Beyond Offshoring

Building Global Talent Pools and Capability Centers

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Why Consider Global Talent

- Cost Optimization
- Capacity and Response Times
- Talent Access
- Innovation Enablement & Speed
- Business Continuity
- Market Expansion

Example: $400M ARR, $100M EBITDA, 1000-Employee SaaS Company

Increase Low-Cost Location Utilization by 20%	
Starting high-cost location count	500
Ending high-cost location count	400
Savings mitigation (incremental manager, bench, QA, productivity gap)	20%
High-cost location fully loaded cost per head	$100k
Low-cost location fully loaded cost per head	$35k
Savings ($65k X 100 X 80%)	**$5.2M**
Est. Enterprise Value increase @12x	**$62M**

Actual calculations have been simplified for illustration purposes.
Ignored one-time costs and any additional costs and savings.

Industries & Functions

Industries

Technology	Financial Services	Professional Services	Healthcare	Industrial	Consumer	Chemicals	Energy	Retail	Aerospace & Defense	Telecom	Media & Entertainment

Functions

Technology & Engineering: App Dev & Maintenance I Software Testing & QA I Cloud & DevOps Support I Systems & Product Engineering
Customer & Technical Support: Voice/ Chat/ Email Support I Network Operations I Security Operations I User Support
Analytics: BI & Reporting I Data Analytics & Engineering I Basic & Advanced Analytics
Sales & Marketing: Sales Ops & Analytics I RevOps I Lead Gen I CRM Data Mgmt I SEO, SEM I Content & Creative
Finance: AP, AR I GL Accounting I FP&A Support I Tax Preparation I Procurement
HR: RPO I Payroll Admin I HRIS & Employee Data Mgmt I Compensation & Benefits Administration I HR Helpdesk

Key Steps & Operating Model Decisions

Strategy

- Evaluate offshore potential and savings
- Identify global locations and labor costs
- Develop initial savings model and timeline
- Assess impact, risks, and mitigation strategies
- Build change management & communication plan

Solution Design

- Refine savings model; include one-time costs
- Define org, tech & process changes at enterprise level
- Evaluate process readiness; group into 2–3 waves
- Decide Build vs. Buy; select location(s)
- Establish governance & launch AI offshore strategy
- Initiate change plan

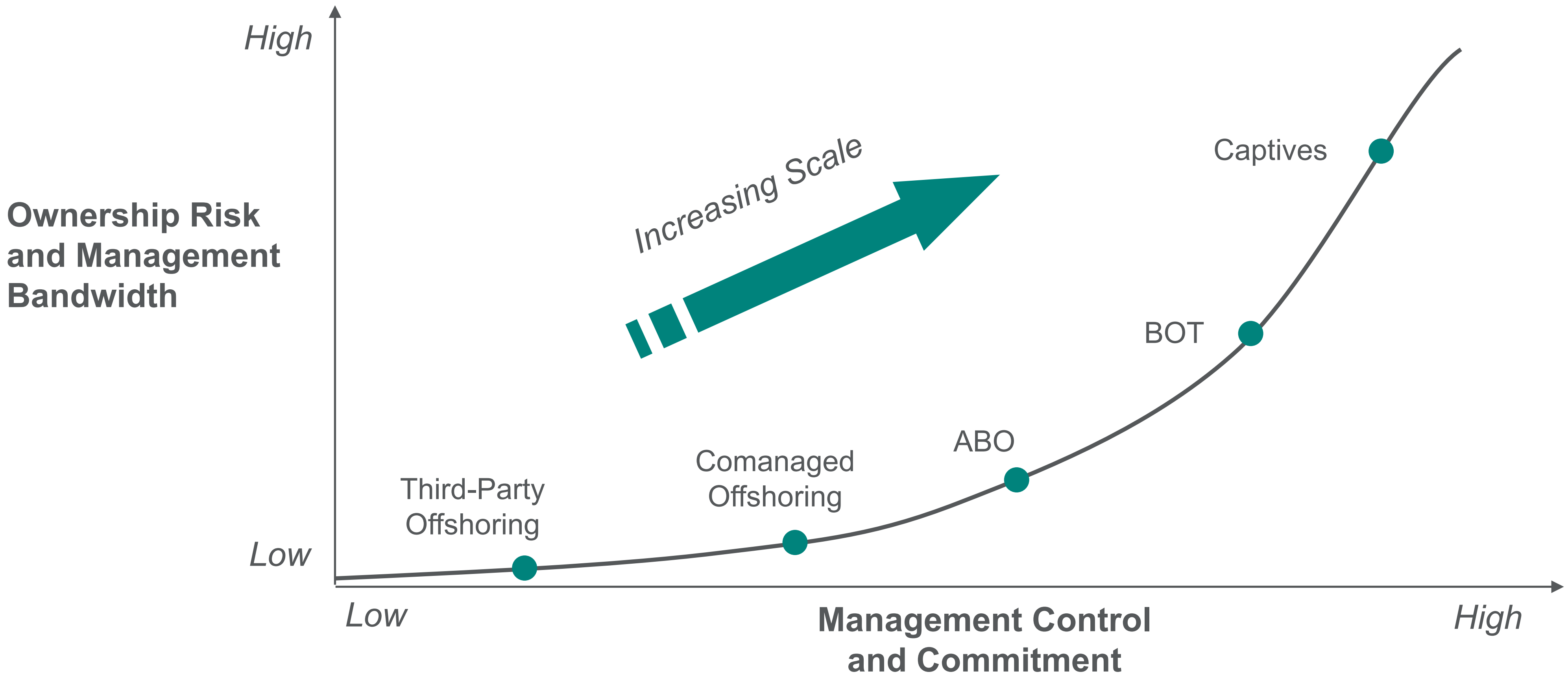
Transition Planning

- Form transition team & detailed plan
- Define captive roles, infrastructure, and entities
- Shortlist vendors; run RFP & due diligence
- Execute change plan
- Document process baselines
- Create talent and culture strategy

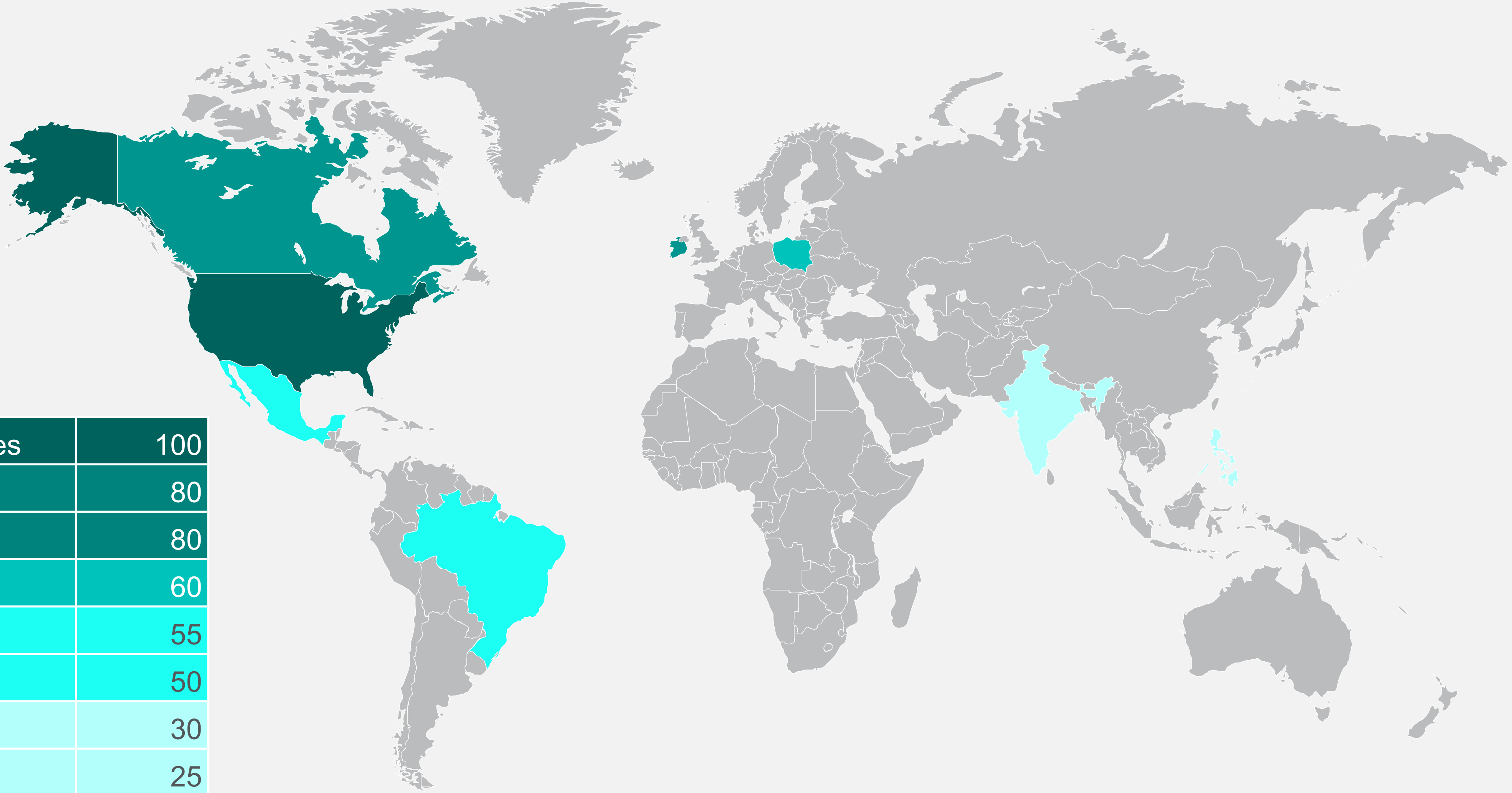
Implementation and Optimization

- Appoint implementation team
- Finalize vendor/site selection & contracting
- Conduct leader visits and site assessments
- Perform detailed process mapping & set SLAs
- Execute process migration & knowledge transfer
- Drive continuous optimization & automation

Make or Buy Operating Model Decisions



Relative Labor Cost (Indexed to US)



United States	100
Canada	80
Ireland	80
Poland	60
Mexico	55
Brazil	50
India	30
Philippines	25

- Representative cost as % of US
- Significant variations by job, talent pool, industry and in-country location

Headcount Ratios by Location for Technology (Software and Services) Companies

	Fully loaded labor cost as % of US	Typical Countries/ Regions Included	% of total headcount	Offshore-native companies
High Cost	>70%	US, Canada, UK, Western Europe	40 – 60%	5 – 10%
Medium Cost	40 – 70%	Eastern Europe, Central & Latin America	10 – 20%	5 – 10%
Low Cost	<40%	India, Philippines	30 – 50%	80 – 90%

- Illustrative (not prescriptive) ratios for technology (software and services)
- For companies that have been using global talent for >2-3 years.
- Several smaller companies have lower low-cost % (including 0) for employees but may be using offshore contractors.

Offshore vs AI – Simple Version

Global Talent is Better Suited

- Judgement & critical thinking
- Advanced reasoning
- Ethics and discretion
- Cultural understanding subtleties
- Innovative tasks
- Relationships (requires empathy or emotional intelligence)
- Adaptability to unforeseen circumstances

AI is Better Suited

- Structured, repeatable and rule-based
- High volume or data-intensive
- Requires high accuracy and consistency
- Instantaneous execution
- Scales easily with low marginal cost
- 24/7 availability
- Lower concerns about privacy and compliance

Healthcare Processes – Automation vs AI vs Offshore vs Onshore

Process / Task	Automation/ Workflow Tools	AI	Onshore Team	Offshore Team
Patient Appointment Scheduling	Automating scheduling forms, reminders, calendar sync	Predicting optimal scheduling times	Handling special scheduling requests	Routine confirmation calls and follow-up reminders
Medical Coding & Billing	Auto-generating claims based on standard inputs	Billing code suggestions, error flagging	Reviewing complex claims, handling disputes	Processing high-volume, standardized coding and billing entries
Patient Support (Non-Clinical)	Ticket routing, appointment confirmations, FAQ bots	Chatbots for insurance coverage questions or basic triage	Resolving sensitive issues, escalations, empathy	Inbound calls, basic inquiries, and document handling
Diagnostics & Imaging Review	Image capture, metadata tagging, EMR integration	Anomaly detection in radiology, pathology scans	Final clinical interpretation and patient communication	Preliminary scan reviews to flag abnormalities
Claims Processing	Claim routing, status tracking, document collation	Fraud detection algorithms, smart classification of claims	Oversight of high-risk or high-value claims	Routine claim validation, reconciliation of documentation

Relative mix will evolve with technology, legal, and industry changes

Scaling the Organization; Shifting the Employee Center of Gravity

Meredith Graham
Chief People Officer, Ensono

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Ensono Business & Employee Footprint Evolution

Business / Employees

~$270M (2018)

Business:
- Legacy IT Infrastructure
- Mostly mid-market clients

Employees:
- 1100 US
- 400 UK
- 70 Poland

~$500M (2019)

Business:
- Hybrid IT Infrastructure
- Enterprise + mid-market
- ***Merger of near-equals***

Employees:
- 1100 US
- 700 India
- 300 UK
- 100 Poland

~$700M (2021)

Business:
- Hybrid IT Infrastructure + Solutions
- Enterprise + mid-market + Digital
- ***New PE***

Employees:
- 1200 US
- 1100 India
- 300 UK
- 90 Poland

~$1B (2025)

Business:
- Hybrid IT Infrastructure + Digital Solutions
- Global Enterprise clients

Employees:
- 1400 US
- 1800 India
- 300 UK
- 100 Poland
- ~100 Other (Brazil, Canada)

Key Learnings

Talent
- Requires ongoing investment
- Build or buy options
- Different workforce expectations

Time Zone & Geographic Distance
- Can be an advantage + disadvantage
- Managing global teams requires investing in managers
- No substitute for in-person visits

Long game
- 6-12 months for material savings
- Initial setup, training, and transition costs can offset short-term gains

Leadership
- Strong leaders who understand both global expectations & local realities
- Alignment between process/ business owners and delivery leaders

Culture
- True 2-way communications and cross-cultural understanding
- Accommodate different work styles, communication preferences

Governance
- Requires strong controls & clear KPIs
- Ongoing governance to ensure operating model is working as intended

Culture & People Operations (HR) Team Evolution

2018

- Team of ~30
- Predominantly US, with small team in Europe
- HRLT structured by Region (US & Europe) + COEs
- Just starting the Workday journey
- Large global acquisition in front of us

Current

- Team of ~70
- Global team, with ~45% in India, 40% in US & 15% UK/ Europe
- Two of 5 HRLT members are outside US (one in UK and one in India)
- Added capabilities (but not HR staff) to handle Brazil, Canada (PEOs)
- Focus more on People Analytics and Tools to handle increasing workloads

Scaling leadership, organization capabilities and culture, not just people operations

From Offshore Center to GCC

Ranjan Wadhwa
Head of Global Services, First Citizens Bank

First Citizens Bank

Four Stages of Maturity

Stage 1: Transactional Services

- Cost arbitrage and labor-intensive tasks e.g., data entry, payroll, AP/AR, basic IT support
- High standardization, low complexity
- Minimal integration with HQ strategy

Stage 2: Operational Excellence

- End-to-end processes (e.g., Procure-to-Pay, Order-to-Cash)
- Introduction of Lean, Six Sigma, Automation
- Productivity & quality KPIs introduced
- Governance models and cross-BU collaboration

Stage 3: Strategic Partner

- Complex and judgment-based work (e.g., analytics, decision support)
- Talent strategy evolves to include niche skills
- Emergence of Centers of Excellence (CoEs)

Stage 4: Global Capability Center (GCC)

- Ownership of global processes, products, innovation streams
- Functions include R&D, AI/ML, cybersecurity, product engineering
- GCCs co-create strategy and lead transformation

Evolution of Engineering, Support, and Finance

Stage	Stage 1 Transactional	Stage 2 Optimized	Stage 3 Strategic	Stage 4 GCC
Customer Support	• Basic query handling • Email/ticket responses	• End-to-end case resolution • Tier 1/2 support	• VOC analytics • Support strategy input	• Multichannel & AI-driven support • Customer experience analytics
Engineering / Software Development	• Code maintenance • Bug fixing • Basic testing	• Module-level development • Test automation • DevOps support	• Full product lifecycle support • Architecture involvement	• Product ownership • R&D • AI/ML development
Finance	• AP/AR • Data entry • Reconciliations	• Full Procure-to-Pay • Financial reporting support • Payroll	• FP&A support • Compliance analytics • Financial modeling	• Treasury • Strategy & M&A support • Global controllership

Headcount Distribution & Talent Strategy by Stage

Stage	Stage 1	Stage 2	Stage 3	Stage 4
% of Function Headcount in Offshore	10–20%	20–25%	30–40%	>40%+
Talent Profile	Entry-level, transactional skills	Process experts, lean/automation skills	Domain experts, analytics, decision-support	Innovation, leadership pipeline, cross-functional
Leadership Considerations	Functional supervision	Mid-level managers, process leads	Strategic leads, global collaboration	Executive presence, global leadership roles

Summary and Q&A

Multiple reasons for tapping into global talent – cost is key but not the only one

When done right – it drives a material lift to EBITDA

Widespread prevalence and success stories across all major industries and functions

HR has a leading role since talent is the only play

Major decisions include location and make/ buy; these drive major tradeoffs

AI tools offer viable alternatives for certain tasks (seldom entire roles)

Enduring success requires additive not subtractive thinking

It is a long-term journey – final stage of maturity is a high-value Global Capability Center

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