

Know Your Options Before Renewing Your Current Outsourcing Deal



WE BEGIN BY SHARING NEW AND DIFFERENT OPTIONS



WE THEN WORK WITH YOU TO DEFINE AN APPROACH TAILORED TO YOUR NEEDS



WE PREPARE A DETAILED TEAM STRUCTURE AND COST MODEL



THE MODEL BECOMES A BUSINESS CASE FOR CHANGE



WE THEN DEFINE YOUR PATH TO SUCCESS

Companies often end up with outsourcing deals that no longer meet their needs, but they don't know how to make improvements.

Versitae delivers more value from your technology spend by setting up your own offshore technology team. A Versitae Managed Global In-house Center (also called a *Virtual Captive*, or *Hybrid Captive*) offers companies of all sizes the ability to move from tactical outsourcing to strategic talent management. A Managed GIC functions as an extension of the client organization, but is staffed with Versitae employees and located in a Versitae facility.

A Virtual Captive works better and costs less than legacy outsourcing. Traditional offshore vendors want you to first "buy the factory," then trust that the talent will be there. We take the opposite approach and believe people come first and are the key to sustainable talent management. Versitae clients get dedicated offshore teams with more experienced talent that are focused on client needs with shared values and outcomes. All at an optimal cost structure. Versitae teams offer the agility needed for today's complex digital delivery, and the talent to manage security operations, full stack development, and ERP support, all with the skills to solve today's complex problems.

Many outsourcing deals rely on complex contracts that limit customer agility and lock them into rigid approaches and a rigid contract that benefits the vendor, not the customer. We believe companies today need the flexibility to operate in a rapidly changing technology environment. A Versitae Virtual Captive, provides that agility with experienced resources dedicated to the client. We work in partnership with our clients to define and staff the right teams with the right tools and the right processes to best balance cost, capability, and agility.

In any negotiation, if you don't have a viable alternative, then you aren't negotiating, you're begging. Renewing a deal or renegotiating without a viable alternative puts you at a disadvantage because you lack options. You are at a disadvantage because the incumbent vendor has better information and you lose leverage. Let Versitae help you develop an alternative to your existing outsourcing deal using our Strategic Talent Management approach. We give you the insight and information you need to optimize your IT spend while improving your capabilities.

Start up is easy. We help you understand how the offshore market works. We then define a team structure with the experience and talent that works better, and costs less, than your current approach.

To improve your IT outsourcing results, you can't just switch vendors, you must try a fresh approach. Most offshore technology outsourcing is built on a "leveraged factory" model with lots of inexpensive, inexperienced resources following rigid processes defined by extensive process documentation. Companies have been trained to accept this high-turnover, junior resource, "black box" offshore model that under-delivers, is over-priced, and has a history of poor results. Companies often switch vendors seeking something better, but continue to experience poor results because the same old outsourcing talent management approach doesn't work.

You have alternatives to legacy outsourcing approaches. Don't renew your current deal without working with Versitae to understand your options.

WHY A VERSITAE VIRTUAL CAPTIVE?

Completely reimagined from the ground up, a Versitae Virtual Captive Center is designed for your needs, not your vendor's needs. Now you can enjoy the benefits of your own global technology team at a cost structure you can afford. That's technology outsourcing your way. That's Versitae: Sourcing. The Smarter Way.



WE BEGIN BY SHARING NEW AND DIFFERENT OPTIONS

There are many ways to structure an IT outsourcing deal, and the "one size fits all" approach doesn't work for many companies. We work with you to understand your pain points with IT talent management and your current outsourcing deal, then help you identify areas where a fresh approach would add value. Many companies struggle to attract and retain the IT talent they need, which is often why they try offshoring. We share case studies illustrating how other clients have used the Virtual Captive model to improve their IT capabilities, and lower costs. Together, we explore the power of thinking outside the box to arrive at an outsourcing option that is tailored to your needs, and at a cost you probably didn't think was possible.



WE WORK WITH YOU TO DEFINE AN APPROACH TAILORED TO YOUR NEEDS

We paint a picture showing how an alternative approach might be structured and how it might work. We begin by designing a team structure by identifying the people, roles, and skills that would improve your situation. We also define the process changes and other opportunities that a Virtual Captive approach can offer. The outcome is a clear picture of how your IT organization could use a Virtual Captive process to improve services and enhance agility all at a lower total cost.



WE PREPARE A DETAILED TEAM STRUCTURE AND COST MODEL

We use the team structure to conduct a market assessment to identify the availability of talent at different levels and cost structures. We assemble a detailed cost model showing the all-in cost that you could expect to pay for your Virtual Captive team. During this process we balance team technical and leadership skills, and can even create blended teams that can handle infrastructure AND security operations. We don't sell a bench of junior resources, so the sky is the limit and we can fill any skill and experience requirement you might need. We call the approach **Strategic Talent Management**.



THE COST MODEL BECOMES A BUSINESS CASE FOR CHANGE

Information is key and puts you in control. You can use the financial model, organization design, and process deliverables to build a business case for change. IT leaders need to be good at both delivering business technology solutions, and creating sustainable, cost-effective, capable teams. A Versitae Virtual Captive delivers value on all fronts. We equip IT leaders to have meaningful, strategic discussions with their peers about how to get the most agility and value from their IT spend.



WE THEN DEFINE YOUR PATH TO SUCCESS

We then share the process and steps to lead you to a better approach. We help you understand the start-up process, training, and transition considerations so you have a complete picture of what your end-state team looks like and how it adds value to your organization. A Versitae Virtual Captive, or "Managed Global In-house Center," delivers better results and lower costs because the team is focused on you and your needs.

EVERY COMPANY THAT HAS AN OUTSOURCING DEAL WILL NEED TO ADDRESS A RENEWAL AT SOME POINT

Preparation is key, but most companies wait too long before thinking about deal renewal– A renegotiation should be planned a year in advance to give ample time to assess needs and develop alternatives

Whether your deal is effective, or not, the renewal point is an opportunity to improve your position - Most people don't know what to do or how to approach an outsourcing renegotiation. They end up disadvantaged because their incumbent vendor has more information than they do.

Most “negotiation firms” are only contract specialists – Don't use them unless you want a contract-heavy relationship. What most companies need is more value from their providers and that requires a different approach. You need a **deal specialist**

Don't bid your contract to other vendors who take the same approach – Most outsourcing firms are selling a bench of junior resources. Simply bidding your business to other firms that use *exactly the same approach* as your current provider is going to get you exactly the same results.....possibly worse



*If you don't have a viable alternative, you aren't negotiating, **you're begging***

Poor deal preparation adds increasing costs to the client. Why pay \$30-\$45/hr blended when you can pay \$15-\$20 with a Virtual Captive?

VERSITAE WORKS WITH YOU TO DEVELOP A VIABLE ALTERNATIVE TO YOUR CURRENT DEAL



① WE BEGIN BY SHARING DIFFERENT OPTIONS

- Understand your pain points
- Share case studies
- Deconstruct the financial details of your current approach to highlight opportunities



② WE WORK WITH YOU TO DEFINE AN APPROACH TAILORED TO YOUR NEEDS

- Show how an alternative approach might work
- Design a team structure
- Define process changes and opportunities the new approach brings



③ WE PREPARE A DETAILED TEAM STRUCTURE AND COST MODEL

- Identify the roles, and skills of a new approach
- Define process changes
- Conduct market assessment
- Develop cost model



④ THE COST MODEL BECOMES A BUSINESS CASE FOR CHANGE

- Business case for change



⑤ WE DEFINE YOUR PATH TO SUCCESS

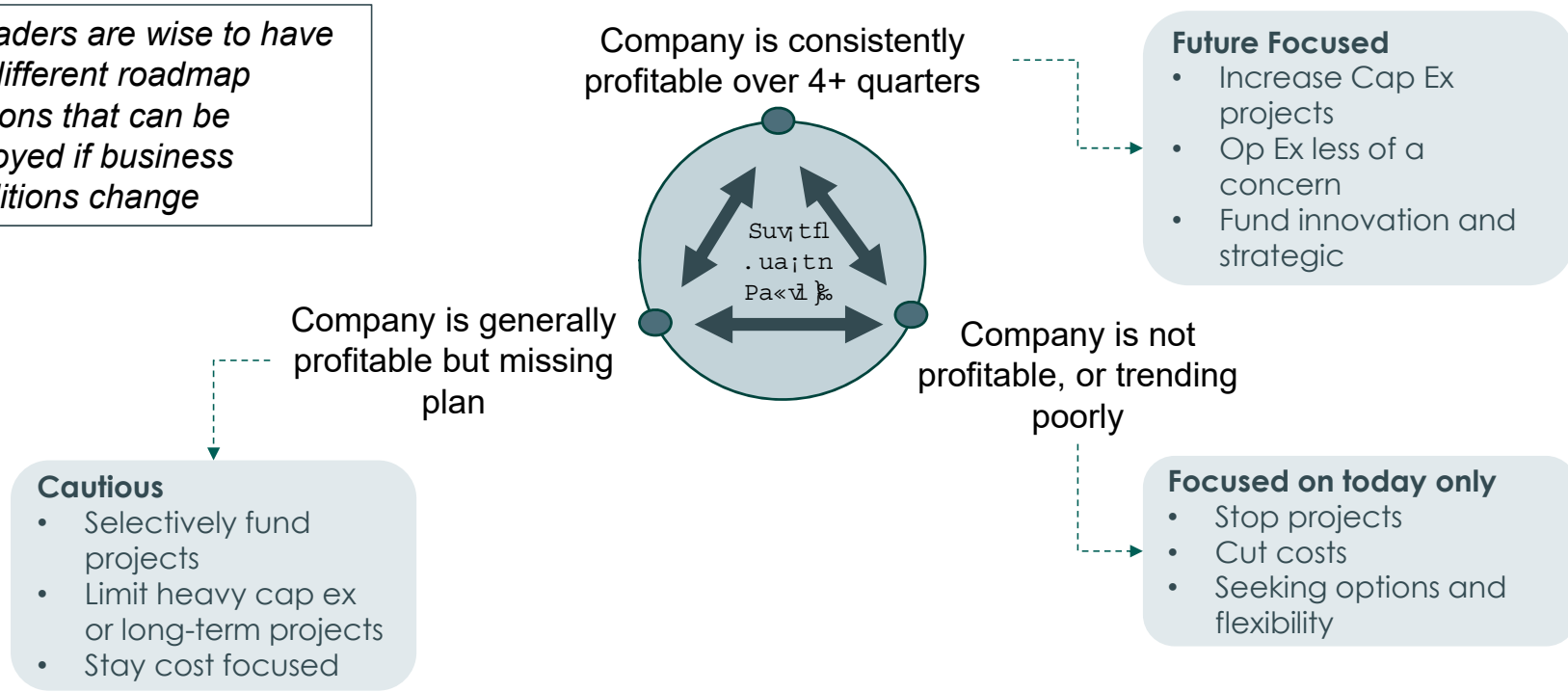
- Path forward
- Start-up, training, and transition considerations



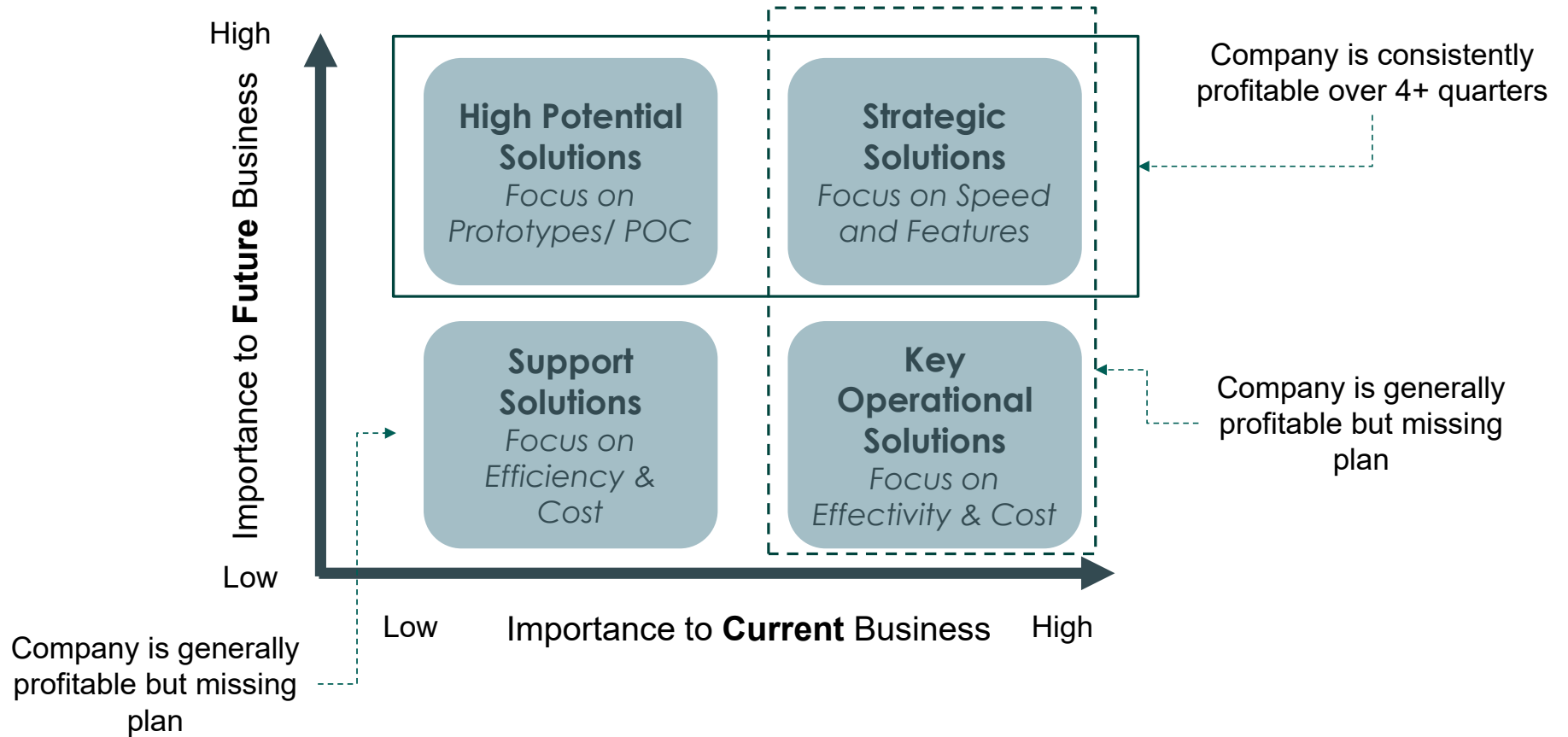
Often, the best option is to introduce a Virtual Captive AND improve the current vendor deal. We call this a **“Stalking Horse Strategy”**

BUSINESS CONDITIONS CHANGE WHICH FORCES IT LEADERS TO CHANGE BUDGET AND FUNDING APPROACHES

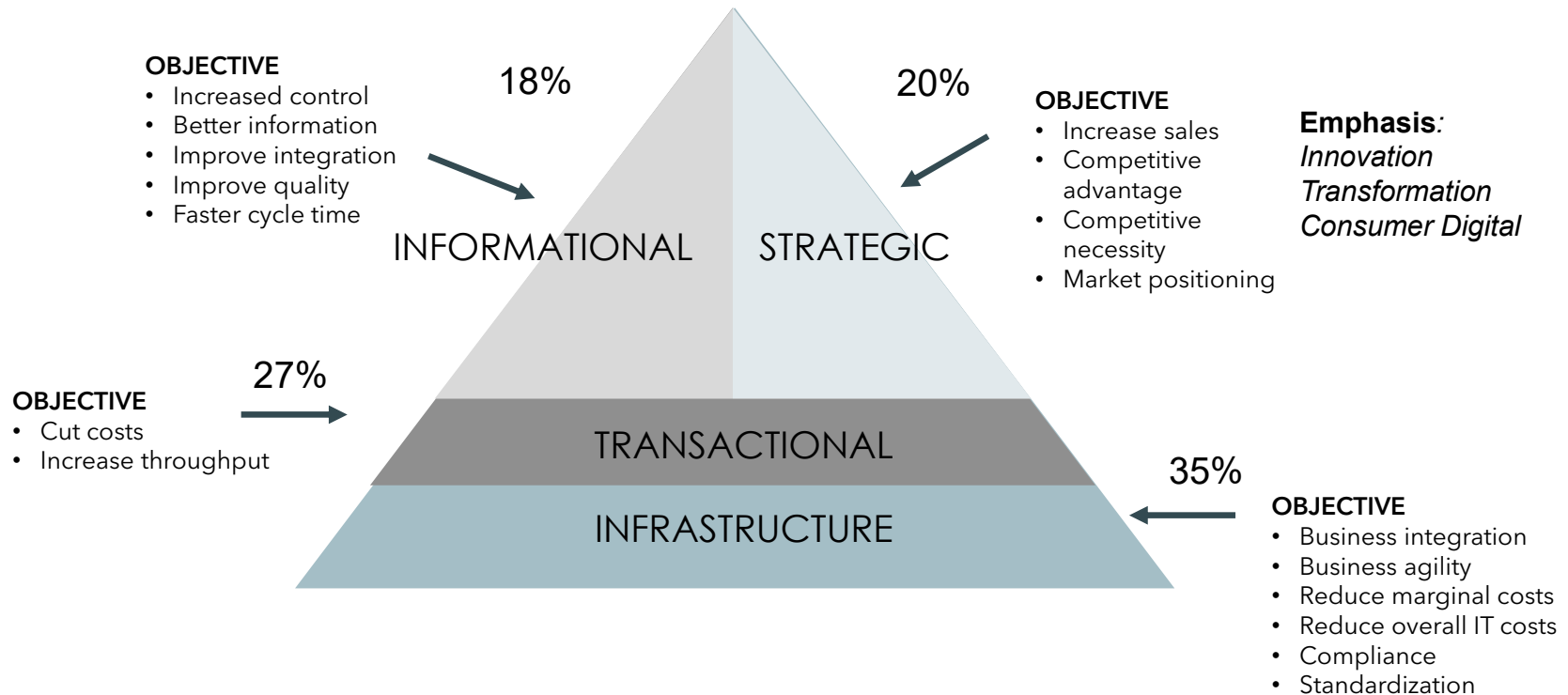
IT leaders are wise to have 2-3 different roadmap versions that can be deployed if business conditions change



CHANGES IN BUSINESS FOCUS ALSO FORCE DIFFERENT PROJECT FUNDING DECISIONS



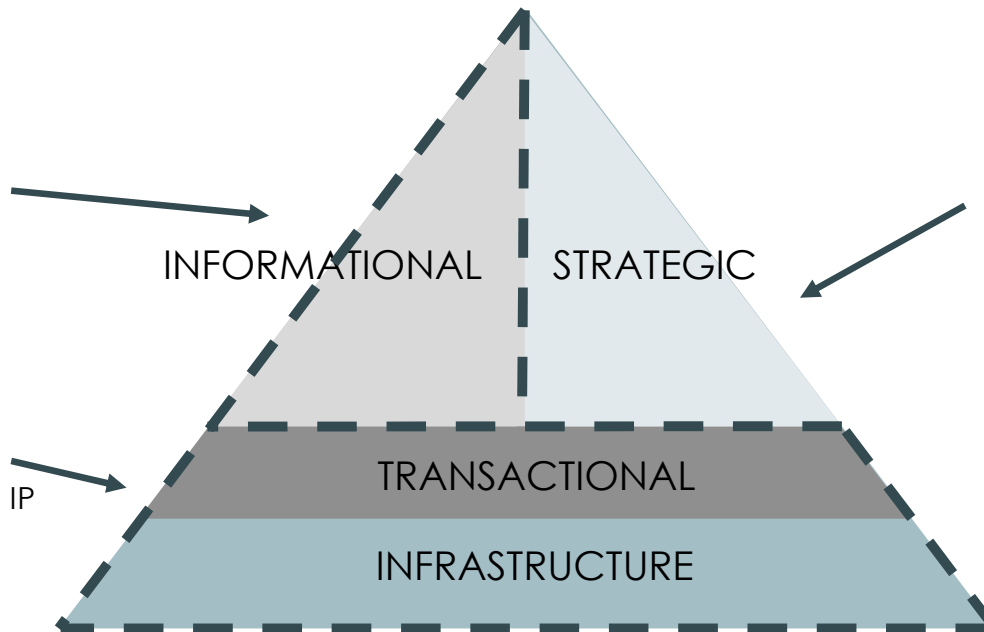
IT PORTFOLIO PLANNING BY ASSET CLASS IS ANOTHER WAY TO BALANCE IT INVESTMENTS



WHICHEVER PORTFOLIO MODEL YOU USE, HAVING A LOW BASELINE OPERATING COST IS A GOOD IDEA

A Virtual Captive Here

- Improves agility of reporting, integration, and analytics
- Retains knowledge and IP of "data operations"
- Reduces op ex



A Virtual Captive Here

- Improves agility and cost of consumer facing digital initiatives (web, mobile)

A Virtual Captive Here

- Retains knowledge and IP
- Reduces op ex
- Frees money for other investments