

# Transforming Outsourcing Governance

## The customer

A global financial services company providing services and expertise in private banking & wealth management services and investment banking services. Global footprint in more than 50 countries, global strength of over 46,000 with \$20 billion plus in revenue.

The customer outsourced most of its application development maintenance work to 4 prominent vendors. All engagements are large multi-year contracts and include 1,000 contractors on average.

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### CHALLENGES FACED

- **Lack of real-time visibility** into vendor team operations.
- **Lack of predictability** regarding the outcome of the vendor team's effort, bringing surprises in cost and deliverables.
- **Difficulty creating benchmarks** to compare different vendors due to a lack of standard data.
- **Lack of strong metrics and SLAs** that assure value delivery.
- **Vendor management teams** were not planning to ensure quality, on-time deliverables.
- **Increased costs** for the same resources, teams and engagement.
- **Too many resources required** to review and validate manual reports from the large vendor management team.

"With Sapience we have transformed our outsourcing governance practice by proactively managing the workforce using data/reports that Sapience provides about their work patterns and utilization. We have seen productivity improvements across all implementations."

MANAGING DIRECTOR,  
A leading multinational investment bank  
and financial services company

**\$10M**  
saved within the  
first 6 months of  
deployment

# The solution

After extensive review and onsite discovery by the Sapience team to analyze outsourcing governance practice and identify opportunities for efficiency gains, the client built a strong business case for implementing the Sapience Enterprise product. The goal was to move from manual self-reporting to automated and accurate reporting.

Within weeks of deployment, Sapience Enterprise enabled the client's vendor management team to capture real-time data across multiple vendor teams and across multiple systems, applications and processes to measure and improve productivity. The Sapience application enabled the vendor management team to see how outsourced teams were utilized, what project they work for, what applications they use, and their idle time.

Next, the vendor management team started to automate reports like timesheets and resource utilizations, and updating project management tools with accurate data; this led to better constructive reviews and helped align the goals and objectives.

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## GOALS FOR SAPIENCE SOLUTION

- Ensure that there is accurate and automated data capture to get visibility into outsourced team operations.
- Capture data that is highly accurate and can be used to create benchmarks, SLAs, and metrics to run the governance on.
- Create a data-driven engagement and governance model.
- Ensure that there is real-time visibility into activities to predict the outcome/deliverables.
- Link data captured back to current metrics & SLAs in contracts.
- Free bandwidth of the governance team to focus on increasing value from the outsourcing engagements.

## About Sapience Vue

Sapience Vue is our automated Enterprise Work Activity Analytics, Insights and Productivity product that accurately captures effort data in a contactless manner and provides actionable insights for fact-based decision making by keeping employee privacy at its core. Sapience Vue is a SaaS based product built from the ground up with latest technology stack and best-in-class security.

The Sapience Vue product measures and analyzes work activity, effort and time productivity. It focuses on improving the revenue, profitability, and overall delivery capabilities of organizations. It is a truly domain and function agnostic product that is delivering value to +90 clients in 18 countries and with over 1 trillion work hours analyzed to date.

With our actionable insights, self-reporting, and predictive analytics, you can build your new Way of Working (WoW) by streamlining:

- Remote working
- Workforce productivity and analytics

- Outsourcing governance
- IT software management and

- End-user experience management
- Sales Workforce Productivity

# The results

By capturing activity and effort automatically from outsourced teams with the Sapience Enterprise application, the client's vendor management team got accurate data about how the outsourced teams were being utilized and could assess if their effort was aligned with the goals captured in the outsourcing contract.

The vendor management team was able to get accurate and detailed information about the outsourced team's time spent against projects, activities, and applications used, and time spent unproductively.

**In the end, Sapience saved the client \$10MM within the first 6 months of deployment.**

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## KEY FINDINGS PROVIDED

- Client found that across all vendors, the daily effort was 2 hours less per employee than was expected. This was a significant value erosion that had to be recaptured.
- Client found that only 1.5 hours were being spent on core activity (development and QA). Over 2 hours were spent in emails and meetings. This was a cause of concern and a contributor to value erosion.
- Client found that the top 20% were contributing the most and were at risk of over-utilization and attrition. There was a significant capacity loss in the mid 60% and last 20% groups.
- The increased operational visibility provided by Sapience has paid dividends in areas of productivity and cost.

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