



Offshore plans- why, when, where

- Cost savings.
- Disaster backup (create an offshore processing site).
- Discipline around quality, process, documentation, training and cost.
- Elasticity for CNA's processing and IT groups. (Use an offshore capability to help with growth and expense constraint issues.).
- Quality of work force.
- Use time-zone differences as an advantage for processing and systems development
- All companies we spoke to have ISO 9000, PCMM, CMM and other quality certifications.
- Emphasis on computer engineering causes great focus on metrics and measurements.



Offshore plans- India

- 6 million undergraduate and graduate degree holders per year.
- Out of 100 degreed applicants companies are hiring only 1.5 to 1.7 per hundred. (Very high selectivity to only hire the best).
- Country is english speaking and has 200 million english speaking middle-class.
- Labor arbitrage of 30% to 50% off of U.S. based compensation rates.
- Established base of companies doing business in the U.S.
- Government is very supportive of “IT Enabled Services” which includes Business Process Outsourcing (BPO).
- Gartner Consulting still considers India to be the best place for IT and BPO offshore outsourcing over the next five year horizon.
- Indian employee population work ethic and continuous improvement aspirations are very high.



Offshore plans- what kind of work

- Corporate financials and quarterly book closings (GE Capital)
- Accounts Receivable, Billing and Collections (American Express and GE Capital)
- Actuarial Analysis (GE Capital)
- H.R. Benefit Administration and Payroll (GE Capital)
- Expense Accounting and Reporting (GE Capital)
- Help Desks (Various Companies)
- Underwriting (GE Capital)
- Claims Intake and Settlement (GE Capital)
- IT Maintenance and Development (Various Companies)
- Call Center Operations (Various Companies)
- Backroom Processing (GE Capital and others)
- Numerous Life processing activities (GE Capital and others)
- P&C backroom processing (This is still start-up mode)
- Claims intake and some adjudication work (GE Capital and others)

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Offshore plans- Next Steps

- RFI/RFP Process Underway
- Business Processing Pilots selected
- Narrow to two potential partners then more detailed work
- 4th Quarter pilot implementation
- Already have two relationships with Syntel and WIPRO



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