



Managing Out-sourced R&D in India

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Why Off-shore?

- Cost – cost – cost

Good luck!

- Access to talent
- Diversity
- Free up our key talent
- And ... later ... value



Started with partner

- Evaluated 5

- Real world problem to solve
- Talk to people directly on our account

- Selected Cognizant

- Grew to ~150 in 18 months; ~250 in 3 years



Intuit/Cognizant

- Learnings:

- Explain to people on-shore
- To start, rely on people who've "been there/done that"
- Invest in relationship
- Recognition, senior visits important
- Continuity on products/projects – not body-shop
- Go/grow slow at first

- Told Cognizant would start Intuit India in parallel

- Managing two variables: turnover; quality of talent

PD incorporated Outsourcing (and offshore) Message Map

- Provides us a competitive edge with faster time to market.
- Highly seasonal business such as ours virtually necessitates outsourcing to manage the peaks
- Intuit has a proven track record with outsourcing
- We're always looking for additional outsourcing opportunities ... PD, HR, etc.
- Offering outsourcing services to other companies is an essential part of our business

Example: how we locate contact centers

- Tucson vs. Phoenix
- Reno vs. Vegas
- Fredericksburg vs. Washington DC

Example: how we balance service/cost/core competency

- Better service/lower cost – Parago, (ASI)
- Better service/higher cost – outsourcing cafeteria
- Better service/same cost – Mac PD
- Same service/lower cost – QB tech support

Grow our business and our people – Examples:

- Increased focus on core competency
- More management opportunities in PD
- Employees: FSG service and support to sales positions
- Customers: Extending support hours

Outsourcing has always been and will continue to be key to Intuit's success

We constantly strive for optimal balance between quality, cost and core competency

Focus on your quality of service

- The best career strategy is to continue to do a great job delivering for our customers and shareholders.

More and better products and services at equal or better cost and quality

Provide a higher return for employees, customers & shareholders

While N. America continues to be our center of gravity, we're exploring global resources to manage growth

We hold our partners and employees to the same high standards

Reinvest cost savings to improve the business

- Invest in PD quality measurement:: Performance testing, Test automation, Configuration testing
- Investing in more product features
- Shareholders: Vertical strategy in QB; operating income/revenue growth
- Provides us with a competitive advantage

If standards are not met we'll take appropriate action

- More PD quality measurement:: Performance testing, Test automation, Configuration testing
- Every new agent and outsourcer – domestic or offshore - has a start up phase
- We monitor quality at the agent, BU and outsourcer level including Voice of the Customer using six sigma resources
- Privacy and Security: rigorous selection and certification process for partners
- TT: Offshore agents have no access to tax return info
- Designed system to safeguard customer cc information

- US PD jobs will allow us to focus more on core competency - CDI

- Leverage multiple locations in the US and overseas to ensure optimal business continuity
- In the future we may have an Intuit site offshore



Intuit India

- Key decisions:
 - Location
 - Brand
 - Initial staffing
- Goal: 300 developers in 5 years
 - With equal/better quality



Intuit India

■ Key learnings

- Cognizant was great help
- Don't run functions from US (HR, legal, etc.)
- High-touch is necessary
- High-end brand choice was right for us:
 - Great facility
 - Great engineers
- Press/college relationships helpful and available
- The leader sets the tone



Intuit India

■ Key learnings

- Impact of not selling own products in India
 - Leadership
 - Brand
 - Two-tier?
- Transfer ownership of key products/features
- Scale/change leader as rapid growth
- Next tier of leadership critical
- Compensation: manager versus influence
- Cultural blindness: no-shows; commute benefits; communication styles, ...



Off-shoring can be great

- But it takes a lot of work
 - Over-communicate
 - Get the right leadership
 - Be flexible and aware
 - Focus on quality before cost
 - Respect your people there