



Goldstone

Offshore Development



Contents

Outline of the Document	3
Value Proposition	3
Goldstone’s Business Background	3
Proposal	3
Value Proposition	4
Offshore Development Center (ODC)	4
Business Model Diagram:	4
Benefits derived due to offshore development center:	4
Flexible Business Models	5
Quality Credentials:	5
Partial List of offshore Success Stories:	5
Case Study1: FortÈ to J2EE Migration	5
Case Study2: Technical Support and Maintenance	6
Case Study3: Adapter Development and Support	8
Case Study 4: Product Development	8
Communication and Infrastructure Capabilities:	9
Benefits Derived due to offshore Development center:	9

Outline of the Document

This document elaborates Goldstone's value proposition to the companies engaged in providing IT services and solutions. With corporate budgets being slashed so rapidly, more is being expected for less from solution providers. That is where we have a proven solution to offer. The value we bring to the table is to enable the companies to expand the scale of operations at reduced cost structure through outsourcing. We are seeking a mutually beneficial relationship, addressing your immediate concerns of quick ROI, faster ramp-up and no-risk. We achieve this through our mature delivery capabilities, world-class infrastructure, technical know-how and geographical (global) presence.

Value Proposition

Today's business scenario demands a multitude of relationships and strategic alliances, to compliment and enhance the profitability of partnering organizations. Organizations across the world are looking at ways of increasing the top line, coupled with sustaining the same level of reduced expenses.

The benefits of offshore outsourcing has been widely discussed and well-understood. No wonder, almost all of Fortune 1000 companies have some form of partnership with offshore entities. However, for many companies, choosing an offshore delivery partner can be a Herculean task.

With the experience of providing offshore-based services from India to several clients worldwide, Goldstone offers rich set of experience, process maturity, and most importantly, cultural fit. Being a mid-sized and publicly traded company, we offer the advantages of small companies (in terms of agility) and big companies (in terms of stability).

Goldstone's Business Background

Goldstone Technologies is a part of the Goldstone Group, which has a presence in IT Services, Business Process Outsourcing and Telecom. Founded in 1997, Goldstone Technologies has been growing rapidly at 50% for each of its service lines.

Goldstone, a software solutions & services global supplier, operates through offices in the US, Japan and India. It combines expert product and application know-how with in-depth market knowledge on an onsite-offshore based model to enable their customers to prosper in their markets. Goldstone Technologies has strengths in Enterprise Application Integration, custom application development, Helpdesk Services, Technical Support and maintenance outsourcing, niche ERP, Re-engineering, Migration services and Consulting Services. With strong competencies in an array of technologies, proven methodologies and global delivery models, Goldstone has earned a standing of repute as a dependable partner with the clients worldwide.

Goldstone's client list includes many of the Fortune 1000 companies like Morgan Stanley, Liberty Mutual, Axway, Qwest, GE, Mitsubishi, 20th Century Fox, Accenture, BASF, Verizon etc. In addition, Goldstone has alliance and technological partnerships with leading Technology vendors like Sun Microsystems, IBM, Business Objects, BEA, Informatica, Cognos, Tibco, Axway, WebMethods, Microsoft and Microstrategy.

Proposal

We have worked out a business model that outlines the benefits of the proposed arrangement, as well as the commitment from Goldstone Technologies, for superior project delivery to your delight. Our proposal includes setting up a 'dedicated' offshore development center for your company in India, to be developed with your processes and around your technological requirements.

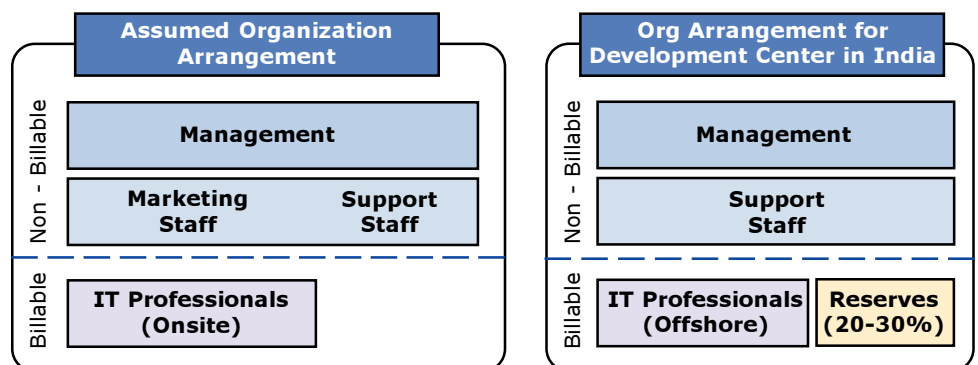
Value Proposition

Offshore Development Center (ODC)

Our proposal is to set up a dedicated offshore development center for you in India. An ODC in India where you would be able to continue develop your projects and serve your internal and external clients with the same or improved quality levels, but at a drastically reduced cost. We will provide world-class facility, set up the environment, staff with qualified and talented team and institute proven processes and reporting structure. It will be an extension of your own facility, available to you at a reduced cost, without the hassle of you managing it. The ODC comes with added benefits:

- ◆ Reduced manpower cost (salary cost per person in India would be typically 1/5 of the US/UK costs).
- ◆ Same (High) Quality level
- ◆ Superior IT skill sets
- ◆ Reduced overhead (recruitment administration)
- ◆ Reduced Infrastructure cost (Development center cost)
- ◆ Faster turn-around time (approx. 6 Hours of time difference between India and Europe helps in getting the output without much loss of business days)
- ◆ Ability to ramp up/down quickly with no adverse implications
- ◆ Ability to maintain low-cost 'buffer' to meet staff turnover
- ◆ Ability to maintain low-cost 'bench' to meet sudden spurts in business needs

Business Model Diagram:



Benefits derived due to offshore development center:

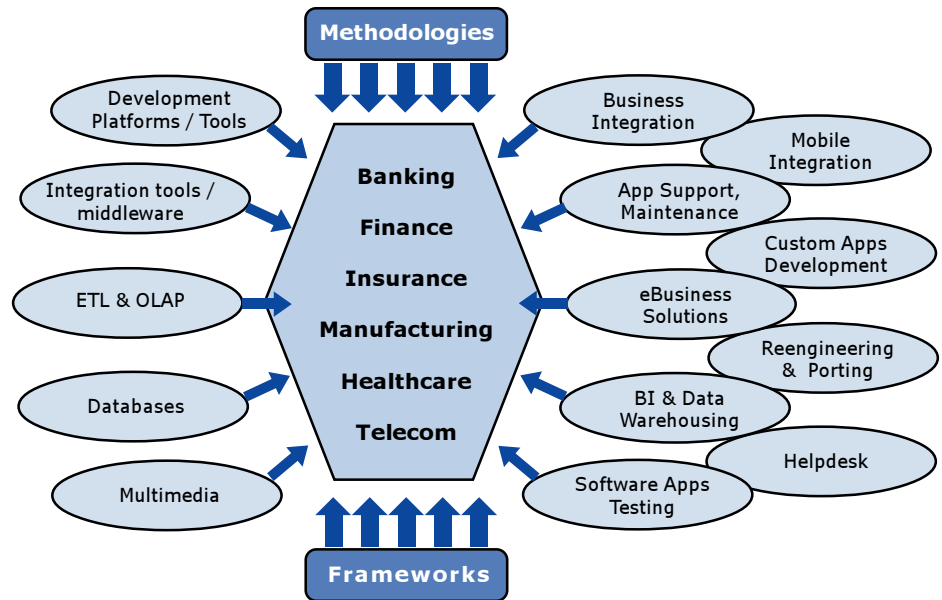
- ◆ Reduced Cost of Ownership
- ◆ Enables focus on rapidly changing technology needs
- ◆ Enables creation of specialized skill base at drastically reduced cost (training of employees on the reserve staff can be done in India)
- ◆ Attrition control – the customer focuses on product quality levels
- ◆ Reduced time to market
- ◆ Creation of Globally deployable resource pool.

This would give you a massive reduction in cost of approximately 40% just by outsourcing your development to a center in India.

The investments in the development center @ related infrastructure have already been made by Goldstone, also we would provide local recruitment and management support.

Flexible Business Models

We are willing to accommodate your specific business requirements in terms of engagement models – Time and Material, Fixed Price and Build-Operate-Transfer (BOT) .



Quality Credentials:

Goldstone currently employs over 450 professionals and has infrastructure to accommodate an additional 1500 in short notice. With a continual focus on delivering excellence , Goldstone has an ISO 9001:2000 accreditation and are in the process of achieving SCP and SEI CMMi Level 5 Certification. With its concept of Growth by Partnership, Goldstone has established numerous strategic technology and business partnerships.

Partial List of offshore Success Stories:

The following present a partial list of successful projects we delivered from our offshore centers.

Case Study1: FortE to J2EE Migration

The Customer

LIBERTY MUTUAL Group is a diversified worldwide insurance service organization, with over \$14 billion revenue and ranked Fortune 142nd on the Fortune 500 list. It has over 35,000-employees globally and is one of the largest multi-line insurers in the property/casualty field.

The Challenge

To migrate a mission critical application developed in FortE 3.0.M2 with complex workflow mechanism, FortE Daemon architecture, several batch processes and Informix, Sybase & DB2 for the database. This application was also interfaced with IBM MQ Series and integrated with several other non-FortE applications. The target J2EE environment was IBM AIX Server, Windows 2000 and IBM Web Sphere with the same database. The challenge was also to have a seamless transition of this application without any difference in the functionality, performance of the application and disruption to Liberty Mutual's business processes.



The Solution

Liberty Mutual IT Group decided to migrate sequentially several of their large mission critical applications developed in the FortE environment to J2EE, which are accessed by over 35,000 users across 800 different locations. To start with, Goldstone was engaged to migrate one of these FortE applications using its Proprietary Migration Tools and Methodology.

Goldstone followed its proven onsite-offshore business model in conjunction with its automated migration tools for eBest Value to Liberty Mutual in terms of costs and time to market. A small team from Liberty Mutual was involved in the execution of the project for complete knowledge transfer. After the initial assessment of the application, Goldstone provided a proof of concept program for the customer to understand the behavior of the transformed system performing similar tasks in a different environment.

Goldstone's tool based approach proved very useful for migration of existing Daemon framework in FortE, FortE Daemons, Workflow and batch processes from FortE into the J2EE environment. Some of these processes also integrate with external enterprise information Systems.

To mitigate risks pertaining to avoidance of any service down time during the migration process, Goldstone adopted a non-linear timeline approach for deliverables achieved through overlap in development stages, enabling rapid deployment of the migrated application for the client. Goldstone's quality assurance methods ensured deliverables devoid of logical errors, functional deficiencies and performance errors. The migrated application was run parallel with the existing application, which helped the client to compare and contrast the migrated application with the existing FortE application.

Case Study2: Technical Support and Maintenance

The Customer

The Client is one of the Top Five most influential Vendors in Information Technology, as ranked by Intelligent Enterprise Magazine in its "Intelligent Enterprise" Dozen list. The client, considered as the market leader in their space, offers industry's leading Business Intelligence (BI) products for data integration, query, reporting, analysis and analytics.

Engagement

Chose Goldstone as their outsourcing partner to set up Dedicated Offshore Technical Support Center for the entire BI suite of products through e-mail, voice and web.

Background

The Client has more than 17,500 customers in more than 80 countries. Its clients include most of the Fortune 100 companies.

Backed by zeal to attain maximum Customer Satisfaction, the principal drivers for The Client to outsource their technical support on an offshore model were - assurance of improved service levels and reduced support costs. The Client is oriented towards attaining customer obsession through a high degree of quality and service.

The Client started with a detailed roadmap for selecting a vendor with an initial list of 17 companies. Goldstone was appointed as the preferred outsourcing partner after a scrupulous evaluation of the companies on more than a dozen parameters.

Project Structure

- ◆ Dedicated Technical Support Center
- ◆ Projected team strength of 50 in the first year supporting North Americas, Europe and Asia Pacific.
- ◆ Dedicated server farm, 2 Mbps IPLC links along with redundant multiple 1mbps lines for both voice and data.
- ◆ Technical support initiated by providing support to 3 Modules in US and Europe and then expanding globally and later adding other product lines in a phased manner.
- ◆ 100% Call Back Model.
- ◆ Customer reports through phone / web/ e-mail.

Responsibilities

- ◆ 24/ 7 support – Support professionals available round the clock for all days.
- ◆ 99 % of infrastructure uptime.

Critical Issues:

To maintain the customer satisfaction levels in a competitive scenario and to attain continuous growth, a critical need for cost-effective and reliable support function was perceived as an imperative by The Client. Outsourcing this effort to a qualified technology partner was determined as the most viable option. However, the challenge was to make the support partner comprehend the complexity of the product, proprietary language, a range of data formats, various architectures, supporting numerous protocols, platforms and most of the databases heard of, and the sheer size of the customer base numbering around 17500+ worldwide. The Client wanted to start offshore operations within a span of one month with the expectation to make global support operations live within 3 months. The size of the project was very large with multiple service offerings to the customer. The customer had shortest turnaround expectations on the project and Goldstone met or surpassed all of them by providing the following:

- ◆ Putting together a team of highly qualified and experienced resources for quick turnaround.
- ◆ Team with wide range of skill-sets. The Client's products work on multiple operating systems, and support multiple databases and interfaces with several third party products.
- ◆ Robust and complex knowledge transfer process, in line with the product complexity and functionality.
- ◆ State-of-the-art infrastructure with server farm, dedicated data and voice links.
- ◆ 24/7 availability of team.
- ◆ Effective transition plan so as not to impact the customer satisfaction levels.

Technologies involved

- ◆ Operating systems Unix/Windows.
- ◆ Databases Oracle, SQL-Server, DB2.
- ◆ Others: Appropriate Middleware to Support DB connectivity, Lotus Notes.

Results

All SLAs have been met on or before time

Case Study3: Adapter Development and Support

The Customer

Sun Microsystems, a leading provider of industrial-strength hardware, software, and services that power the Net and allow enterprises worldwide to take their businesses to the Nth

The Challenge

Forte suite of tools from SUN Microsystems with their robust development environment and strong version management control for distributed applications have been the preferred tools for developing high end and complex integration solutions. To cater to the vast Business Integration requirements from Forte clients SUN Microsystems planned to develop and maintain Forte based adapters for various Enterprise Systems like ERP, CRM, SCM, B2B, and vendor specific middleware.

GTL with its strong expertise in Fortè Technology was an ideal partner for SUN in the above endeavor. The complexity for GTL involved comprehensive knowledge of the adapter technology, the various data formats, data flow and transformation, connectivity, exception management, error handling, etc.

The Solution

Development, Support and Maintenance of adapters for various applications like Siebel '99, Oracle Applications, Netscape Messaging Server 3.6, MQ Series, Peoplesoft, iPlanet Portal Infranet Server etc etc....

The support and maintenance services include:

- ◆ Diagnosis of problems, bugs reported by users of the adapters.
- ◆ Resolution of diagnosed problems or enhancements through modification of the adapter source code or by suggesting alternative configurations.
- ◆ Regression testing and verification of product configurations for new releases.
- ◆ Provision of incremental software releases and software configuration management in situations where the adapter source code has been modified.

Case Study 4: Product Development

The Customer

A leading Japanese bank with a global presence focused on the retail market.

The Challenge

The client needed an AFS (Accounting and Finance System) to automate the existing manual banking operations by communicating with external systems with the internal system being developed to process data to external sources. In line with the banks plans to integrate the solution into the internet a web-enabled front end was to be designed.

The Solution

The solution implements an online banking solution with enhanced customer service and the creation of a global data depository. Goldstone developed the modules of Settlement, Credit-rating of Individuals, Bank Reconciliation and Cash Flow. GTL also designed the external interfaces to the various Banks and Payment Gateways. GTL made use of its Adapter / Connector experience to provide seamless connectivity between the Merchant, the Buyer and the various agencies spanning the entire payment chain. This was made possible by the use of Forte as a development tool by which GTL helped the customer to develop, deploy and maintain the application within the stipulated time. Due to the nature of the transactions, GTL web enabled the solution allowing the Client to give value added services like online Banking to the Business Community.

The AFS (Accounting and Finance System) was developed to help the Merchant Banks in most facets of its accounting and finance. The basic functionality of the system was to perform Payment and Receivables processing and interfacing with external sources to basically draw information into AFS and to provide AFS processed data to external sources. AFS generates flat files in a pre-agreed format; these files carry bank instructions and invoice data.

Communication and Infrastructure Capabilities:

Currently we have the following Infrastructure at different sites.

- ◆ World-class development centers spread around 150,000 sft in Hyderabad, India
- ◆ Multiple offshore development centers, with scalable infrastructure and security
- ◆ GGN - Global Goldstone Network – connecting several offices of Goldstone, through high-speed data/voice links and VPN
- ◆ Each development center equipped with server farms, computing infrastructure and development & testing tools

Benefits Derived due to offshore Development center:

- ◆ Reduced Cost of Operation.
- ◆ Enables focus on rapidly changing technology needs.
- ◆ Enables creation of specialized skill base at drastically reduced cost (training on the reserve staff can be done in India)
- ◆ Attrition control – the customer focuses on quality of the deliverables
- ◆ Reduced time to market
- ◆ Creation of globally deployable resource pool.

Example of cost saving (assumptions):

Say number of IT staff in your organization is	: 1000
Average Staff on bench/Training	: 100
Average salary of IT professional	: \$ 4000 per month
Total Cost per year (current)	: \$48 million
Client Site: Development center ratio	: 50:50
Average staff on bench/training (bench maintained in India)	: 100
Average Salary of IT professional at DC in India	:\$1000 per month
Cost per year of outsourced work	:\$6.6 million
Cost of Onsite professionals	:\$21.6 million
Total Cost Post Outsourcing	: \$28.2 million
Savings per year (Blended)	: \$19.8 million

This gives you a 40% savings in cost just by outsourcing the IT professional service requirements. There would be additional saving in administrative and infrastructure cost.