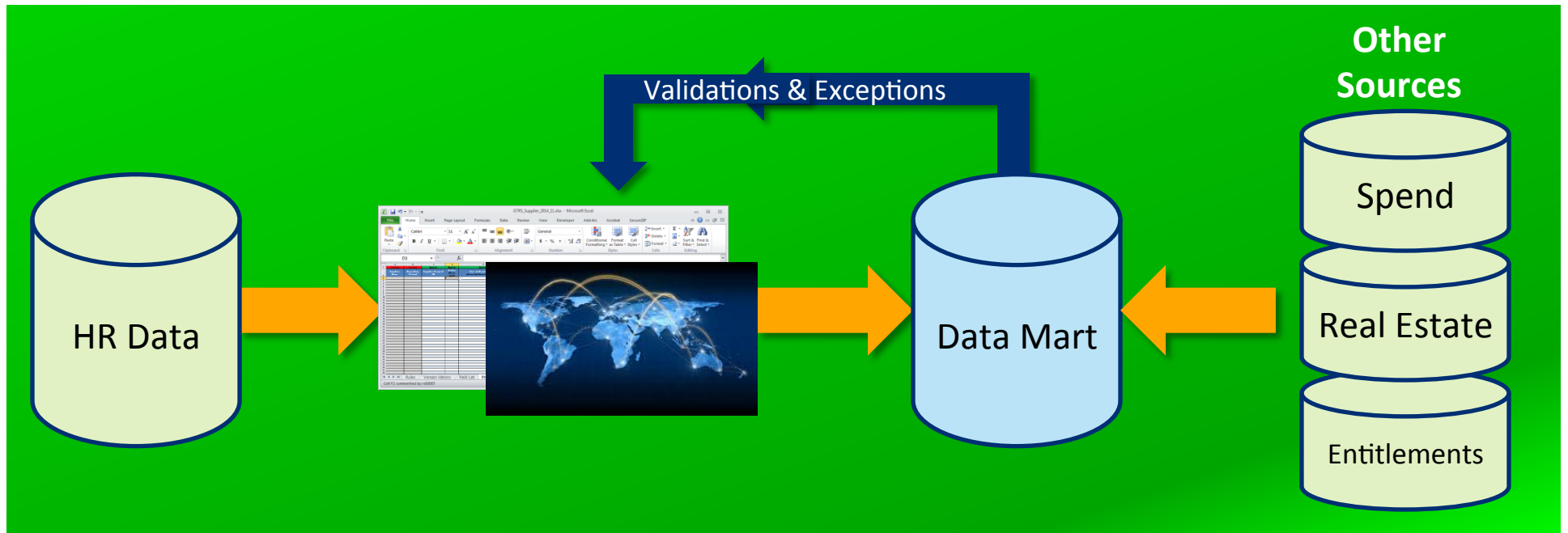




Core Components

- Data Capture – data is pulled from WiQi source systems as well as key Suppliers
- Validation & Processing – before any data makes it to the reporting framework, it is validated
- Reporting & Dashboards – analytical reports and extracts are produced & published
- Publication & Collaboration – portal provides single source of reference
- Process Improvement – continuously looping back to stakeholder and up/down stream processes

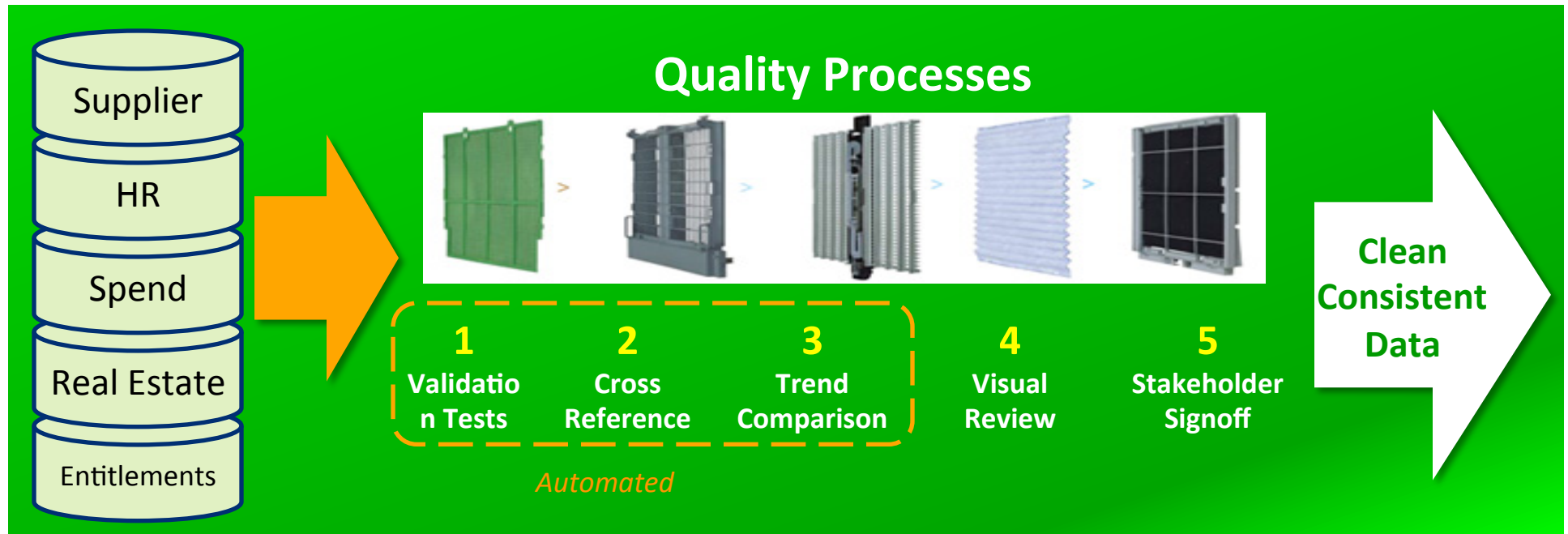




Data Capture

- On a monthly basis HR data is pulled for corporate systems
- Excel templates are generated and distributed to network of key suppliers
- The information is consolidated and loaded into staging tables
- Series of validation tests are run against the data; exceptions are returned to supplier
- Once exceptions are addressed, the data is moved from staging to reporting & analytical framework
- Spend, Real Estate, Entitlement and other gold source data is loaded into the mart

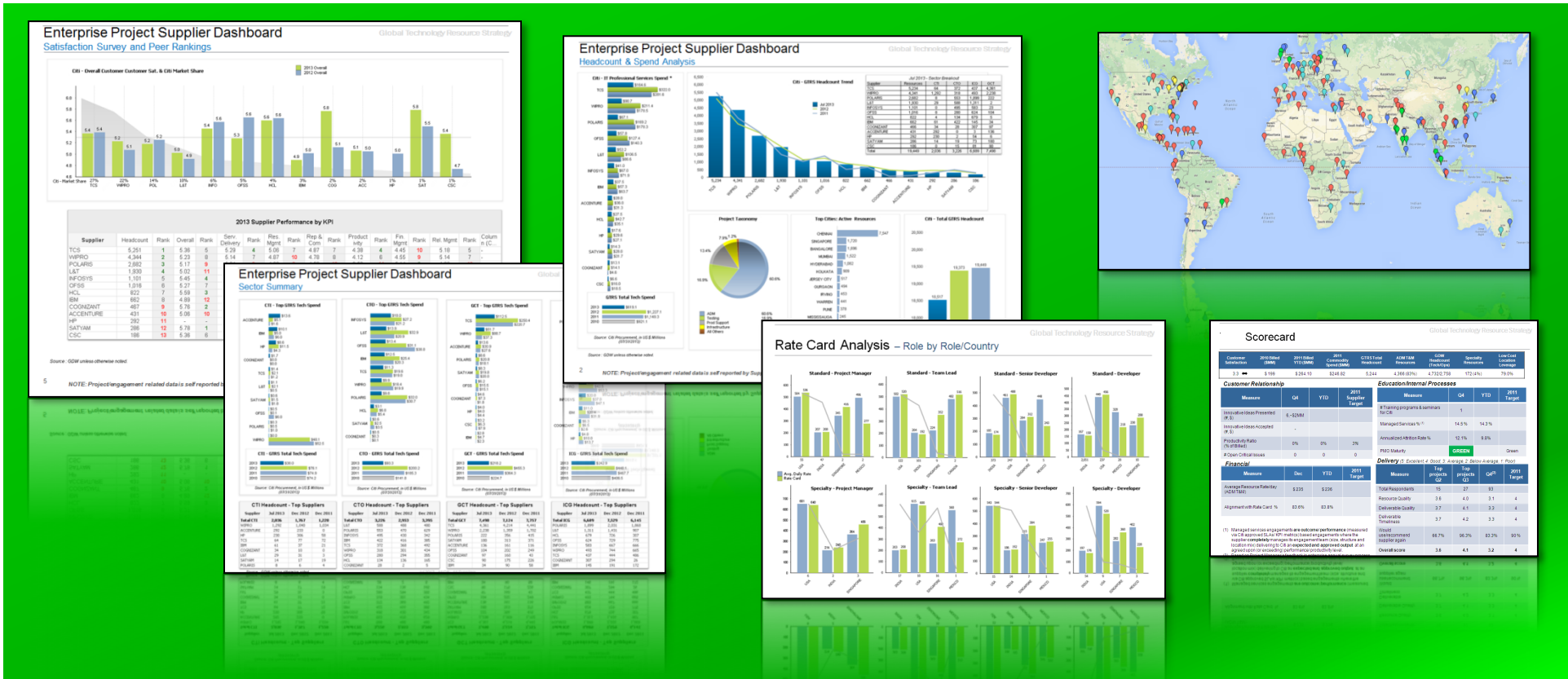




Quality and Controls

1. **Validation & Exception** – 100+ record level queries ensuring completeness & consistency
2. **Cross Reference** – comparing details/summaries to other sources to ensure consistency
3. **Trend Comparison** – comparing details/summaries to prior periods, delta/deviation analysis
4. **Visual Review** – eyeball updated reports/dashboards to identify anomalies
5. **Stakeholder Signoff** – stakeholders provide signoff as last line of defense
6. **Formula Database** – metric definition & formulas are stored in control file and uploaded to framework to ensure consistent definition





- After all data has been validated & processed; various outputs are triggered:
 - Executive Dashboards – high level summary and analysis of current and trending information
 - Operational Reports – deep dive into resource and supplier portfolio
 - Scorecard – standardized reporting of key performance metrics aligned with overall vision & strategy
 - Extracts – to support ad hoc analysis, extracts are provided to ensure single version of the truth
 - Images – images for Portal and collaboration are automatically generated

Reporting & Dashboards



Portal: Content Management & Collaboration



- The Resource & Site Strategy Portal provides a single source of reference for Executives, Stakeholders. And technology managers. Content includes:
 - Reporting – current period and trending
 - Supplier Analysis – profile information, competitive & SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis
 - Capability & Customer Satisfaction Survey
 - Templates, Toolkits, Best Practices & FAQs

“Continuous improvement causes us to think about upstream process instead of downstream damage control.”

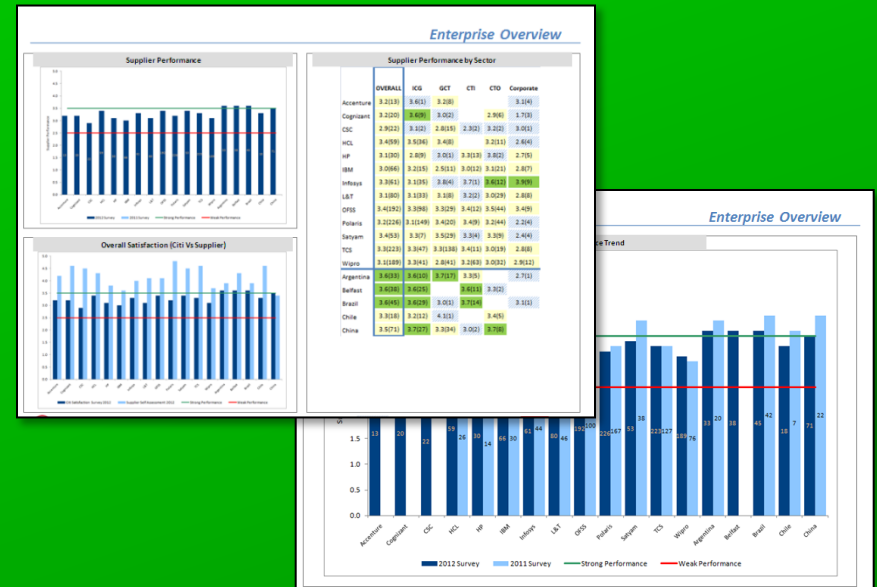
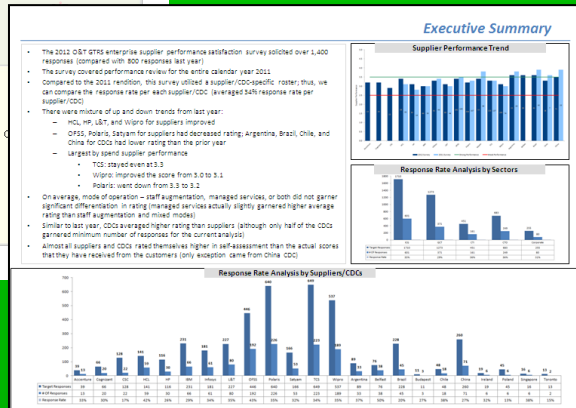
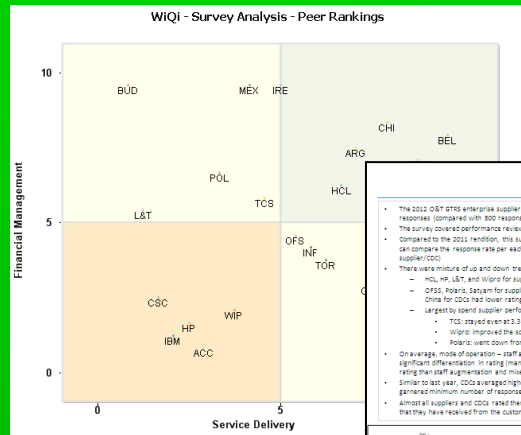


Unknown

Continuous Improvement

- Regular engagement with stakeholders and up/down stream process owners to mature overall process
- Trace data quality issues to source systems
- Identify and define system and process changes



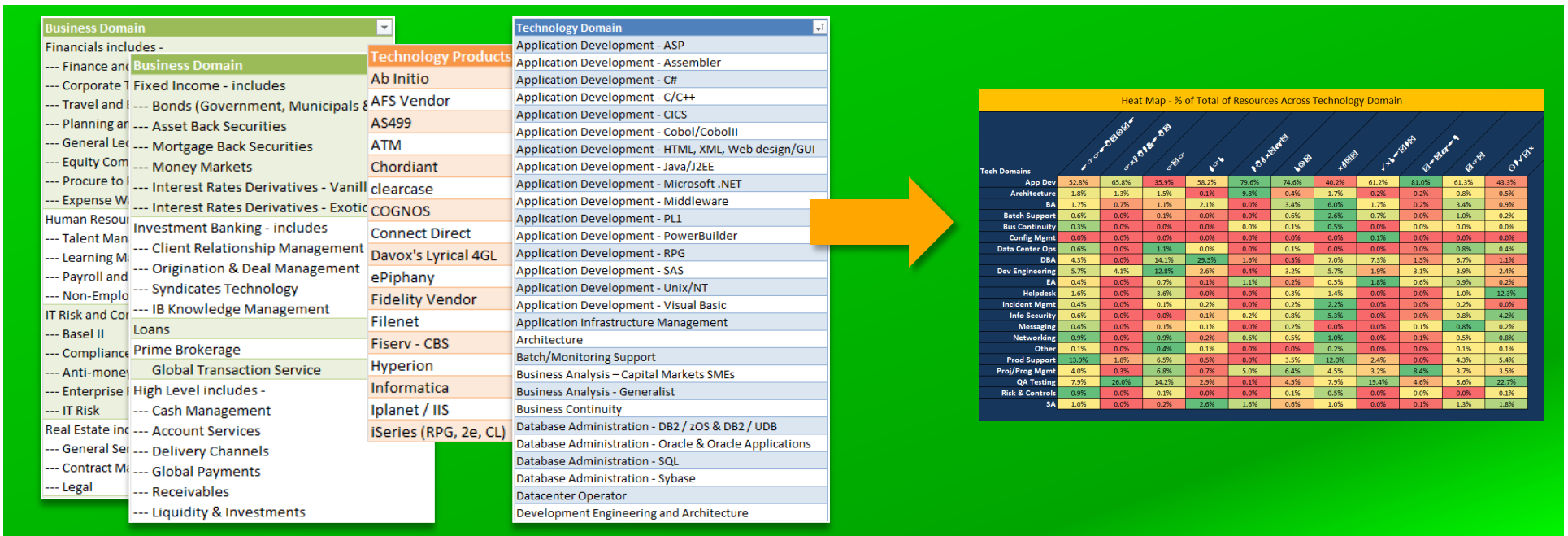


Customer Satisfaction Survey

- Annually, stakeholders, consumers and management is surveyed to assess the overall satisfaction of suppliers (and internal service centers)
- Survey assesses performance across 6 KPIs
 1. Service Delivery
 2. Resource Management
 3. Reporting & Communications
 4. Productivity
 5. Financial Management
 6. Relationship Management



KPIs & Questions summarized in appendix



Annually, suppliers (and internal service centers), self report the number and skill level of their resources across three domains:

1. Business Domains
2. Technology Products & Platforms
3. Technology Disciplines

Survey assesses performance across 6 KPIs

Capability Heat Map



Excel data

| City | Country | Icon | Show | New_Lat | New_Lng |
|---------------------------------|----------------|---------------|------|-------------|-------------|
| CHENNAI , INDIA | India | Green Marker | Yes | 13.0597049 | 80.2252278 |
| MUMBAI , INDIA | India | Green Marker | Yes | 19.0759837 | 72.8776559 |
| JERSEY CITY, NJ , UNITED STATES | United States | Green Marker | Yes | 40.7281575 | -74.0776417 |
| PUNE , INDIA | India | Green Marker | Yes | 18.5204303 | 73.8567437 |
| DUBLIN , IRELAND | Ireland | Green Marker | Yes | 53.3498053 | -6.2603097 |
| SINGAPORE , SINGAPORE | Singapore | Green Marker | Yes | 1.2800945 | 103.8509491 |
| LONDON , UNITED KINGDOM | United Kingdom | Green Marker | Yes | 51.5073509 | -0.1277583 |
| NEW YORK, NY , UNITED STATES | United States | Green Marker | Yes | 40.7127837 | -74.0059413 |
| GURGAON , INDIA | India | Green Marker | Yes | 28.4594965 | 77.0266383 |
| WARSAW , POLAND | Poland | Green Marker | Yes | 52.2296756 | 21.0122287 |
| PENANG , MALAYSIA | Malaysia | Green Marker | Yes | 5.4141675 | 100.3287589 |
| BANGALORE , INDIA | India | Green Marker | Yes | 12.9715987 | 77.5945627 |
| BELFAST , UNITED KINGDOM | United Kingdom | Green Marker | Yes | 54.597285 | -5.93012 |
| SAO PAULO , BRAZIL | Brazil | Green Marker | Yes | -23.5505199 | -46.6333094 |
| SHANGHAI , CHINA | China | Yellow Marker | Yes | 31.230416 | 121.473701 |

Queries Google Maps API



Creating fully interactive HTML



Excel / Google Maps

- To provide a more meaningful geographic context of the data; the Google Map API is used to generate interactive maps
- This zero cost solution is integrated with Excel to increase portability; *empowering the masses*



Added Benefits

In addition to program benefits, platform was instrumental in:

- **OCC Audit** – *controls and transparency was a key component to response to OCC inquiry*
- **Increased rate alignment** – *resulted in significant dollar saves*
- **Contract negotiations** – *platform was instrumental in a \$200 million savings to large operations outsourcing deal*
- **Better placement of resources** – *resulted in better aligned resources driving better quality and shorter development cycles*
- **Increased accountability** – *the increased transparency into customer satisfaction, attrition/churn, and capabilities drives supplier accountability and performance*
- **Driving global resource rationalization** - *success of programs served as a launching pad for global (employee/non-employee) rationalization of resources and sites*



| Deliverable | Before | After |
|-----------------|--|--|
| Data collection | 7 Summary Level <i>Suppliers per Month</i> | 25 Resource Detail <i>Suppliers per Month</i> |
| Reporting | 1 Type * 7 Suppliers <i>1 Summary; no ad hoc</i> | 7 types * 25 Suppliers <i>3 Summary, 2 Dashboard</i> <i>2 Detailed, +Ad hoc</i> |
| Annual Survey | 7 Suppliers | 25 Suppliers |
| Portal | Expensive <i>Java Based</i> | 'Free' <i>SharePoint</i> |
| Data Sources | 1 | 6+ |
| Team Size | 11 | 4.5 |

Thru automation, better use of technology and data, the *Site & Resource Analytical Platform*:

- Increased the number of suppliers (and Internal Service Centers) from 7 to 25
- Transformed reporting from low-value, supplier provided sales collateral to actionable, metric driven analytics that is integrated with source data systems
- Enabled ad hoc analysis thru the development of an agile and extensible platform
- Evolved platform to become the go-to location for data for stakeholders and related disciplines & processes
- Retired proprietary Java based portal and replaced with SharePoint site
 - Eliminated 1.5 heads and application associated costs; ~\$250k USD
- Reduced offshore operational team (from 6.5 to 3.5)

Success:
*by the
numbers*



“(Big) data can hold information that we didn’t know was there”

- Frog

“Build a better mousetrap, and the world will beat a path to your door”

- Ralph Waldo Emerson

“Everyone complains about the weather, but nobody does anything about it”

- Mark Twain

Lessons Learned



- How little most people leverage data
 - Virtually everything we do leaves a data footprint, organizations lack the will or ability to leverage data to make better decisions
- Lack of data governance upstream undermines the confidence people have in the data
 - Results in inconsistent downstream processes and analysis
- If you work thru initial resistance, if you deliver a better solution, detractors disappear and partners emerge
- Politics – *not invented here syndrome*
- Resistance to make ‘game changing’ changes; upstream process owners don’t instinctively concern themselves with downstream issues

- Missed Opportunities
 - Allow supplier to upload data themselves
 - Require exceptions for non-compliant resources upon on-boarding
 - Development of RFP/SOW tool

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Appendix

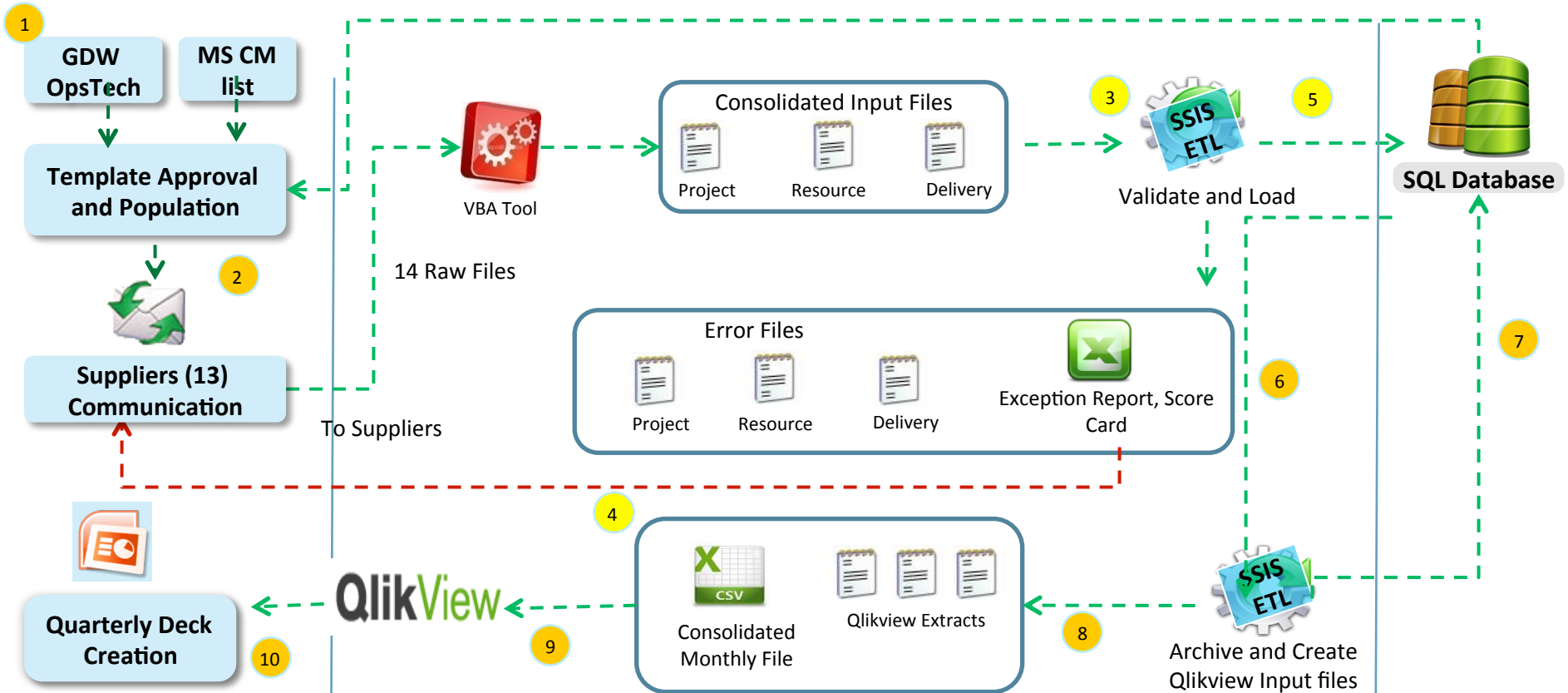
Additional Details

Customer Satisfaction Survey KPIs

| KPI | Questions | Rating Scale |
|---------------------------------------|---|---|
| <i>Service Delivery</i> | <ul style="list-style-type: none"> Please rate the overall quality of supplier delivery on the following dimensions: | 9 - Consistently Exceeds Expectations 7 - Sometimes Exceeds Expectations 5 - Meets Expectations 3 - Sometimes Meets Expectations 1 - Rarely/ Never Meets Expectations 0 - Not Applicable |
| | <ul style="list-style-type: none"> ➤ Ability to meet agreed deliverables ➤ Meets deliverables on time ➤ Meets deliverables on budget ➤ Issue management ➤ Ability to understand business requirements | |
| <i>Resource Management</i> | <ul style="list-style-type: none"> Please rate the extent to which you are satisfied with the quality of supplier resources on the following dimensions: | 9 - Consistently Exceeds Expectations 7 - Sometimes Exceeds Expectations 5 - Meets Expectations 3 - Sometimes Meets Expectations 1 - Rarely/ Never Meets Expectations 0 - Not Applicable |
| | <ul style="list-style-type: none"> ➤ Resource Availability ➤ Resource Retention ➤ Knowledge Transfer ➤ Skill Maturity Level | |
| <i>Reporting & Communications</i> | <ul style="list-style-type: none"> Please rate the extent to which you are satisfied with the quality of supplier reporting & communication process: | 9 - Consistently Exceeds Expectations 7 - Sometimes Exceeds Expectations 5 - Meets Expectations 3 - Sometimes Meets Expectations 1 - Rarely/ Never Meets Expectations 0 - Not Applicable |
| | <ul style="list-style-type: none"> ➤ KPI & Metrics ➤ Issue & Risk Reporting ➤ Forecasting & Time Mgt Reporting | |
| <i>Productivity</i> | <ul style="list-style-type: none"> Has the Supplier demonstrated effort/ability to improve productivity by consistently introducing innovative or leading practices in engagement with Citi? | 9 - Consistently Exceeds Expectations 7 - Sometimes Exceeds Expectations 5 - Meets Expectations 3 - Sometimes Meets Expectations 1 - Rarely/ Never Meets Expectations 0 - Not Applicable |
| <i>Financial Management</i> | <ul style="list-style-type: none"> Please rate the extent to which you are satisfied with the Supplier's capability to provide competitive pricing to Citi engagements? | 9 - Rarely loses business due to price 5 - Sometimes loses business due to price 1 - Consistently loses business due to price 0 - Not Applicable |
| <i>Relationship Management</i> | <ul style="list-style-type: none"> Please rate your satisfaction level with the Supplier's relationship/account management: | 9 - Consistently Exceeds Expectations 7 - Sometimes Exceeds Expectations 5 - Meets Expectations 3 - Sometimes Meets Expectations 1 - Rarely/ Never Meets Expectations 0 - Not Applicable |
| | <ul style="list-style-type: none"> ➤ Quality & Timeliness of RFP responses/proposals and other reports ➤ Level of flexibility ➤ Proactive maximization of Offshore Leverage opportunities ➤ Compliance with on-boarding procedures ➤ Compliance with Billing/Invoicing procedures ➤ Compliance with Citi Info Security procedures | |



Detailed Process

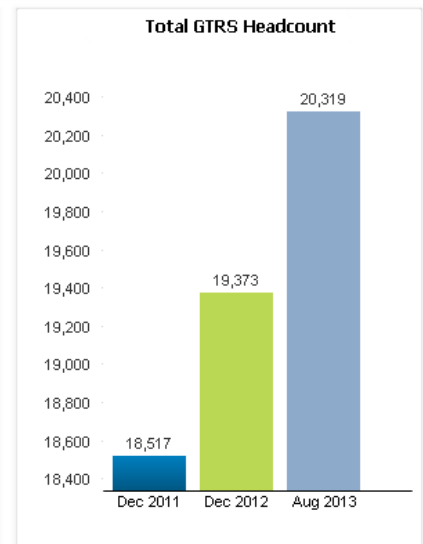
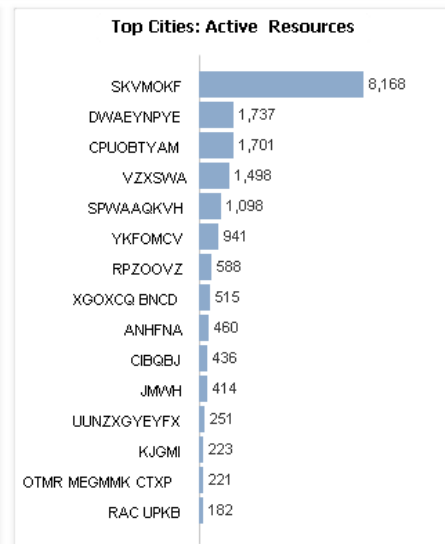
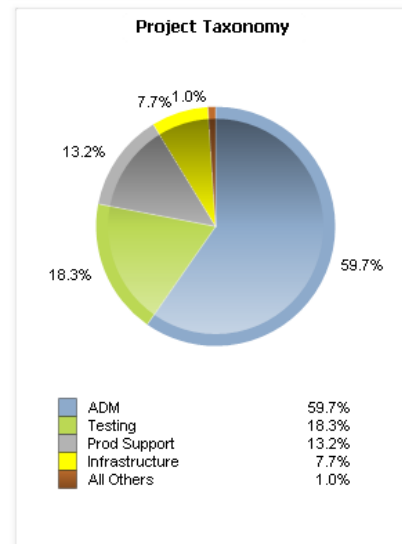
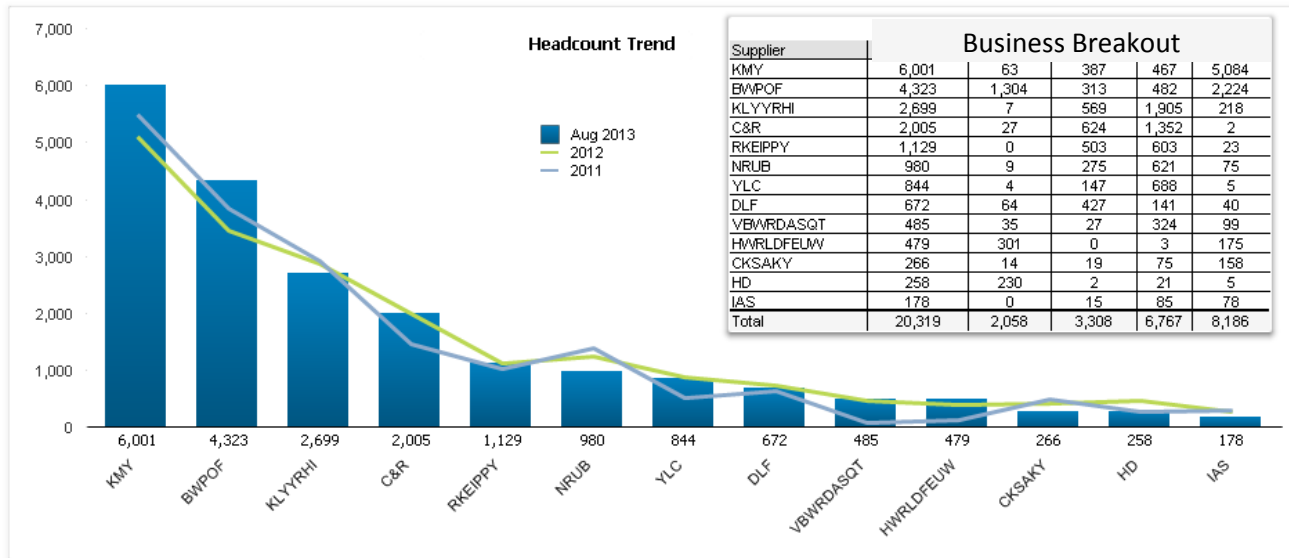
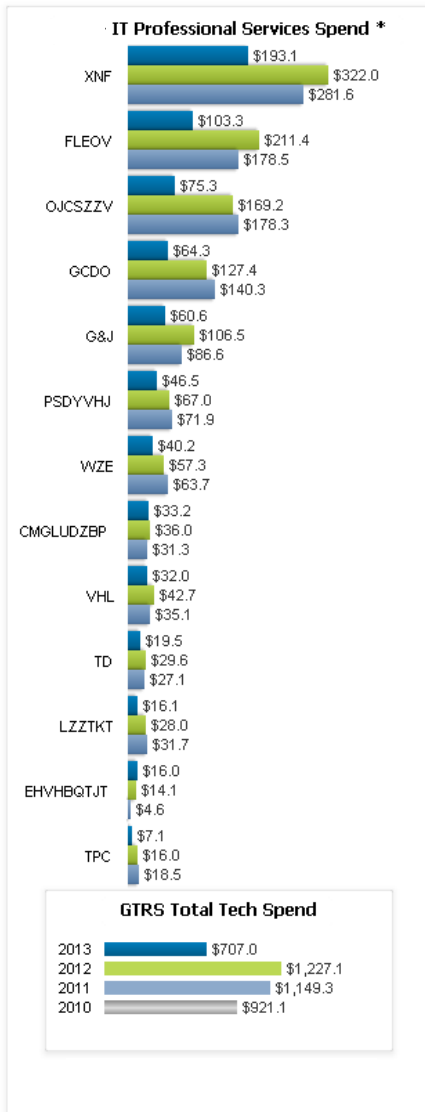


- 3 3.1 Consolidation and cleaning of the files received from Supplier (Automated - use of VBA Tool and SSIS)
- 3 3.2 Validate Data and create Exception Report and Score Card for each Supplier (Automated - use of SSIS).
- 4 4.1 Send the Exception Report to supplier and repeat process from step 3.
- 5 5.1 After all exceptions are handled, load data into the SQL Database.



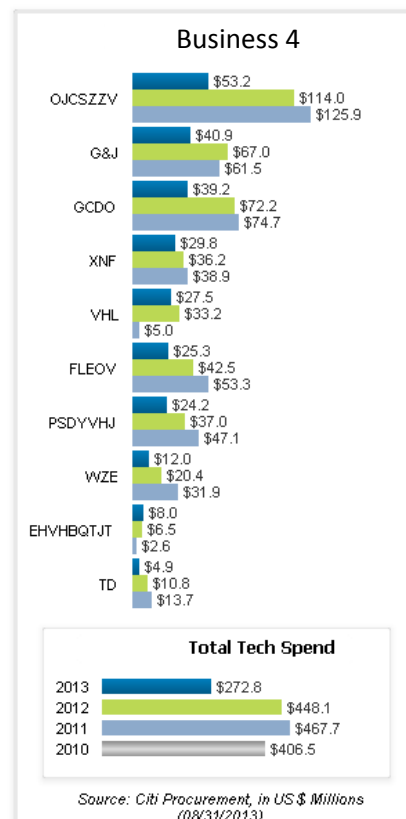
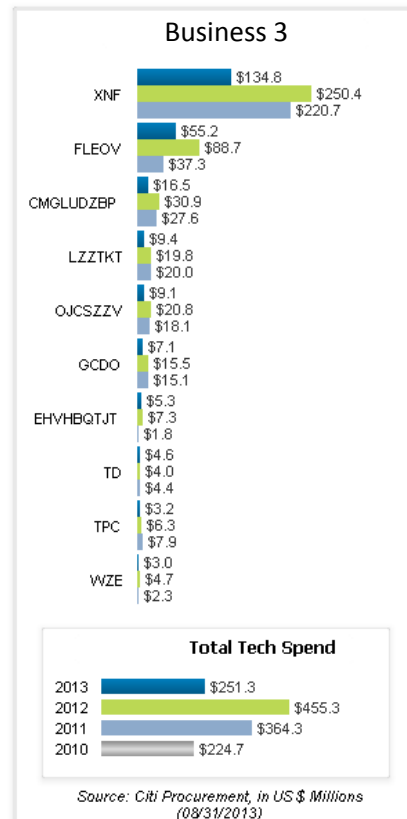
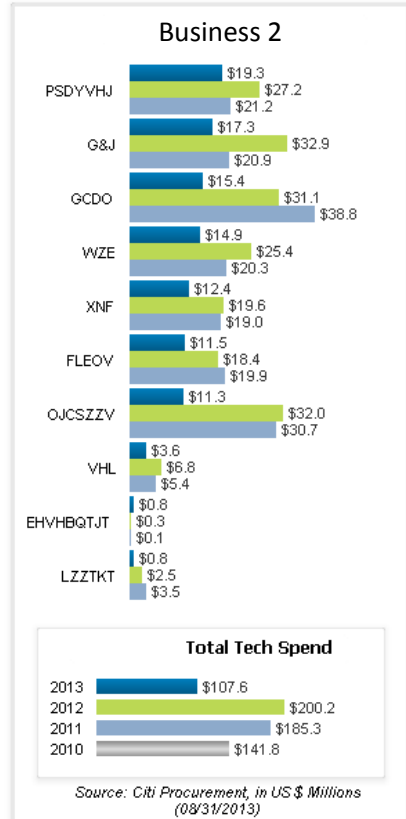
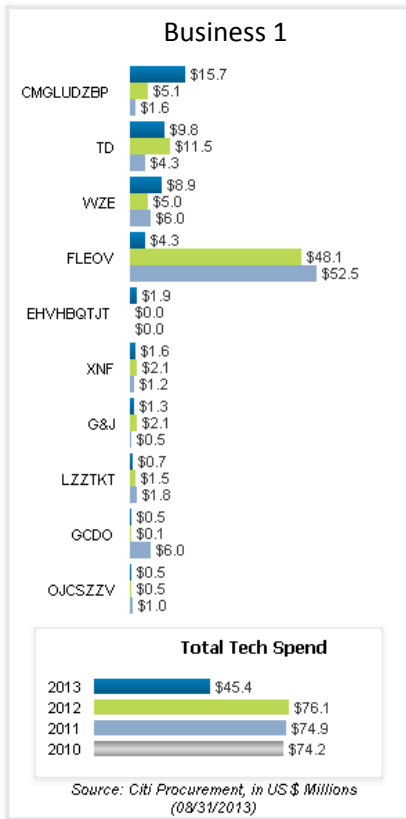
Enterprise Project Supplier Dashboard

Headcount & Spend Analysis



Enterprise Project Supplier Dashboard

Business Summary



Business 1

| Supplier | Aug 2013 | Dec 2012 | Dec 2011 |
|--------------|--------------|--------------|--------------|
| Total | 2,058 | 1,767 | 1,220 |
| BWPOF | 1,304 | 1,040 | 1,034 |
| HWRLDFEUW | 301 | 233 | 0 |
| HD | 230 | 306 | 58 |
| DLF | 64 | 37 | 21 |
| KMY | 63 | 77 | 72 |
| VBWRDASQT | 35 | 10 | 0 |
| C&R | 27 | 31 | 3 |
| CKSAKY | 14 | 17 | 19 |
| NRUB | 9 | 8 | 8 |

Business 2

| Supplier | Aug 2013 | Dec 2012 | Dec 2011 |
|--------------|--------------|--------------|--------------|
| Total | 3,308 | 2,953 | 3,395 |
| C&R | 624 | 488 | 480 |
| KLYYRHI | 569 | 470 | 629 |
| RKEIPPY | 503 | 430 | 342 |
| DLF | 427 | 416 | 385 |
| KMY | 387 | 368 | 492 |
| BWPOF | 313 | 301 | 434 |
| NRUB | 275 | 294 | 355 |
| YLC | 147 | 136 | 165 |
| VBWRDASQT | 27 | 2 | 5 |

Business 3

| Supplier | Aug 2013 | Dec 2012 | Dec 2011 |
|--------------|--------------|--------------|--------------|
| Total | 8,186 | 7,124 | 7,757 |
| KMY | 5,084 | 4,214 | 4,441 |
| BWPOF | 2,224 | 1,359 | 1,702 |
| KLYYRHI | 218 | 356 | 415 |
| HWRLDFEUW | 175 | 161 | 116 |
| CKSAKY | 158 | 313 | 371 |
| VBWRDASQT | 99 | 160 | 43 |
| IAS | 78 | 175 | 226 |
| NRUB | 75 | 202 | 249 |
| DLF | 40 | 90 | 58 |

Business 4

| Supplier | Aug 2013 | Dec 2012 | Dec 2011 |
|--------------|--------------|--------------|--------------|
| Total | 6,767 | 7,529 | 6,145 |
| KLYYRHI | 1,905 | 2,031 | 1,868 |
| C&R | 1,352 | 1,431 | 907 |
| YLC | 688 | 726 | 307 |
| NRUB | 621 | 729 | 775 |
| RKEIPPY | 603 | 667 | 666 |
| BWPOF | 482 | 744 | 665 |
| KMY | 467 | 444 | 486 |
| VBWRDASQT | 324 | 294 | 26 |
| DLF | 141 | 191 | 172 |



Enterprise Project Supplier Dashboard

Key Performance Metrics

