Chapter 6: Performance Variables & Strategies - Case Studies
6.1 Introduction
As part of the identified contingent methodology for research, the identified variables impacting the performance of the PSASVs and the PSASV value chain, as defined in Chapter 5, have been iteratively validated with three case studies to assess how existing organizations across different segments proactively leverage these variables and PSASV value chain in defining their strategies.

i. Case Study 1: Large Software Services Company (LSSC)

ii. Case Study 2: SME Software Services Company (SMSSC)

iii. Case Study 3: Small Software Services Company (SSSC)

6.2 Company Profile: A large Software Services Company (LSSC)

6.2.1 The Company
LSSC has come a long way from 1980, when it first entered the IT Hardware business, to 2013 when LSSC Ltd. demerged its ‘Diversified Business’ into a separate company to be named ‘LSSC Enterprises Ltd’ to focus exclusively on the IT Business. Today they have a sustained growth of USD 7.3 Billion in FY 2013-2014, serving 986 active clients over 59 countries with a workforce of over 145,000 employees. Figure 6.1 shows the Global presence of LSSC apart from their revenue break up across geographies.

Figure 6.1: LSSC – Global Presence & Revenue Breakup

Source: Author’s creation
The IT services business for LSSC has grown at a CAGR of 14 per cent in the last 7 years. Their Business units range from Manufacturing & Hi-Tech Corporations to Retail, Consumer Goods and Transportation. The services offered to their customers vary from Business Application Services to BPO Solutions.

Figure 6.2 shows the revenue distribution, Business Unit wise and Service Line wise. While the Financial Services Business unit is the biggest contributor to the revenue among the business units with 26.8 per cent of the revenue, Business Application Services is the biggest contributor among service lines clocking about 31.8 per cent of the revenue. Global Infrastructure services also contribute in a big way in revenue generation among the service lines.

**Figure 6.2: Revenue Distribution – Business Unit and Service Line wise**

With Service Lines spread across multiple Industry verticals, LSSC has been an engine of growth, enabling 250+ customers to globalize and transform their business processes. As a result of their focused processes and approach, they have enabled customers to globalize and make a seamless entry into new markets while ensuring localization of operations ensuring business continuity. Special efforts have also been made to secure the creation of a future cadre with a strong talent pool.
Enabling customers globalize and providing seamless entry into new markets, localization of operations ensuring business continuity, and creation of a future cadre with a strong talent pool have been identified as the key enablers of growth by LSSC.

Figure 6.3: Key Enablers in Growth of LSSC

![Key Enablers in Growth Markets & Continental Europe](source: Author’s creation)

6.2.3 Their Value Proposition

At LSSC, they believe in customer value maximization by ‘Doing Business Better.’ They help in delivering differentiation for their customers while running an efficient standardized core well supported by transformation themes and initiatives.

Figure 6.4: Customer Value Maximization

![Customer Value Maximization](source: Author’s creation)
6.2.4 Key Enablers

Whilst collaborating with their customers to ‘Do Business Better’, they provide differentiated client engagement and deep industry insights. Alongside maintaining standardization of delivery as a result of their repository of process assets, they have been able to leverage a network of innovation over several strategic business units. Using their work culture and values of Intensity, Sensitivity and Integrity they have also secured various strategic partnerships to accelerate innovation and increase ROI (Return on Investment).

Figure 6.5: Collaborating with Customers to ‘Do Business Better’

![Collaborating with customers to ‘Do Business Better’](image)

Source: Author’s creation

6.2.5 Awards and Accolades

Figure 6.6 lists some of the Awards and Accolades received by the LSSC.

Figure 6.6: Awards and Accolades

- Awarded Bronze class distinction in 2014 RobecoSAM sustainability yearbook
- Achieves ‘A’ level on the CDP’s supplier climate performance leadership index (SCPLI)
- Ranked #2 in the Global 500 listing of Newsweek’s Green Company Rankings 2012
- Ranked Thought Leadership “Best-In-Class” in the CEB TowerGroup Outsourcing Technology Analysis Report 2012
- Won NASSCOM Corporate Award for Excellence in Diversity & Inclusion, 2012
- Rated #2 IT services in India by DQ magazine, 2011
- Ranked #1 in the 18th edition of the Greenpeace “Guide to Greener Electronics” rankings in its first appearance in the list
- American Society for Quality recognizes Wipro BPO with the Best Project with “Organizational Impact” award
- Global Telecoms Business recognizes Nokia Siemens Networks and Wipro with the ‘Wholesale Service Innovation Award 2013’ for their unique IT R&D Partnership Project

Source: Author’s creation
6.2.6 Sustainability

LSSC’s Sustainability framework and leadership encapsulates Ecological, Workplace, Education and Community, Customer Stewardship, Supplier and Public relation & Policies aspects.

**Figure 6.7: Sustainability Framework**

![Sustainability Framework Image]

Source: Author’s creation

**Figure 6.8: Sustainability Leadership**

![Sustainability Leadership Image]

Source: Author’s creation
6.3 LSSC Response

The identified PSASV variables and the defined PSASV value chain were validated with detailed case study analysis of LSSC. The responses are as follows.

6.3.1 Organization structure

LSSC Organization is matrix structured with Industry Verticals as verticals and Service Lines as horizontals. The key verticals include Banking Financial Services & Insurance, Retail, Consumer Packaged Goods, transportation & Government, Manufacturing & Hi-Tech, Healthcare, Life Science & Services, Energy, Natural resources, Utilities, Engineering & Construction, Global Media & Telecom.


**Figure 6.9: Organization Structure for the LSSC**

Source: Author’s creation

Package Applications are part of the horizontal service lines. Individual packages like SAP cut across service lines and industry verticals as center of excellence and resource pool.
Figure 6.10: Representative (SAP) Package Application Organization Structure for LSSC

Source: Author’s creation

Figure 6.11 shows the SAP capabilities and offerings of the LSSC cutting across industries, services, technologies and niche applications. This is termed as the SAP Economy by the LSSC and is representative of the entire package applications capabilities and offerings across products like SAP, Oracle, Microsoft and others for LSSC.

Figure 6.11: SAP Economy of the LSSC

Source: Author’s creation
**Organic Growth Strategy:** Growth strategy for LSSC revolves around organic growth. This is achieved through

- Deeper Account penetration in T-125 (Top 125 existing) accounts through targeted sales efforts
- Increased focus on emerging markets in terms of investing in people, delivery centers and Data centers.
- Development of in-house pre-configured solutions which expedite delivery of implementation services

**Emerging Market Segments:** Besides investing in hiring and adding locations from where the LSSC can deliver SAP services, they recognize the fact that many of their customers in emerging markets look for shared hosting services named MCaaS which brings down the TCO. Hence, in addition to enhancing the capacity and technology of its LSSC-owned data centers, their growth strategy is based on investment in a robust and comprehensive network of data Centre partnerships. Their network of partner data centers enables them to address customer needs, with proven and consistent processes and resources, immediately, on a global basis. LSSC recently added a new data hall to its European facility, expanded its iStructure, IaaS product to Asia Pacific, and currently has plans to add significant capacity to its US facility, in addition to address the needs of a new customer.

**Pre-configured solutions:** They have a portfolio of 22+ Industry / Line of Business specific rapid deployment solutions in advanced certification stages with SAP. Already, 5 have been certified by SAP in the previous calendar year. They foresee these solutions as their key differentiators going forward.

**EDGE Solutions:** Capabilities across Mobility, Cloud, Analytics and SAP HANA as a platform are critical to their growth strategy for the future. They have invested heavily in building the required capabilities and seeing major traction. e.g., they are engaged in 15+ SAP HANA based projects currently, running across suite on HANA with SAP HANA as side car and business accelerator scenarios.
**Accessibility (Multi locations Operations):** LSSC delivers its portfolio of SAP implementation services leveraging its Global Delivery Framework and a mix of onshore, offshore and hybrid models.

A variety of factors decide the onshore - offshore leverage:
- Geographic scope of project – Whether single country implementation or a multi country rollout
- Agreed model of delivery – Whether offshore ABAP factory or near-shore
- Phase of the project – Whether conceptualization / realization or go-Live
- Type of the Project – Whether application development with or without infrastructure services

Figure 6.12 shows the resource mix across offshore and onshore during various phases of the project. Very clearly, the project has higher onshore presence during the start to design phase of the project. In the subsequent phases, the onshore percentage goes down and the offshore percentage picks up.

**Figure 6.12: Resource mix across offshore and onshore during various phases of the project**

LSSC have over 9700 trained Package Applications consultants in the area of SAP itself working across various geographies. These numbers can be extrapolated to the revenue numbers to get the numbers for various packages. A substantial portion of the workforce has authorization to work for all regions listed and can be deployed on need and project basis as...
and when required. LSSC follows a policy of rotation of resources to give each resource a 360 degree view across various package application services domains.

Roughly 36 per cent of their overall package application services workforce is deployed onsite in the regions listed above as on 31st December 2013, both on AMS (Annual maintenance and support) as well as on implementation engagements.

**Geographical Locations**: Primary regions from where they deliver package application services are:

1. South Latin America
2. North America
3. Europe
4. UK / Continental Europe
5. India
6. Middle East & Africa
7. China
8. Japan
9. Australia-New Zealand

They have 38 local sales/marketing offices, data centers, development and training centers in United States and 98 such offices across all geographies worldwide.

### 6.3.2 Financial consideration (Cost, Profitability etc.)

Financial consideration has a key role to play in the business they do. But that alone does not drive the business plan. Based on the surrounding economic forecast, market growth projections and technology innovation, plans are made with focus on capability building, market growth, cost arbitrage, strategic importance which influence the decisions related to investments and returns.

There are internal standards on the financial structuring of deals and the organizational business is conducted within the same guidelines. Based on investment focus and strategic nature of engagement there are separate guidelines issued on the strategic plan of the organization. Any exceptions are being dealt with a predefined evaluation process and go through various checks and balances.

To ensure retention and growth in the existing customer base and accounts that need to be targeted, there is customer qualification processes which helps classify customers as Top accounts, must have accounts, growth accounts, tactical accounts or flow accounts.
classification helps identify the focus areas for the financial year and drives a lot of decision making processes. This is done at the organization level and then further rolls down to the packaged application business based on the relevance of the account and the application package footprint with the customer.

There are multiple pricing models used by LSSC depending upon various factors. The models are detailed in the Table 6.1

**Table 6.1: Pricing Models**

<table>
<thead>
<tr>
<th>Pricing Model</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Price</td>
<td>This model is highly dependent upon on maturity level of client, a clear definition of the engagement scope and single / multivendor environment. Any additional requests or changes in scope are considered as additional SOW’s (Statements of Work)</td>
</tr>
<tr>
<td>T&amp;M with Cap</td>
<td>Classic T&amp;M (Time and Material) with an upper cap</td>
</tr>
<tr>
<td>Flex-payment.</td>
<td>They offer flexible payment terms for their clients to reduce the initial TCO. The payment plan consists of fixed timely payments for the project duration while the balance invoicing happens at the completion of the engagement.</td>
</tr>
<tr>
<td>Output / Milestone Based pricing with Risk Reward</td>
<td>The contract includes incentive / penalty related clause related to timely completion of key milestones in an implementation project.</td>
</tr>
<tr>
<td>Industrialized Build - Bill of Services on Catalogue</td>
<td>Catalogue approach for configurations, data conversion and quality assurance services.</td>
</tr>
<tr>
<td>Hybrid</td>
<td>T&amp;M for blue print phase – rest fixed price and fixed scope</td>
</tr>
<tr>
<td>End User Pricing</td>
<td>MCaaS equivalent projects that they currently service</td>
</tr>
</tbody>
</table>

Source: Author’s creation

### 6.3.3 Skill Development

Being in the knowledge industry, skill development is an ongoing key area of focus for the LSSC. This is achieved through various trainings matching to the role and employee needs. Some of those are detailed below.

**Project Readiness Plan**: LSSC has designed an extensive in-house training curriculum called the ‘Project Readiness Plan’ or PRP which runs for 3 months for its workforce. PRP includes 4 weeks dedicated to business scenario mapping on the package software landscape. Technology graduates with Computer Sciences and IT backgrounds are mapped to skills like system administration & development while those from process backgrounds (Production, Manufacturing, Mechanical, Chemical etc.) are mapped to skills such as material management,
sales and distribution and human resources. Graduates from premier B-schools and functional backgrounds (e.g. Chartered Accountants from ICAI) follow separate tracks oriented towards end to end processes like FSCM, Order-to-cash, SCM, HCM, CRM and Business Analysis.

**Cluster trainings**: These involve cross-training their people based on demand for certain skills. The audience for such trainings are usually decided based on the relative ‘closeness’ between the skills they already possess and the ones they are being cross trained on. e.g., SAP HCM specialists getting cross trained on SAP HCM Payroll-USA & UK. Since January 2013, they have hosted nearly 800 cluster trainings across 20 domains within SAP using a variety of platforms including webinars, DIY (Do it yourself) demos & classroom programs.

**Account Specific trainings**: These trainings are meant for serving specific client requirements within projects and are hosted on a need basis. They typically include functional understanding and integration of 3rd party applications like Vistex (for rebates & paybacks).

**Special Skills trainings**: As mentioned earlier, a large focus area for them is centered on equipping their functional & technical experts to use HANA & Sybase as databases. With their increased focus on automation within SAP implementation services, Solution manager and Solution architecting is becoming a key component of their training curriculum. Thus SAPHANA, Sybase, SOLMAN, Architecture combined with some focused industry skills are covered under a separate specialty skills training program.

**Leadership training programs**: They partner with leading educational institutions such as Harvard and training partners like Crestcom & Dale Carnegie to offer leadership & people management trainings. Role based and career band based trainings are mandated till middle management level for Technical, Management and Functional streams. Accredited certifications are also mandated for delivery & technology leadership on PMP, PRINCE2, TOGAF, SFDC, SAP, Oracle EBS, etc.

**Behavioral Trainings**: LSSC offers career group-wise behavioral programs which are certified through a stringent assessment process. Apart from English fluency related assessments and remedial courses for all employees; LSSC encourages employees to participate in foreign language courses in languages such as German, French and Japanese.

Every employee traveling onsite is mandated to clear assessments in business communication, etiquette and attend a day-long Cultural sensitivity session prior to travelling onsite. In
summary, LSSC has a comprehensive short term and long term 360 degree competency building training plan covering technical, functional / domain and behavioral trainings.

Bridging the skill gap: With changing client demands, they recognize the need to bridge the gap between the skills their people already possess, and the skills that are gaining visibility at the SAP marketplace.

1. They have invested in 2 dedicated labs – Suite on HANA lab in USA & LSSC SAP Co-Innovation Centre in India which currently runs on SAP HANA appliance. Both facilities are being used to demonstrate futuristic use cases around SAP HANA to their clients. They have another upcoming facility in Germany. In addition, they have a dedicated pool of 50+ certified and 250+ trained consultants on SAP HANA.

2. They have the base competencies in place in SAP’s focus areas i.e. HANA, Mobility & Analytics. They have concrete plans to re-tool their existing functional and technical workforce to utilize SAP HANA as a platform for application development. Similarly, extensive training plans are in place for usage of Sybase and SAP HANA as a database.

3. From a new skill set point of view they need to equip their SAP people on SAP UI5 and HPQC to ensure quality and consistency across delivery.

4. They have started on an extensive exercise to train their SAP Workforce on combined use of ARIS & Solution Manager for Process Mapping and testing within Implementation projects

5. They have invested heavily in building a library of pre-configured RDS templates over the last 2 years. They now have ~ 22 RDS solutions – 5 of which have been certified by SAP that can be readily used in SAP Implementations.

6. From a delivery standpoint, they have successfully delivered SAP projects using AGILE methodologies and they now foresee it becoming a key requirement for upcoming SAP implementation projects. For a global white goods manufacturer, they followed an AGILE way of development for the Global template build and rollout for the Order-to-cash process. They are now cross-leveraging the lessons learnt to educate their people on using AGILE more extensively for SAP delivery.

7. Increased focus on end to end process knowledge transfer rather than module specific training e.g. They have dedicated competency development plans for FSCM, Record to Report, and Order to Cash processes in addition to SAP FICA, SAP MM or SAP SD trainings.
8. Regular Workshops are organized between SAP subject matter experts & WCS folks to enable better understanding of process mapping on SAP Landscape – which is in turn utilized for solution building

6.3.4 Customization and Development Process

Customization and Development forms a major part of the LSSC package application business as they play the role of consultant for their customers in mapping the business processes for selected products. This is achieved through the customization and development skills well supported by process frameworks.

Figure 6.13 indicates the framework followed for program governance. This involves client as well as the LSSC representative. The framework encompasses the transactional, tactical as well as Strategic level execution.

**Figure 6.13: Operations – Program Governance Framework**

These models are enhanced further by using the following development approaches:

- Factory – Pool of resources working in assembly line format to build and migrate applications thereby accelerating the overall delivery process. This approach is particularly useful during the realization phase while they engage in custom object development (RICEF – Reports Interfaces Conversions Enhancements Forms) and testing.
• Co-innovation - Jointly build solutions and IPs (Intellectual Properties) with customers and usually driven by an outcome based model
• Partner Collaboration – Jointly build solutions and IPs with partners and define a joint Go-To-Market Strategy

Implementation Methodology: To deliver package implementation services, LSSC adopts the agile methodology or a proprietary ‘Speed Methodology’, as described below:

**Speed Methodology:** LSSC has devised a unique ‘Speed Methodology’ for delivering package implementations which is defined along with the customer at the start of an implementation project. It is based on the distinction of using one / combination of their pre-configured industry / Line of business solutions during the implementation. This is further supplemented by a validation approach which enables visualization of ‘To-Be’ business processes using iRise during the blueprinting phase. They achieve this by leveraging their unique ‘Conference Room Pilot’ approach at the end of each development cycle. ‘Conference Room Pilot’ is a hybrid approach which brings together the best of iterative design / development of Agile and structured flow of typical waterfall approach models. The highlight of the approach is to keep the business engaged through the process of application build, resulting in less surprises and better change management. Figure 6.14 is a high level depiction of the project execution using Speed Methodology:

**Figure 6.14: Speed Methodology**

Source: Author’s creation
**Agile Methodology**: The Agile model is most suited for IT programs where the requirements are in the nascent stage and require coordination amongst various stakeholders for optimal design. For complex incremental capabilities, LSSC proposes Scrums to its customers, which allows quick deployment cycles and iterative designing of functionalities.

For Hybrid (multi-shore) project implementations, involving teams at different geographical locations, LSSC proposes the distributed Agile methodology for package software project implementations. As part of this process, each sprint cycle is typically for a two to four week period.

6.3.5 **Product Process and Innovation**

LSSC drives innovation and IP creation through creation and uses of tools and optimized process frameworks. This is facilitated by investing in

- A set of advanced technology themes that can be applied to create services in different industry verticals (Immersive Experience, Intelligence Augmentation, Ubiquitous Computing, Enduring Infrastructure, Next Gen Materials and Machinery, and Smart Systems).

- CTO Office also anchors innovation crowd sourcing and open execution processes within and outside the organization through internal innovation programs and by driving an open innovation program that connects with the ecosystem of startups, academia and research institutions.

- An External Innovation (EI) initiative targeted to drive relations with the startup ecosystem, consisting of startups, VC, and accelerators / incubators. The EI function is responsible for partner discovery, partner alliance incubation and management, joint ‘Go To Market’ (with LSSC BU and partner), and skill / competency development for optimum use of startup products / services and development of SI services around startup product / service. This helps in offering differentiated and / or enhanced services to their customers and providing them vehicles for innovation experimentation against specific requirements from customer end.

- A centralized IP asset repository, collecting all internal IP assets and facilitating their reuse across the organization, while recognizing the innovation that led to such asset creation.
AO (Application Operation) Transitioning Services / Organizational Change Management: LSSC has done more than 100+ transitions over the last decade, across multiple engagement types, services, technologies and geographies. LSSC’s transition methodology and framework has been rated high by their customers, the average transition CSAT Score is 6.65 on a scale of 7 for the FY 2012-13.

Application management & Support – Service NXT: For application management engagements, LSSC deploys ServiceNXT™, their proprietary platform for providing integrated managed services to their customers. ServiceNXT™ as a productized services framework consists of:

- Embedded best practices and LSSC IP, in providing support services across different technologies
- Ticket analytics to derive insights into current ticket patterns and portfolio volatility,
- Scripts and utilities to optimize issue resolution
- Standard Operating Procedures (SOP) for improving engineering productivity
- An SLA (Service Level Agreement) library to cater to differing client needs
- Facility to provide applications and infrastructure support either independent of each other, or in an integrated manner
- A KEDB (Known Error Data Base) to facilitate rapid resolution of issues

Through ServiceNXT, LSSC provides the following key benefits to customers:

- Increased Resilience of the Portfolio measured though multiple parameters that are linked to an SLA Library
- Cost optimized service delivery through one time and continuous service improvement initiatives
- Business alignment through the enabling of visibility into business process performance through business SLAs

In addition to the vertical specific solutions / templates and methodologies, LSSC also make use of a variety of other tools & accelerators to deliver package application implementation services.

Packaged Implementation Tools: Indicative list of package implementation tools used by LSSC is as below.

- Integrated Process and OCM Design
- 18 Point Blueprint Accelerator
- Complex Process Design Technique
- Select Right Comparable Program
- Multi Partner Construct
- ARIS
- iRise

**ABAP development Toolkit:** This includes Auto Code Reviewer, ALV Report Generator, Dynamic Program Run, SAP Workflow Dashboard, Dynamic Report Generator and ABAP Code Generator.

**Data & MDM Tools:** This includes Reference Master Data Model, Data Governance Templates, Information Platform, SAP Data Migration Scripts, Mass Mapping Builder, MDM Solution Accelerators, Data Migration Factory, Data Archival & Privacy Solution, MDM Reference Architecture, and ZCON Transport Conflict Analyzer.

**Analytics & Business Intelligence tools:** This includes
- BI Factory
- BI Infrastructure Optimization
- KPI Library
- BI Estimation Framework
- Business Objects Migration Framework
- BI Standardization Framework
- Report Needs Analysis (RNA)
- BW Data Load Dashboard
- BW Application Performance Improvement Framework
- BW Upgrade Framework
- BW Handbook & Estimation Guidelines
- Big Data Analytics platform (Depending on Requirements)

**Testing Tools Repository:** This includes
- WiSTATM Test Accelerator
- WISTA – Model Based Testing
- SAP Test Factory
- Shift Left – Assured COT

**Program Management:** This includes tools
- Veloci-Q
- IQMS
- O
All in all, LSSC has a huge repository of tools in various functional, technical and process areas to facilitate automation and optimized delivery.

**Figure 6.15: Offering Strategy**

Source: Author’s creation

Internal Collaboration for SAP Technology led Innovation: Their innovation themes around package software focus on key value pillars of ‘Future Ready Ecosystems’, ‘Business Velocity’ and ‘Customer Experience.’ They try to continuously improve their solutions portfolio under these three guiding principles. Their solutions team connects with the vertical teams on a quarterly basis to understand changing client dynamics and identify areas where they would want to offer differentiated offerings. One prime example of this can be the their ‘Re-Manufacturing’ solution which enables manufacturers to keep a track of the dismantled components, repair and replace them with new components as required, and complete the assembly in full working condition.

**LSSC SAP Co-innovation Centre:** LSSC-SAP Co-Innovation Centre for SAP is LSSC’s in-house initiative for driving innovation around SAP HANA and other upcoming SAP technologies.

**Social CRM & SAP JAM:** For an APAC Government Body, LSSC was chosen as a sole partner for implementation of their ‘Aged care reform’ Program using SAP Social CRM and Public sector claims and disbursement (PSCD).
How they use SAP JAM at LSSC:

- Collaborate on RDL Co-Innovation using JAM as the main collaboration tool
- Short projects to document learning from SAP workshops – like SAP Mobile workshops (Project created and managed by SAP)
- SAP – LSSC: OPINT (Operational process Intelligence) Collaboration for Order to Cash solution - completely documented and run on SAP.

**Thought Leadership**: LSSC spearheads the thought leadership at multiple levels. Figure 6.16 indicates the sample on this area.

**Figure 6.16: LSSC Industry Thought Leadership**

![Image](Image)

Source: Author’s creation

**6.3.6 Pre-sales Approach**

Changes in the sales process: As mentioned earlier, LSSC works under a guiding principal of helping their clients ‘Do Business Better’ that is built on leveraging changing business dynamics to drive future business.

LSSC’s package applications customer relationship and marketing efforts are guided by this overall vision. They have identified 3 critical success factors influencing package applications adoption:

1. Faster & On-Budget Implementation Cycles
2. Enhance User Experience
3. Future Readiness

Based on the above, their marketing pillars / themes for package applications services are depicted in Figure 6.2.
### Table 6.2: Marketing themes for Package Applications services

<table>
<thead>
<tr>
<th>Geographic</th>
<th>Functional</th>
</tr>
</thead>
<tbody>
<tr>
<td>• They have a deep focus on Germany and Central Europe for new accounts. They intend to hire 1,000 locals in Germany at an organization level during the current calendar year</td>
<td>• They see continual traction in ERP &amp; Integrated deals, large ADM opportunities.</td>
</tr>
<tr>
<td>• For their Solution led sales, they are running solution specific Marketing / Sales campaign in Middle East &amp; North Africa, Europe, Asia Pacific and Japan and Midwest US</td>
<td>• They see more conversations around HCM &amp; E-Commerce indicating that Hybris, Ariba &amp; SFSF are poised to grow steeply</td>
</tr>
<tr>
<td>• They are seeing continual traction in ERP, Integrated deals &amp; large ADM opportunities resurfacing in NAM</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry Expansion</th>
<th>Mid-Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Utilities, Manufacturing (Discreet &amp; Hi-Tech) and CPG continue to be strong growth drivers for us.</td>
<td>• MCaaS is one area which will also enable them to offer services to price conscious market segments which have been rather underpenetrated from SAP perspective. It also give them an opportunity to scale up faster by targeting an end-to-end partner ecosystems for clients who initially on-board their solution</td>
</tr>
<tr>
<td>• They would want to consolidate their presence in Process, Pharmaceutical, Natural Resources and Oil &amp; Gas in the coming years.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s creation

### 6.3.7 Technology and Data Protection

LSSC continuously works towards keeping pace with the technological advancements in the package software application services industry. Their current focus items are detailed here.

**Mobility**: They have done a number of mobility engagements for their clients including implementing Sybase as a Database, Sybase M365 applications, SAP Syclo and SAP AFARIA. They have their own suite of enterprise mobility solutions known as mAxelerate, while mIQ is a shop floor visualization application for manufacturing organization. From a GTM perspective, they are running joint campaigns with SAP for their ‘Managed Mobility as a Service’ Offering.
Cloud Services: LSSC provides cloud services in below areas,

- LSSC has been providing LMS (Learning Management System) solution services on Plateau and has several live customer engagements on the same. LSSC is now focused on the bundled SFSF (Success Factor) offering and has been engaged in various customer discussions till date. LSSC approach to build capability on this area as a combination of hiring SFSF consultants, Cross training and certification of SAP HCM consultants on SFSF and niche partnership which are in place in various geographies.

- LSSC ’s Ariba Practice being largest among Indian SI, has more than 100+ on Ariba Spend Management consultants with multiple client engagements involving complex end-to-end implementation and support engagements which includes:
  - Ariba On-Demand and On-Premises implementations spanning across all market verticals
  - Multiple support engagements in managed services model
  - Programs involving transformations, upgrades, roll outs, support and development
  - CASI partner since 2001
  - Ariba solution provider partner since 2008
  - Collaborating with Ariba on multiple other spend management initiatives such as BPO, supplier enablement and beta testing
  - They are seeing an increased interest in hybrid solutions and infrastructure as a service. Testimony to this is the fact that in infra as a service (IaaS) space, LSSC has more than 70 SAP migration / upgrade engagements (including 8 heterogeneous migrations).

Analytics & Reporting on SAP HANA: LSSC’s analytics and information management solutions for SAP enable customers to derive actionable business insights from a combination of ‘Operational Intelligence’, ‘Business intelligence’ and ‘Market Intelligence.’ Data can thus be viewed as enabler to drive growth, enhance cost management and strengthen risk management. LSSC works with customers to develop end-to-end analytics and information strategy leveraging process assets and solutions based on analytics, business intelligence, enterprise performance management, and information management.

6.3.8 Country / Region specific Local Issues

Cross cultural Training: These trainings are a must in order to acquaint the consultants and engineers with the culture of the country they are visiting and avoid cultural no-no’s that may hamper engagements in the long run.
**Language training:** English is the universal language of communication in today’s IT world however it doesn’t hurt for engineers to pick up local languages and flavors. For example, for consultants visiting China, Japan, and Germany etc. it could help to learn local customs and few common business catch phrases etc.

**Hiring local consultants:** Local consultants are hired for their ability to understand local language(s) and customs along with the IT domain knowledge they are purported to possess. Companies may also wish to hire locals to appear in synch with the Government of the day and be seen as generating jobs rather than taking jobs away due to outsourcing. This generates positive sentiment for the company as well.

### 6.3.9 Structure and Governance (Alliances, Partnership, Vendors etc.)

**Partnership strategy with SAP:** The LSSC has a very structured executive connect defined for each level with product vendors. Their Product Sales teams align closely with the Product vendor’s sales & presales teams across geography to pursue asset led sales. They are currently pursuing a joint ‘Go to market’ (GTM) with SAP for their focused solutions in MENA, APJ & EMEA:

- Managed Mobility & MCaaS
- FastTrak for Chemical
- LSSC Agile Mining
- M365 for Financial Services

The joint GTM’s are focused on the combination of particular vertical and geography e.g. for their chemical FastTrak solution, they are running joint campaigns focused on MENA and NA. SAP practice sales folks and Vertical Sales teams are aligned to the SAP account executives focused on Chemicals (Process manufacturing) accounts in EMEA and Midwest region account executives in US market. Similarly they are working with APJ (Australia region to start with) AE’s (Account Executives) for the GTM on LSSC Agile Mining offering.

**Partnership strategy with Other Partners:** LSSC has over the years built an ecosystem consisting of Strategic Advisory bodies, hardware partners, and service providers that they leverage to jointly offer services for their clients as well as run demand generation campaigns. They are working very closely with Cisco (for North America and India) and HP (for Europe) for a triangulated play of offerings on the HANA suite. Cisco and HP are their hardware partners for their SAP innovation centers at Mountain View (US) and Meerbusch (Germany).
The responses to deal situations are led by LSSC while their partners help them with their experiences in
- Niche Industry Skills
- Infrastructure
- Language capabilities
- Geo Specific requirements

**Collaboration:** LSSC is the only partner engaged on SAP’s new programming environment for native application development on SAP HANA. They worked jointly with SAP specialists from Israel to develop the language itself and can boast of a first mover advantage with the pool of trained professionals and successful POC’s that they have already completed.

Focus on the customer is vital for enhancing customer experience and LSSC has undertaken various initiatives in this area.

**Collaboration with SAP AG:** They have a process of working jointly with SAP on white spaces and new offerings before they hit the market. E.g. – On River Definition language which is set to be the de-facto standard for native application development on SAP HANA, they had worked jointly with SAP to fine tune the programming language and inbuilt features. Their technical team worked very closely with the team from SAP Israel to develop this language. They have developed an interesting Proof of concept (PoC) for one of their manufacturing clients using River.

They are currently working with SAP to introduce offerings in MCaaS model and HANA enterprise cloud. They have also developed new visualization charts for SAP Lumira which is a data visualization tool.

**E-Commerce (Hybris):** LSSC has a large E-Commerce practice with 600 consultants working on leading E-Commerce products including Hybris, ATG, and MS Commerce etc. LSSC is a recommended partner for Hybris on extend program and currently have 100 consultants and 20+ architects working on Hybris platform.

**6.3.10 Social and Demographic Factors**

North America and EMEA are the biggest regions for LSSC both from a client base & revenue share perspective. Hence, they tailor their marketing efforts based on the visible needs and trends in these regions. In the next 12-18 months their marketing focus would be aligned to their 3 themes of ‘Future Ready Ecosystems’, ‘Business Velocity’ & ‘User Gravity.’
• They intend to run joint marketing campaign / customer workshops with Partners (Hardware Partners & SAP) on Hybris, Success factors, SAP Fiori applications, SAP HANA & HEC in North America & EMEA.
• Account based marketing to be done addressing specific pain areas based on account intelligence.
• They are complementing their sales initiatives along with SAP through deep dive marketing efforts in MENA & APJ based on their solutions like FastTrak for Chemical and LSSC Agile Mining.
• Geo Specific Marketing campaigns in LATAM & APJ contribute 20 per cent of their SAP Services revenue. APJ is the fastest growing market for LSSC while LATAM is a strategic market where they entered with a focus on global customers with local needs.
• Demonstrating thought leadership across channels – Customer round tables, POV’s, External events etc.

6.3.11 Global Economic Conditions and Business Environment

Merger and Acquisitions: Inorganic growth has been a key constituent of LSSC’s strategy. Their focus has been to acquire new capabilities or gain entry into new Geographies to fill strategic gaps based on their ‘String of Pearls’ strategy. Their emphasis is less on revenue aggregation or in taking advantage of cost synergies. They look at acquisitions to supplement organic growth and not as a substitute to organic growth. They have a Central Strategy and M&A team which evaluates their acquisition prospects in conjunction with their senior management, with the below listed primary parameters:

• Expansion in new Geographies
• Strengthening of business process advisory capabilities
• Strengthening their local customer facing presence further
• Acquire additional eco-system partner skills

Many of the recent acquisitions by LSSC in Analytics & M2M space are extremely important for customer experience transformations in the digital era. These also act as differentiators for their SAP services landscape as they are confident of seeing strong demand in this space in the years to come. Some of their past acquisitions including SAIC have helped them improve their SAP services portfolio. They intend to further consolidate their end-to-end SAP offerings by pursuing inorganic growth opportunities in geographies like Continental Europe and domains like Automotive / Niche Processes capabilities where they see a significant opportunity.
They are well positioned to fund these acquisitions using their strong balance sheet and cash position.

Highlights from some of the recent acquisitions:

- LSSC can now boast of arguably the largest resources practice among Indian IT vendors if not entire Energy, Natural resources and Utilities as a business unit. They gained upstream capabilities with 2011 acquisition of SAIC oil and gas IT services and continue to be the vendor of choice when it comes to domain expertise. In fact, 4 of the 5 top European utility companies are LSSC SAP clients

- They invested in the M2M space ahead of peers. After launching a proprietary solution in communications space - LSSC M2M. They also acquired minority stake in big data company Opera Solutions and bought cloud-based M2M application development platform provider Axeda.

- They have got into a strategic partnership with European Telecom operator Tele2, to provide business customers with M2M / IoT (Internet of Things) solutions that will help them reduce cost and open up new revenue streams

- They acquired Australia-based Promax in June 2012, extending their capabilities in trade promotion optimization software and consulting

- They entered partnership with Quiterian to provide vertical advanced predictive customer analytics solutions

- They acquired ‘Infocrossing’ in 2006 to boost their hosting capabilities.

- They have strong presence in Retail and CPG by leveraging industry knowledge from LSSC consumer care division; gained capability in retail consulting and integration services for Oracle products from Enabler acquisition in 2006; developing retail specific platforms and tools

**Agile Development Methodologies that enable Business Velocity**: As discussed earlier, lean principles are catching in on SAP Implementations. Both classic waterfall and Agile are at a good maturity state and each has their set of pros and cons for specific situations. Agile techniques are particularly useful when they offer a stack of multiple RDS’s as a solution in large projects. They're creating an approach which allows ASAP and Scrum to coexist within a single project along with a structure where teams are distributed across geographies.

**RDS stacks to cover standard processes across large clients**: Based on their philosophy that 70 per cent of the processes within an organization are largely non-differentiating, they believe
that a stack of standardized, pre-configured RDS’s based on SAP’s best practices with clearly defined KPI’s can be well utilized to cover such processes to a large extent. It is the differentiating processes that organizations should channelize their energies upon and customize as per needs. Such an approach to larger implementations allows significant time savings and helps organizations get on the SAP landscape faster.

**Increased use of ARIS based Process Modeling along with Solution Manager:** Leveraging their pool of PAT Domain consultants, they have been able to build a deep repository of ARIS based process maps with well-defined KPI’s which are further utilized to build vertical specific solutions & templates. Their asset library now covers 700 processes across 16 verticals within SAP and they continue to invest in same.

They agree that increased use of Solution Manager in global template rollouts adds to their ability to manage / monitor changes to configurations and effectively manage issues locally and globally. Hence, they are making conscious efforts to promote usage of Solution Manager in whatever SAP Implementations they cover.

A combination of ARIS and SOLMAN is particularly effective in management of Global / Local template rollout and process visibility as they recently witnessed for a Global white goods manufacturer.

**Edge Solutions for Future Ready Ecosystems:** Today’s technology environment requires that leading companies reinvent themselves to understand and serve increasingly powerful customers. More buyers today demand visible business results – advanced analytics, improved forecasting accuracy, reduces accounting errors and faster financial closure.

To meet these changing business needs, SAP has made significant changes to its software stack, both through its own investment (i.e., SAP HANA) and through acquisition (i.e., Success Factors). In order to continue delivering value to their clients, it is extremely important for them to make up front investments to develop / extend their capabilities.

**Evolution of Application Estate:** As enterprises are evolving into digital businesses, innovations around their application estate are set to take a giant leap. There are multiple conversations around the move from ‘systems of records’ to ‘systems of engagements’ which offer a much more engaging digital experience.

However, LSSC believe ‘Systems of Records’ still remain the biggest sources of truths for any organization and have the potential of adding more value if they are further enhanced to harmonize with modern Systems of Engagements.
Enterprise Technology vendors recognize this need of further consolidation in the System of records while enhancing user centric features for the Systems of engagements and this is the way they see ERP’s are going to evolve. This trend is very much visible with SAP focusing on SAP UI5 for simplifying customer experience and in-memory computing to bring velocity to underlying systems of records.

6.3.12 Quality of Customers

Listening to the customer’s voice at various levels viz. project, program and account levels through direct feedback, informal meetings, governance meetings and senior management interaction, plays a vital role in boosting customer experience for LSSC. Towards this end, LSSC conducts the following:

- Quarterly CSAT surveys for all strategic accounts covering parameters like advocacy / loyalty, overall customer experience with LSSC, responsiveness, meeting commitments on deliverables, value addition, account management / engagement / relationship

- Annual CSAT surveys for all the accounts with the focus on overall strength of the relationship across various facets of engagement including core delivery, presales, people engagement and LSSC ’s value addition to customers

- Project CSAT at different points of time during execution like Milestone, Release, Intermediate and Closure

**Proactive Behavior:** LSSC has a well-defined ‘Early Warning Process’ to proactively manage escalations, and conduct various internal and customer reviews at the strategic, tactical and operational levels to enhance customer experience. This helps to mitigate problems through timely intervention and resolution.

LSSC’s well-defined process for conducting periodic reviews such as ‘Quality Improvement Council’, account performance reviews, management review meetings and quarterly business reviews allow bringing issues to the notice of the Leadership team on time, enabling proactive problem handling.

**Transparency:** LSSC believes in providing transparency to their customers at all levels. ‘Crystal – Customer portal’ acts as a communication and collaboration platform for enhancing customer experience while also providing visibility on service delivery performance. The portal offers information on performance metrics, status and compliance reports and statements
of work (SoWs). It provides a platform for customer engagement through discussion on subjects such as feedback, action plan, key risks and issues. Even as it offers a differentiated experience by providing engagements and performance views, it also delights customers by posting articles on industry research, thought leadership, ‘Centre of Excellence’ (CoE) initiatives and ‘Business Value Meter.’

**Metrics for Success:** It is imperative to measure the success of an organization’s customer experience initiative and initiate remedial action where experience levels are found to be lower than desirable. LSSC has defined a framework for the same, as illustrated in Figure 6.17; where in four categories of actions are derived through ‘workouts’ at the account level. This ensures customer involvement in arriving and implementing action plans.

They have an organization wide; focused account penetration strategy - based on market intelligence and their own account intelligence. They have categorized their Top accounts into growth accounts & Nurture accounts

For these identified accounts:
- They have a created a sales structure with dedicated account teams to proactively manage the accounts both from a sales & delivery perspective.
- For the focus accounts, they are making investments in terms of dedicated solution architects and WCS (Warehouse Control System) consultants who are able to envisage the future technology roadmaps best suited to specific client needs and make proactive recommendations
- For a select few accounts, they have made the necessary investments to build specific solutions to deliver SAP implementation projects. However, these have been built with an eye to cross leverage them across accounts

**Driving Business Value for Their Customers:** Alignment of delivery with business outcomes contributes significantly to customer experience. LSSC has developed a ‘Business Value Meter’ framework (Figure 6.17) that is designed to go beyond standard SLA measurement and capture the value delivered to customers fore
- Growth in revenue
- Avoidance of cost in terms of cost optimization, productivity gains and labor arbitrage
- Improvement in end-user satisfaction
- New reputational and regulatory gains
**Business Value Meter:** This framework allows LSSC to

- Strengthen the culture of delivering business benefits to customers
- Collaborate and partner with customers to realize business benefits
- Have a single source of information for all value delivered to customers across business segments
- Share best practices and learning

**Figure 6.17: Business Value Meter Framework**

Source: Author’s creation

**Independent Connect:** Client Connect by the LSSC Quality team at different levels plays an important role in minimizing adverse impact and restoring customer confidence, while providing an additional channel for customers to provide feedback.

**Future Ready Ecosystems:** A future ready enterprise is marked by the ability to integrate / re-engineer processes and scale up scale down business across geographical boundaries based on
market dynamics. Becoming future proof also depends on adopting technology that will bring a sharper edge to business processes by enabling agility, standardization & intelligence within the systems of records while simultaneously improving upon the systems of engagements.

**Business Velocity:** We are living in a world with dynamic user expectations and business needs. The end users of applications expect them to be smart and resourceful in a manner that ensures business velocity and continuity. They believe that Business velocity is a function of the underlying technology ecosystem which facilitates the speed and accuracy of processes / operations. It not only requires them to improve efficiency within processes but also deliver applications that can be easily adapted to the process changes.

**Customer Experience:** As systems of engagements gain prominence within an enterprise, end user experience is becoming a critical factor in technology adoption. Simpler applications, better service, location independence & faster access to required information across channels are key tenants that enhance customer experience within an enterprise.

### 6.3.13 PSASV Value Chain fitment

Table 6.3 shows the alignment of the links, upstream activities and downstream activities for the elements in PSASV value chain in case of the LSSC. Very clearly, overall, there is ‘High’ fitment of the value chain for the SSSC. Here, high is considered as >90 percent fit, moderate is 70-90 percent and less than 70 percent is treated as low fitment.

**Table 6.3: PSASV value chain mapping with LSSC**

<table>
<thead>
<tr>
<th>Element in the PSASV Value Chain</th>
<th>Link</th>
<th>Upstream Activities</th>
<th>Downstream Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Availability</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Customer Requirement Gathering</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Product Evaluation and Selection</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Project Preparation</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Implementation</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Support</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Continuous improvement</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: Author’s creation
6.4 Company Profile: A SME Software Services Company (SMSSC)

The identified PSASV variables and the defined PSASV value chain were validated with detailed case study analysis of SMSSC. The responses are as follows.

6.4.1 Who They Are

A network of 600+ qualified professionals with excellent domain and technical skills, they have served 100 + customers in the past 10 years. Over 10 years of Delivery Excellence, they have proven Delivery and Engagement models. By following industry standard frameworks and best practices, they have developed innovative methods for workforce solutions. Figure 6.18 shows growth story of the SMSSC and Figure 6.19 shows skill matrix of the SMSSC.

6.4.2 What they do

They collaborate with clients in various industry sectors to solve their most pressing challenges from strategy through execution. Their employees provide strategic consulting, applications services, technology solutions and managed services to top companies and medium-sized businesses around the world. Their mission is to work with clients to create innovative and practical management and technology solutions that help their clients get sustainable results.

6.4.3 Their Value Proposition

Continued focus on diverse industries from Pharma and Healthcare to Engineering and Construction, they offer packaged solutions across various technologies and processes with a specialization in SAP space in 6 different areas. They assist customers by providing various value added services and business process re-engineering while aiding them secure a better RoI in SAP. SMSSC consultants work with clients to deliver practical, measurable and sustainable results day in and day out. With deep industry experience, SMSSC consultants have the disciplined, yet flexible approach to seek out the right way for their customers. Their collaborative and responsive approach to problem-solving inspires innovative and effective solutions. This is across various service areas like technology streams, service delivery, and solution expertise to several domains.

6.4.4 Their Growth

Since starting off in 2004, SMSSC has grown by leaps and bounds till 2013 having achieved SAP Gold Partner status and has adopted Global Delivery Models. The consultants at SMSSC are highly experienced in the areas of business transformations, upgrades, template build &
rollouts, implementations, Application Support & Managed services, consulting, due diligence and assessments.

**Figure 6.18:** Growth story of the SMSSC

![Growth story of the SMSSC](image)

Source: Author’s creation

**Figure 6.19:** Skill Matrix of the SMSSC

![Skill Matrix of the SMSSC](image)

Source: Author’s creation
6.4.5 Key Achievements

By leveraging their credibility and flexibility, they have been able to channel innovation in their packaged solutions offerings. They provide continual quality services by adopting best practices relating to people, process and technology and deliver cost-effective and innovative solutions.

**Table 6.4: Awards and Recognitions**

<table>
<thead>
<tr>
<th>Award Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winner of “APJ Regional Partner Excellence Award 2013” under the category “Top Partner – Line of Business”</td>
</tr>
<tr>
<td>Presented “Partner Success Story” during FCOM-2013 at Singapore</td>
</tr>
<tr>
<td>One of the six partners from India to get the live qualification of RDS Solutions</td>
</tr>
<tr>
<td>First win in HANA space: SAP business Suite on HANA (SoH) deal closure for a Manufacturing customer</td>
</tr>
<tr>
<td>Six qualified Rapid Deployment Solutions for different industry segments and Lines of Business</td>
</tr>
<tr>
<td>Best Rapid Deployment Solutions Partner Award – 2012 at SAP Partner Summit 2013</td>
</tr>
<tr>
<td>Highest Revenue Growth Year on Year Award – 2012 at SAP Partner Summit 2013</td>
</tr>
<tr>
<td>Awarded Best ERP Solution Provider 2012: Premier 100 Company by Channel World (International Data Group)</td>
</tr>
</tbody>
</table>

Source: Author’s creation

6.5 SMSSC Response

The identified PSASV variables and the defined PSASV value chain were validated with detailed case study analysis of LSSC. The responses are as follows.

6.5.1 Organization Structure

The organization is running with more focus on the technology and customer needs in a reactive mode. With the growth seen and expected, the market demands and the vision of taking the organization to the next levels, they have restructured their organization as follows:

- The organization is logically divided into the following departments – Sales & Marketing, Finance, Admin, HR, Operations, and Delivery & Competency.
In Delivery, SBUs (Strategic Business Units) and SFGs (Special Focus Groups) are formed:
- SBUs are meant for industry focus where the domain expertise and the assets for specific industries would be built. They have 3 SBUs (Figure 6.20).
- SFGs are cross domain, where the technology plays a major role.

The responsibilities flow top down and the results are carried bottom up. This ensures that all individuals are assigned proper KPIs.

**Figure 6.20: Organization Structure and Accountability**

This structure is for services division. Apart from the services division, they also have staffing division where the strategy is only to source the profiles to their customers who look for contractors or contract to hire options.

**Accessibility**: Their organization has offices at 3 locations. Two are in a south Indian city and the third one in a north Indian city. The north Indian city is considered as an auto-manufacturing hub where a lot of companies might be expected to look for package software implementations. Core management team operates from south Indian city.
In order to deliver the best value to the customer, they employ a combination of the onsite-offshore model. Table 6.5 indicates the list of activities and their preferred location of execution.

Table 6.5: Activities delivered from onsite / offshore or both

<table>
<thead>
<tr>
<th>Activity</th>
<th>Onsite</th>
<th>Offshore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urgent, Critical and High priority resolution</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Medium and Low priority tickets resolution</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Responding to critical queries from users</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Initial problem analysis and gathering details from users</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Standard work around</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Data and Emergency bug fixes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Procedural issues</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Application patch installation</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Application monitoring</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Batch failures (Day)</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Batch failures (Night)</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Root cause analysis and long term fix for the problem</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Ticket monitoring and escalation</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Interfaces and report changes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Updating documents</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Trend analysis</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Author’s creation

6.5.2 Financial Considerations

Their organization is extremely focused on the following parameters – not necessarily in the same order:

1. Customers – growth in terms of customers
2. Top line – Revenue and YoY growth
3. Margins
4. Recurring cash flow

Their Organization’s revenues are largely driven by SAP license sales, project services revenue or staffing revenue. Their considerations vary based on the category under which the revenue falls.
In case of projects, while they are cautious on the profitability, at times, that is compromised if there is a strategic engagement that adds value to their organization. In terms of SAP license sales, margins are constant and hence they prefer higher value deals. In terms of staffing, it is a volume business with minimum profits. Hence, the number of consultants that get deployed affects both top line and bottom line as going by experience, premium customers offer better rates.

6.5.3 Product process and Innovation

Similar to any other knowledge based organization, innovation plays a key role in the SMSSC organization. Innovation can be in the sales, delivery models, solutions offered or the ‘Go to market’ strategy as well.

Package implementations, especially SAP, are considered as expensive services. Customers like to have clarity on the scope and budget for the implementation. That leads to innovation in their organization. SMSSC organization comes with various rapid deployment solutions to improve their business as well as the customer needs.

Figure 6.21: Innovation at SMSSC

Source: Author’s creation

In delivery, innovation takes place majorly in two areas: Building the solution or asset and taking it to the market. They have a clearly laid out process where they take the idea and assess the benefits of taking that to the market. Innovative ideas are taken on case to case basis in SMSSC.
6.5.4 Customizations and Development Process

SMSSC organization is packaged application services focused organization. SAP is the core of their business. Hence, custom development process plays a big role in their existence.

SMSSC lays special emphasis on delivery quality and the reporting of metrics around them. As per SMSSC experience, these require higher focus while working with oversea customers. To ensure delivery quality and reporting of metrics, they have a robust framework in place.

SMSSC has a methodology in place to translate the customer business challenges into a solution and at times into a ‘go to market’ strategy as per Figure 6.22.

Figure 6.22: Development Methodology at SMSSC

For the normal project customizations, SMSSC has well defined standards in place. Those include Naming conventions, Dos and Don’ts check lists, Performance guidelines and documentation on the integrations with other modules.

SMSSC classifies he customization for packaged software application in 6 categories. Those are reports, interfaces, conversions, enhancements, forms and workflows. Out of all these, enhancements need a thorough integration testing as these are part of the SAP delivery code and any change may severely impact the entire business process.
6.5.5 Skill Development

Skill development at SMSSC is part of the competency building and it takes place in 3 ways:
- Organic way, where they take fresher and train them
- Lateral recruitment, where experienced candidates are hired
- Training for the existing employees

The competency building is tightly integrated to demand planning, so, the hiring is generally against the open roles and not on projections.

Depending on the requirement flowing from demand team, one of the three competency building option is chosen to hire for the position.

6.5.6 Pre-Sales Approach

At SMSSC, Presales is handled by the delivery teams. Once their sales team identifies the lead & opportunity, presales team (part of delivery) gets introduced to the opportunity and the prospect.

A detailed discovery visit and study is carried out at the prospect’s place which provides them a clear understanding on the nature of business, high level business drivers, type of possible solutions etc. Presales team considers all the inputs to come up with a proposal. In the proposal, they majorly focus on:

- Scope
- Effort
- Timelines
- Solution to the customers’ needs
- Commercials
- Expectations from the customer
- Critical Success Factors

Figure 6.23 outlines the Pre-Sales framework for SMSSC. This includes technical and functional skills support apart from quality control and management oversight.
Changes in Sales Process: At SMSSC, the sales process is standard on the SAP side. However, for the SAP led sales process they tend to go with what SAP suggests. That, at times, needs some tweaking in the sales process.

6.5.7 Country / Region specific Local Issues

Government Regulations: Their major sources of revenue are SAP licenses. In this area, they sometime face severe challenges because of the changes in the regulations and policies. For example, the way government treats VAT (Value Added Tax) on SAP as a product determines on how they would tax their customers. The VAT regulations continue to change. Another example is the tax exemption provided by the government for certain states. Based on this, their customers choose from where they need to procure the licenses. TDS (Tax Deduction at Source) impacts their cash flow. The recent mandate in this connection by the government helps them during the SAP license purchase and sale. It states that the customer does not need to deduct the TDS on license sale.
Knowledge of localization: For the template part of the SAP implementation, global process knowledge is sufficient. But, for the localization, where the country or local processes that are different from global processes, knowledge of the local process become very important. e.g., Knowledge of human resource processes in Sri Lanka for the SAP HR implementation there or Country India version (CIN) knowledge for India implementation.

Immigration Factors: At times, the stumbling block for their organization is travel visa related issues. The administrative effort and the R&D that is required on how to apply and other visa related processes are very high for the size of the SMSSC organization. This is a big deterrent in growth of SMSSC as overseas assignments yield better revenues.

Local Labor Laws: They have faced some challenges in the past in terms of the compensation of the consultants located in other countries. At times, it is because of the prevalent labour laws and at times because of the cost of living.

6.5.8 Technology and Data Protection

SAP continuously upgrades its product and releases various advancements to its product. As a partner and service provider, SMSSC organization has to be up to date with the advancements. This requires significant investment in terms of people and budget. Obsolescence here results in being overlooked by the customer in the benefit of other competitors. Hence, change in Technology has a direct impact on SMSSC.

Data Protection: While SAP offers strong data protection mechanism, Data loads are one of the most vulnerable activities during SAP Implementations as far as data protection is concerned. Sensitive and confidential information needs to be loaded into the system. SMSSC has to educate its consultants on the consequences of misuse or leakage of the data.

6.5.9 Global Economic Conditions

Global Economy plays a significant role for SMSSC organization, especially for their SAP practice. Many customers perceive SAP implementation as a capital expenditure and an investment that yields the benefits over years. Hence, their decisions and strategy depend on the market conditions and global economic situation. Any deference in customer investment in executing the project has a direct impact on SMSSC sales and revenue.

Globalization Factors: SMSSC package software application services division is dependent on the following global factors:
**Communication:** They often encounter problems because of the communication skills of their consultant which is very important for package implementations, requirement gathering and freezing the scope. Right communication skills are important to interact with the customer to correctly understand the requirements and also to communicate the proposed solution.

**Mergers and Acquisitions:** M&A seem to bring opportunities for them. They have come across situations where their customers have implemented SAP and they acquire other business. This resulted in additional business for the SMSSC.

**Industry Dynamics:** Since SAP implementations are huge investment projects, many customers prefer to wait under the uncertain conditions. That has impact on the business of the SMSSC.

**Alliances and Partnerships:** SMSSC has alliances with three types of vendors – Hardware, SAP and the implementation partners. Partnership with SAP projects them into a different league. SAP partnership is considered as a must for a partner to bid for any project. Also, the kind of partnership (Gold / Silver / Bronze) decides their margins as well. Gold partners, can offer the best SAP licensing price to the customers and can use that as a differentiating factor. Also, the partnership with SAP facilitates early information about changes in the product and also preferential treatment for trainings.

SMSSC depend on partnership with larger IT players when it comes to overseas business. They are considered a premium SAP implementation partner in the SME segment. They always position themselves as an SAP extended delivery arm for their partners where they can help them on SAP implementations. This arrangement is a win-win for both.

**Licensing Costs:** Licensing is one the major source of revenue for the SMSSC as it acts as a reseller of the licenses.

### 6.5.10 Quality of Consumer

Most of their customers are Indian customers who are extremely demanding. Customers would like to see a quick RoI on the value of their investments made. Most of the times, their projects are fixed bid projects where the pricing is based on the timelines and scope. Scope creep is a big challenge in this case. Delay in timelines of the project also affects the earning in the case of milestone based payments.

SMSSC has very high customer orientation and framework to ensure that customer is satisfied. This includes proper communication framework on top of quality delivery and reporting. Effective response to the raised issues also helps in delighting the customer.
6.5.11 Structure and Governance (Alliances, Partnership etc.)

**Licensing**
Licenses form an important revenue mechanism for SMSSC. They influence this in a big way when they help the customers in product selection. SMSSC formally works with the product vendors to sell the licenses.

**Alliance and Partnerships**
SMSSC has partnership with the product vendors to resell their licenses and they also help the customers in evaluating the products by virtue of early information that they receive from the product vendors for being a partner. SMSSC also participates with some of the product vendors in joint go to market to identify and develop the gaps in product functionality and take those to the customers for the testing.

6.5.12 Social and Demographic Factors

**Cultural reasons**
SMSSC have to adapt themselves to function in a particular way best suited to the culture of the market of operation. Their operation is largely offshore. So, they have to pay special attention for the projects run from onshore locations. Their employees need to go through the cultural training before leaving for the onshore location.

**Social / demographic factors**
SMSSC do not have the luxury to define their particular market segments and areas of operations and target relevant customers accordingly in that particular segment. Their demand management is largely reactive. SMSSC tailor their offerings depending on the type of customer and the geography.

**Knowledge gap**
SMSSC faces an issue of knowledge gap while designing or customizing their services for end users / customers based on their understanding of the relevant business process and industry vertical in question. Training is done to bridge these gaps as and when they surface.
6.5.13 PSASV Value Chain fitment

Table 6.6 shows the alignment of the links, upstream activities and downstream activities for the elements in PSASV value chain in case of the SMSSC. Very clearly, overall, there is ‘Moderate’ fitment of the value chain for the SMSSC.

Here, high is considered as >90 percent fit, moderate is 70-90 percent and less than 70 percent is treated as low fitment.

**Table 6.6: PSASV value chain mapping with SMSSC**

<table>
<thead>
<tr>
<th>Element in the PSASV Value Chain</th>
<th>Link</th>
<th>Upstream Activities</th>
<th>Downstream Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Availability</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Customer Requirement Gathering</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Product Evaluation and Selection</td>
<td>Moderate</td>
<td>High</td>
<td>Moderate</td>
</tr>
<tr>
<td>Project Preparation</td>
<td>High</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Implementation</td>
<td>High</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Support</td>
<td>High</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Continuous improvement</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: Author’s creation
6.6 Company Profile: A Small Software Services Company (SSSC)

6.6.1 Who They Are
SSSC is a network of 95+ employees who have executed over 18+ projects for Indian and US Customers. They have expertise in delivering projects in ERP, SCM, CRM and custom applications using .net, PHP and Java. Following industry standard Frameworks for Enterprise and Consulting Solutions & Best practice methods conforming to PCMMI, they have developed customer centric delivery models. They are the preferred onshore partners for several US, UK and Australian players.

6.6.2 Their Vision
To be known as an IT Service provider, offering affordable and quality services to SME customers and partners and becoming a highly reputed company in the IT space as a name to be reckoned with for services, values, ethics, people and innovation.

6.6.3 What they do
The team comes with highest degree of professionalism and more than 500+ person years of experience in implementing projects across technologies, dimensions, complexities and engagement models. The experience includes leading and delivering projects in the areas of implementations, developments, rollouts, business transformations, application support, product development, service based solution offerings, consulting, upgrades and business consulting as depicted in Figure 6.24. SSSC emerged to address the business challenges perceived during the last 15 years in the ERP and consulting space. These solutions are expected to provide substantial benefits to targeted customers and markets.
6.6.4 Their Value Proposition

SSSC has made significant investments in order to scale up easily, start the engagements quickly, to have faster KT (Knowledge Transfer) methods and quick mobilization / ramp up. Their readiness to deliver is supplemented by their network, space, methodologies and a readily deployable resource pool well supported by product vendors. Their strengths are their highly experienced, highly energetic, result-oriented and ethically aligned team. They have implemented an efficient offshore model without compromising on parameters like quality of services, SLA’s, standards of delivery, responsiveness, accountability and professionalism.

SSSC provide services to customers in quite a few areas which include –

1. All services related to SAP including new dimensional as well as traditional components
2. Services related to CRM – SAP or Sugar
3. Value Engineering Services in SAP
4. Web Technologies - .Net or J2EE
5. RFID Design and Implementation
6. Production Support – different models
7. Any ground up development solution in other technology or challenging areas
8. Web Development and B2B developments, projects and support
9. Delivery partnership and assistance in IBM related technologies

They ensure they offer value at par with any Tier 1 IT Service Provider in terms of quality, cost, timelines and budget – a clear SSSC differentiator.
6.6.5 Their Growth
In a small span of time, they have won 20 projects in Pharmaceutical, Retail, Media, Manufacturing and Real Estate domains. This involved partnering with UK and US based teams on mutually beneficial delivery models. As a result of their solutions and innovations, they have achieved partnership status with SAP and SugarCRM while they became preferred vendors for two customers showcasing maturity in Engagement models.

6.7 SSSC Response

6.7.1 Organization Structure
Their organization shows a lean and linear structure with delivery focus. Figure 6.25 is the depiction of SSSC organization structure.

**Figure 6.25: Organization Structure**

- The organization is logically divided into the following departments – Sales & Marketing, Finance, Admin, HR, and Delivery & Competency.
- In Delivery, customer or group of customers are handled by a Program manager. The Program managers manage the overall delivery of the entire program covering the scope as a single unit. Many a times a single program is divided into smaller projects which are managed by multiple project managers.
- The responsibilities flow top down and the results are carried bottom up. This ensures that all the individuals are assigned proper KPIs.
Geographical Locations and Accessibility: SSSC is a single location based organization as of now. Their focus has been the local customers during their formative years. The single office situated in the IT park has been sufficient to handle the local clientele and the offshore services. During the later year of operations, SSSC started looking at external clientele outside and has been successful in getting projects away from home.

6.7.2 Financial Considerations
Their organization is extremely focused on the following parameters – not necessarily in the same order:
1. Customers – growth in terms of customers
2. Top line – Revenue and YoY (Year on Year) growth
3. Margins
4. Recurring cash flow

Their revenues are primarily based on SAP Services like implementation, package evaluation, upgrades, ABAP development, value consulting and SAP license sales. SSSC also provides staff as resources for a few customers where there is a strategic need felt. In case of projects, while they are cautious on the profitability, at times, they are flexible if they see a strategic engagement that adds value to their organization. For certain customers, as a foot-in-the-door exercise, they used to offer ‘complimentary’ package evaluation services to help customers evaluate and decide between SAP and the competition.

6.7.3 Product Process and Innovation
Innovation is one of their major factors for SSSC’s success and winning new customers or sustaining engagements with them. Innovations are primarily in solutions and delivery but there are instances where their organization was innovative in its sales and pre-sales approaches as well. Few instances to quote – a customer was faced with a challenge of obeying their company’s global mandate of sticking with their existing applications or moving to SAP ECC application as this particular unit was facing a lot of issues while working with the current software. The global unit needed to be convinced that SAP would address all current issues after huge investments in licensing, h/w, months of effort etc. They suggested an approach of carrying out the project till the Blue Print Phase – where they would show-case their internal best practice based SAP demo system and map all their current processes and address any gaps with solutions by defining and submitting the blue print document. The customer liked this
innovative idea and SSSC executed the blue print project for the customer with almost one sixth of overall possible spends on SAP transformation.

Building pre-configured systems ready for demonstration helped SSSC in reducing the overall sales cycle by up to 30 per cent.

6.7.4 Skill Development

Skill development at their organization is part of competency building. Normally this organization hires only lateral recruits with relevant industry experience. However each of the employees go through various trainings on technical and functional skills, which are either role based or are project specific.

They have a demand planning exercise which determines their competency building strategy. The immediate / delayed needs coupled with the availability of resources in the market act as the driver behind on-boarding of resources.

Technical Skills: Resources are their key strength possessing very good domain experience clubbed with expert technical skill sets. SAP Technical areas like Basis, ABAP, EP (Enterprise Portal) etc. are their forte. The offshore-ABAP model was a hit and one of the Fortune 500 companies in the US has leveraged their offshore ABAP and BI development services with great success. Their teams are able to deliver the objects with a quick turn-around time with utmost quality and proper documentation.

6.7.5 Pre-Sales Approach

There is no separate team for pre-sales and it is handled by Delivery. Once the lead or opportunity is identified, their sales team gets the delivery team in contact with the prospect.

A detailed discovery visit and study is carried out at the prospect’s place of operation which will provide them with a clear understanding on the nature of business, high level business drivers, type of solutions etc.

Their presales team considers three factors abbreviated as VIP - Vision, Influencers and Pain Points- to come up with a solution and proposal.

a) Vision – They capture the vision of the prospect’s organization through their discussions as this would have been one of the drivers for customers looking towards SAP / ERP.
b) **Influencers** – They try to identify the influencers in the prospect’s employees that they interact with and target to tailor their solution / demos that would best address the points raised by them.

c) **Pain Points** – This is the key area where they focus during their pre-sales exercise as the expectation of customers generally would be that the new system they are considering for implementation would address their current pain points.

In the proposal, they majorly focus on:

- Scope
- Effort
- Timelines
- Solution to the customer’s needs
- Commercials
- Expectations from the customer
- Critical Success Factors

Changes in Sales Process: In their organization, the sales process is standard. They work on their leads and opportunities and whenever required work very closely with their customers as well as SAP in evaluation of the package and closing the license sales. The pre-sales aspects sometimes come in handy to define a solution or creating a POC (Proof-of-Concept) for a particular opportunity.

### 6.7.6 Country / Region specific Local Issues

**Government Regulations:** As explained, one of their major revenue sources is SAP licenses. They face severe challenges sometimes because of the changes in regulations and policies. For example, the way government considers VAT on SAP as a product determines how they have to impose tax on their customers.

### 6.7.7 Technology and Data Protection

SSSC is weak on Technology and Data Protection side. They lag in keeping pace with the technological developments to stay in the competition. This directly relates to their ability to convince customer about the adoption of the new developments and what role the PSASVs can play in that. They have individuals having the knowledge of Cloud, Mobility, In memory computing and Big data. But, the organization direction is missing.
Data Protection:
In case of SSSC, privacy concerns exist wherever personally identifiable information is collected and stored safely. Improper or non-existent disclosure control can be the root cause for privacy issues. The challenge in ensuring data privacy is to share data while protecting personally identifiable information. While big service providers like SAP and Oracle offer a strong data protection mechanism, SSSC has a different problem like any other PSASV. Data uploads is one of the key activity during any software package application implementation. Customers provide very sensitive and confidential information that needs to be loaded into the system. However it’s the responsibility of the SSSC to ensure that the resources deployed for this activity are aware of the data and consequences and ensure that the data is not mishandled.

6.7.8 Global Economic Conditions and Business Environment
Their SAP practice is dependent on the following global factors:

Communication: Communication with the customers is a big area of concern for SSSC as most of their employees come from the native speaking language areas in India. In case, even if the knowledge of English is good, speaking and accent are true challenges. This also becomes hindrance in interacting with the customer and understanding the requirements correctly.

Immigration Factors: Very often, the major stumbling block for their organization is travel visa related issues. It is a fair to assume that the administrative effort and the R&D that is required on how to apply for a visa and other related processes is very high.

Mergers and Acquisitions (M&A): Mergers and Acquisitions (M&A) activity is increasingly seen in the package software service industry with larger players such as SAP acquiring smaller vendors and companies operating in niche areas or domains where the acquiring party wants to obtain a foothold. Market consolidation leads to lesser fragmentation of the market and concentrates bargaining power in the hands of the PSASVs. SSSC is vulnerable to M&A because of its small size and niche area of operation.

6.7.9 Structure and Governance (Alliances, Partnership etc.)

Alliances and Partnerships: SSSC as an implementation partner should has medium to strong alliances with product vendors. This helps them in playing the role of a valued system integrator rather than just being an implementation partner. Customers also usually prefer to talk to one partner and route the discussions to other partners through SSSC. Alliance / partnership with
SAP put them in the ‘big league.’ They are SAP EBP partner. The partnership with SAP helps them in getting to know about the trainings offered by SAP in key areas, along with new business leads and inside changes happening within SAP.

**Licensing Costs:** One of the key budget components in an SAP transformation project for a customer is the software license cost. The likes of Oracle, Microsoft and other cloud and local ERP solutions give a tough competition to SAP on the licensing price as SAP license cost is higher compared to other packages. Their organization works on making their prospects realize the value that SAP delivers with its global best practices and extensive business functionality coverage etc. where the costing / pricing is very transparent. They educate prospects on other parameters such as modularization of licenses by Oracle where the core ERP does not have some of the key functions like material requirement planning (MRP) etc. for which the prospect may have to shell out additional money resulting into which would almost be on par with SAP’s pricing. Licensing Costs depend on: Number of licenses, Type of Licenses and the usage (cross functional usage or within a functional department usage etc.).

6.7.10 Customization and Development Process

SSSC has robust methodology, capability and standards in place to take care of the customization. They are capable to carry out all kinds of customization: Individualization, Tailoring and Core Code level Changes and New Custom Software Module additions to packaged software. In general, SSSC do not advocate high degree of customization as it is difficult to maintain during upgrades. But it is important for the customers to get the localized functionalities. This is where SSSC plays a big role. They help customers develop additional functionalities but try to keep them as close to the standard as possible to facilitate ease of maintenance later on.

6.7.11 Social and Demographic Factors

SSSC operation is largely offshore for local customers. So, social factors are not a big concern for them but they have to pay special attention when their resources need to travel onshore. Their employees need to go through the cultural training before leaving for the onshore location. SSSC also do not have the luxury to define their particular market segments and areas of operations. Their demand management is largely reactive and dependent on large players.
6.7.12 Quality of Customer

All customers are demanding as they look for perceived and unperceived value from project and the start of realizing benefits. SSSC’s projects are mostly fixed bid projects – be it a module implementation or full ERP implementation or consulting assignments. ABAP development and off-shoring projects are time & effort based.

In fixed price project, there is generally a scope creep and a proper change management process is required to manage the change.

Account Receivables are another concern for SSSC as they work with the local customers, where-in SSSC experiences the delay is sign offs and, hence, the delay in payments.

Overall, the customer management framework seems to be missing for SSSC and have an adhoc way to manage the customers.

6.7.13 PSASV Value Chain fitment

Table 6.7 shows the alignment of the links, upstream activities and downstream activities for the elements in PSASV value chain in case of the SSSC. Very clearly, overall, there is ‘low’ fitment of the value chain for the SSSC.

Here, high is considered as >90 percent fit, moderate is 70-90 percent and less than 70 percent is treated as low fitment.

Table 6.7: PSASV value chain mapping with SSSC

<table>
<thead>
<tr>
<th>Element in the PSASV Value Chain</th>
<th>Link</th>
<th>Upstream Activities</th>
<th>Downstream Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Availability</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Customer Requirement Gathering</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Product Evaluation and Selection</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Project Preparation</td>
<td>Low</td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Implementation</td>
<td>Low</td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Support</td>
<td>Low</td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Continuous improvement</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: Author’s creation
### 6.8 Variables-Attributes mapping Table

Table 6.8 maps the identified variables and the PSASV value chain with the three case studies of LSSC, SMSSC and SSSC.

Table 6.8: Variables-Attributes mapping table for Case Studies

<table>
<thead>
<tr>
<th>Variables</th>
<th>Key Attributes</th>
<th>LSSC</th>
<th>SMSSC</th>
<th>SSSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization Structure</td>
<td>Structure, Location mix, Geographical Spread</td>
<td>Matrix, Multi Location, Multi Geography, Onsite-Offshore-Nearshore, Spread across the globe</td>
<td>Matrix, Multi Location, Multi Geography, Onsite-Offshore</td>
<td>Lean, Project and account centric, Pure offshor, Provider of resources</td>
</tr>
<tr>
<td>Financial consideration</td>
<td>Revenue, Cost, Margin, TCO, ROI, Billing Model</td>
<td>Large player, Profitable, TCO for the customer ensuring ROI, Multiple Billing models</td>
<td>Medium player, Profitable, TCO for the customer ensuring ROI, Multiple Billing models</td>
<td>Small player, Break even operation, Mostly Time &amp; Material billing</td>
</tr>
<tr>
<td>Skill Development</td>
<td>Hiring, Training, Certification</td>
<td>Exhaustive Framework and investment for Skill Development, Hiring for roles as well as projections</td>
<td>Mix of hiring for projections and for role, Skill Development Framework</td>
<td>Mix of hiring for projections and for role, Skill Development Framework</td>
</tr>
<tr>
<td>Customization and development process</td>
<td>Methodology, Capability, Standards</td>
<td>Robust methodology, Capability, Standards</td>
<td>Robust methodology, Capability, Standards</td>
<td>Robust methodology, Capability, Standards</td>
</tr>
<tr>
<td>Pre-Sales Approach</td>
<td>Investment, Connect, Framework</td>
<td>Substantial investment, Good connect with the customer, Framework</td>
<td>Case to case basis</td>
<td>Investment (specially effort), Framework and Intent</td>
</tr>
<tr>
<td>Technology and Data Protection</td>
<td>Advancements, Controls</td>
<td>Geared up to the advancements, Controls in place</td>
<td>Controls in place</td>
<td>Vulnerable</td>
</tr>
<tr>
<td>Country / Region specific Local Issues</td>
<td>Local Employees, Cultural sensitivity</td>
<td>Good mix of local employees in all geographies, Cultural Sensitization of the employees</td>
<td>Cultural sensitization of the employees</td>
<td>Cultural sensitization of the employees</td>
</tr>
<tr>
<td>Structure and Governance (Alliances, Partnership etc.)</td>
<td>Partnership with Product Vendor, Licensing</td>
<td>Strong partnership with the product vendor</td>
<td>Partnership with the product vendor</td>
<td>Partnership with the product vendor</td>
</tr>
<tr>
<td>Social and Demographic Factors</td>
<td>Social factors awareness, Demographic sensitivity</td>
<td>High awareness and sensitivity of social and demographic factors</td>
<td>Average awareness and sensitivity of social and demographic factors</td>
<td>Average awareness and sensitivity of social and demographic factors</td>
</tr>
<tr>
<td>Global Economic Conditions and Business Environment</td>
<td>Globalization, M&amp;A, Market Fragmentation, Rules and Regulations</td>
<td>Advance Planning and hedging against the environmental uncertainties</td>
<td>Average Planning and hedging against the environmental uncertainties</td>
<td>Reactive to the environmental uncertainties</td>
</tr>
<tr>
<td>Quality of Customers</td>
<td>Relationship, Framework</td>
<td>Strong relationship with customers, CSAT Framework</td>
<td>Strong relationship with customers, CSAT Framework</td>
<td>Weak relationship with customers, Adhoc treatment of customers</td>
</tr>
<tr>
<td>PSASV Value Chain</td>
<td>Links, Upstream, Downstream, Variables mapped to the value chain</td>
<td>Non-uniform alignment of Links, Upstream activities, downstream activities and identified variables</td>
<td>Non-uniform alignment of Links, Upstream activities, downstream activities and identified variables</td>
<td>Broken alignment of Links, Upstream activities, downstream activities and identified variables</td>
</tr>
</tbody>
</table>

Source: Author’s creation
### 6.9 Interpretation

Based on the case study research, the Large IT software services company indicated a very high degree of alignment to the developed PSASV model with all the independent variables being significant in their environment and having significant impact on the dependent variables.

**Figure 6.26: Validation of PSASV variables and Value Chain Model for Large Software Services Company (LSSC)**

<table>
<thead>
<tr>
<th>Validation of PSASV Variables and Value Chain Model</th>
<th>Large software services MNC</th>
</tr>
</thead>
<tbody>
<tr>
<td>High alignment to PSASV Value Chain Model</td>
<td>Low alignment to PSASV Value Chain Model</td>
</tr>
<tr>
<td>• Organization Structure</td>
<td>• NIL</td>
</tr>
<tr>
<td>• Financial Consideration</td>
<td>• Country / Region specific local issues</td>
</tr>
<tr>
<td>• Skill Development</td>
<td>• Structure and Governance</td>
</tr>
<tr>
<td>• Customization and Development Process</td>
<td>• Social and demographic factors</td>
</tr>
<tr>
<td>• Product Process and Innovations</td>
<td>• Global Economic conditions and Business Environment</td>
</tr>
<tr>
<td>• Pre Sales Approach</td>
<td>• Quality of Customers</td>
</tr>
<tr>
<td>• Technology and Data Protection</td>
<td>• PSASV Value Chain</td>
</tr>
<tr>
<td>Moderate alignment to PSASV Value Chain Model</td>
<td>Overall alignment to PSASV Value Chain Model and Variables</td>
</tr>
<tr>
<td>NIL</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: Author's creation
For the SME under consideration, the alignment varied between high to moderate with Organization Structure, Financial Consideration, Customization and Development Process, Product Process and Innovation, Technology and Data Protection and Quality of Consumer showing high alignment, whereas, Skill Development, Pre Sales Approach, Country / region Specific Local Issues, Structure and Governance, Social and Demographic factors, Global Economic conditions and Business Environment showed moderate alignment to the developed PSASV value chain model.

**Figure 6.27: Validation of PSASV variables and Value Chain Model for SME Software Services Company (SMSSC)**

<table>
<thead>
<tr>
<th>High alignment to PSASV Value Chain Model</th>
<th>Low alignment to PSASV Value Chain Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization Structure</td>
<td>NIL</td>
</tr>
<tr>
<td>Financial Consideration</td>
<td></td>
</tr>
<tr>
<td>Customization and Development Process</td>
<td></td>
</tr>
<tr>
<td>Product Process and Innovation</td>
<td></td>
</tr>
<tr>
<td>Technology and Data Protection</td>
<td></td>
</tr>
<tr>
<td>Quality of Consumer</td>
<td></td>
</tr>
<tr>
<td>Skill Development</td>
<td></td>
</tr>
<tr>
<td>Pre Sales Approach</td>
<td></td>
</tr>
<tr>
<td>Country / region Specific Local Issues</td>
<td></td>
</tr>
<tr>
<td>Structure and Governance</td>
<td></td>
</tr>
<tr>
<td>Social and Demographic factors</td>
<td></td>
</tr>
<tr>
<td>Global Economic conditions</td>
<td></td>
</tr>
<tr>
<td>Business Environment</td>
<td></td>
</tr>
<tr>
<td>PSASV Value Chain</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s creation
For the small software services company alignment varied across High, Moderate and low with Customization and Development Process, Product Process and Innovation, Skill Development and Pre Sales Approach showing high alignment, whereas, Country / region Specific Local Issues, Structure and Governance, Social and Demographic factors showed moderate alignment, and Organization Structure, Financial Consideration, Technology and Data Protection, Global Economic conditions and Business Environment and Quality of Consumer showed low alignment to the developed PSASV value chain model.

Figure 6.28: Validation of PSASV variables and Value Chain Model for Small Software Services Company (SSSC)

<table>
<thead>
<tr>
<th>Validation of PSASV Variables and Value Chain Model</th>
<th>Small Software Services Company</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High alignment to PSASV Value Chain Model</strong></td>
<td><strong>Low alignment to PSASV Value Chain Model</strong></td>
</tr>
<tr>
<td>• Customization and Development Process</td>
<td>• Organization Structure</td>
</tr>
<tr>
<td>• Product Process and Innovation</td>
<td>• Financial Consideration</td>
</tr>
<tr>
<td>• Skill Development</td>
<td>• Technology and Data Protection</td>
</tr>
<tr>
<td>• Pre Sales Approach</td>
<td>• Global Economic conditions</td>
</tr>
<tr>
<td><strong>Moderate alignment to PSASV Value Chain Model</strong></td>
<td>• Business Environment</td>
</tr>
<tr>
<td>• Country / region Specific Local Issues</td>
<td>• Quality of Consumer</td>
</tr>
<tr>
<td>• Structure and Governance</td>
<td>• PSASV Value Chain</td>
</tr>
<tr>
<td>• Social and Demographic factors</td>
<td></td>
</tr>
</tbody>
</table>

Overall alignment to PSASV Value Chain Model and Variables: Moderate
Overall Summary:
Large Software Services Company indicated a very high degree of overall alignments to the developed PSASV model with all the independent variables being significant in their environment and having significant impact on the dependent variables.
Small and Medium Software Services Company indicated a moderate degree of overall alignments to the developed PSASV model with half of the independent variables being highly significant and the rest half being moderately significant in their environment.
For the small software services company alignment varied across High, Moderate and low with an average of moderate alignment to the PSASV model and independent variables having moderate impact on the dependent variables.

Figure 6.29: Overall Summary of validations of PSASV Model and variables

<table>
<thead>
<tr>
<th>Category</th>
<th>Key Factors</th>
<th>Large Software Services MNC</th>
<th>SME Software Services Company</th>
<th>Small Software Services Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal factors</td>
<td>Organization Structure</td>
<td>🟢</td>
<td>🟢</td>
<td>🟢</td>
</tr>
<tr>
<td></td>
<td>Financial consideration (Cost, Profitability etc.)</td>
<td>🟢</td>
<td>🟢</td>
<td>🟢</td>
</tr>
<tr>
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Source: Author’s creation