

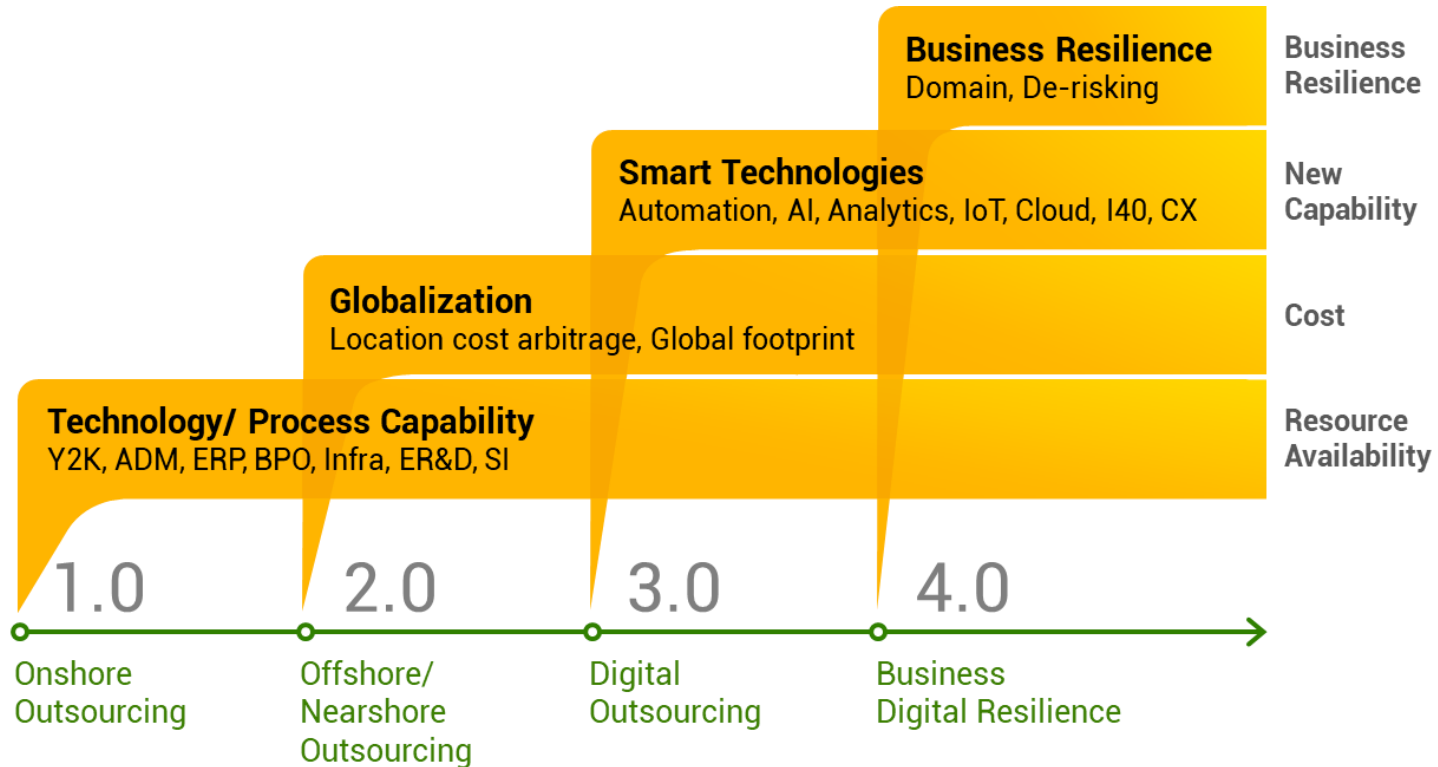


Reducing R&D Cost By Outsourcing 4.0

Pareekh Jain

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Outsourcing 4.0: Domain, De-risking And Digital in a Post-Corona World





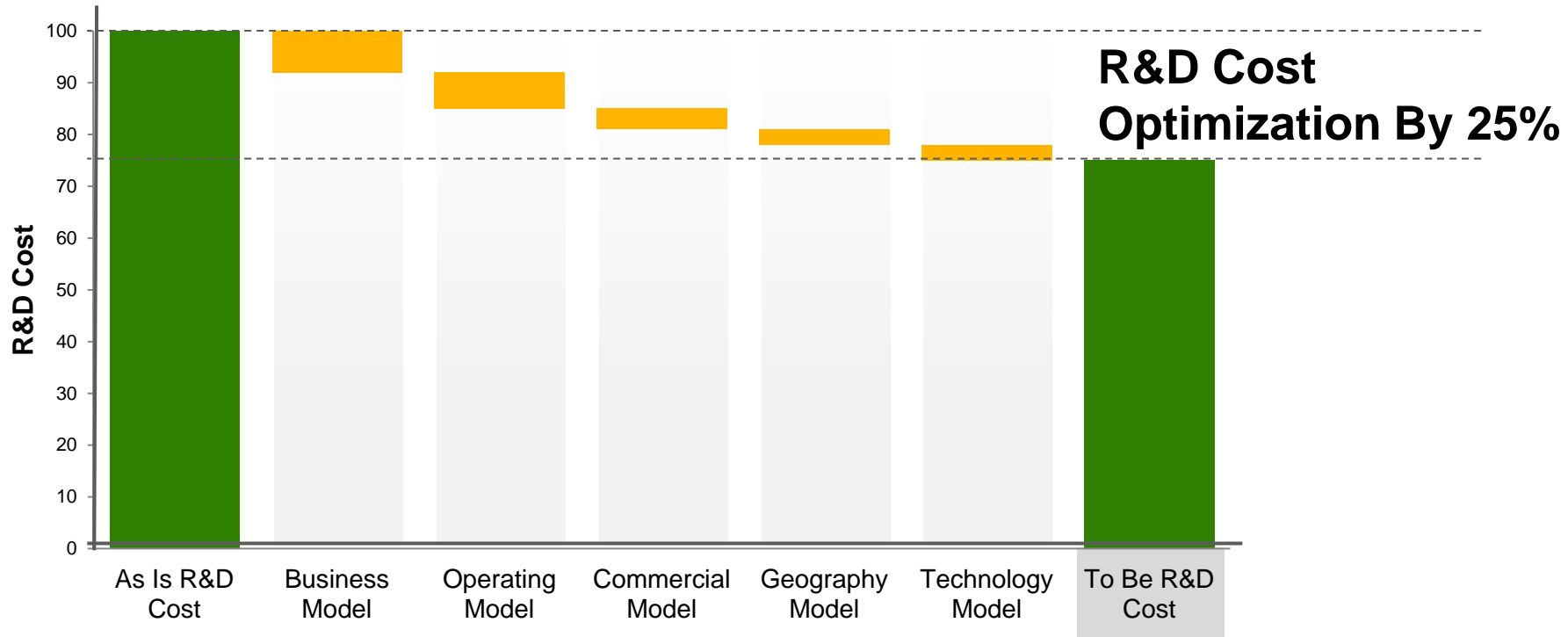
Levers	Details
Business Model	Enterprises need help to make their businesses resilient by solving pressing business concerns. Decisions about markets, products, or services, functions or processes, pricing, manufacturing or operations, support or supply chain globally.
Operating Model	Choice of service operating model by balancing cost and risk An optimum mix of in-house centers, onshore service providers, offshore service providers, work from home (WFH), virtual delivery centers, gig economy workers, subcontractors etc.
Commercial Model	Commercial models which will help clients to de-risk and survive in the short term and thrive in the long term. A mix of revenue sharing, capex to opex, and other risk reward business models is needed in addition to regular time and material fixed price- or transaction-based models.
Geographic Model	The optimum geographical model is required such that operations do not suffer from single location challenges and are not dependent on floating employees from different locations. Now, with WFH success, even smaller cities can be in the mix. For resilience, some operations in critical cities need to be increased.
Technology Model	The technology stack of enterprises across front, middle, and back office need to be reimaged and made agile like a technology-first or digital native business.

Reducing R&D Cost By Using Levers of Outsourcing 4.0



Levers	Applicability
Business Model	<ul style="list-style-type: none">• R&D Work: Stop (Moonshot), Delay (Emerging), As usual, Double down (virtual)• R&D Units/Center: Monetize, Spread the cost by partnership
Operating Model	<ul style="list-style-type: none">• Utilization: Inhouse to Outsource, Full time to gig economy• Cost: Onshore to offshore, Offshore to WFH,
Commercial Model	<ul style="list-style-type: none">• Customer Model and Service Provider Model• Revenue sharing, Capex to Opex, License bundling per usage
Geographic Model	<ul style="list-style-type: none">• Do not suffer from single location challenges and are not dependent on floating employees• WFH success, even smaller cities can be in the mix. Tier 1 to Tier 2• For resilience, some operations in critical cities need to be increased.
Technology Model	<ul style="list-style-type: none">• Application area: Product/Service, Process/ Functions• Technology: Automation, Analytics, Simulation, Virtualization, IoT

Reducing R&D Cost by 25%: Using Levers of Outsourcing 4.0



Thank you



Pareekh Jain

Founder Pareekh Consulting &
EIIRTrend.com, Bangalore

13th floor, M2 Block,
Manyata Embassy Business Park, Bengaluru

E: pareekh@pareekh.com

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