

# An Outsourcing Reboot

"The problem is not the talent in India. It's the IT outsourcing model."

44  
%

Savings in  
total cost of  
ownership

1  
YEAR

Turnaround  
with no  
start-up risk

50  
%

Productivity boost  
through a strategic  
talent overhaul

## The Customer

Fossil Group is a US-based, vertically integrated global retail and manufacturing company specializing in a diverse portfolio of lifestyle accessories. This industry powerhouse operates an extensive brand portfolio, as well as a wholesale distribution network across 150 countries and 500 retail locations.

## The Problem

While Fossil had an extensive outsourcing presence in India for years, they had been adversely affected by cost overruns, underperforming contractors, and poor resource management processes. All were creating a significant drag on productivity and profitability, as well as distracting from the core focus of being a fashion trendsetter and market innovator. The objectives established for the outsourcing operation were not in dispute. The culprit was the deteriorating execution - thus, Fossil wanted to regain control in their approach to outsourcing.

## The Solution

After extensive evaluation, the company partnered with SMC to strategically "right-source" the execution.

"Given our experience with poor-performing IT Service providers, many on our team were initially very skeptical. We had tremendous cost challenges combined with a heavy IT demand from our growing business," noted Fossil Group's development director. That quickly changed when the right-sourcing project got underway.

SMC's US Enablement team worked with Fossil Group to define a vision and operational plan using SAM, their Strategic Assessment Model. SAM is a management tool that enables everyone involved to deeply understand the unique history, needs, expectations, and current capabilities all from the same perspective.

Through this collaborative approach, SMC's proprietary Global Capability Center model was proposed, tailored for companies who already have an entity in India. It is designed to virtually eliminate all the start-up risk while adding a highly-productive, cost-effective global IT team to complement the Company's local teams.

From the placing of the organizational cornerstone of the insourcing center's technology director to the on-boarding of other critical hires meeting Fossil Group's skills and experience requirements, SMC's proven approach and local connections in India were invaluable in successfully building out the team quickly.

It didn't take long for Fossil Group to reap the benefit of partnering with SMC. Within a year they realized a 44% savings in total-cost-of-ownership compared with their old IT sourcing strategy. Now, they have a fully-functioning, highperforming India-based IT team delivering a 50% boost in productivity with a 1:1 US FTE equivalency that exceeds all development quality standards.

Upon completion of their three-year strategy, the partnership with SMC eliminated poor performing IT practices and bottlenecks resulting in high productivity and healthy communications.