The background features a vibrant orange gradient. At the top, there are faint, stylized binary code patterns. Below this, several soft, white, fluffy clouds are scattered across the sky. At the bottom of the image, a dark blue silhouette of a city skyline is visible, with various building shapes and heights.

# Expanding Your Engineering Teams to Brace for the Digital Tsunami



**Patricia Connolly**

CEO and Partner  
SMC<sup>2</sup>



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President and CEO  
HMG Strategy



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Senior Research Director  
HMG Strategy

# Today's Objectives

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- **Red flags** associated with typical offshore outsourcing models
- **Advantages** of utilizing a Global Insourcing Approach (GIC) for digital transformation
- **Examples** of leading companies across different industries that are leveraging global enablement teams to gain a competitive edge
- **Business benefits** and productivity gains that a global insourcing model can deliver

# Typically, It's a Tug of War



## Outsourcing Red Flags

- Poor quality
- Poor productivity
- Escalating costs
  - Overtime charges, focus on billable hours
- Miss key dates
- Talent assigned to multiple clients
- Retention issues
- IP put at risk
- **RESULT: Unpredictability**

## CIO/Company Priorities

- Achieve objectives
- On-time delivery
- Quality output
- Productivity
- Exceptional talent
- Predictable billing
- Better economics
- **NEED: Trusted Partner**

Reduces  
Technology  
Spend by up to  
**40%**

**SMC<sup>2</sup>**

**GLOBAL INSOURCE CENTER  
Dedicated Team**

- No upfront costs
- No overtime billed
- Scales from 5 to 500+ engineers
- Reduces outsourcing risks with employee-centric model
- Below-market hourly blended rate
- Immediate savings when converting from a Contractor/Outsource model
- Performance of a Captive without upfront capital investment
- Team recruited for fit
- Transfer opportunity with TCO target below \$20/hour
- US productivity and quality guaranteed
- Global Enablement roadmap

**OPTIMIZED  
INNOVATION & CAPABILITY**



**OUTSOURCED MODEL**

- Contractor mentality
- Hourly rates plus overtime charged
- Unpredictable quality and productivity

*GICs offer better overall control and reliability than Outsourcing*



**CAPTIVE CENTER**

- Expensive and complicated to finance and build
- Mixed results with process integration
- Viability only at larger scale
- Poorly suited for small and mid-sized business
- Risk of failure

*GICs minimize investment and risk as compared to a Captive*

**Our GICs work for any  
size company**

- Teams sizes 5-500
- SMC<sup>2</sup>'s hybrid thinking
- Unique GIC dedicated team model
- Retention rate 90%
- Includes SMC<sup>2</sup>'s Global Enablement
- Ensures 1:1 productivity and quality compared to US standards

# SMC<sup>2</sup> Unique GIC Benefits

- Direct alternative to traditional IT outsourcing
- Dedicated employee-centric talent
- Extension of your organization
- Incented on direct value to your org, not billable hours to ours
- Customized solution
- Eliminates problems in hiring STEM talent, quality, and retention
- No upfront capital, no overtime charged, predictable monthly cost

## Reduce Cost

- A direct alternative to outsourcing & offshoring
- Blended rates attractive
- Immediate and sustained cost savings

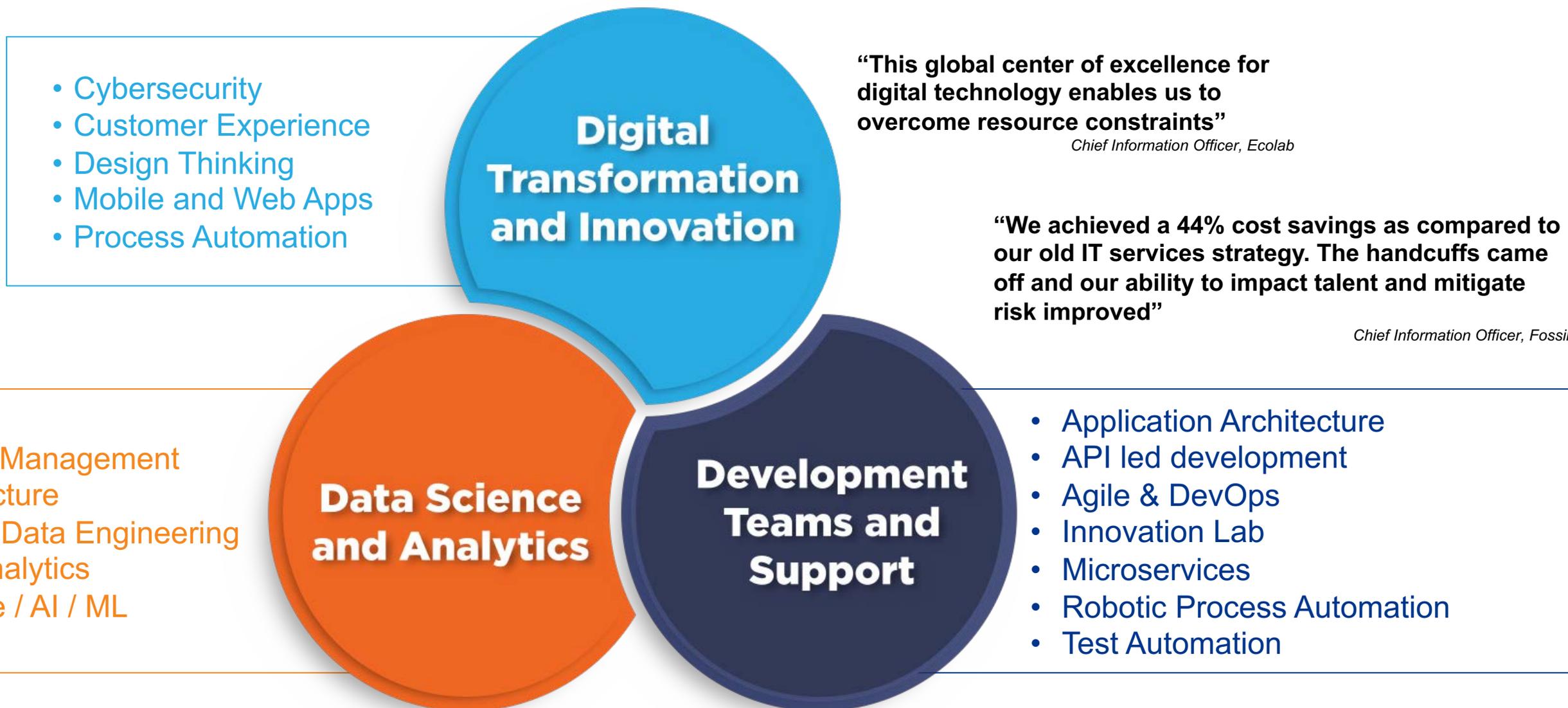
## Recruit for Fit

- Dedicated team working in US and India
- Designed as a customized solution
- Specifically recruited team – skills, timing, fit
- SMC2 a US-owned company

## US Productivity

- Drives value
- Scales quickly
- Adds innovation
- Supports transformational goals

# Core Competencies – Real Outcomes



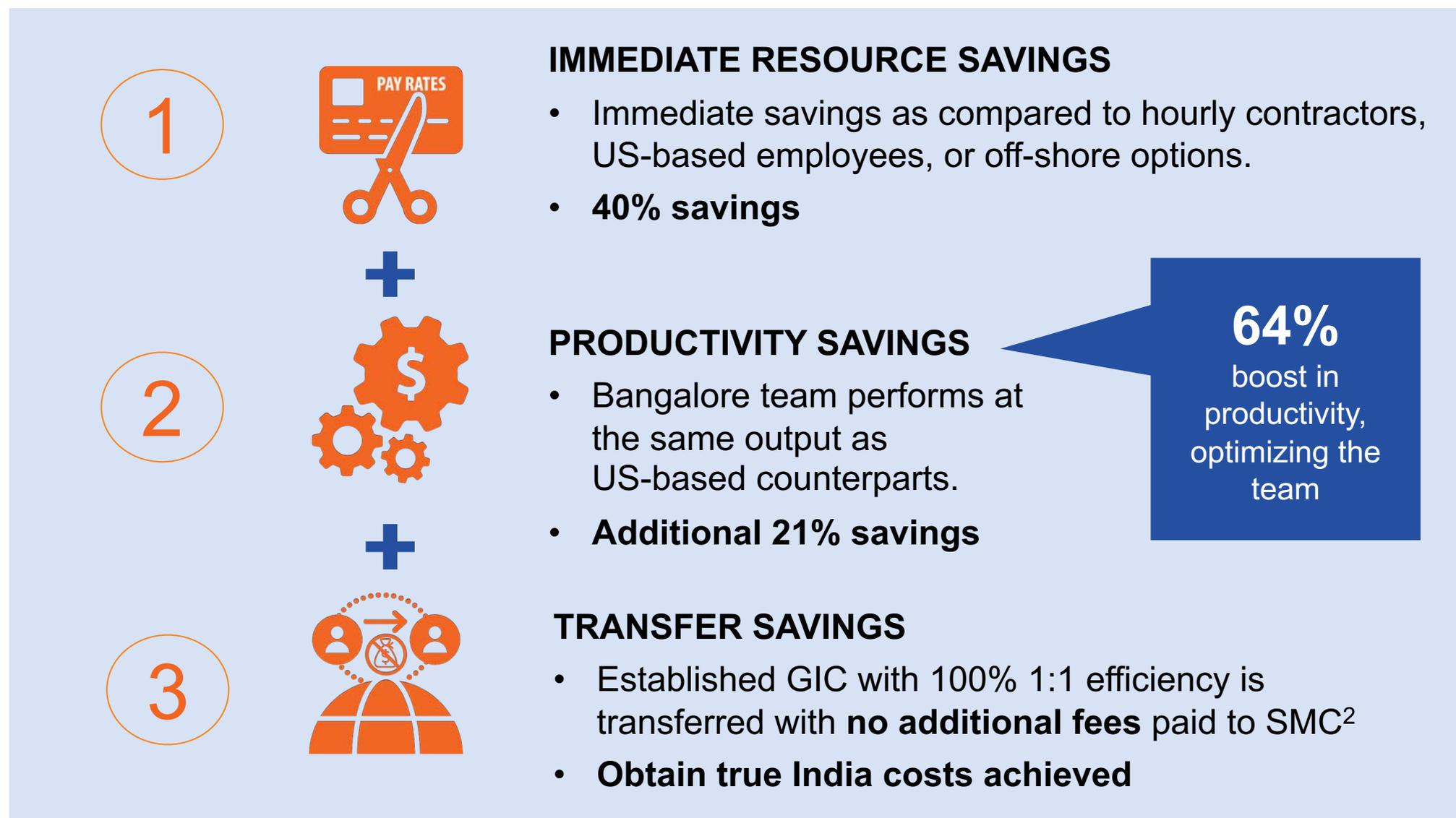
# Turnaround Case Study



Three Levels of Savings

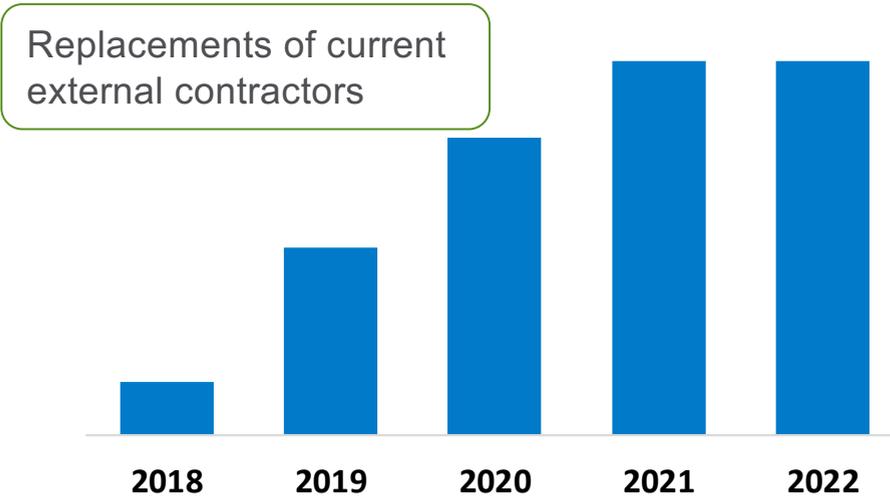
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Two Year GIC Buildout

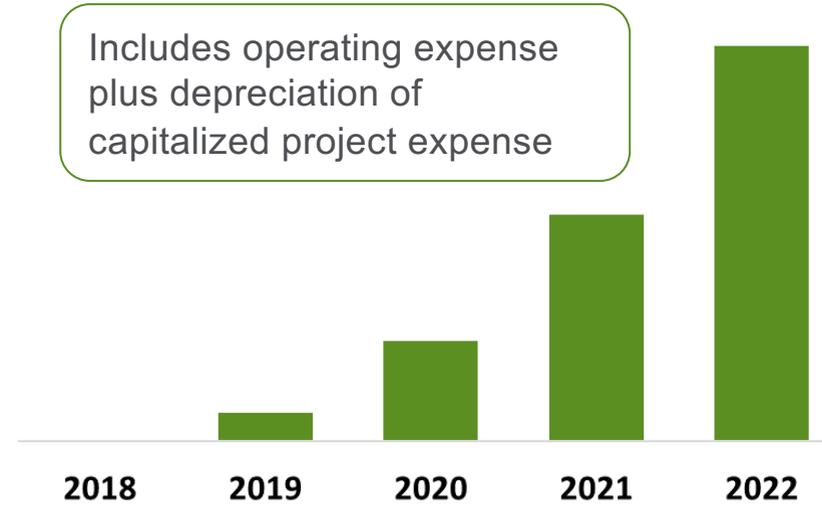


# Financials: Ecolab GIC SMC<sup>2</sup> Savings FY 2018 – 2022

## Offshore FTE as of Year-End



## P&L Cost Savings \$M



## Projected \$XXM cumulative P&L cost savings realized, 2018-2022

Note: Scale is accurate but actual figures masked for confidentiality. Presented at Gartner Sourcing Conference Sept 2019

### \$ Hourly Rates

	GIC Proposal	Current External Contractors
Manager	36%	xxx.xx
QA Lead	37%	xx.xx
Software Tester	36%	xx.xx
Software Developer	31%	xxx.xx
Tech Lead	43%	xx.xx
Architect	41%	xxx.xx

## Cash Flow \$M



# How do you best leverage Global Insourcing?

**SMC<sup>2</sup>**

**Our Strategic Assessment Model (SAM) has answers.**

**SMC Squared's SAM is an expert analysis which includes:**

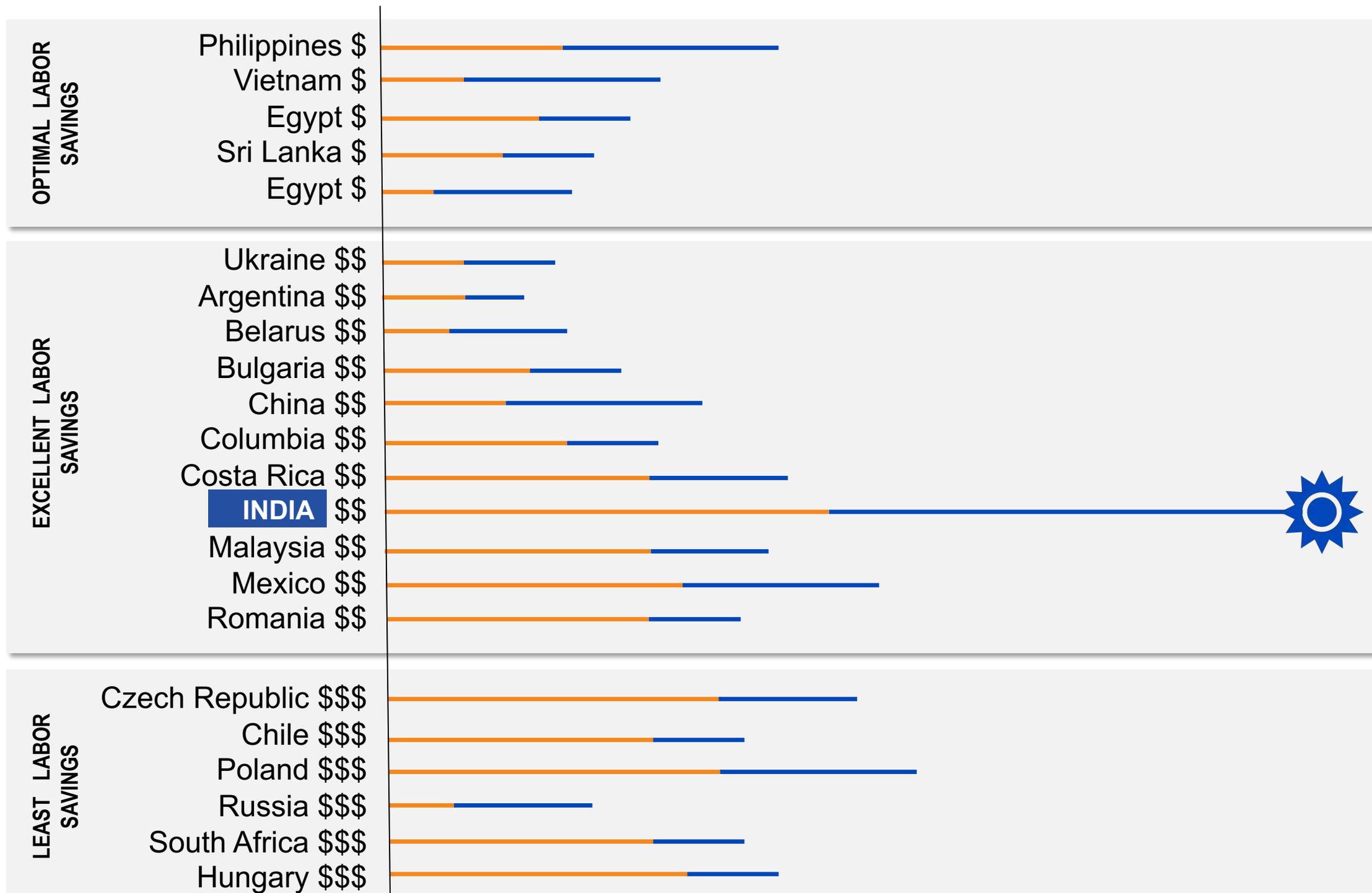
- Time with your leaders in a group interview and discussion
- The expertise of executives who've "walked in your shoes"
- The security of an NDA to protect your IP
- No price tag—it's 100% complimentary

**You'll then receive :**

- A written report documenting recommendations for Global Talent Supply & Demand
- Cost and budget considerations
- Value and results analysis
- Issues and risks itemization
- Future state projection and implications



# Why India Works



Business Maturity Available Talent

GLOBAL TECH • LOCAL TRUST

# Our GICs Work for any Size Company

Reduces Technology Spend by up to **40%**



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*GICs offer better overall control and reliability than Outsourcing*

- In ‘our” GIC center
- Incubation space and easy start up
- We provide facility, hardware, network, operational services
- Technical oversight from our Directors
- Global Enablement always included
- Works for teams sizes 5-500

GLOBAL TECH • LOCAL TRUST

Thank you for attending. Please visit us at [smc2.com](https://smc2.com) to download case studies.

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