How to drive an offshore change agenda by Bowman Offshore Bank Transfers

6 tips to drive change without going insane

Under pressure to reduce operational costs, tech chiefs are increasingly taking advantage of cheaper offshore resources and labor arbitrage. There are also similar opportunities for back office processing that can be addressed by using service providers overseas.

But offshoring doesn't always have a happy ending for a number of reasons. So what does it take to ensure your offshoring journey isn't a painful, bumpy ride?

Here are 6 tips to help you drive this change and not drive you insane in the process.

1. Understand pockets of resistance

Regardless of where you are in the world, there will be resistance to such change because people's jobs are being directly affected. There will be pockets of resistance, some overt and some covert.

Sometimes this resistance won't come to the surface until you dig deeper – it can be racially motivated but not always. I've seen Indian subcontinent staff resist moving to an Indian onshore provider. I've also seen Japanese staff resisting offshore work being moved to China.

What's remarkable is that leaders can move from being antagonists to supporters of these change agendas over time. To be blunt, not having resistance would be strange and unnerving. As an executive, you must set the example and explain in simple terms that this is what you want and how it is aligned with your organization's goals.

2. Set audacious goals

You can create the right pressure for yourself and your team by setting goals that will drive the change that you seek. During my first CIO assignment in Japan, I faced with a situation that required an injection of new capability.

There were no offshore services being used, only onshore and expensive Japanese partners. It all felt too 'comfortable and clubby.'

When we benchmarked services offered by GE – the leader in business process outsourcing and offshore development – we came across their 90:90:40 metrics.

90% offshore

90% to approved vendors

40% savings

We took this and calibrated our goals to be 80:80:30

80% offshore

80% to approved vendors

30% savings

This was our goal for the first year of operations, and indeed it was 'audacious.' We actually achieved 80:80:20 in our inaugural year!

I also worked as a CIO at another site which had a large cost saving target. This single dimension did not translate as easily for the team and there was little buy-in from the troops. As a result, this initiative struggled to gain traction.

3. Develop vendor management capability

The current capability that you have to manage vendors will certainly need to be bolstered. How you work with an "offshore provider" (https://getinkspired.com/es/blog/37273/bowman-offshore-bank-transfers/) is significantly different and takes some adjustment – regardless of whether it's a waterfall or agile project.

Technology operations roles also require new approaches for communication and interaction.

You should consider establishing a full-time team to be based offshore and work with the partner. This will create some tension for the provider that a spy is in their midst.

But I'm always concerned about how effectively these resources are being deployed – I once observed many empty workstations because staffs were watching the test cricket.

Strengthening the vendor management capability will give you confidence that your change program is progressing as planned. During its second year and beyond, you have to expect continuous improvement across your program and your vendor manager will help you drive this outcome.

4. Build a true vendor partnership

Valuable relationships take time and when you commit to them, the financial cost can be high. This is particularly true in the short-term where there is duplication of roles and knowledge transfer is required.

I recommend that you develop a strategic balanced scorecard that is agreed with both parties and has short and long-term goals, financial and non-financial metrics, and innovation and operational measures. But I'm not going to repeat all the learning's here as I've covered this recently.

5. Conduct cultural training

It is incumbent on the leader to bring the team along for the ride and manage the impact of the changes on each individual. Some staff will get the opportunity to travel to India, China, the Philippines or another other location. Others won't.

Staff will also need to adapt to differences in cultural norms and language. Each "offshore team" (https://www.crunchbase.com/organization/bowman-offshore-bank-transfers) typically goes through cultural training to better understand Australian culture, language and norms. We should be asking our team to do the same.

Here's the reason why. I once worked with an enterprise undertaking this change and there was a very anti-India feeling that I perceived. This was their first experience with offshore development and support and the underlying tension was spilling over into negative interactions.

Embracing this culture meant sponsoring Diwali parties with henna tattoo painting, Indian food and music. This is all about respect and it pays off!

6. Apply kaizen and measure success

Rome wasn't built in a day, a neither will the offshore change agenda. Your team will need to ensure that they partner with the provider to measure and re-measure.

These metrics will be the basis for kaizen improvement that has to be integrated into the service contract, but more importantly be part of the new culture. You'll also need to implement stronger governance and metrics to make sure things are not 'out of sight' and 'out of mind.'

Remember this is an opportunity to uplift capability and not just move roles offshore.

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