



# Incumbent Transition

Business Process Services  
Assumptions  
Automation  
Governance  
migration  
providers  
deliverables  
training  
onboarding  
stakeholder  
disruption  
rebrand  
digital  
IT  
order  
stakeholder  
migration  
communication  
Change  
communication  
Experts  
Subject matter  
wledge transfer  
robotics  
DOING IT RIGHT

## Incumbent-Transition





# Table of Contents

ABSTRACT	3
INTRODUCTION	3
PROBLEM STATEMENT	3
SOLUTION	4
1. Solution Planning – Transitioning it RIGHT	4
2. Effective Knowledge Transfer	5
3. Effective Governance	5
CONCLUSION	6
ADDITIONAL RESOURCES	7

## Authors



**Saurabh Chaturvedi – Head Transition – Hexaware BPS;** Saurabh leads the Transition team for Hexaware BPS and is a PMP & Prince2 (Practitioner) certified professional. Experienced in leading Transitions, Solution Designing and Change management across verticals/horizontals and has been Involved and led large Transitions, million+\$, across varied domains



**Ashish Gore – General Manager Transition – Hexaware BPS;** Ashish comes with Over 14+ years' experience in Business Process Outsourcing sector. A key member in the Hexaware BPS Transition team instrumental in Transitioning marquee projects across verticals and setting up delivery centers in new geographies



## Abstract



Transition of Business Process Services requires effective planning, tracking and execution of synchronized set of tasks between a Supplier and the Client. The synchronization may require careful consideration in case the transition involves an incumbent from whom the services are being transitioned. Most of the current transitions involve processes being transitioned from an incumbent supplier/s, and a client who had decided to move away either too early in their relationship with this supplier/s or even after years of relationship with them. With over 200+ transitions and a well-defined transition methodology, Hexaware has executed some unique transitions in the last few years and helped clients gain confidence with minimal disruption and risk to their business.

## Introduction

TransX is Hexaware BPS' robust, time tested Transition Methodology, successfully used in and progressively refined over 200 Transitions.

As a result, it was also realized that every Transition is different, with its own sets of constraints, dependencies and environments it has to be managed within. Thus every transition needs to be managed individually, with subtle and sometimes not so subtle, customizations to the approach. A one size fits all approach does not work.

While there are various factors which affect the approach, one such factor, which is most common in the current engagements would be when Transition of services have to be done from incumbent providers. The complexity it adds as compared to direct client transitions, is the presence of a third organization and the management of risks and constraints that comes along with it.

**The Critical Success Factors (CSFs) which clients (should) look for in an incumbent transition are:**

- Service levels maintained during the course of the transition,
- Seamless knowledge transfer strategy is in place,
- Accelerated transition timelines to avoid noise
- Least possible financial impact

Focus for this white paper is to address solutions for the above mentioned CSFs, basis practical experiences from past successful transitions.



## Problem Statement



In our experience, the main concern that prospective clients have, especially during the proposal stage, is how the transition / onboarding would be effectively managed, considering their business dynamics and scope of services.

- The need for an Incumbent Transition could arise due to multiple reasons, primary of those could be -Watermelon effect - Relationship between a client and partner green from outside but red from inside. A pyramidal-structure that discourages open & cross innovation. Lacks fresh approach on deploying innovation, automation & customer-centric strategies
- Disruptive offering by a competitor - Clients from across all industry sectors are looking to their outsourcing partners to harness the best of new digital technologies. Hexaware BPS is using its innovative strategy, Digital Managed Services, and providing such disruptive offerings by harnessing the capabilities of robust RPA platforms and absorbing the risk of automation
- Consolidation of partners by client - This could be led by a need to bring economies of scale to 1 or 2 partners thereby bringing accountability, reducing TCO (Total Cost of Operations) and improving governance through a focused approach It's absolutely fair for a client, looking to outsource a well-established, stable service, to be concerned, and even be paranoid on how this can be done and if the onboarding partner has the capability to handle such a migration.

This whitepaper will deep dive into the constraints encountered during an Incumbent Transition, the Critical Success Factors for any client and the solution for them.





## Solution

### 1. Solution Planning – Transitioning it RIGHT

The creation of the right solution is an activity that involves careful and in-depth evaluation of several parameters. Starting with the gathering of information about various factors, which decide the effectiveness of the solution. This can be done by the new partner along with the client through a workshop where the overall solution planning of the transition is done and approach is agreed upon. This would help identify activities and the level of dependency on incumbent and give a chance for the 2 teams to assess risk and plan for mitigation for them

**The following components in our experience are key to providing robustness to the solution**

- a. **Availability of Training material:** Effective knowledge transfer is the key to providing the new vendor with the required information to be able to meet the SLAs and KPIs. The training material, in case if available only with the incumbent needs to be gathered by the client and reviewed for effectiveness and completion – joint exercise with the client and onboarding partner. Once gathered a review of the same against the training plan can help access the gaps
- b. **Data points on current and past performance against KPI:** Existing and past performance data on performance can help understand the current pain areas and also design the right approach in the To-Be State to mitigate them
- c. **Evaluate IT Solution:** Key requirements from an IT perspective should be understood not only in the as-Is scenario with the incumbent but also any deviations / changes that will occur in the To-Be state with the new partner. Tools which are currently utilized by the incumbents specifically to help enhance productivity should be assessed. Without these tools the client's processes may see a spike in the handling time at the new site which can be avoided by involving the technology team from the new vendor and factoring in the timelines & readiness to provide similar technologies available.
- d. **Availability of Resident knowledge with Client SMEs:** In case of incumbent transitions, the availability of knowledge with the client SME/s is an important aspect since they can then drive the creation of more detailed and effective training content including any latest changes to the process as well as key issues currently plaguing the operations floor. These 2 parameters should be kept in the forefront when tailoring of the training content
- e. **Evaluation of Onsite Support available from incumbent SME:** While the client SMEs have knowledge about the process/es, in most cases, the incumbent SMEs have knowledge about the finer nuances of the process, current updates. The support from these incumbent SMEs helps in onboarding phase. Evaluating the feasibility and willingness of the incumbent vendor to rebadge these SMEs into the new vendor's team will also help reduce the risk for the client to lose the implicit knowledge while the new vendors team is still coming up the learning curve

It is important that the requirements for the project are understood, discussed with the client and confirmed before the Overall implementation solution is finalized. While creating the solution it is also important to evaluate and assign key stakeholders from both sides along with detailed responsibilities





## 2. Effective Knowledge Transfer

In cases where the incumbent has been managing the operations for a long time it is observed that the Knowledge Transfer plans which exist require a complete review from the client to ensure that all of the Explicit as well as the tacit knowledge which lies with the incumbent, gets captured as a part of the documentation hand over. It is equally important for clients to assess and provide information about what level of knowledge transfer support the incumbent is contractually liable for, in the transfer. This allows the client to understand the support they should expect and plan for mitigation of the risk should the incumbent turn hostile and not provide the support.

During incumbent transitions, Transition Managers need to pay attention to the details, while documenting all the processes handled by incumbent. The Client Managers need to play a vital role of gathering this information through tracking the completion of key deliverables such as Standard Operating Procedures, Process maps (AS IS), Escalation Matrices which are utilized in day to day operations etc.

In cases where the incumbent turns hostile and does not share information, it is best to hold Migration workshops and training sessions at the client location under the supervision of the client SMEs along with incumbent SMEs.

Lastly, if the knowledge transfer is hostile, knowledge capture tools can be used to capture the processes at incumbent site. These help in capturing the steps followed on the ground for each process/activity. These can then be validated by the onboarding during the actual Knowledge Transfer for completeness and accuracy

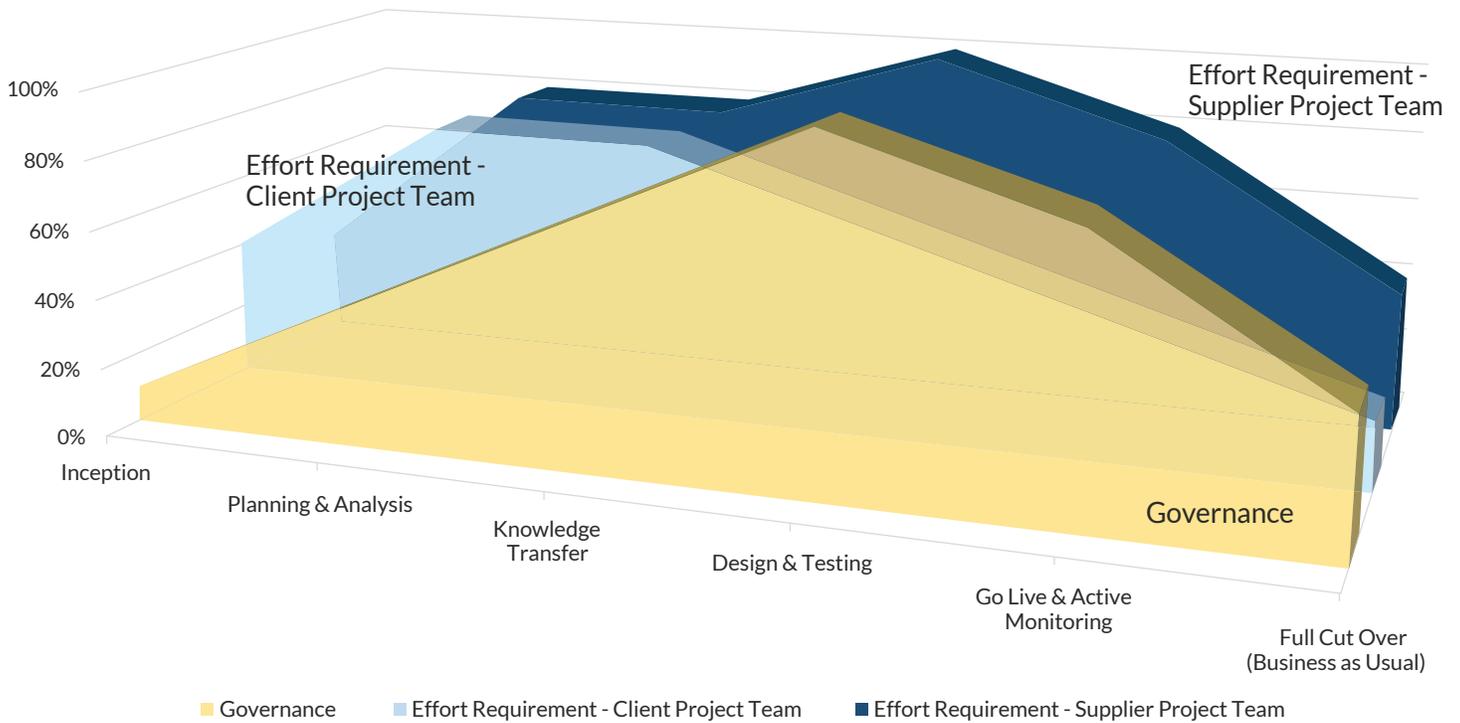
## 3. Effective Governance

Tracking and reporting of the progress plays a pivotal role in the success of the transition overall. In Hexaware we believe that this can be achieved by ensuring that the Governance approach and framework is agreed during the preliminary migration workshop sessions. Some of the things to cover in this are:

- Tracking of the key actions arising out of these meetings while an extremely tedious process; when done with diligence ensures accountability with the respective stakeholders. Track the activities on critical path, raise appropriate "Red Flags" in case of expected or known delay in deliverables. Since the business environment is very fluid, communication to right stakeholders at the right time avoids last minute surprises and helps resolve potential roadblocks. Besides the Governance between the Client and the onboarding partner, the client also needs to ensure the communication channels with the incumbent are equally effective. Arranging of trip-party review calls at a project level and steering level could help with accountability
- Periodic risk evaluation as well detailing out the responsibilities across the 3 entities involved for key factors for e.g. Knowledge Transfer, Cut Over strategy, Ramp down strategy etc. would be crucial
- To avoid the risk of watermelon effect, in Hexaware, the regular governance and review strategy is continued and taken over by the Account Management and Operations teams who not only review performance against the key KPI / SLA but also to set up and drive performance improvement / efficiency enhancement initiatives. Reviews are done at Operational and Strategic Leadership level with diligence and focus to strengthen the relationship and be accountable for the deliverables promised. During these reviews, the overall relationship is reviewed

The effort requirement over the lifecycle of the Project from the client reduces as the Supplier Project team offshore start handling more responsibilities, meets service levels and handles key tasks. Increased governance as the project progresses helps maintain the focus on key tasks, drives accountability and keep the project on track.





## Conclusion

In Transitions involving an incumbent, the Client's involvement to ensure support from the Incumbents is extremely critical for the success of the Transition. The onboarding partner needs to have all the information to create and execute an effective solution. On the other hand, the Partner should be flexible and support the Client in mitigating risks that might arise during the course. It is not easy for the client to manage 2 Partners at the same time.

A robust governance framework should be in place to track and measure the effectiveness of the knowledge transfer from the incumbent as well as other key deliverables.

While it is known that such transitions are complex to execute, the proven theory is to have a collaborative approach not just between the client and onboarding partner but also with the incumbent.



## Additional Resources



Hexaware Website - What are we about?	<a href="http://www.hexaware.com">www.hexaware.com</a>
Hexaware Business Process Services Disruptive Offerings	<a href="http://bit.ly/Digital-Managed-Services">http://bit.ly/Digital-Managed-Services</a>
What is the watermelon effect?	<a href="http://hexaware.com/thewatermeloneffect/">http://hexaware.com/thewatermeloneffect/</a>
Walking the Talk - Proven case study of doing Incumbent Transitions Right	<a href="http://bit.ly/Transition-CS">http://bit.ly/Transition-CS</a>



## About Hexaware

Hexaware is the fastest growing next-generation provider of IT, BPO and consulting services. Our focus lies on taking a leadership position in helping our clients attain customer intimacy as their competitive advantage. Our digital offerings have helped our clients achieve operational excellence and customer delight by 'Powering Man Machine Collaboration.' We are now on a journey of metamorphosing the experiences of our customer's customers by leveraging our industry-leading delivery and execution model, built around the strategy— 'AUTOMATE EVERYTHING™, CLOUDIFY EVERYTHING™, TRANSFORM CUSTOMER EXPERIENCES™'.

We serve customers in Banking, Financial Services, Capital Markets, Healthcare, Insurance, Manufacturing, Retail, Education, Telecom, Professional Services (Tax, Audit, Accounting and Legal), Travel, Transportation and Logistics. We deliver highly evolved services in Rapid Application prototyping, development and deployment; Build, Migrate and Run cloud solutions; Automation-based Application support; Enterprise Solutions for digitizing the back-office; Customer Experience Transformation; Business Intelligence & Analytics; Digital Assurance (Testing); Infrastructure Management Services; and Business Process Services.

Hexaware services customers in over two dozen languages, from every major time zone and every major regulatory zone. Our goal is to be the first IT services company in the world to have a 50% digital workforce.

---

### NA Headquarters

Metro 101, Suite 600,101 Wood Avenue South, Iselin, New Jersey - 08830  
Tel: +001-609-409-6950  
Fax: +001-609-409-6910

### India Headquarters

152, Sector – 3 Millennium Business Park 'A' Block, TTC Industrial Area Mahape, Navi Mumbai – 400 710  
Tel: +91-22-67919595  
Fax: +91-22-67919500

### EU Headquarters

Level 19, 40 Bank Street, Canary Wharf, London - E14 5NR  
Tel: +44-020-77154100  
Fax: +44-020-77154101

### APAC Headquarters

180 Cecil Street, #11-02, Bangkok Bank Building, Singapore - 069546  
Tel: +65-63253020  
Fax: +65-6222728

### Safe Harbor Statement

Certain statements in this press release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Hexaware has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry.

