

The background of the slide features a vibrant orange field. Scattered across the upper half are strings of white binary code (0s and 1s). Below the text, there are stylized, light-orange clouds. At the very bottom, a dark blue silhouette of a city skyline with various building shapes is visible.

Expanding Your Engineering Teams to Brace for the Digital Tsunami



Patricia Connolly
CEO and Partner
SMC²



Hunter Muller
President and CEO
HMG Strategy



Tom Hoffman
Senior Research Director
HMG Strategy

Today's Objectives

- **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%



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
- SMC²'s hybrid thinking
- Unique GIC dedicated team model
- Retention rate 90%
- Includes SMC²'s Global Enablement
- Ensures 1:1 productivity and quality compared to US standards

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SMC² 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

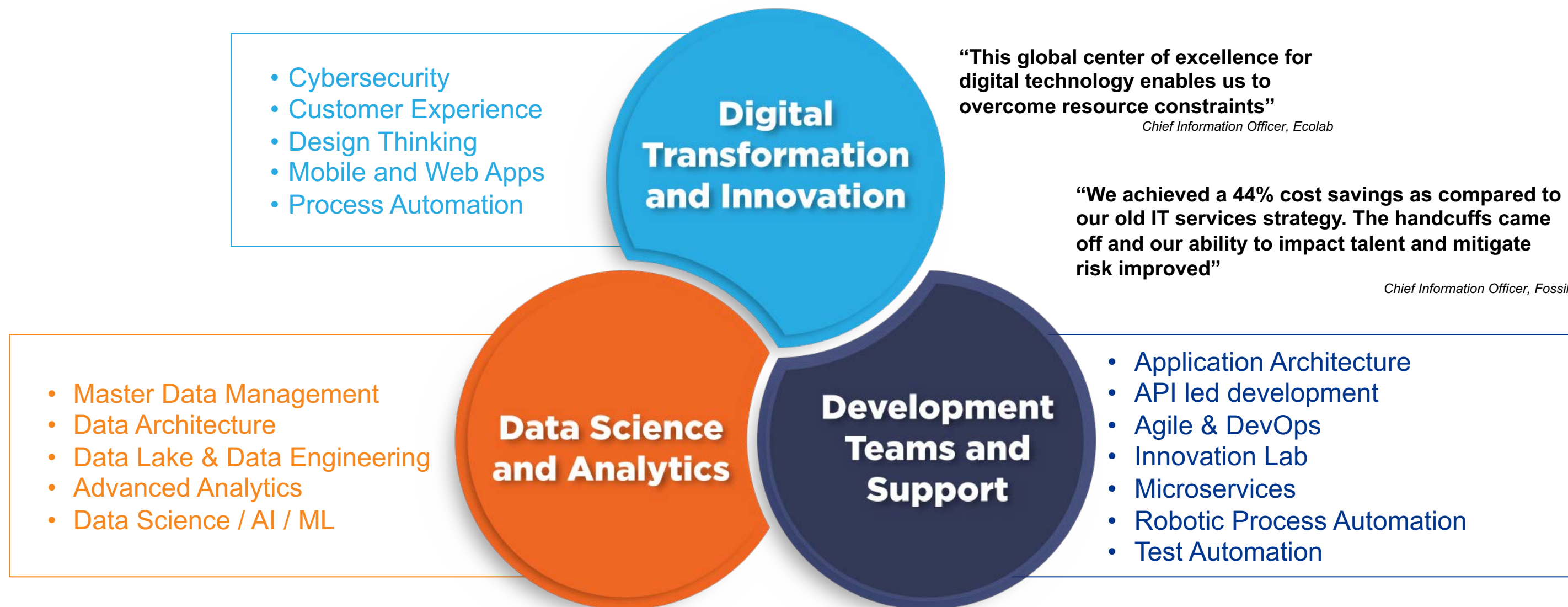
Recruit for Fit

- 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



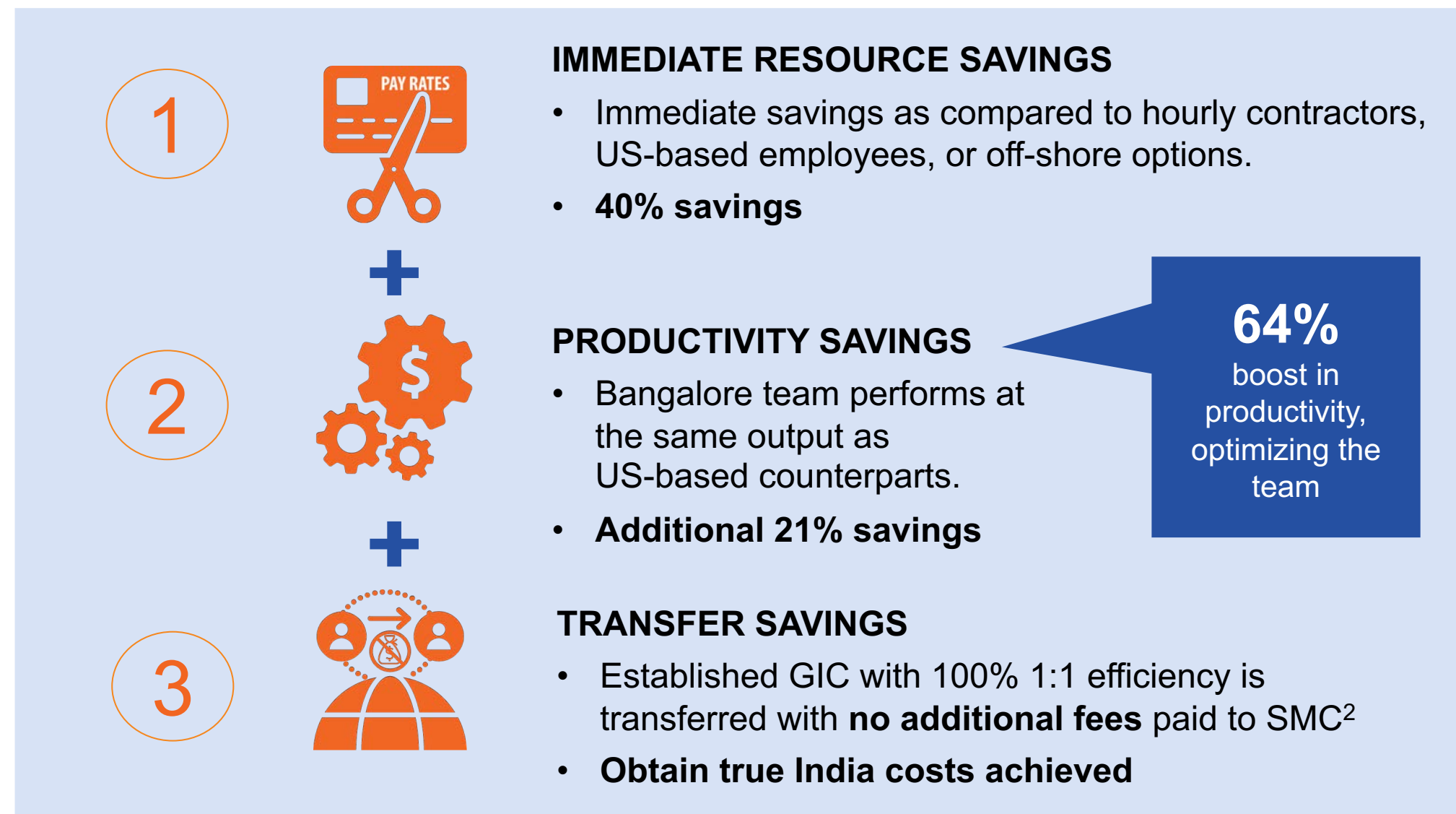
Turnaround Case Study



Three Levels of Savings

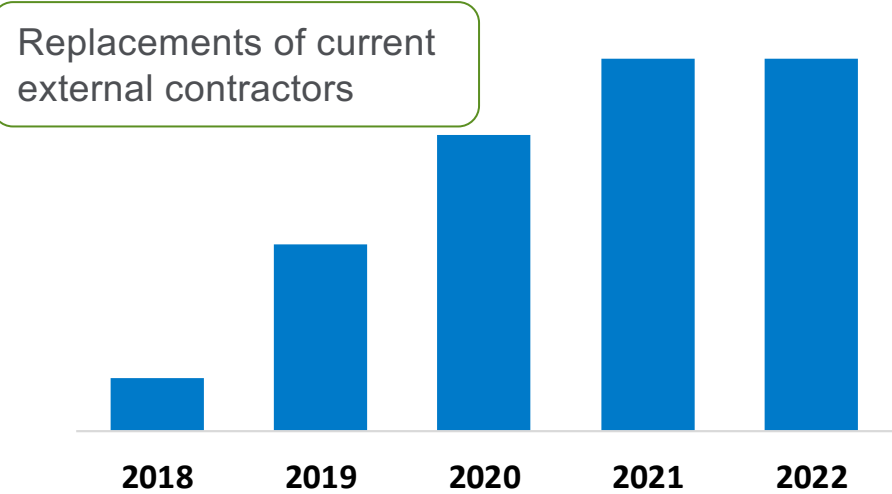
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Two Year GIC Buildout

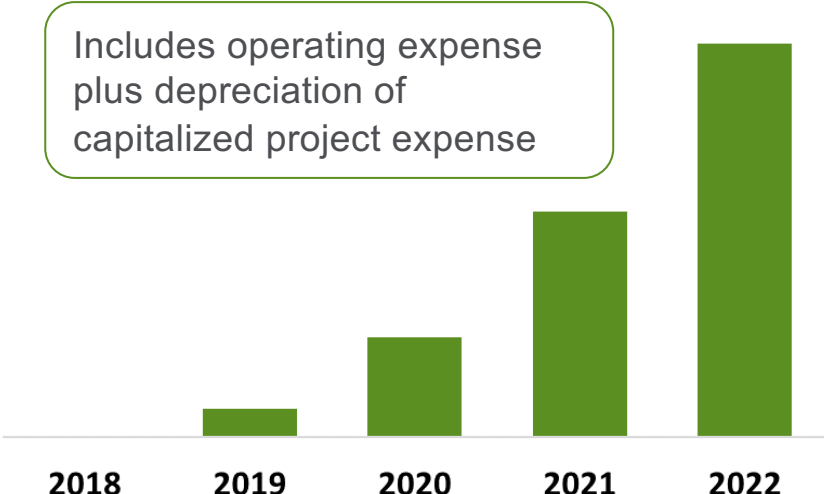


Financials: Ecolab GIC SMC² Savings FY 2018 – 2022

Offshore FTE as of Year-End



P&L Cost Savings \$M

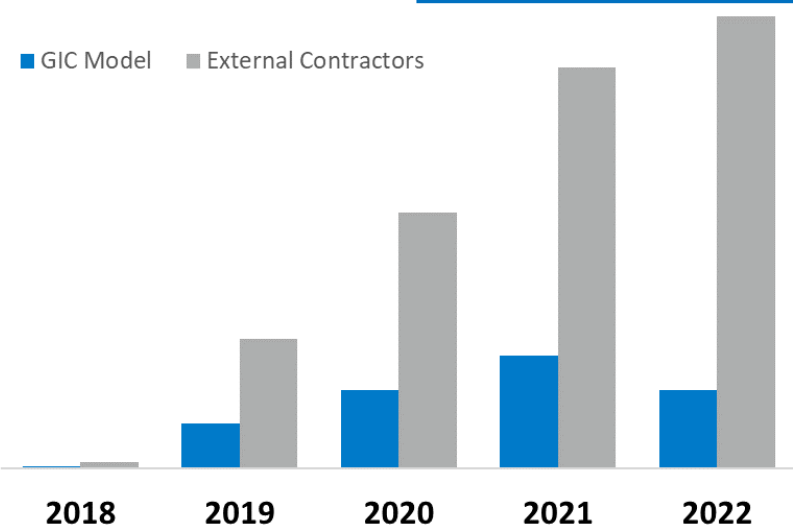


Note: Scale is accurate but actual figures masked for confidentiality. Presented at Gartner Sourcing Conference Sept 2019

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

\$ 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



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How do you best leverage Global Insourcing?

SMC²

Our Strategic Assessment Model (SAM) has answers.

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

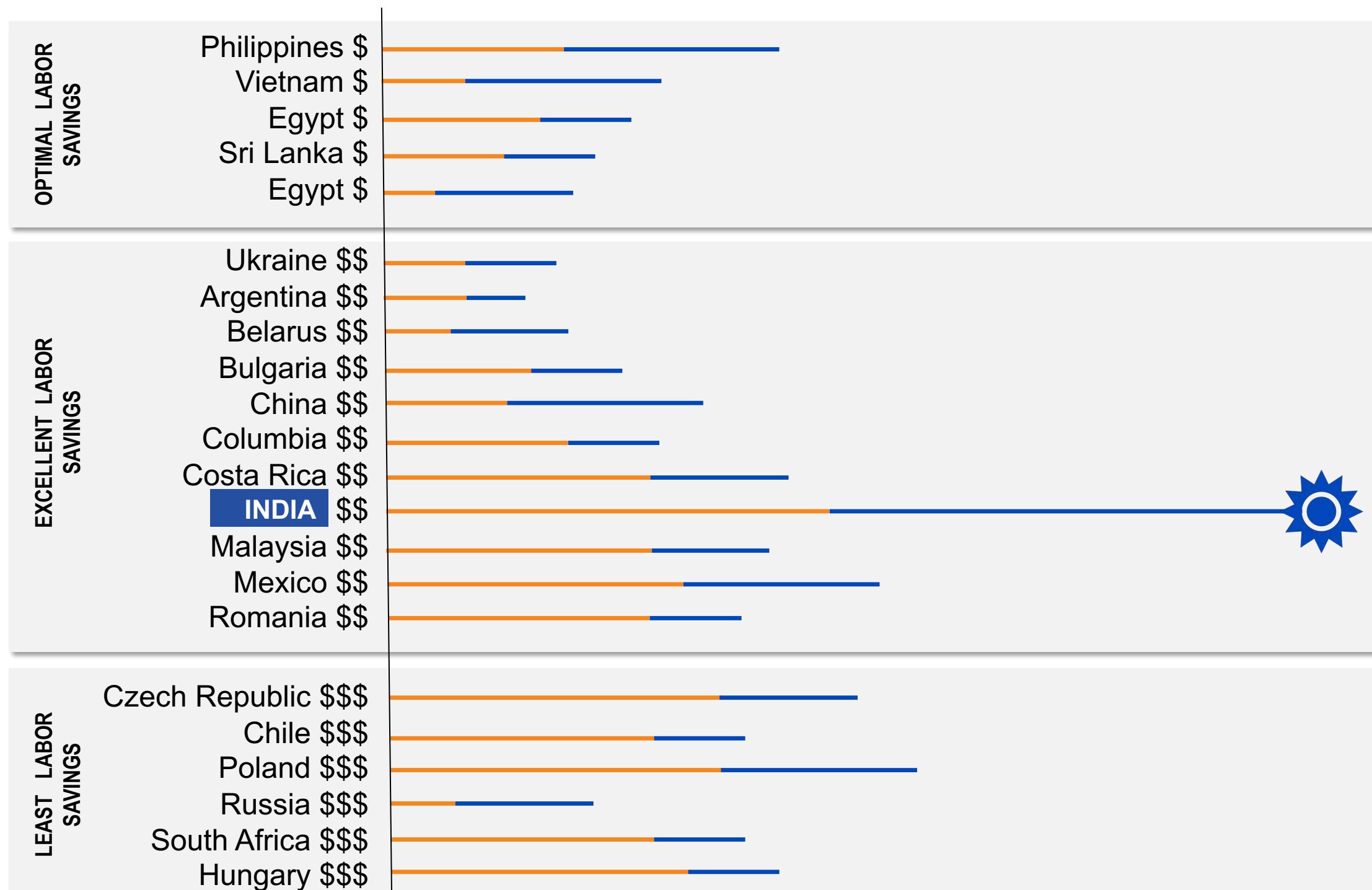
- Time with your leaders in a group interview and discussion
- The expertise of executives who've "walked in your shoes"
- The security of an NDA to protect your IP
- No price tag—it's 100% complimentary

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

Our GICs Work for any Size Company



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GICs minimize investment and risk as compared to a Captive

- 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

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Thank you for attending. Please visit us at
smc2.com to download case studies.

Patricia Connolly, CEO and Founding Partner
Patricia.Connolly@smc2.com
952-428-8068