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DXSD: Transforming Migrations

Chitra Sharma and Sangeeta Shah Bharadwaj wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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On January 23, 2015, DXSD India received an opportunity to add a complex new line of business (LoB) to the company’s value chain. Saurabh Sinha had witnessed the growth of the company at an average rate of 16 per cent since its inception in 2005, when it started with 200 full-time equivalent (FTE) (reaching 1,000 by 2016). This was a fair growth rate for a captive division of a leading U.K.-based bank in India. However, as the head of the India division, Sinha had to ensure that DXSD remained competitive.

Although the company’s growth rate had been consistent, DXSD India continued to need growth spurts to remain competitive and sustainable. Augmenting an existing LoB resulted in incremental growth, whereas adding a new LoB contributed to growth spurts. The company operated in a competitive global market, competing against such countries as the Philippines, Romania, and Ireland. These locations, which were quickly emerging as preferred destinations for offshore outsourcing, were competing on the basis of the value proposition and productivity offered. DXSD India’s competitive advantages included cost arbitrage, productivity, and quality of work delivered. Lately, however, Sinha worried that these services were not sufficient to continue attracting business. New ideas were needed to ensure growth.

The DXSD India leadership team outlined its goal to take on more complex work. New LoBs were identified as potential for new business, including moving from reconciliation and retail operations towards risk management, asset-liability management, and treasury back-office operations. In the sphere of information technology (IT), management wanted to move beyond support and development work into areas such as data mining and analytics. Therefore, Sinha had started focusing on accepting work related to the migration of complex processes. After some deliberation, Sinha’s team outlined a new process migration methodology. This new methodology was expected to transform the company’s approach to the migration of LoBs. DXSD India received the assignment to migrate a new LoB on January 23, 2015. Sinha had just two days to decide whether to follow the new approach or continue with the current way of working.

About DXSD

DXSD operated through an office in India, established in 2005, and another office in Ireland, established in 2010. The heads of both offices reported to the company’s headquarters in the United Kingdom. The India office had double the staff of the Ireland office. Each office had an independent finance, human resources, IT, and operations function. The Ireland office specialized in call centre operations for inbound and outbound customer handling. The transition and business excellence functions were common to both offices and reported to the head of DXSD India.

The business was prepared to grow in terms of augmentation (enhanced capacity), increased complexity, or the addition of new LoBs such as data analytics. However, the areas of procurement, asset-liability management, and treasury back-office operations were yet to be tapped. The DXSD management realized that in order to take the next step, they had to strengthen their core competencies; therefore, they set up a year-long foundation program. The objective of this program was to improve their structure and rigour across areas such as human resources, project management, and information security, in order to enable the organization to achieve sustainable growth. The DXSD management team realized that movement of work (referred to as “migration”) was crucial, and therefore nominated migration as one of the key focus areas of the foundation program.

Sinha and his team had been able to migrate processes and applications to DXSD India successfully, but there had been challenges. Moving up the value chain led to higher risk exposure. Specifically, the quality and accuracy of service delivery were of paramount importance and could not be compromised.

The Upcoming Migration

Sinha pondered over the new LoB migration assignment he had just received. He recalled the previous year’s attempt to improve the structure by outlining a new migration approach. With that attempt in mind, he called Isha Chawla, the head of the migration team, to discuss how to handle this new opportunity. Sinha explained the new opportunity to Chawla:

We have just received an approval for the migration of a new LoB, where the focus will be on the IT side.[[[1]](#footnote-1)] I wanted to discuss the approach we should adopt to handle it. Perhaps we need to transform migrations, and an incremental change may not suffice. This LoB is complex and has high visibility. Could you work out a proposal to recommend whether we will be able to transform our migrations through our new process migration framework or should we continue with the existing framework for the upcoming migration? I have a meeting planned with the key sponsor after two days and would need your recommendation before that.

Chawla responded to Sinha’s request as follows:

I understand the importance of this opportunity and the associated sense of urgency. You are aware that migrations have been identified as a key area in the strategic foundation program, and my team has been waiting for such an opportunity, but moving to this complex LoB with the new approach is not without risk. We have not really tested the new process migration framework. The framework has also not been integrated with the U.K. [project management office] PMO practice.[[[2]](#footnote-2)] Besides this, two days is a short time to decide on the way forward, but let me get back to you with a proposal after a discussion with the team.

Existing Process Migration Framework

A process migration framework ensured that the structure and rigour of migrating work from onshore to offshore locations met the company’s requirements. Migration of work involved the movement of a process, application, or service from the U.K. head office to one of the two satellite offices in India or Ireland. Ensuring that the work migrated smoothly involved training sessions and various compliance requirements including privacy impact assessment, fraud risk assessment, and business continuity planning. Eventually, the expected parameters of quality and accuracy were to be met, in the shortest possible time.

For example, after reconciliation process work had been properly migrated to DXSD India, the end customer would not detect any difference in terms of service, quality, or turnaround time. The initial focus was usually on ensuring accuracy. The expectations for the speed of the migration were dealt with during the progression period. Regardless of which location received the work—India or Ireland—the robustness of the framework to ensure successful migrations was the most important factor. DXSD India had developed the framework with this intention in mind. However, the U.K. PMO had not been involved during the development of the existing framework.

Phases of the Existing Process Migration Framework

The existing process migration framework was developed by the India office in collaboration with the operations and IT teams. The framework was developed in four phases (see Exhibit 1), each supported by a well-defined set of templates. The four phases of the process migration framework were due diligence and solution assessment, planning, execution, and closure.

*Due Diligence and Solution Assessment:* This phase involved understanding the scope of the migration and validation from onshore partners to enable planning. This was mostly a discussion with the onshore partners on what was required to be done. It also involved filling a simple template, which captured the usual requirements of a migration. The purpose of this template was to ensure that all important details from the perspective of the migration were not missed.

*Planning:* On the basis of the due diligence and solution assessment, a detailed plan was prepared. This would include planning for compliance requirements, hiring, onboarding, infrastructure setup, knowledge transfer, billing, and service level agreements.

*Execution:* This phase involved the execution of the activities planned in the previous phase. Travel was sometimes necessary to transfer knowledge from employees in India or Ireland to employees in the United Kingdom, or for trainers from the United Kingdom travelling to India or Ireland to share their knowledge. The transfer of knowledge was one of the most important elements. Its proper execution was essential to ensure a successful migration.

*Closure:* Once the execution phase was completed, the migration project could be closed. Closure involved logging all lessons learned and releasing migration-specific resources.

The framework was a straightforward process that was expected to serve the different expectations of both the IT and operations departments. As a certified Capability Maturity Model Integration service,[[3]](#footnote-3) IT was required to comply with the service system transition process area. The operations department’s key focus was to ensure a seamless transition.

Although the management team supported the need for rigour, floor workers were not looking forward to dealing with yet another set of templates. DXSD had worked hard to instil a constant pursuit of operational excellence, while avoiding the addition of elements without value. After all, the workers needed to appreciate the value of using the framework.

The migration team fully understood that implementing the framework involved far more than simply deploying some templates—it was about transforming the way DXSD viewed the migration of projects. Because DXSD Ireland had not developed a framework of its own, the migration team relied completely on the framework developed by DXSD India for reference. However, the team was well aware that the new framework had been developed without the involvement of the U.K. PMO.

Having the experience of several previous migration projects, DXSD India took the lead in this new project. The company was a high-performing division of the conglomerate, having fully met the expectations of its onshore partners. The DXSD India management team was also committed, which gave the migration team the necessary motivation to deliver its best work.

The management team anticipated that the framework would help set correct expectations, ensure readiness of infrastructure, and hire the required personnel, governance, communication, and project management. Although the existing framework had been comprehensive, inertia had prevented its full use. According to some members of the migration team, inertia stemmed from the fact that the framework was considered unrealistic, despite its tailored guidelines.

New Process Migration Framework

In the last quarter of 2014, the migration team decided to correct some existing gaps in the process through the new framework (see Exhibit 2). The team wanted the framework to have a clear end-to-end life cycle perspective. Clearly defined “go, no-go” moments were implemented using toll gates (or approval points) after each phase. Also, because the setting of expectations did not seem optimal, a new initiation phase was proposed. The purpose of the initiation phase was to ensure that all the stakeholders, including sponsors, were aligned with the goals. This phase would provide the opportunity to set clear expectations from everyone in terms of deliverables, their availability, communication, and governance.

The purpose of toll gates was to ensure that the migration moved ahead in a systematic manner, with milestone-based acceptance at the end of each phase. Toll gates also ensured that no surprises appeared at the end of the migration.

The Proposal

Sinha requested that Chawla submit a proposal on which approach should be followed for the upcoming migration. Along with her team, Chawla had to logically justify the chosen approach, thinking beyond the upcoming migration. The team was aware that more than just repairing gaps was required, despite the fact that the new migration framework had been developed collectively with the IT and operations teams.

Chawla was a seasoned professional with a significant amount of experience. She understood that the management team was looking for a transformation of migrations. Rahil Jalan and Binoy Sarkar, two key members of Chawla’s team, were frantically evaluating the pros and cons of deploying the existing migration framework on the upcoming migration. Jalan expressed some concerns:

It is not just the framework that we need to look at; we need to think about how we are going to handle the engagement of onshore and offshore stakeholders. One has to realize that this work would have to be delivered from both locations of DXSD. The knowledge transfer would be complex, not because of the underlying technology but because of the fact that the core team in the U.K. is likely to move on to new assignments in a few weeks. This could limit the opportunity for tacit knowledge transfer. Who will handhold the migration from the onshore team in such a situation? To top it all, we don’t have the required portal specialists who can handle an immediate handover.

Sarkar had another concern:

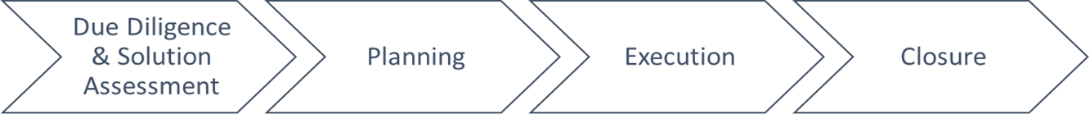
If we deploy the new migration framework, would the management stand behind us? We had not involved the onshore partners in the development of the framework, so how will we get a buy-in from them? They like to run their projects as per their framework, which already involves toll gates. How are we going to ensure that the required governance structure is in place and our management is kept in the loop for guidance and is regularly apprised of the risks and issues? Besides this, do we have the funding to take this initiative forward beyond the upcoming migration? We may need more hands on deck if we follow this course, or else I know for sure that this initiative will fizzle out.

Chawla attempted to allay the concerns of Jalan and Sarkar by sharing her thoughts:

I think we do have management commitment. The management is of the view that DXSD will move up the value chain only when we can give our partners the confidence that a migration is going to happen without hiccups, and I feel that can happen only if we transform the migrations. Sinha has shared the feedback from the onshore team and our new framework addresses many of these concerns. He has even suggested a transformation framework [see Exhibit 3] that we can utilize.

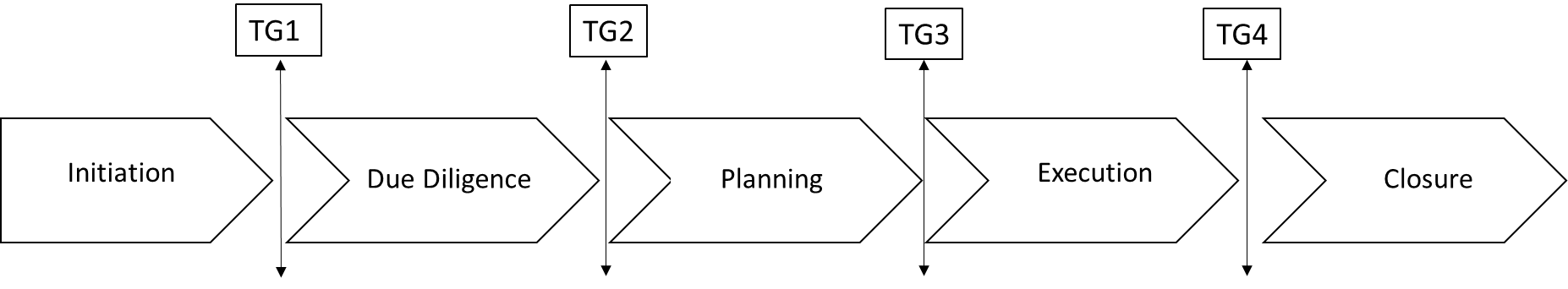
The upcoming opportunity has high visibility and we can’t afford to go wrong. If we continue to use the existing process migration framework, we may not be able to turn it around properly. On the other hand, if we use the new framework, which has not been fully tested, it may be counterproductive. Should we run with the existing way of working or choose the new process migration framework? Would fixing the gaps in the framework be enough to transform the migrations? What should be our proposal for the upcoming opportunity?

Exhibit 1: Existing Process Migration Framework



Source: Created by authors based on their understanding of the existing process migration framework.

Exhibit 2: New Process Migration Framework



Note: TG = toll gate

Source: Created by authors based on their understanding of the new process migration framework.

EXHIBIT 3: PROCESS TANGRAM

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| **Transformation Program** | Transformation Charter | Business Case, Milestones, & Toll Gates | Team Structure | Risk & Issue Management | Governance | Handover & Closure |
| **Triggers** | Business Strategy Change/Alignment | Compliance Requirements | Voice of Customer & Quality | Mergers and Acquisitions | Implementation of Enterprise Architecture | Failure of Existing Process to Deliver |
| Alignment with the Customer | Contractual Obligations | Loss in Shareholder Value | Outsourcing | Sub-optimal Utilization of Infrastructure | Shortage of Resources |
| **Goals** | Dramatic Improvement in Performance | Achieve/Retain Market Leadership | Customer Delight | New Revenue Streams | Increase in Competence | Revenue Growth |
| Optimal Leveraging of Technological Advancements | Virtualization of Enterprise | Enterprise as a Network | Economies of Scale | Increase in Productivity | Cost Reduction |
| **Tools & Techniques** | Process Analysis | Functional Analysis | Best Practice Analysis | Lessons Learned Logs | Performance Metrics | Quality Tools |
| Productivity Analysis | Business Process Modelling | Competitive Analysis | Life Cycle Analysis | Financial Metrics | Data Analytics |
| Customer Analysis | Value Stream Mapping | Market Trends | Organization Analysis | Investment Analysis | Cost Analysis |
| **Culture** | Value System | Organization Structure | Motivation | Change Management | Conflict Management | Capability Development |
| **Communication** | Engagement Strategy | Stakeholder Analysis | Communication Plan | Identification of Barriers of Communication | Communication Package | Feedback & Evaluation |
| **Success Factors** | Leadership Commitment | Process Orientation | Quality | Speed | Adequate Funding | Flexible IT Structure |
| Clear Strategy & Vision | Value Focus | Innovation | Portfolio Management Approach | Cross-functional Teams | MIS & Knowledge Assets |

Note: IT = information technology; MIS = management information systems

Source: Chitra Sharma, *Business Process Transformation: The Process Tangram Framework* (New Delhi: Springer India, 2015), 3.

1. Migrations could typically be classified as IT or operations projects. Operations projects usually involved the migration of work pertaining to a process, sub-process, or part of a process that could be migrated to India or Ireland. On the other hand, IT migration generally involved support or development work. [↑](#footnote-ref-1)
2. The U.K. office operated a PMO that focused on IT and operations projects according to predefined frameworks. Migration was often a part of bigger projects, involving changes to systems and processes. The U.K. PMO had its own milestones and associated toll gates. [↑](#footnote-ref-2)
3. “CMMI for Services, Version 1.3,” Software Engineering Institute, Carnegie Mellon University, Digital Library, accessed December 21, 2015, <http://resources.sei.cmu.edu/library/asset-view.cfm?assetid=9665>. [↑](#footnote-ref-3)