

Managing Risk and Lessons Learned

October 21, 2019

Today's Agenda:

- Lecture: Sourcing contracts management
- Case discussion: 'When Outsourcing Goes Awry'
- Lecture: Backsourcing
- Sourcing Destination Reports and Presentations
- Midterm Prep

WHY TECH NEEDS HUMANITIES MAJORS

“Code is not the only path to contribution.”



Leslie Robertson

Vice President, Software Development,
Oracle Cloud Infrastructure

The tech industry suffers from a diversity problem. If we want technology that can successfully anticipate the needs of a diverse set of users, the people who build those products must also be diverse. Code is not the only path to contribution, and tech startups need more than just computer science majors. How do you build the diverse team you need, whether you are a small startup or a Fortune 100 company? You do it by looking beyond the obvious majors and recognizing that potential comes in many forms.

Leslie Robertson (Vice President, Software Development) leads the Oracle Cloud Infrastructure (OCI) user and developer experience engineering organization. As an early member of the OCI team — which has scaled from tens to thousands of people in the past four years — Leslie drove multiple initiatives to create a cohesive engineering culture within the OCI organization. Prior to joining Oracle, Leslie did the startup-through-acquisition drill three times, and she also spent a decade freelancing for a variety of Silicon Valley companies. A proud humanities major, Leslie graduated from Carnegie Mellon University with University Honors, and holds a double BA in Professional Writing and Creative Writing.

Carnegie Mellon University

Dietrich College of Humanities
and Social Sciences

Carnegie Mellon University

Swartz Center for Entrepreneurship

Thursday, Oct. 24
12:00 – 1:00 pm

Swartz Center for
Entrepreneurship
3700 Tepper Quad



Decision to outsource
Managed messaging
Planning the project

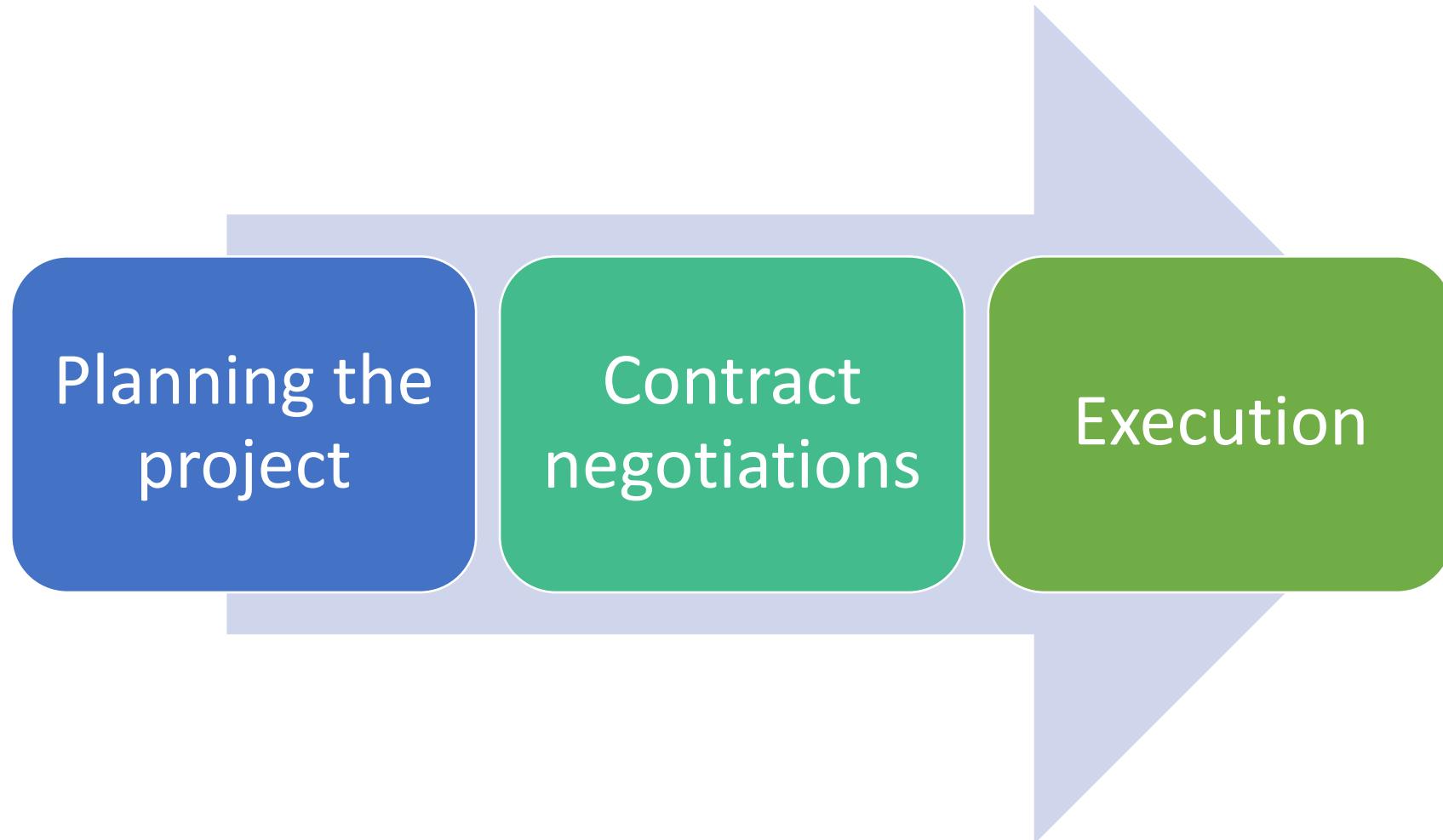


Multi-sourcing approaches
Client management
Captive centers



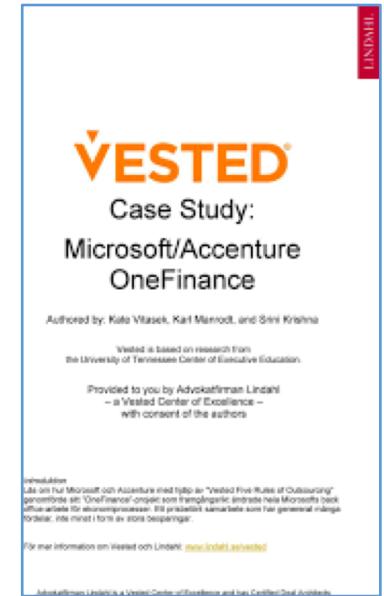
Vendor perspective
Global delivery models
Levels of strategic value

Sourcing contracts management

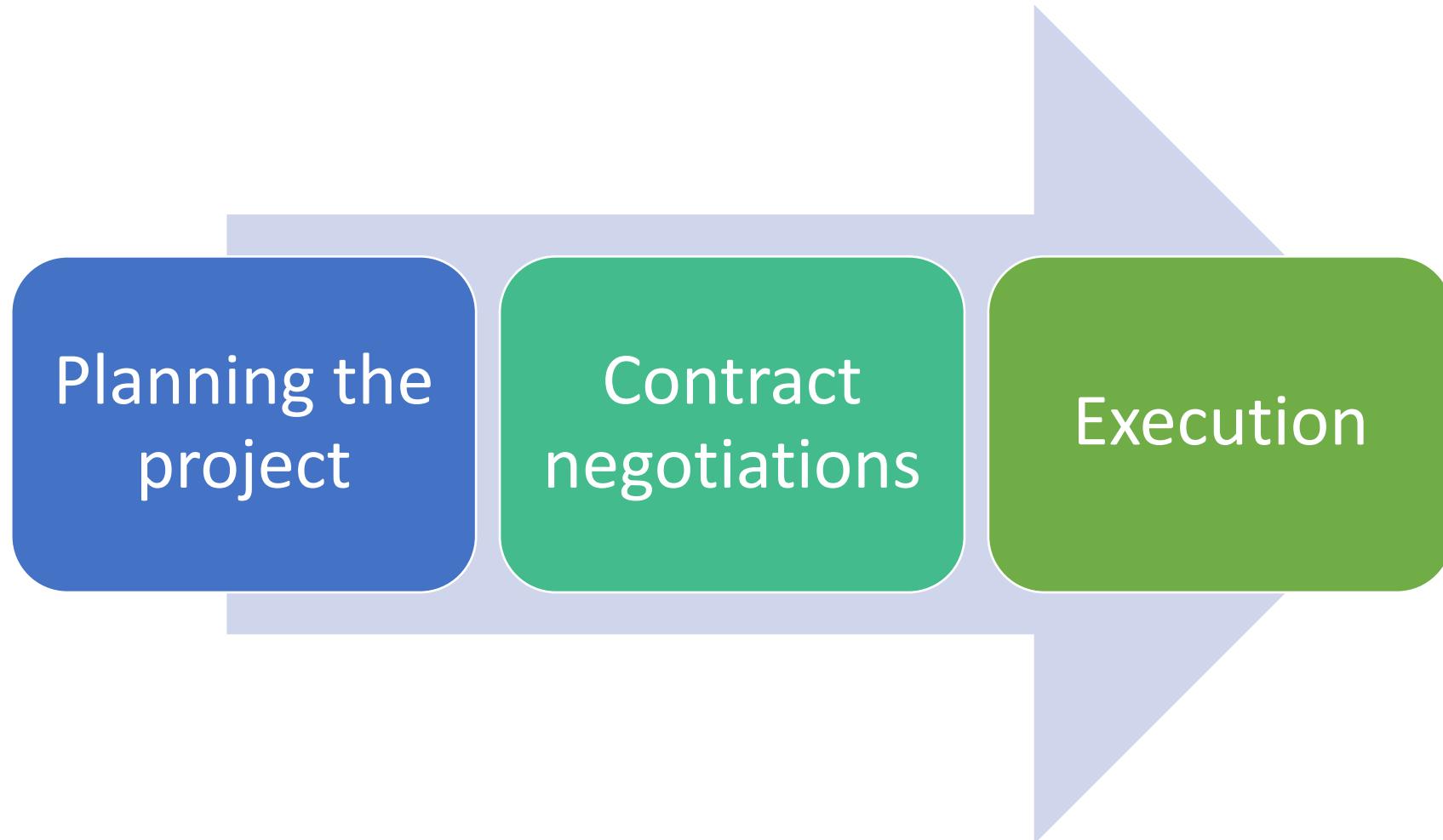


Planning the project

- Understand goals and objectives
 - P&G
 - Microsoft: Understand the need for change. Used core cross functional teams to define strategic direction – a “mess for less” vs “business insight”
- Define requirements in detail
 - CA Child Welfare Services
 - Microsoft: Articulated desired outcomes (cut costs, centralize OneFinance, and improve quality)
- Develop a RFP that includes cost and schedule information
 - adidas
 - Microsoft: “It would be incorrect to say Microsoft did not think of cost, but what became a core driver for the team was to create an outsourcing model aimed at improving the efficiency and effectiveness of executing Microsoft’s financial processes” -Srini Krishna, a management consultant on the team



Sourcing contracts management



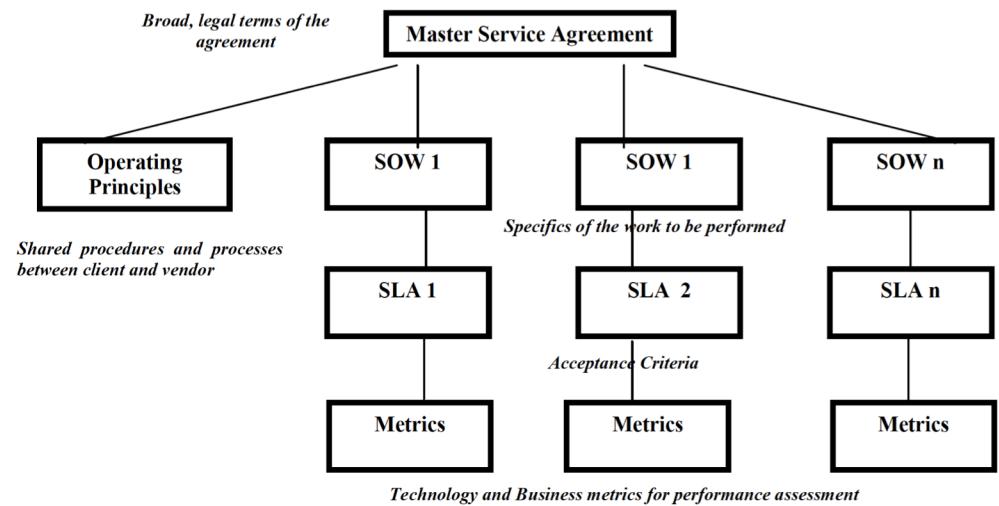
Contract negotiations



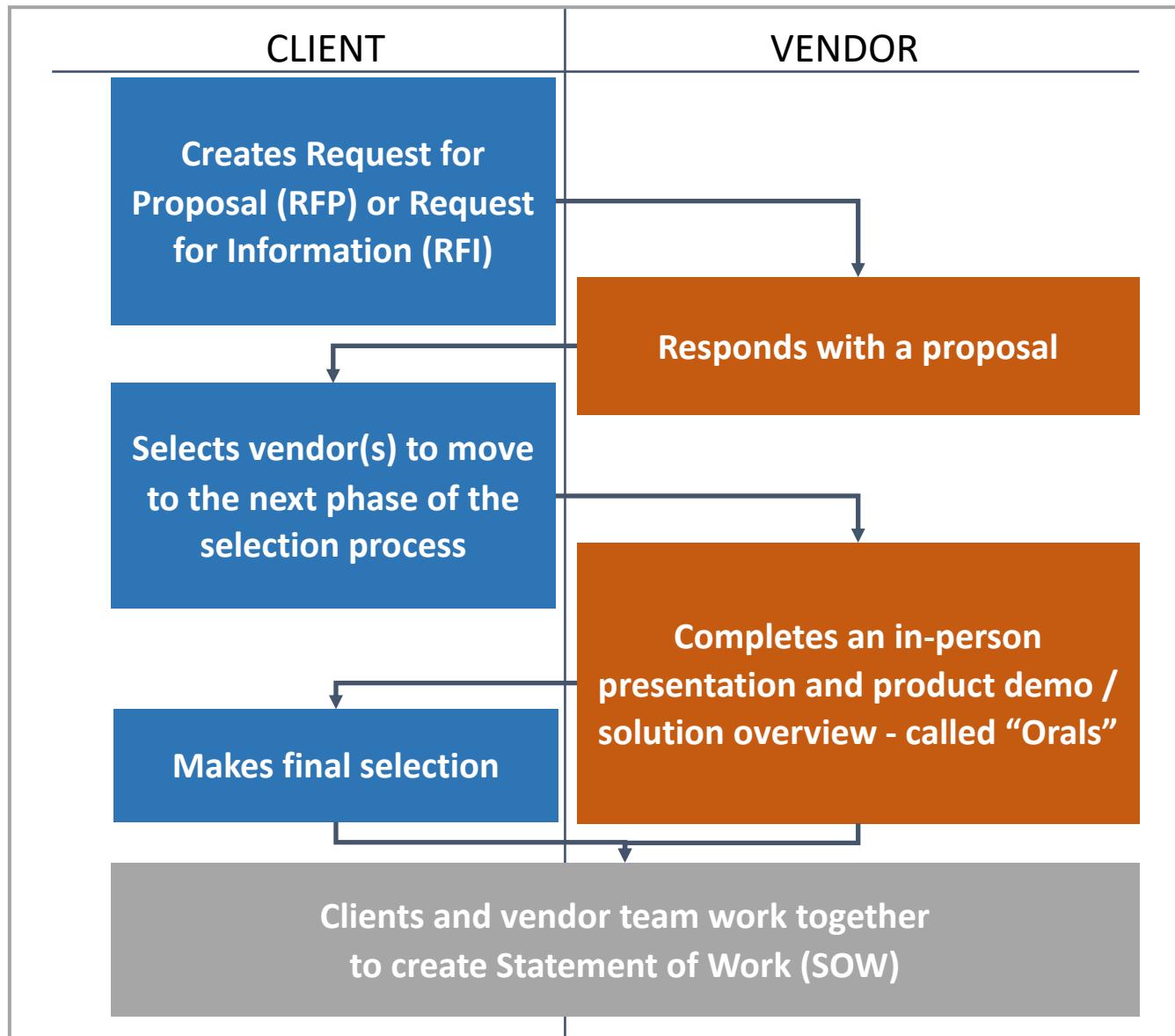
- Select a qualified vendor
- Create an outsourcing contract
 - Clear understanding of expectations documented in the contract
 - Clarify expected outcomes, results, timetables and budgets
 - Clarify how performance is evaluated
- Structure your vendor relationships as win/win propositions

Elements of an outsourcing contract

- Master Service Agreement (MSA) -
(broad legal terms of the agreement)
 - Contract terms
 - Account management
- Statement of work (SOW) – specifics
of the work to be performed
- Service level agreement(s) (SLA) –
acceptance criteria including metrics
and used for performance assessment

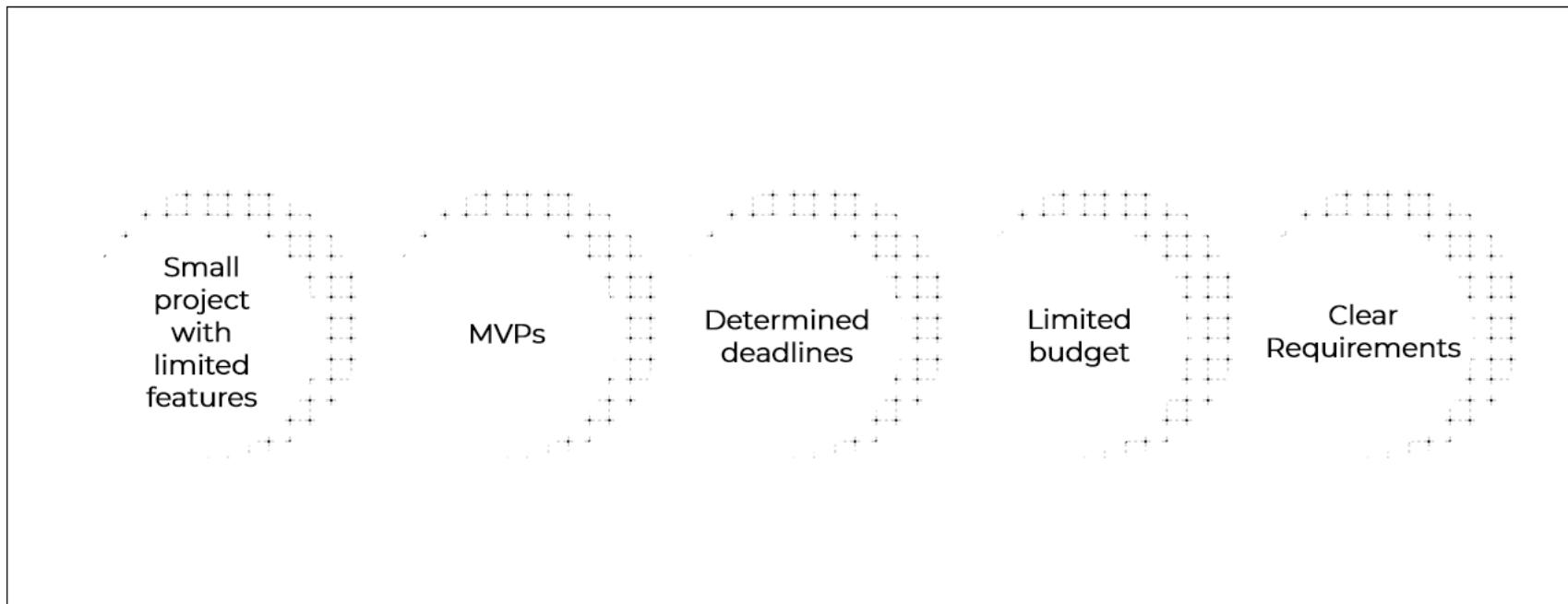


Scoping work and structuring projects – an example from Deloitte



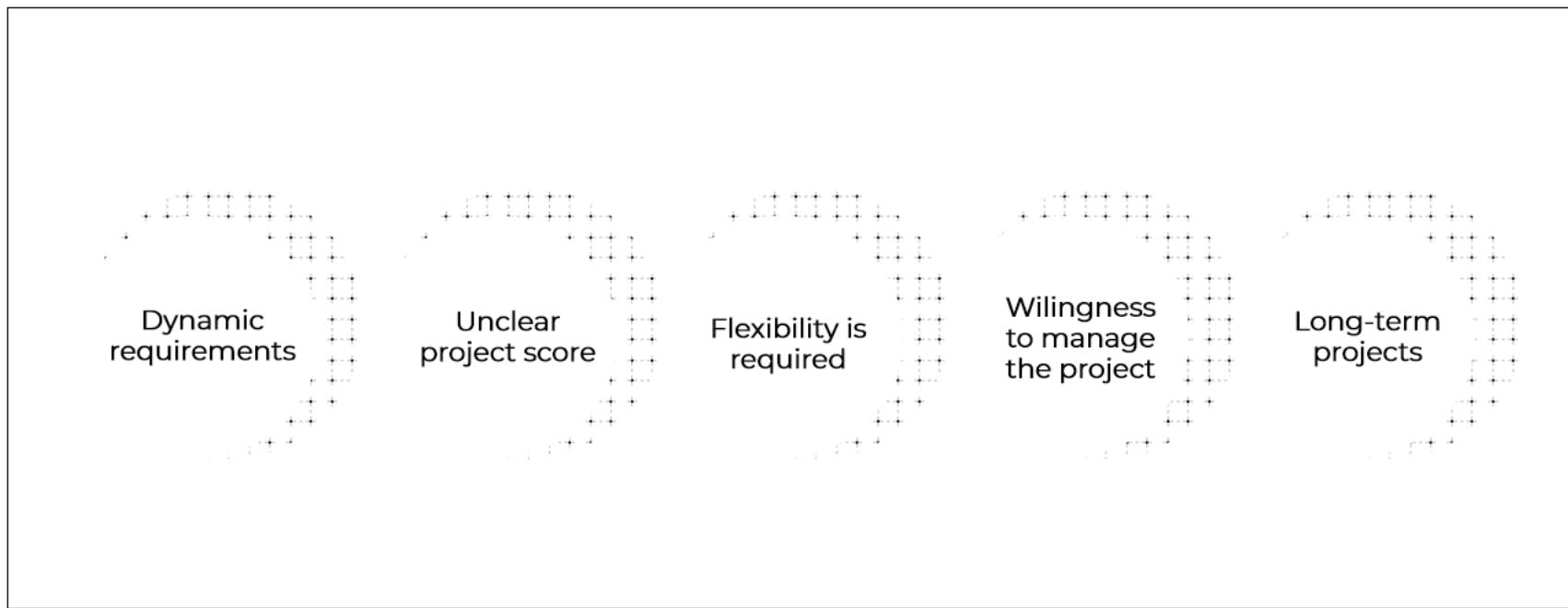
Common billing structures...

Fixed Price Model



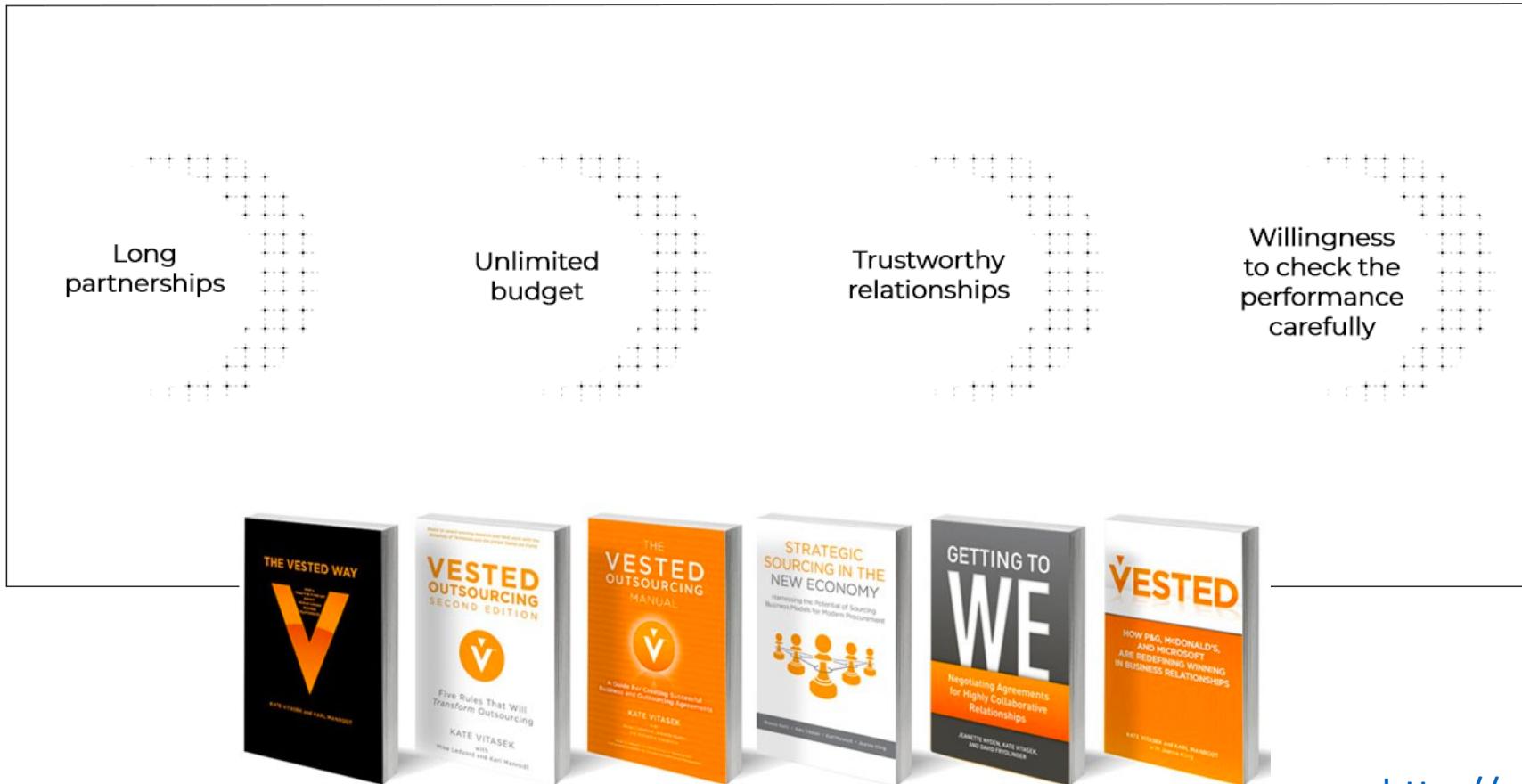
Common billing structures...

Time & Materials models

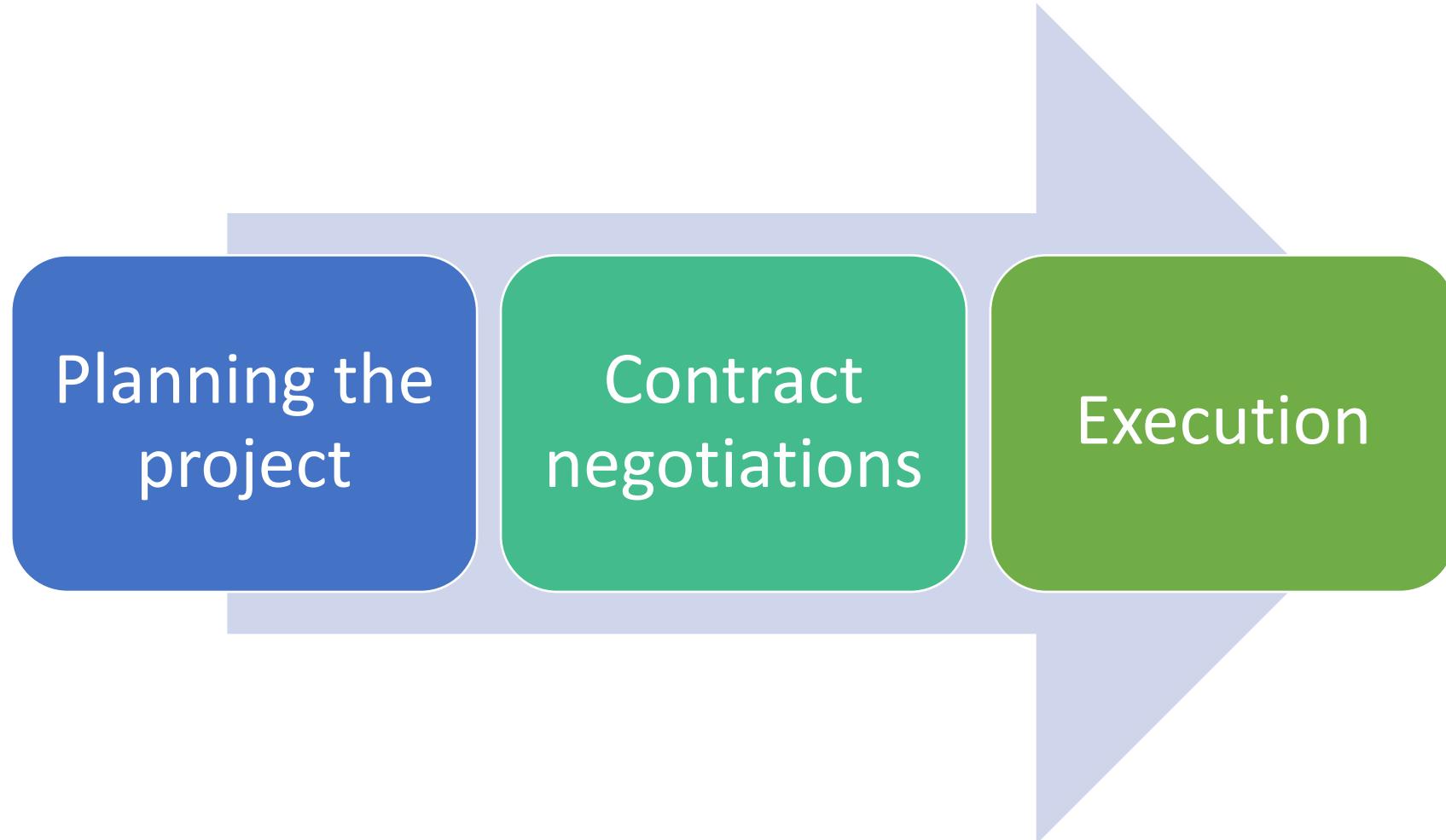


Common billing structures...

Milestone Model



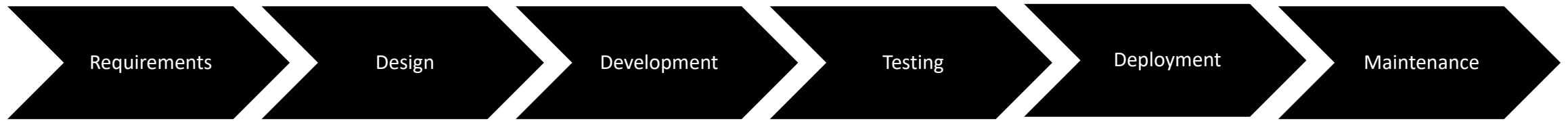
Sourcing contracts management



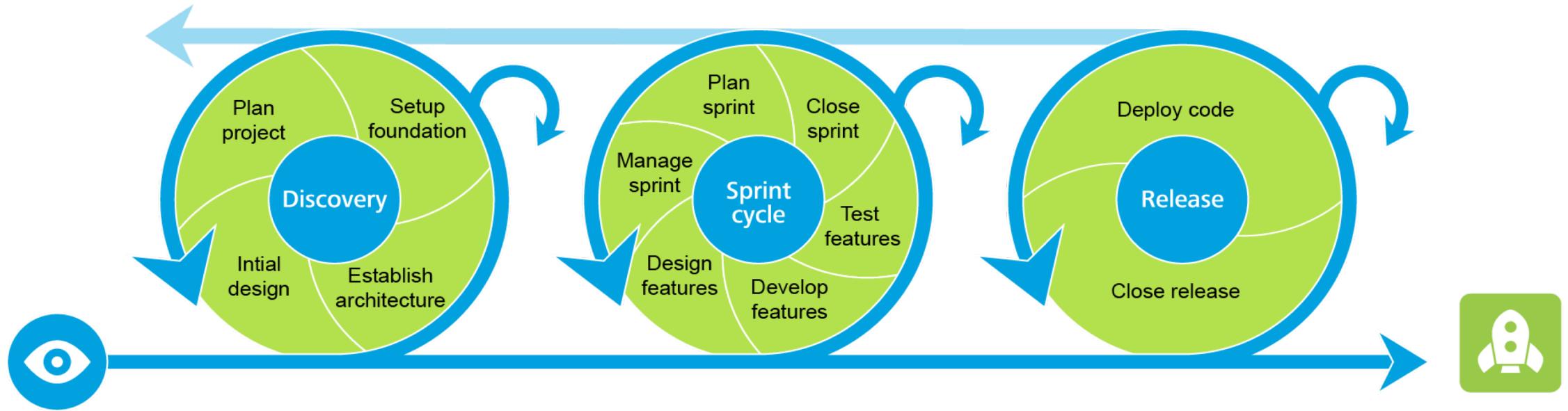
How do we do the work?

Waterfall (System Development Life Cycle / SDLC) and Agile are the most common implementation methodologies used

SDLC



Agile

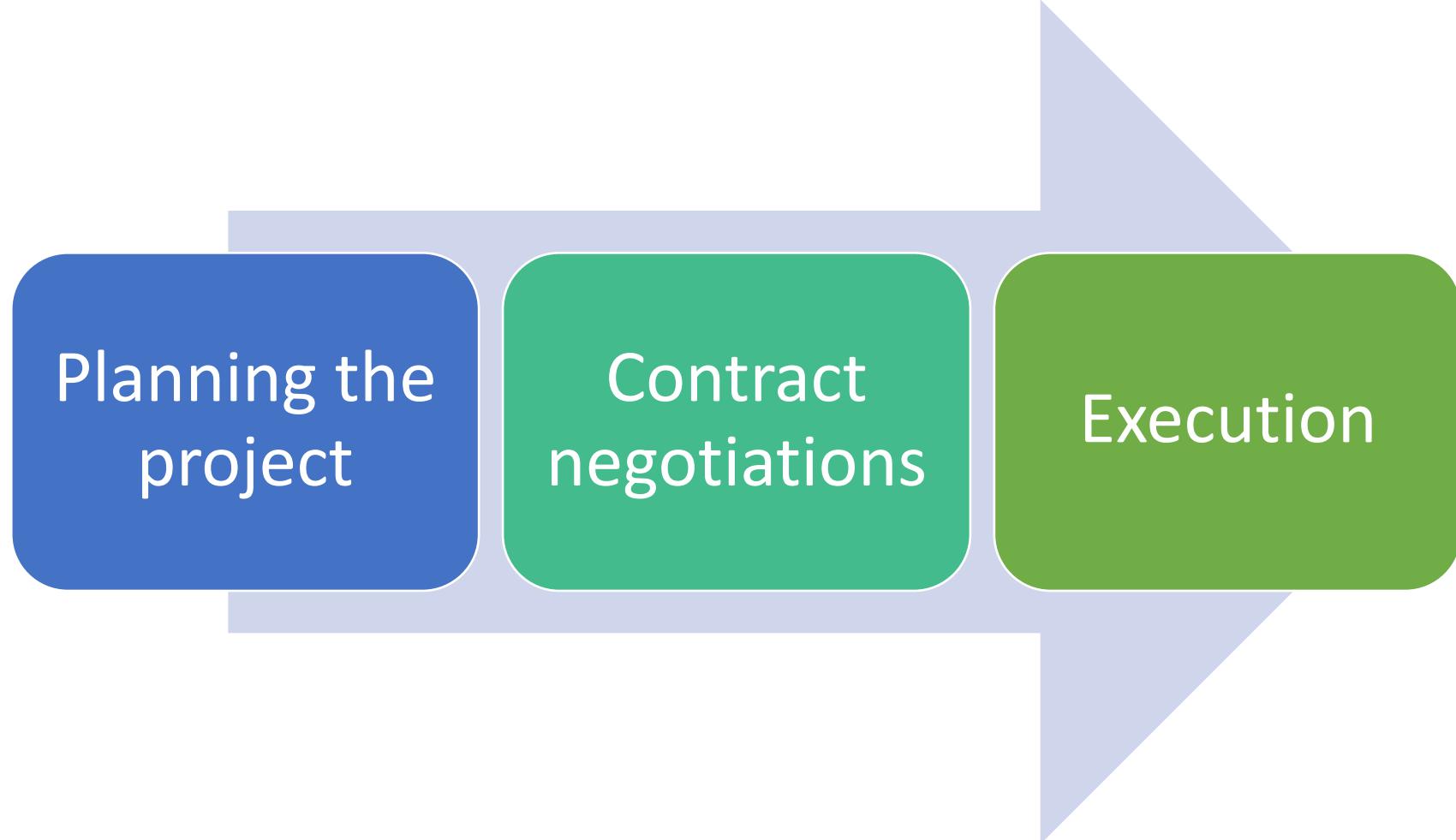


When Outsourcing Goes Awry

Part 1:
**How did Newman get into this situation
(i.e., what did he do wrong)?**

<https://tinyurl.com/67329-F19-OGA>

Managing Sourcing Contracts



What Newman did wrong...

- Failed to evaluate the critical nature of this service to the short-term and long-term success of the organization
- Failed to develop a list of requirements for the project
- Failed to evaluate PDS's ability, skills, etc. (research) or select a vendor with demonstrated ability (i.e., benchmarking)
- Failed to establish clear performance standards/criteria for his contractor – “contracting for results” or “performance clauses”
- Failed to include contingency sanctions with monitoring provisions – needed guarantees for service delivery, renegotiation conditions, and exit clauses – how break a contract?
- Failed to understand how managing external resources requires a different skill set than the same services internally
 - How to persuade PDS to move to renegotiate mutually agreeable terms
 - Regular formal meetings
 - Semi-annual assessments
- Failed to recognize the early warning signs and react

Part 2:
What should Newman do now?
Why do you think this will work?

<https://tinyurl.com/67329-F19-OGA>

Newman's next steps...

Options:

1. Let Jacques walk and leave it to PDS to solve the problem
2. Try to mediate the dispute between the physicians and PDS in order to keep the physicians on the job
3. Play hard-ball with PDS and side with Jacques

Discussion points?

- What are the trade-offs of the options?
- How will these impact employee attitudes?
- What are the short-term and long-term impacts?

**What should Newman do
differently going forward?**

**What can we learn
from this case?**

So, what can we learn from this case?...?...?

- Keep core work in-house
- Determine how important employee retention is for your business
- Expect realistic savings and results
- Write your product specifications and contract clauses in extreme detail
- Encourage the outsourcing team to be upfront with problems – establish an open relationship
- Have a plan on how to handle crisis and/or issues

Summary of Keys to Success

Managers of successful outsourced projects observe several keys to success:

- Understand company goals and objectives; is outsourcing the right solution?
- Create an outsourcing plan.
- Define the software requirements in detail.
- Create a Request for Proposal (RFP).
- Estimate your project's cost and schedule before finalizing your RFP.
- Obtain sufficient budget and management resources to assure success.
- Select a qualified vendor.
- If no vendor appears qualified, switch to a two-phase acquisition model or bring the project in-house.
- Create the outsourcing contract with care, and have it reviewed.
- Actively manage the outsourced project.
- Use outside experts when needed.

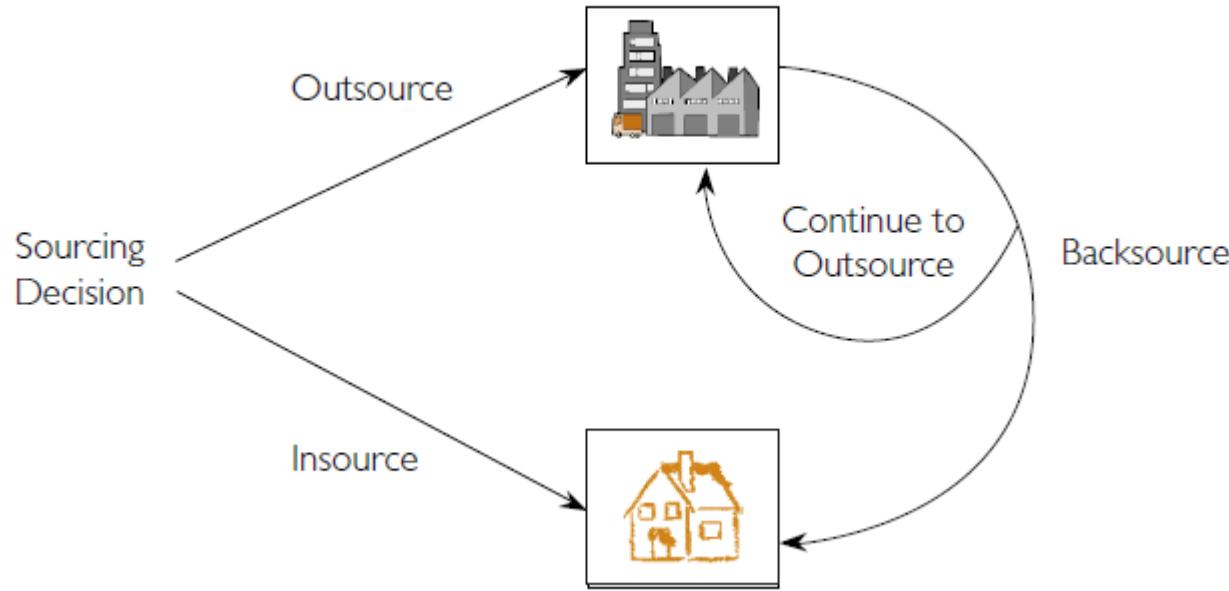
Homework #5

3. Search online to find an example of a real-world failed IT/IS outsourcing project. Briefly describe the project and identify three reasons why the project was challenged or failed. Please include citations or URLs to cite the source.
4. What similarities or differences can you identify between the Regional Medical Center (RMC) and your example?

Building Innovation into the Outsourcing Relationship: A Case Study

- Innovation requires cooperation and partnership between the provider and the buyer
- The skills required to bring innovation may be different than those needed to deliver on specific project goals (e.g., continuous improvement)
- Expectations should be defined in the contract (measurement and governance is needed)
- Innovative pricing models can be used to motivate (generally lowest-cost outsource service not motivating)
- Innovation can be a frustrating process because many ideas must be incubated and only a few will be worth pursuing and investing in

Backsourcing is bringing functions that were outsourced back into an organization



Like outsourcing, backsourcing is expensive and should only be done when a full investigation of the alternatives has been undertaken and the decision to backsource is clearly the right one.

Reasons to backsource

Problem: Contract Problems	Opportunity: Internal Organizational Changes	Opportunity: External Environmental Changes
Higher than Expected Costs Poor Service Quality Loss of Control over Outsourced Services Know-How Mismatch	Changes in Executive Management Recognition of a New Role for IS	External Business Changes Pressures from Outside

“The project cannot be so important that you are betting your entire business on it. That is very risky.” – Roger Dean, CIO of GlobShop

Sourcing Destination Report and Presentations

Sourcing Destination Assignment (5%)

Report (60 points - 3%)

As an individual you will complete a 2-3 page analysis of global presence and services of a particular country. The deliverable should describe key cultural, geographical, political and economical data about the country. The objective of the deliverable is to form an opinion on the future prospects for the country to offer services to worldwide organizations.

Due Wednesday, 10/30

Presentation (40 points - 2%)

As a team of four students you will give a brief presentation to the class summarizing the analysis from the country profile report.

The presentation should conclude with a synthesized recommendation on the extent to which the country's profile would make it a good candidate for local business to use for offshoring of services.

Presentations on Monday, 11/4

Background:

- Cultural, geographical, political and economical data about the country.
- ITO/BPO services exports and imports (OECD database could be used a reference).
- Key government policies pertaining to ITO/BPO (e.g., tax exemptions, etc.).
- ITO/BPO workforce (e.g., number of graduates per year, specialty skills, etc.).
- The major cities within the country providing ITO/BPO services. Describe the relevant infrastructure of these major cities (e.g., electricity, transportation, buildings, security).
- Risks companies will have to mitigate when outsourcing to suppliers in the country.

Supplier Overview:

- List of the top 5 suppliers of ITO and BPO services whose headquarters (or major offices) are located in the country. Elaborate on one to three of the top suppliers (e.g., history, CEO, major customers, and financial performance in terms of five year stock price, sales, profits, etc.).
- Compare the suppliers in terms of most recent revenue, number or employees, etc. within the country or as compares to a global scale

Recommendations:

- Your analysis on the extent to which the country's profile would make it a good candidate for US businesses to use for offshoring of services.
- Your analysis of the prospects for the country to offer services to worldwide organizations.

▼ Theme 2: Global Sourcing of Technology

	9/30 :: Globalization and a Connected World
	10/2-10/9 :: GP1 Lab Sessions and Debrief
	10/14 :: Sourcing Models Primer
	10/16 :: Strategic Value of Sourcing Models
	10/21 :: Managing Risk and Lessons Learned

10/23 :: Final Exam (Link to Study Guide) ↗

10/30 :: Sourcing Destination Report
Oct 30 | 60 pts

11/4 :: Sourcing Destination Presentation
Nov 4 | 40 pts



67329-A > Assignments > 10/30:: Sourcing Destination Report

Fall 2019

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Syllabus

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10/30 :: Sourcing Destination Report

Submit Assignment

Due Oct 30 by 12pm Points 60 Submitting a file upload File Types pdf

Assignment Description ↗

Country Assignments: <https://tinyurl.com/67329-F19-SD> ↗

Research suggestions:

- <https://guides.library.cmu.edu/az.php> (especially search in: ABI/Inform Collection, ACM Digital Library, Gartner Core Research, and OECD library)
- <http://www.outsourcing-destinations.org/> ↗
- <https://qualityhouse.com/index.php?page=top-outsourcing-destinations-in-2016> ↗
- CIO.com for instance: <https://www.cio.com/article/3155250/it-industry/it-service-providers-increase-investment-in-onshore-locations.html> ↗
- Computer Weekly - For instance: <http://www.computerweekly.com/feature/Top-five-outsourcing-destinations-to-watch> ↗
- ZDNet - For instance: <http://www.zdnet.com/article/software-outsourcing-to-eastern-europe-which-countries-work-best/> ↗ OR <http://www.zdnet.com/article/india-continues-to-dominate-global-outsourcing-industry/> ↗

Sourcing Destination Report

Criteria	Ratings				Pts
Background The report describes key cultural, geographical, political and economic data about the country.	20.0 to >18.0 pts Outstanding	18.0 to >15.0 pts Good	15.0 to >10.0 pts Satisfactory	10.0 to >0 pts Unsatisfactory	20.0 pts
Supplier Overview The report lists of the top suppliers of ITO and BPO services whose headquarters (or major offices) are located in the country.	20.0 to >18.0 pts Outstanding	18.0 to >15.0 pts Good	15.0 to >10.0 pts Satisfactory	10.0 to >0 pts Unsatisfactory	20.0 pts

TOP OUTSOURCING COUNTRIES IN 2018

Below are 14 software development outsourcing destinations that we'll compare based on their billing rates, market size, and a slew of other factors.

Eastern Europe	South America	Asia Pacific
Poland	Brazil	China
Romania	Mexico	Philippines
Ukraine	Argentina	India
Russia	Colombia	Malaysia
Czech Republic		Vietnam

<https://agileengine.com/top-outsourcing-destinations/>

<https://tinyurl.com/67329-F19-SD>

67-329 Sourcing Destination Country Assignments

Brazil

Country Profile Report

Background

Brazil is a greatly underestimated, up-and-coming country with regard to their emerging global business environment. With a solid education system and IT clusters in many main cities, Brazil is well positioned to continue moving up in global business. It has one of the fastest growing economies in the world, with an average annual GDP growth rate of over 5%. It also possesses the largest economy in Latin American nations. Brazil recently made investments toward administrative efficiency and created policies to encourage exports, industry, and trade, creating "windows of opportunity" for local and international investors and producers. The country is moving up the global information technology rankings, which shows promise and improvement. It is, however, still ranked at 56th, according to the 2010-2011 report, so it still has a lot of growing to do.

Facts	
Population ¹	205,716,890
Median Age	29.3
Education	5.08% of GDP
Expenditures ²	[55 th in the world]
Literacy ³	88.6%
School Life	14 years
Expectancy	
Labor Force ⁴	104.3 million [6 th in the world]
Cellular	202,944 million
Telephones ⁵	[6 th in the world]
Mobile-cellular	Reached 100 per 100
Teledensity	persons in 2010
Internet Users ⁶	75,982 millions [4 th in the world]
Highly Trained IT Professionals	1.2 million
Imports of Services ⁷	47.0 billion USD
Exports of Services ⁸	27.7 billion USD
Brazilian Companies in the Fortune Global 2000	34

¹ July 2012 Est.

² 2007

³ Population age 15+ that can read and write

⁴ 2011 Est.

⁵ 2010

⁶ 2009

⁷ 2009

⁸ 2009

There are enormous benefits specifically for the United States regarding outsourcing or offshoring to Brazil. Brazil, for the US, is nearshoring, so there is a larger convenience factor. The time zone is a maximum of 4 hours difference, which leads to less jetlagged meetings and sleep deprived employees. This also means teams do not have to stay up late to coordinate with their counterparts in the other country, leading to more productive work hours for everyone. The cultural differences are significantly less than they would be with China or India, so collaboration should be less difficult. One final benefit that Brazil holds is that it is beautiful and would be a very desirable place to travel to and work with.

There are still some weaknesses that Brazil must deal with before they can join the big leagues of global business. There are social issues that need to be worked out before the public will embrace major technological advancement, such as the widespread poverty that leaves many areas with no electricity or running water. Another issue facing the ability to outsource and/or offshore IT or BP work to Brazil is the lack of English fluency among good programmers and the higher cost of skilled workers compared to the rates of countries like India and China. Another problem is often known as "brain drain". This is the idea that many of Brazil's highly skilled IT workers will be sought out and brought into the United States to work there for higher wages. Those left in Brazil, therefore, would not be the

"Brazil has not yet leveraged their full potential."

Supplier Overview

Top Suppliers of ITO and BPO Services Headquartered in Brazil:

- IBM
- Accenture
- HP/EDS
- Stefanini
- T-Systems
- CI&T
- CPM Braxis
- DTS
- BRQ
- GFT

The ten companies listed to the left were ranked by Brasscom, in the "Brazil IT-BPO Book", as the top ten in the ranking of IT-BPO exporters in Brazil in 2010 based on total revenue. Below is some further information by which to compare these companies.

IBM

Location: Sao Paulo
Employees: 426,751 worldwide in 2010
Revenue in 2011: \$107 billion worldwide

Accenture

Locations: Curitiba, Recife, Rio de Janeiro, and Sao Paulo
Employees: 244,000+ people serving clients in more than 120 countries
Revenue in 2011: \$25.5 billion across the country

topmost-level workers. There are certainly some issues that Brazil must resolve in its quest to becoming more of a major player.

Rio de Janeiro is a major asset for Brazil. It is a main city for ITO/BPO services, and it is absolutely beautiful. Eight of the country's top 10 science and technology schools are located in Rio, as well as science and technology business parks. They have expertise in BPO and call centers. They also have government financing, research & development credits, and more. Rio is equipped with quality roads, the largest rail grid in Brazil, large ports, and two major airports.

Brazil has an IT-BPO market with a total revenue, as of 2010, of \$85.1 billion USD, making it the 8th largest domestic IT market in the world. The government really wants to assist the growth of the ICT sector, so it offers capital to small and medium businesses in the form of investment funds and venture capital, as well as direct tax breaks on payroll and income.

Brazil has a number of strengths along with some weaknesses that could be improved upon. It is only beginning to make a name for itself in a competitive market but one in which it can certainly compete. Ultimately, Brazil needs to be able to market itself better to prove that its IT sector can compete with those of its competitors. Brazil has not yet leveraged their full potential.

A Closer Look at IBM

IBM values "dedication to every client's success", "innovation that matters", and "trust and personal responsibility in all relationships". Virginia M (Ginni) Rometty is the company's overall president and CEO, while Ricardo Pellegrini takes the reins as the general manager of IBM Brazil. IBM originally emerged in Brazil in 1917, but 1924 marked the true definitive establishment of IBM in Brazil. Since then, IBM has grown and prospered in Brazil, more than doubling in size over the past four years. Brazil has one of the four centers today that provide global services at IBM, making them part of the "Global Delivery Model", which means that they can serve clients anywhere in the world. Brazil is a major player for IBM, just as IBM is a major player in Brazil.

HP/EDS

Locations: São Paulo, Rio de Janeiro, São Bernardo do Campo, and Alphaville
Employees: 9,000+
Revenue: Unknown

Stefanini

Locations: Numerous locations in Brazil
Employees: Unknown
Revenue: Unknown
Presence in 27 countries

T-Systems

Location: São Paulo
Employees: 47,600
Revenue in 2010: ~9.1 billion euros

CI&T

Location: Campinas
Employees: In the range of 1001-5000
Revenue: Unknown

CPM Braxis

Location:
Employees: 3,200 in Application Services & 1,700 in Infrastructure Technology & Services
Revenue: Unknown
Support to 115,000 users

DTS

Location: Barueri
Employees: In the range of 501 - 1000
Revenue: Unknown

BRQ

Location: Centers in São Paulo, Alphaville, Rio de Janeiro, Curitiba, Fortaleza, Brasília, and Nova Iorque
Employees: 3000+
Revenue in 2011: \$350 million

GFT

Location: São Paulo
Employees: 1,300
Revenue in 2010: 248.26 million euros

Recommendations

- *Education*
- *Infrastructure*
- *Cultural Intelligence*
- *High Skill Level*
- *Governmental Policies*
- *Technologically Advanced*
- *Beautiful Cities as IT Centers*
- *Proximity (US Specific)*

Brazil is making more of a name for itself in the IT and BPO market, but it certainly still has some growing to do. The benefits that Brazil offers, however, are vast, which is why it continues to gain more prevalence in the IT world. Brazil possesses well-educated, highly-skilled workers with high cultural intelligence. Brazilians have been found to work well with other cultures on the whole, making them a great country with which to foster easy collaboration. They also possess many major cities with solid infrastructure in the form of technology and transportation specifically. Apart from dealing with issues of poverty in some areas, most Brazilians are equipped with cell phones and internet and are able to travel by paved roads or to and from any number of major airports in the country. This not only assists Brazilians themselves, but it also benefits nations who work with Brazil. Brazil's fast growing economy and governmental policies to help foster industry, and ICT specifically, are key to the country's growth.

The numerous beautiful cities that Brazil offers are also incitements to nations that want to choose a new country with which to work. Among the many, Rio de Janeiro and Sao Paulo are huge technology centers where many major businesses are already located and are absolutely stunning. While looks are obviously not everything when it comes to IT offshoring, they are certainly a huge bonus for a country with which a company will be working closely.

For the United States specifically, Brazil offers huge pluses over countries like India and China. There is a great convenience factor associated with Brazil because of the distance alone. The time zone difference being a maximum of four hours means so many more productive work hours and so many less crazy hours and late night meetings just to catch up. If and when any urgent issues arise, they can be dealt with in a much more timely manner than if one country had to wait until the other country woke up and got back to work to resolve the issue. This also means that traveling employees would be able to have much more efficient trips, without the jet lag and sleep deprivation. Overall, collaboration would be much simpler and more efficient between the United States and Brazil.

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BANGLADESH

ITO/BPO Outsourcing Report

BACKGROUND

As an emerging country and one of the most densely populated countries in the world with over 168 million people, Bangladesh offers an attractive cost proposition as an offshore location. There are a number of issues that need to be addressed in order for the location to become more viable as a mainstream offshore location, as the overall IT ecosystem is underdeveloped. These issues include language, education, infrastructure, and data security/IP protection.

Many of these issues stem from Bangladesh being a more underdeveloped country. The history of the country includes much turmoil through events like the civil disobedience that lead to the Bangladesh Liberation War in 1971, which resulted in poverty, famine, political struggles, and military coups. It was not until 1991 that the country was restored to a relatively calmer state where the economy was improving.

Goldman Sachs has listed Bangladesh as a Next Eleven emerging economy, which are economies that are named as having a high potential of becoming, along with the BRICs, among the world's largest economies in the 21st century. In recent times, Bangladesh has grown a lot in terms of social development, progressing in gender equality, food production, health, and population control. However, the issues of political instability, corruption, and poverty continue to exist, which contributes to the language, education, infrastructure, and data security/IP protection which affects ITO/BPO in Bangladesh.

Language. Bengali is the official language of the country, English competency is very low because it is predominantly only used for business, so this may serve as an issue of trouble if the United States were to work with Bangladesh. There is English education provided in schools, but many times, teachers are not skilled in the language either. Because of this, the government has tried to combat this issue by increasing English language learning through initiatives like collaborating with the U.K.'s Department for International Development. However, such efforts though will require more time in order for clear changes to be seen.

Education. Despite Bangladesh's education system having improved since a decade ago, the system is still below global standards at the present time due to the inadequate colleges and universities with low enrollment that are present. Many of these schools only provide people with general education, rather than teaching skills that have actual application in industries and services. Because of this, the ITO/BPO workforce is very small compared to the population of the country with about 20,000 IT professionals involved with software and ITES companies. In 2011, Bangladesh's spending on education ranked 199th out of 132 economies worldwide, and while this spending is increasing over time into efforts like expanding Internet access and introducing multimedia classrooms, it is not enough to catch up to the growth rate of other countries.

Due to a history of poverty and famine, Bangladesh has a large number of employable youth--approximately 57.3% of the population is under 25 years old. In the labor pool, about 29% is skilled, 16% is semiskilled, and 55% are low-skilled. As mentioned previously the number of IT professionals in the country is very small compared to the population of the country, with 20,000 individuals being involved in software and ITES versus the 168 million people living in the country. There is a large pool of youth to be trained, but because of problems with the education system and overall development, there is a shortage of IT. In order to mitigate risks from education, selecting Bangladesh as an offshoring location would mean investing heavily in training staff in IT skills and commerce skills in the business. Because Bangladesh has such a low cost of living, the pay for a developer ranges from \$3,700 to \$5,900, which makes the area very appealing.

Infrastructure. Dhaka is the largest city and capital of Bangladesh, with a population of over 10 million. Because of the geography, which is composed of thousands of rivers, there is much flooding that makes it difficult to build modern transportation and communication networks due to frequent power outages. Additionally, the government has limited spending to maintaining existing infrastructure rather than creating new infrastructure. Railways, rickshaws, and waterways are the main methods of transportation. In terms of communication, telecommunication services are heavily underdeveloped, as Bangladesh has one of the lowest rates of telephone ownership per 1,000 individuals in the world. To mitigate risk in transportation, it is important to build offshore centers in higher-ground areas in Dhaka that are farther from rivers, and the cost proposition is appealing because land and building costs are very low. Resolving issues in communications will require investment, and having in-person communications with travel to and from Bangladesh will be costly since it is not a highly traveled destination.

Quick Facts

Capital City	Dhaka
Official Language	Bengali
Other Languages	English
Political System	Unitary parliamentary constitutional republic
Religion	Islam
Population (2015)	168,957,745
Currency	Taka
Time Zone	BST (UTC+6)

Data Security and IP Protection. In the space of IT, Bangladesh holds high risks because the country suffers from high software piracy due to the lack of laws limiting intellectual property (IP). Most citizens lack awareness of IP, and this accounts for how Bangladesh ranks in the bottom 30 countries in IP protection and property rights. To mitigate risks, a company wishing to outsource to Bangladesh should consider having data stored in a different country with higher security and privacy laws. Virtual access with no local storage would provide flexibility along with security.

SUPPLIER OVERVIEW

Because Bangladesh has such a small population of individuals involved in ITO/BPO services, it is very difficult to locate the top five suppliers within the country. However, there are many firms that exist, and a small sample of these suppliers are listed below:

BeyondTech Limited

- Established in 2010
- Exports to USA
- Total staff of 17, 11 of which are in IT
- 14 PCs at location
- Specializes in customized software development, mobile services and applications development, web applications, and graphics design/image processing
- Pricing is EUR 7-27 hourly

Gonona Technologies Limited

- Established in 2010
- Exports to USA, UK, Hong Kong, and Singapore
- Total staff of 58, 48 of which are in IT
- 85 PCs at location
- Specializes in web applications and systems integration
- Pricing is \$7/hour

Grameen Solutions Limited (GSL)

- Established in 1999
- Exports to Canada, USA, Denmark, Germany, Netherlands, UK, and Australia
- Total staff of 77, 62 of which are in IT
- Specializes in mobile services and applications development, big data analytics, BPO, web applications, graphics design/image processing, customized software development, system integration, website design, and embedded software development
- Pricing is \$25/hour

Windmill Infotech Limited

- Established in 2007
- Exports to Canada, USA, and UK
- Total staff of 44, 20 of which are in IT
- Specializes in BPO, web applications, graphics design/image processing, and website design
- Pricing is \$12/hour

Aprosoft Consulting and Training Corp. Ltd.

Aprosoft Consulting and Training Corp. Ltd. was established in 2006 and is currently operated by Mohammad Eusuf Daud. The supplier specializes in custom software development, web and mobile apps development, cloud computing, data warehouse and business intelligence, and enterprise database development. There are a total of 69 staff, with 62 focused in IT. The supplier focuses in Canada, USA, Germany, and Japan in the following industries: finance, banking, insurance, medical & health care, fashion & retail, loyalty programs, and education. The indicative price is EUR 17.50-25.00.

RECOMMENDATIONS

Bangladesh is not developed enough to be considered as a popular and reliable offshore destination. It ranks poor in language, education, infrastructure, and data and intellectual property security and privacy. Because of this, I would recommend that the United States and other countries only consider Bangladesh as an offshoring location where the work is of low-risk nature and could take advantage of the low-cost proposition. This location would not be a good choice for work that requires high skill or high data security and IP protection.

The total cost would be very low due to the low cost of land, building, taxes, and wages, however, a heavy amount of investment would be required in improving communication networks and in training staff. There is a large number of potential staff, as 57.3% of the population is under the age of 25, so there exists a larger number of motivated youth in a country with a total population of more than 168 million.

The location may be especially attractive to European countries because of the time zone advantage, where a half-day time difference exists. This means that issues sent to Bangladesh at night could be responded to in time in the next day morning for the European countries.

SOURCES

<http://www.gartner.com/document/1455921?ref=TypeAheadSearch&qid=89a90fb6e2a1ff35e9a138830eb0afa#>

<https://en.wikipedia.org/wiki/Bangladesh>

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<http://www.nationsencyclopedia.com/economies/Asia-and-the-Pacific/Bangladesh-INFRASTRUCTURE-POWER-AND-COMMUNICATIONS.html>

<https://www.cbi.eu/About%20CBI/countries/bangladesh/149/>

http://www.academia.edu/6013815/BPO_Sector_in_Bangladesh_A_favourable_place_to_start

http://www.worldbpoforum.com/pdf/WBPO_EventGuide_2014.pdf

http://www.intracen.org/uploadedFiles/intracenorg/Content/Redesign/Projects/NTF_3/EXPORTER%20DIRECTORY%202014-1.pdf

Midterm Exam Prep

Wednesday, October 23rd

The exam is a closed book, closed notes.

It will consist of approximately 50 multiple choice questions.

Coverage: All materials discussed in the course thus far (between 8/26-10/21) including lectures, discussions and readings.

Topics (lectures and discussions):

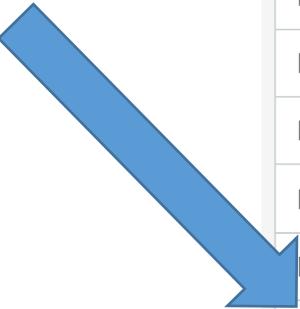
- Global Project Management
- Cultural Aspects of Global Teams
- Project Planning and Estimation
- Joanna Wolf, GCC
- Negotiation Techniques
- SDLC Approaches and Methods
- Project Risk and Lessons Learned
- Globalization and a Connected World
- Sourcing Model Primer
- Strategic Value of Sourcing Models
- Managing Risk & Lessons Learned

Readings:

- The Vasa Capsizes
- What Good Successful Project Managers Do
- Global Teams That Work
- Trouble in Paradise
- Culture as a Kaleidoscope
- Ten Unmyths of Project Estimation
- Agile Project Management
- Cracking the Monolith: CA CWS
- Who Killed the Virtual Case File
- Feed R&D – or Farm it Out?
- Trust in Client-Vendor Relations
- Procter and Gamble: Global Business Services
- adidas Group: IT multi-sourcing at Adidas
- ...Lessons from the Infosys Journey
- When Outsourcing Goes Awry
- Building Innovation into the Outsourcing Relationship

Midterm Prep - Class Questions – Study Guide

- Form 8 teams
- Get questions assignment from Prof Q
- Take 3 minutes to enter question(s) at:
<https://tinyurl.com/67329-F19-Midterm>
- We will rotate 3-4 times before reviewing as a class



▼ Theme 2: Global Sourcing of Technology

9/30 :: Globalization and a Connected World
10/2-10/9 :: GP1 Lab Sessions and Debrief
10/14 :: Sourcing Models Primer
10/16 :: Strategic Value of Sourcing Models
10/21 :: Managing Risk and Lessons Learned
10/23 :: Final Exam (Link to Study Guide) ↗
10/30 :: Sourcing Destination Report Oct 30 60 pts
11/4 :: Sourcing Destination Presentation Nov 4 40 pts

W9 - Wednesday 10/23	Midterm Exam	
W10 - Monday 10/28	Lab Session: Sourcing Destination Reports - NO CLASS	
W10 - Wednesday 10/30	Lab Session: Sourcing Destination Presentations - ATTENDANCE REQUIRED	Sourcing Destination Report Due
W11 - Monday 11/4	Sourcing Destination Presentations <ul style="list-style-type: none"> · Presentations: Sourcing Destination Presentations · Discussion: Sourcing Destination Framework 	Sourcing Destination Presentation Due - Given During Class