

CASE STUDY

Client Perspectives

Realizing Business Value - VOLUME II

Collection of 3 case studies



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F O R E W O R D



Dear Reader,

I am delighted to share the second volume of the Infosys BPO Case Study Journal. In this version our clients share interesting perspectives of their journey with us and how we are continuing to “Realise Value” for their business.

Bringing these case studies to you has been a wonderful experience. These case studies are focused extensively on how we are partnering with our clients to drive more efficiency into their business, collaborating to drive strategic agendas, and persistently moving in pursuit of excellence by focusing on business metrics.

This journal would not have been possible without our clients and their belief that business transformation is a must in today’s world. Their continued focus on deriving business value through collaborative partnership and involvement from senior leadership can be noticed in the business cases articulated in the following pages.

I would like to thank our clients who contributed and made this Journal possible.

As we move ahead, our strength is our clients’ continued faith in our ability to transform and impact their business metrics to truly “Realise Business Value”.

Best Regards,

A handwritten signature in black ink that reads "Purnima Menon". The signature is written in a cursive, flowing style.

Purnima Menon

Head Marketing, Infosys BPO

CASE STUDY

Business Value Realisation through Process Outsourcing
Infosys BPO enables T-Mobile UK to realise business value through the outsourcing of its Finance Directorate Functions



Abstract

Clients are increasingly looking beyond cost arbitrage when it comes to outsourcing. They want to see an impact on the business at the earliest. Through a fast and noise-free transition, coupled with a deep understanding of client business drivers, Infosys BPO has been able to bring out a significant impact on the T-Mobile UK Finance Directorate processes. This case study outlines how Infosys BPO is able to add business value to clients throughout the outsourcing life cycle through its transformation approach....

Client Overview

T-Mobile is now part of Everything Everywhere Limited – the company formed through the merger of T-Mobile and Orange earlier this year. It is Britain's largest communications company with a combined customer base of over 30 million people and 700 retail stores across the country. Everything Everywhere plans to transform the industry by giving customers instant access to everything everywhere, offering the best value, best choice, and best network experience in the country.

Background and Business Drivers for Outsourcing

T-Mobile UK wanted to structurally reduce the cost of its business operations while retaining focus on those activities that are core to its brand and growth. As part of this strategy, T-Mobile UK carried out an assessment of activities in its Finance Directorate with a view to partner with a service provider. The scope of the outsourcing initiative included various processes within the Finance Directorate such as Accounts Payable (AP), Accounts Receivable (AR), Procurement, Reporting, Credit Referral, Fraud, Billing and Commissions, Data Management Office, Interconnect and Roaming Settlement, Fixed Assets, and Revenue Accounting. T-Mobile UK was keen that the relationship with the chosen service provider should extend beyond mere cost arbitrage. With this view, three key business objectives were outlined as part of the outsourcing strategy:

- To drive operational efficiency to gain competitive advantage;
- To improve quality of service by allowing greater focus on value-add processes;
- To take decisive action to deliver cost savings and quality within the first year of partnership.

T-Mobile UK was clear that establishing a partnership relationship with the chosen service provider was the key to achieve these objectives. Hence, they set in place a very rigorous approach towards selecting the right partner which consisted of multiple vendor site visits and stringent capability analysis, at the end of which Infosys BPO was selected as the outsourcing partner to T-Mobile UK.

Challenges Faced During Transition

- Lack of Prior Exposure to Outsourcing any back-office - Since T-Mobile UK was outsourcing Finance back-office functions for the first time, Infosys BPO was expected to provide their transition expertise and deploy a proven methodology. It was also critical for T-Mobile UK to have internal and group stakeholders support the initiative.
- Need for an Accelerated Transition - The transition timelines were challenging with all in-scope processes required to Go-Live within five months of the start of the first onsite training. Tight timelines also meant that there was very little or no scope for slippages and need for faster decision making.
- Change Management - The retained organisation would be expected to learn a new way of doing things - from managing processes to managing relationships and acquiring new skills.

- Complexity of the Transition - The transition was expected to be complex given that there were 4 departments, 21 processes, and 130 sub-processes across 3 transition waves with multiple processes in each wave.
- Maintaining Service Levels - It was critical to the success of the transition that existing metrics were not adversely impacted.

The Infosys BPO Approach

Infosys BPO follows a systematic approach to create business value for its clients throughout the partnership life cycle consisting of

- Seamless and noiseless transition process;
- Continuous business value adds throughout client life cycle through constituting a dedicated transformation team for each client focusing on both process optimization and technology interventions.

'Same Day' Business Value add

- Noiseless transition
- Customized Domain Training
- Process back-boning - standardization & harmonization
- Service Predictability

Further Value add over the life cycle through two additional levers

Business Value add Through Process Optimization

Continuous process improvement through 6 Sigma and Lean/ Service manufacturing initiatives

Technology as a Business Value Multiplier

Use technology to positively impact the end-to-end value chain of the client processes through Automation, Applications, Platforms and Tools

Seamless and Noiseless Transition Process

T-Mobile UK had three key objectives from transitioning the processes adopted by Infosys BPO:

1. Realise the benefits and any synergies available through outsourcing of the in-scope services,
2. Accept the handover of the current services without experiencing undue operational issues, and
3. Maintain existing service levels during transition while Infosys BPO implemented its rigorous Transition.

Methodology consisting of 5 stages (Preparation, Planning, Execution, Parallel run, and Steady state) across 5 tracks (Knowledge management, Contract management, Program management, Operations, and Technology management). Tollgate methodology was used to ensure movement of the project from one stage to another. The transition of 21 processes (with over 130 sub processes) in scope was done in 3 waves to ensure minimal impact on existing operations. Careful planning of onsite training timelines ensured that service levels were not impacted due to T-Mobile

UK SMEs spending time training Infosys BPO staff. Detailed documentation of processes through training manuals ensured completeness of knowledge transfer. The offshore parallel run was supported by T-Mobile UK SMEs travelling offshore to Infosys BPO's location in India for a period ranging for 1 to 4 weeks.

Infosys BPO's Telecom Centre of Excellence also put together a customized training program comprising an 'Overview of the Wireless industry from a UK perspective' and a foundation module on 'Telecom Billing' to give the Infosys BPO employees an exposure to the client business environment.

Benefits of successful and noiseless transition:

The success of the transition is highlighted by the following key achievements

1. Project delivered under budget - savings delivered to T-Mobile UK as against the originally estimated transition cost
2. 100% on-time recruitment
3. 95% on-time completion of onsite knowledge transfer/ training
4. Zero escalations
5. 90% on-time delivery of the project

Realising continuous Business Value for T-Mobile UK through the dedicated Transformation Office

Infosys BPO sets up a dedicated Transformation Office for each of its clients to ensure continuous business value over the duration of the engagement. Fast and noise-free transition coupled with a deep understanding of client business drivers enabled the Transformation Office set up by Infosys BPO for T-Mobile UK to add value to the T-Mobile UK processes through process standardization and harmonization initiatives right from the start of business operations. The Transformation office has been able to impact client business metrics through both process optimization and technology interventions.

Transformational Value add through Business process optimization and technology interventions

The experience gained by Infosys BPO in working for other global clients has enabled it to already identify, within the first year of the engagement, transformation opportunities across the various T-Mobile UK processes resulting in recurring savings in excess of £100 K p.a.

The following example is illustrative of Infosys BPO's approach towards transformation. The Accounts Payable team handles multiple activities such as Invoice Processing, Vendor Account Management, Vendor Payment, Prompt Payment Discount, Purchase Card programmes, etc. T-Mobile UK had in excess of 46000 line items to be analyzed in their 'Goods and Invoices received' account making it a good candidate for automation initiatives. The automation tool implemented by Infosys BPO automatically analyses each entry in the 'Goods and Invoices received' account and assigns reasons for the pending entry. This produces a faster, more accurate and more reliable analysis as well as providing the complete status of open lines. The time spent on manual analysis and on resolving the reconciling items was thus reduced drastically and the Infosys BPO team was able to reduce the ~46000 line items to 22000 within two months resulting in significant savings for T-Mobile UK.

Enhanced productivity though understanding of client business domain drivers

Telecommunications (both fixed and mobile lines) are an attractive target for fraudsters. Early detection of fraud and subsequent action is essential to reduce the risk of fraud. The skill set required for this process primarily involves the ability to monitor the behavior of customers to detect and alert undesirable call behavior.

One of the priorities for the Infosys BPO team was to prevent revenue leakage by identifying potential fraud across the T-Mobile UK network. The team added 24 key alarms to the Fraud Management System based on the detailed analysis of the trends observed. Proactive detection, comprehensive analysis, and instantaneous escalation on a continual basis has resulted in reduction of fraud losses to T-Mobile UK.

Client

SPEAK...

Tim Spence, Director of Finance Operations and Supplier Management

"Infosys BPO was selected based on consistency of performance across the 4 stages of assessment (previsit, site visit, RFP, presentation) as well as key cultural, compatibility, and commercial differentiators that best aligned to T-Mobile UK's goals. The decision to award the contract was a unanimous one. And I must say that the way Infosys BPO has managed the transition process has convinced us that we were not wrong in our decision. Not only has the business case been delivered and all top priority KPIs been met but we have seen some initial success in terms of process improvements. Infosys BPO team in India is now working as an extension of our Finance Directorate here in Hatfield."

P-O Ahlstrom, Director of Risk, Control & Internal Audit

"We always knew that the success of the relationship was dependant on the two teams working as one and it's great to be in a position of true partnership within just a few months into the steady state. The true test of an outsourcing 'partnership' occurs when the employees of both organizations interact with each other. The moment of truth in this relationship occurred when the Infosys BPO resources walked in to our Hatfield office for onsite training. There certainly was some uncertainty among our employees and I must say that I was impressed by the way that the Infosys BPO employees were able to handle the situation and diffuse any negative emotions. They have been able to integrate themselves in to the T-Mobile UK organization within a short span of time and create a winning partnership with their UK counterparts."

Conclusion

Clients are increasingly looking beyond cost arbitrage when it comes to outsourcing. Partnering with an outsourcing service provider having the capability to quickly imbibe client business value drivers will enable clients to start gaining business value from the onset of relationship. Fast and noise-free transition coupled with a deep understanding of client business drivers has enabled Infosys BPO to add value to the T-Mobile UK processes through process standardization and harmonization initiatives right from the start of business operations, successfully laying the platform for even more business value gain for T-Mobile UK through the term of the partnership.

CASE STUDY

TIAA-CREF: Finding a long term trusted transformation partner with Infosys BPO



Abstract

TIAA-CREF needed to improve their product speed to market and retire an aging legacy platform. They had a complex range of products ranging from 80 year old traditional life products to state of the art variable universal life and annuities. This case study illustrates how McCamish Systems, an Infosys BPO subsidiary (Infosys BPO) supported the transformation of the TIAA-CREF life insurance business model.

The Client:

Founded 90 years ago, TIAA-CREF is one of the world's largest retirement companies, with more than \$426 billion in combined assets under management and 3.7 million participants at over 15,000 institutions. TIAA-CREF employs over 7,000 employees across three (3) major locations (New York, Charlotte, and Denver) and over 62 regional offices across the United States and one in the United Kingdom.

Business Challenge

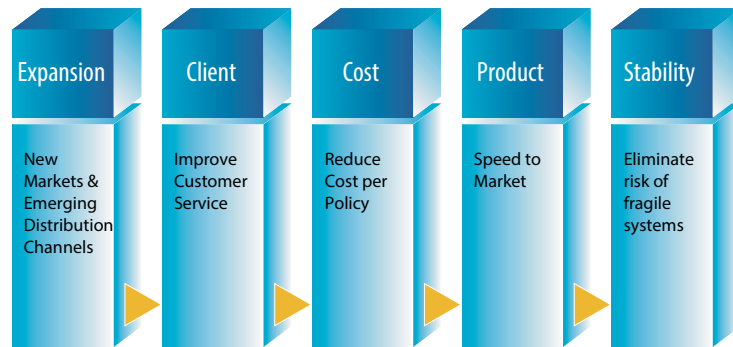
In 2004, TIAA-CREF's subsidiary that issues life insurance and non-qualified annuity products (TIAA-CREF Life Insurance Company or TC Life) was searching for a partner to achieve their strategic infrastructure and business plan. The key tenets of the infrastructure plan were to transition to state of the art insurance systems, control expenses, manage risk, improve speed-to-market, improve customer service while scaling, and provide flexibility to enable pursuit of the overall business plan.

THE GOAL

- Eliminate fragile, aging, and inflexible architecture. TC Life's legacy systems did not support the product development pipeline, did not fit into the overall corporate architecture, did not support emerging distribution channels, and provided challenges relative to delivering consistent exceptional customer service.
- Replace most of the applications supporting its life insurance and non-qualified annuity acquisition system(s) with a fully integrated acquisition

system that would allow the TC Life to deliver outstanding service in support of the processing of life insurance and annuity requests on behalf of applicants.

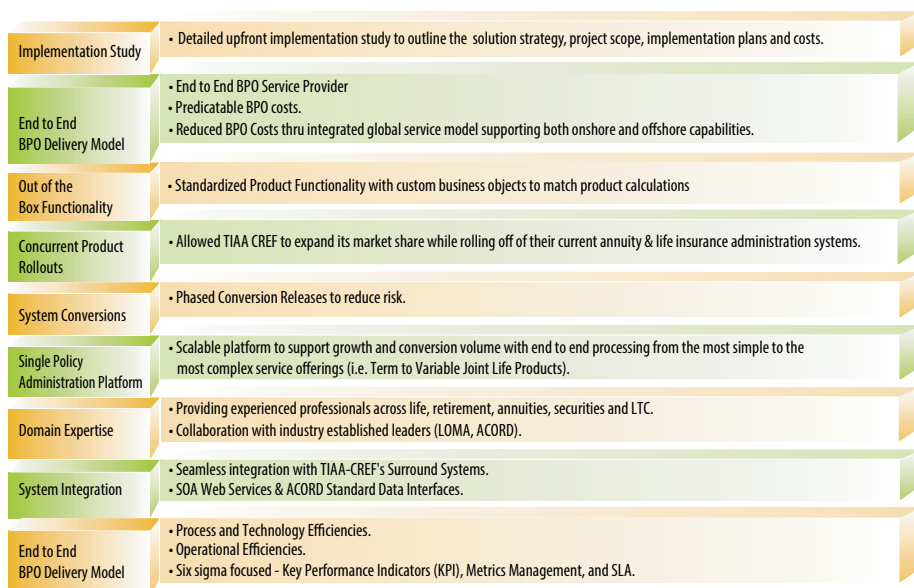
- Promote and aid in the transformation and standardization of company-wide administrative processes. Consolidating through platform conversions, all life insurance and non-qualified annuity products.
- New product launches of life, variable universal life and annuities.



The key factors driving this transformation were:

The Infosys BPO Solution

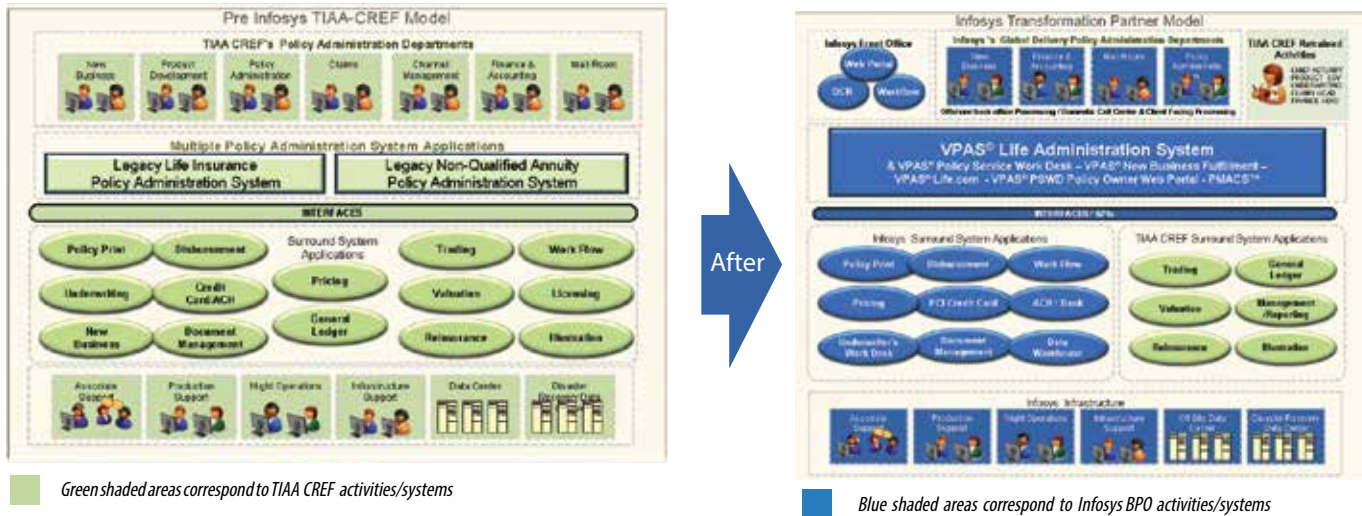
The Infosys BPO Solution was over a 5 year time period. Infosys BPO designed a holistic approach to implement TC Life's long term transformational goals which included:



Prior to Transformation: TC Life's business and systems were administered solely by TIAA CREF associates. They had two administration systems. Each system was integrated with their downstream systems using batch interfaces. The data center and data center support were also administered solely by TIAA CREF.

After Transformation: Infosys BPO seamlessly integrated their administration systems into the Infosys Life Insurance Platform. Infosys BPO provided the back office for TIAA CREF Life and Annuity business. Infosys BPO took over the bulk of their downstream processing (i.e., policy print, credit card, disbursement, document management). In addition Infosys BPO's data center supports the strategic contract administration system. TC Life retained several activities including actuarial, new business case management, underwriting, IT oversight and support of core corporate systems, and administrative department heads (claims, finance, etc.).

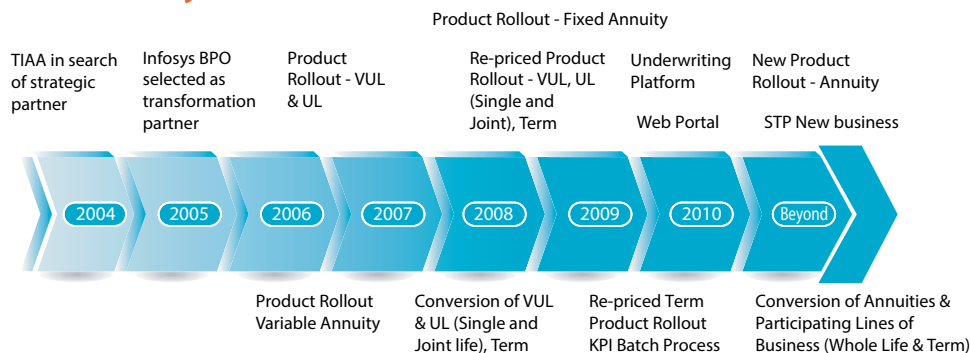
See below for more information.



The Journey

In 2004, TIAA CREF was looking for a strategic partner. Infosys BPO was chosen as its strategic partner in 2005. Each year, Infosys BPO has implemented new products and state of the art product functionality. The figure below illustrates the transition from inception of our relationship with TIAA-CREF to today.

Journey.....



Infosys BPO currently administers over 66,000 policies in the following product types (54,000 active paying policies):

- Variable Universal Life
- Universal Life
- Survivorship Variable Universal Life
- Survivorship Universal Life
- Annual Renewable Term

- Level Term
- Variable After Tax Annuity
- Market Value Adjusted After Tax Annuity

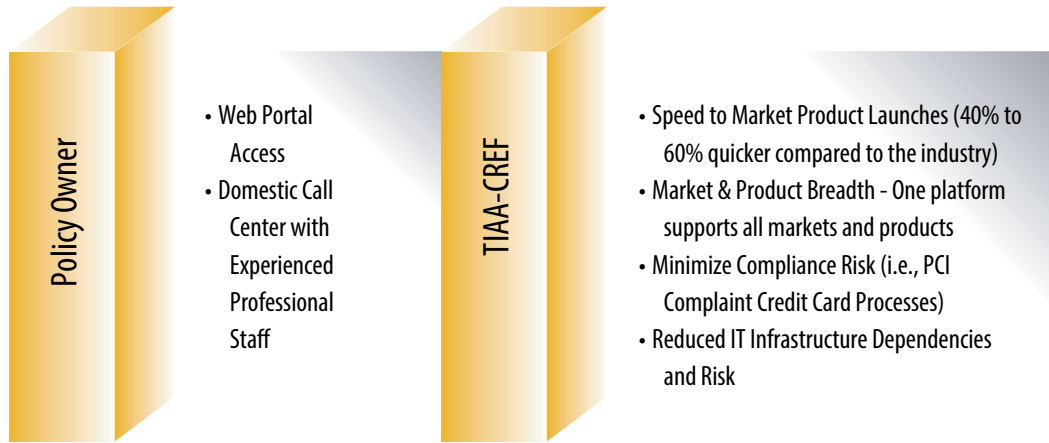
Planned Policy Migration / Conversion - 2010 & Beyond:

- Whole Life
- Collective Life

- Term to Age
- Decreasing Term
- Limited Pay Life
- Endowment Life Insurance Contracts
- Fixed Annuity
- Immediate Annuity
- Single Payment Annuity

Business Value Delivered

Infosys BPO has accomplished key objectives and added significant business value to the TIAA CREF and its policy owners by providing the following:



Business Value Enablers

Since Inception, The TIAA CREF relationship has provided significant value to both TIAA CREF and Infosys BPO. This transformation has enabled the following:

- Automated End to End Processing (BPM Focused)
- Metrics/SLA Driven
- Process Maturity

Infosys BPO Delivery Model

- Position TIAA-CREF's for transition from multiple platforms to a streamlined single platform using the SOA
- Extensive Business and IT domain knowledge to support TIAA-CREF's transformational and growth objectives

Infosys BPO Scalability & Flexibility

- Skill Needs / Demand Spikes
- Large Talent Pool
- Platform Supports Growth

Lower Total Cost of Ownership

- Shared Services
- Offshore
- Economy of Scale
- Resource Optimization

Infosys BPO Operations

- Predictable operating fees
- Flexible On-Shore / Off-Shore Capabilities based on TIAA-CREF's business needs

Business IT Alignment

- Common Vision
- Innovation Leveraging Industry Trends
- Governance & Dashboard

Trusted Transformation Partner

- Executive Commitment
- Relationship-Based Focus

Infosys BPO Predictable Delivery

- On Time within Budget Delivery
- Faster Time to Market

Innovative Pricing Models

- Risk/Reward Mechanism
- SLA Based Tracking and Pricing

CASE STUDY

Industry Recognition for Transformation Partnership



Infosys-McClatchy partnership is recognized by the Shared Services & Outsourcing Network as
"Best New Outsourced Services Delivery"



OUTSOURCED SERVICES DELIVERY

BEST NEW OUTSOURCED SERVICES DELIVERY

WINNER: Infosys BPO with client McClatchy

STRATEGIC FRAMEWORK

Overview

Infosys BPO has been providing services to McClatchy since April 2008 and has been supporting back office functions that support McClatchy's Finance & Accounting processes. McClatchy owns 30 daily newspapers operating in 29 US markets. Prior to BPO, the processes were performed separately at each newspaper site. The vision and strategic framework for BPO was defined to deliver benefits to McClatchy over three different stages:

- **Reduce costs through BPO** - primarily through labor arbitrage and consolidation in one location
- **Gain efficiencies** - through standardization of processes across

various newspaper locations

- **Gain efficiencies** - through process transformation

ERP

While McClatchy used PeopleSoft 8.8 for consolidated instance of Accounts Payable, e-Procurement, General Ledger, Asset Management, and T&E, each of the newspapers used a local instance of advertising and circulation applications that drove the entire O2C process. Furthermore, the applications used to support advertising and circulation systems varied from location to location (both in terms of application providers as well as versions of the applications).



The initial economic threshold was defined as the Targeted Cost reduction and has been met for the first stage of BPO. Currently, we are into the stage of achieving efficiencies through process standardization.



Economic Threshold

The initial economic threshold was defined as the Targeted Cost reduction and has been met for the first stage of BPO. Currently, we are into the stage of achieving efficiencies through process standardization. To achieve this vision, McClatchy and Infosys created a transition plan that attempted to maximize benefits to McClatchy while balancing speed with risk. As work was transitioned from each individual newspaper location, a location-specific transition plan was developed and executed.

The first phase of transition transferred work to Infosys from six initial newspaper locations. These locations were chosen on the basis of size of: headcount to be transferred; applications used at the location and how they fit in overall McClatchy applications landscape; and geographical spread. These early transitions helped develop a more standardized target operating model for the smaller locations, which were transferred in a phased manner.

Governance

To manage the complexities of delivery to a widely dispersed McClatchy organization a tiered governance mechanism was instituted. This governance is executed at three levels:

- Location Specific - dedicated to each location to oversee the location-specific activities that have been outsourced
- Program Level - dedicated PMO team on both sides to ensure that the program timelines are met for transfer of processes to Infosys as well as to review the performance of the engagement as a whole and address any issues requiring intervention.

- Strategic Level - Steering Committee on both sides meets at regular intervals to ensure the BPO objectives are met and to identify areas where both organizations can work together. A testimony to the success of this engagement and the governance model is the concept of Newspaper In A Box (NIAB) that Infosys BPO is developing with McClatchy assistance. In NIAB, Infosys is developing a hosted platform and services for the advertising processes with pre-configured standard processes and functionality. When fully implemented, this will help McClatchy to move to a standard advertising O2C platform across locations and will help it leverage its BPO to drive higher productivity improvements and cost savings.

PEOPLE MANAGEMENT, CULTURE, CHANGE MANAGEMENT

People Management Strategy

Infosys follows global best-in-class practices for recruitment, training, development, and retention of talent. Infosys recruits key talent in advance based on forecast resource requirements and all recruits are trained and certified at Infosys Corporate University at Mysore, India, before they are eligible to work on the McClatchy operations. Retention practices include global best-in-class rewards and recognition, internal job rotations, skill development, and higher education opportunities.

Culture

Infosys follows a very open and transparent culture that is focused on merit and rewards performance. The guiding values of Infosys - CLIFE - ensure that every employee, from the most junior to the highest level, is focused on performance and delivering value to the customer. For McClatchy operations, Infosys has a dedicated area that is branded "McClatchy" whose staff are familiarized with McClatchy, its newspapers and its culture as part of an onboarding program.

Rewards

Infosys has an extensive Rewards and Recognition program that awards employees for superior performance and for adding value to the customer. This includes various categories of cash and non-cash awards ranging from on-the-spot recognition or monthly, quarterly, and annual awards designed to recognise individual as well as team contribution. The magnitude of the award depends on the value added to the client.

Change Management

McClatchy and Infosys have instituted a well-defined change management process with regard to changes in scope, process, SLA, or approving authority on both sides. Changes can be requested by either party and are discussed at the appropriate governance forum for impact analysis and decision. This is particularly important in

McClatchy's context as the newspaper industry is operating under a constantly evolving business environment, which has resulted in changes from workforce reduction to system and process changes

One example of the collaborative culture between McClatchy and Infosys is reflected in the handling of an incident in October 2009, which led to a disruption in delivery. A petroleum storage depot situated about half a mile from the Infosys facility suffered a major leak and an explosion. The shock waves from the explosion resulted in some damage to the Infosys facility. As a precautionary measure, the building had to be shut down until the fire in the nearby depot was contained and the Infosys building could be completely assessed for damage and declared safe for occupancy. Infosys immediately made McClatchy aware of the situation and both parties activated the Business Continuity Procedures. Although the contract does not provide for a dedicated backup site, Infosys restored the entire McClatchy operations at another Infosys site, 25 miles away, within 36 hours - with critical functions being restored within 24 hours. Although the disaster period overlapped with the month-end period, Infosys worked closely with McClatchy (including working over the weekend) to ensure there was no impact on month-end processing.



Infosys follows global best-in-class practices for recruitment, training, development, and retention of talent. Infosys recruits key talent in advance based on forecast resource requirements and all recruits are trained and certified at Infosys Corporate University at Mysore, India, before they are eligible to work on the McClatchy operations.



INNOVATION AND AUTOMATION

Innovation

Infosys recognises innovation through awards and recognition programs as well as through programs targeted specifically at unearthing and recognizing innovation. Infosys has created an Innovation Co-creation Platform (ICCP) in order to constantly innovate across areas including: people capability; cutting edge technology and business capability; a culture that fosters innovation; and an integrated innovation process and technology infrastructure that can support the entire innovation lifecycle. Innovation practices include, but are not limited to, enabling end-to-end innovation processes that start with inspiring individuals and teams to innovate, and then facilitate the capture, generate and develop ideas and problems in collaboration with community members, enable key internal and external stakeholders to collaboratively select innovative projects (products, services, solutions, tools, etc.) for incubation, and finally derive value by implementing / commercializing.

Automation

Point automation and other productivity improvements have already helped Infosys cut 10% billable headcount for McClatchy at the end of one year of contracted service. Additionally, as the team moves up the learning curve and becomes more productive, Infosys takes on more work without adding extra billable effort; in effect, this has resulted in 5-10% additional benefit to McClatchy year-on-year. Infosys is also working with McClatchy to implement Newspaper In A Box (NIAB), which is a owned and hosted Platform Solution to consolidate the enterprise applications landscape and migrate to an in-house single instance implementation. This platform solution is provided as a

“managed service” on a standardized “business platform,” which is based on a best-of-breed ERP solution hosted, managed, and maintained by Infosys. It involves implementing and managing an end-to-end process that converges ownership of the outsourced process, people, and technology. This bundling of technology, consulting, and BPO supports synergistic value creation and delivers transformational value and additional cost-savings using strategies such as global sourcing, technology innovation, process optimization, scale, and centralization. As McClatchy and Infosys move forward with this relationship the level of automation is expected to increase, which will benefit McClatchy through productivity improvements and gaining share-based savings.

CUSTOMER RELATIONSHIP MANAGEMENT AND CUSTOMER SERVICE

Customer Relationship

The service management model between Infosys and McClatchy is based on SLAs defined at two levels:

- Transaction Metrics - defined in terms of Accuracy & Turnaround Times, which have SLA penalties in case of failure
- Business Metrics - defined in terms of Effectiveness and Value Impact, which has a Gain Sharing Mechanism for Value delivered

These SLAs are established for each of the newspaper locations serviced by Infosys. Metrics are reviewed against the targets agreed between Infosys and the respective McClatchy teams, on a weekly basis. Metrics are also consolidated across locations and are discussed at the PMO level. Business Metrics are reviewed on a monthly basis with the respective location CFOs and also as part of the quarterly business review.



Infosys has a dedicated Risk team that is focused on managing the risk from McClatchy's standpoint. This team periodically reviews the performance of the team delivering services to McClatchy and identifies any potential issues – such as backlogs, service level shortfalls, controls risk, and people-related issues.



Standardization

The strategic imperative of delivering process standardization starts with ensuring that local newspaper organizations buy-in and identify the impact of the proposed change. Any standardization initiatives are evaluated and adjusted as required, to ensure customer service is not impacted during implementation and that service levels do not deteriorate as a result of standardization.

Feedback

Feedback is sought through daily/weekly/monthly conference calls, as part of the SLA review process. The focus of these calls is to get feedback on performance and proactively identify any issues. Additionally, Infosys conducts Customer Satisfaction (CSAT) surveys for McClatchy, to measure the strength of the relationship. The survey is conducted annually and administered by an independent agency. It covers all facets of the business cycle (sales, discovery, transition, steady state and people-related) through critical parameters, which include: satisfaction, loyalty, value for money, seamlessness of delivery, risk mitigation and integral partnership. The culture of "Customer Focus" is promoted from top to bottom in the organization. At each layer, a certain percentage of Variable Pay of Infosys employees is based on customer feedback. This ensures customer centricity across the organization.

Pricing

Infosys and McClatchy have deployed a pricing structure that aims to maximize value for both parties. The entire NIAB

implementation is based on an outcome-based pricing, whereby McClatchy pays on a "user basis" and only when the user is onboarded. Additionally, there is a gain share mechanism for the traditional processes, whereby both Infosys and McClatchy are incentivized for improving the processes and driving better efficiency.

CONTROL

Infosys has a dedicated Risk team that is focused on managing the risk from McClatchy's standpoint. This team periodically reviews the performance of the team delivering services to McClatchy and identifies any potential issues - such as backlogs, service level shortfalls, controls risk, and people-related issues. This team also reviews the internal controls within the process and benchmarks these against the repository of best-in-class controls that it maintains. Any controls deficiencies or opportunities for improvement are highlighted to McClatchy during the performance reviews, along with a recommended action. Infosys has replicated and maintains the McClatchy Sarbanes-Oxley environment. Every year, Infosys provides McClatchy with a SAS 70 report that reviews the effectiveness of the Infosys controls and any deficiencies. Infosys also maintains a dedicated Quality team that works with McClatchy to measure and monitor the processes. The team audits a random sample of the transactions to review them for accuracy and completeness. The data collected is used to identify Six Sigma- and lean-based improvement initiatives.



In the next five years we see Infosys continuing as a trusted partner to McClatchy, driving the platform implementation across circulation and other business areas, and moving McClatchy from a fixed cost structure to a more variable cost structure.



Business Continuity

Infosys has a comprehensive BCP Plan for McClatchy, which has three main components:

- **Site Recovery Plan**
- **Process Recovery Plan** - (based on Recovery objectives of each location)
- **Technology** - (Connectivity) Recovery Plan

Because of this plan Infosys was in a position to recover operations within 24 hours, during the disaster that befell Jaipur in October 2009.

Future Direction

The initial BPO contract between McClatchy and Infosys BPO laid out a phased approach to transfer work from 30 McClatchy newspaper properties. The larger sites were transitioned first, and then smaller sites were transitioned, before the processes across McClatchy were harmonized. The methodology adopted for transferring these processes was based on a collaborative approach, whereby the local newspaper buy-in was sought before the transfer, and any required adjustments made before the processes were transferred. McClatchy and Infosys have extended this methodology to work

together in identifying new business opportunities within McClatchy, by analyzing McClatchy's key business needs and Infosys's capabilities. Infosys then works collaboratively with McClatchy to create a solution addressing those needs. This approach has enabled Infosys to support multiple business groups within McClatchy. Infosys started by providing F&A services and now supports Payroll, the Advertisement Production Group, and also IT services. Infosys has also been able to move up the value chain in F&A services, where it is now supporting high-end processes like ABC reporting, & commissions computation.

The Future

In the next five years we see Infosys continuing as a trusted partner to McClatchy, driving the platform implementation across circulation and other business areas, and moving McClatchy from a fixed cost structure to a more variable cost structure. Infosys also believes that it will continue to take value propositions to McClatchy in customer service, online, and in other business areas where it will be able to make a difference not only on the cost side but also on raising revenue and plugging leakages.

SSON Shared Services & Outsourcing Excellence Awards are run annually, across four regions of the globe. SSON Award winners stand out for their implementation of best-practice business processes and the results they achieve in support of their corporations' strategies. Awards are judged by a panel of experts, who represent some of the most experienced practitioners in the industry.

To apply for the 2011 Awards please see www.ssonetwork.com and click on the "Awards" tab.

About the Shared Services & Outsourcing Network:

The Shared Services & Outsourcing Network (SSON) is the largest and most established community for shared services and outsourcing professionals. We provide the roof under which key industry experts and organizations share their experience, knowledge, and tools; and practitioner peers from all over the world connect with each other. SSON focuses on developing its members through providing training, tools, and networking opportunities. Our staff work from international offices in New York, London, Singapore, Sydney, Johannesburg, Berlin, and Dubai to research current trends and developments in shared services and outsourcing.

About Infosys

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