

ESTABLISHING THE FRAMEWORK FOR A SEAMLESS ONSITE- OFFSHORE TRANSITION

Leveraging offshore resources to access a cost-effective global talent pool through an effective onsite-to-offshore transition framework.



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Abstract

The growing need for businesses to optimize operations, reduce costs, and tap into specialized global expertise has made onsite-offshore transitions a critical aspect of modern business strategies.

However, transitioning work from onshore teams to offshore counterparts often presents challenges, such as communication gaps, cultural differences, time zone constraints, and project management complexities. This white paper proposes a comprehensive framework to facilitate seamless onsite-offshore transitions, ensuring operational continuity, efficiency, and effective collaboration across geographies. The proposed framework focuses on five key components:

- Strategic Planning
- Technology Integration
- Cross-cultural Communication
- Workflow Standardization
- Performance Monitoring

It outlines best practices for setting clear objectives, defining roles and responsibilities, and using advanced tools to bridge communication gaps. Additionally, this paper highlights the fostering an inclusive culture and adopting agile methodologies to maintain flexibility and adaptability throughout the transition process.

By following this approach, organizations can minimize disruptions, optimize resource utilization, and cultivate a collaborative, high-performance work environment. Leveraging this framework allows organizations to achieve smooth transitions that align with strategic goals, ensuring long-term success in an increasingly globalised workforce model.

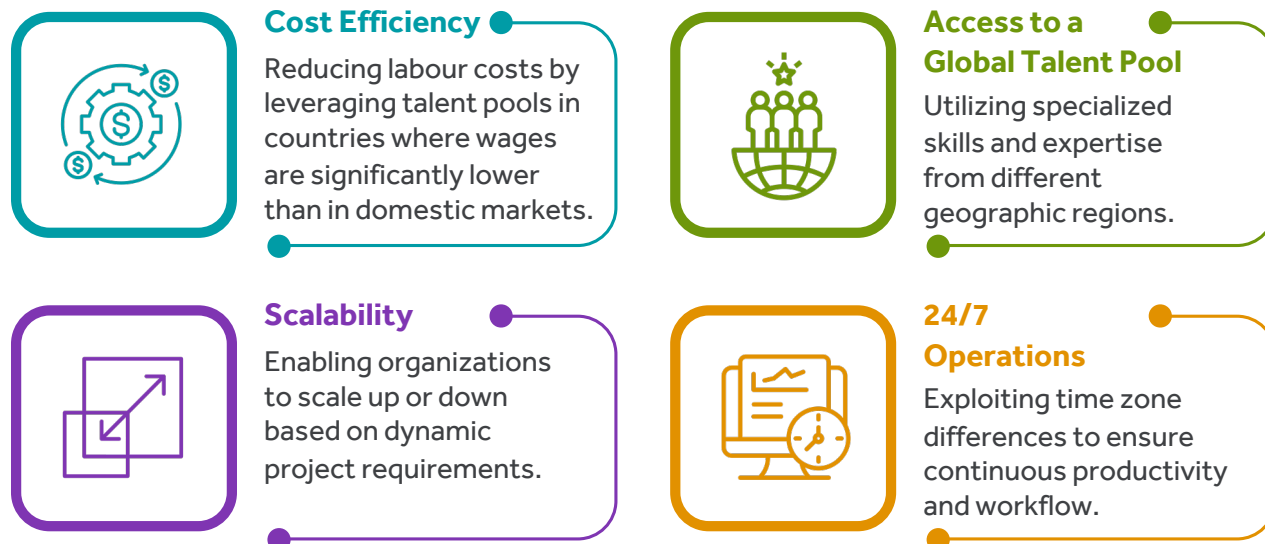


Introduction

When a service provider or contractor works "**onsite**" it means they are physically present at the client's office, factory, or premises to perform services or tasks. Terms often associated with onsite work include: onshore, in-situ, nearshore, client-site, on-premises, at-location.

Over the past two decades, the **onsite-offshore work model** has gained significant traction as organizations seek to balance operational efficiency with cost savings. This transition typically involves shifting specific business functions - such as IT, software development, customer support, and other back-office operations - from an onsite (in-house or domestic) workforce to offshore team located in another country.

Key drivers for this transition include:



However, transitioning to an offshore work model also introduces significant challenges that must be addressed for operational success.



Problem Definition: Challenges and Mitigation Strategies

While the benefits of offshoring are significant, organizations must proactively manage the challenges associated with transitioning from onsite to offshore model.

1 Cultural and Language Barriers



Teams in different regions often face cultural and language differences, leading to communication issues.

- **Mitigation Strategies:**

- Provide **cross-cultural training** for both onsite and offshore teams.
- Establish clear communication protocols and adopt collaboration tools to bridge time zone and language gaps.

2 Time Zone Differences



Offshore teams offer round-the-clock productivity, but time zone differences can create coordination bottlenecks.

- **Mitigation Strategies:**

- Schedule **overlapping work hours** to enable synchronous communication. Use **project management tools** to facilitate smooth handoffs and task tracking.

3 Quality Assurance



Maintaining consistent quality across geographically distributed teams can be challenging, especially if offshore teams are not fully integrated into the company's processes.

- **Mitigation Strategies:**

- Establish **clear quality control standards** and protocols.
- Provide **continuous feedback** and conduct regular performance reviews for the offshore teams.

4 Security Risks Offshoring



Sharing sensitive information and intellectual with offshore teams introduces potential security risks.

- **Mitigation Strategies:**

- Implement **robust data encryption, access controls, and regular security audits.**
- Ensure offshore teams follow the **same security protocols** as onsite teams.

Key Considerations in Transitioning to Offshore Work Model

1. Identifying Functions

Suitable for Offshoring:

Not all functions are ideal for offshore operations. Organizations must conduct a detailed analysis of workflows to identify tasks that can be offshored without compromising quality, security, or customer experience. Suitable functions typically include:

- Software development and maintenance
- IT infrastructure support
- Data processing and analytics
- Customer service and technical support
- Back-office operations (e.g., HR, finance, and payroll processing)

2. Talent and Skill Matching:

The expert of the offshore team is critical to transition success. To ensure alignment between organizational requirements and the offshore workforce:

- Identify and assess offshore vendors or setup direct offshore operations.
- Prioritize relevant expertise, certifications, and industry experience.
- Align skillsets with project needs, technical requirements, and business goals.

3. Process Standardization:

Standardized processes are essential for effective collaboration between onsite and offshore teams. This includes:

- Documentation: Clearly document all workflows, processes, and responsibilities.
- Automation: Use tools to automate repetitive tasks to minimize manual errors and inefficiencies.
- Training and Upskilling: Train offshore teams on specific tools, workflows, and compliance requirements to accelerate the transition and mitigate risks.

4. Communication and Collaboration:

Maintaining seamless communication is one of the most significant challenges in onsite-offshore transitions. Best practices include:

- Establishing clear communication channels of (e.g., Microsoft Teams, Zoom).
- Scheduling regular meetings to synchronize progress, address challenges, and ensure alignment.
- Encouraging cross-cultural understanding and to foster collaboration and a shared sense of purpose.
- Setting clear expectations for response times and deliverables.

5. Governance and Security:

A robust governance model is essential to managing offshore relationships while ensuring quality, security, and compliance. Key governance considerations include:

- Data Security and Compliance: Offshore teams must adhere to data protection laws, and undergo regular audits to ensure compliance.
- Performance Metrics: Define clear Key Performance Indicators (KPIs) to monitor productivity, quality, and turnaround times.
- Risk Management: Identify and mitigate risks such as data breaches, IP theft, or delivery delays.
- Vendor Management: For third-party vendors, establish strong contractual agreements to safeguard sensitive assets and intellectual property.



Establishing a Framework for Seamless Onsite-Offshore Transition

A successful onsite-offshore transition framework consists of several key components designed to address challenges and enable a smooth flow of workflow between teams.

1. Governance and Leadership Alignment

- **Clear Vision and Objectives:** Senior leadership must define the transition's objectives, including performance metrics, cost-benefit expectations, and timelines.
- **Onsite-Offshore Governance Model:** Establish a governance structure to clarify roles, responsibilities, decision-making processes, and escalation paths. Regular cross-functional leadership meetings ensure alignment and enable swift issue resolution.
- **Risk Management and Mitigation:** Develop a risk management plan to proactively address potential challenges like delays, quality inconsistencies, or system integration issues.

2. Communication and Collaboration Protocols

- **Communication Plan:** Develop a robust strategy to accommodate time zone differences, language barriers, and technology limitations. Use tools like Jira, Trello, Google Drive, and OneDrive asynchronous collaboration.
- **Regular Touchpoints:** Schedule daily or weekly stand-ups for progress tracking, updates, and alignment.
- **Cultural Sensitivity Training:** Provide cross-cultural training to improve understanding, mutual respect, and communication effectiveness between teams.

3. Technological Integration

- **Unified Technology Stack:** Use a shared set of tools for task management, communication, and collaboration to seamless operations.
- **Cloud-based Solutions:** Adopt cloud platforms for real-time data access and improved collaboration. Tools like Slack, Microsoft Teams, and Zoom can help bridge communication gaps.
- **Security and Data Privacy:** Implement data security protocols, that comply with international regulations to protect sensitive information.



4. Talent Management and Knowledge Transfer

- **Skill Alignment and Onboarding:** Develop a structured onboarding and knowledge transfer plan to ensure offshore teams understand the business processes, tools, and company culture.
- **Cross-Skilling and Continuous Development:** Encourage continuous learning and cross-skilling to enhance workforce versatility and skill alignment with business needs.
- **Leadership Development:** Identify high-potential offshore team members and invest in leadership programs to facilitate escalation management and smooth transitions.

5. Performance Monitoring and Feedback Loop

- **Key Performance Indicators and Service Level Agreements:** Define clear KPIs and SLAs to measure productivity, quality, and turnaround times.
- **Continuous Improvement:** Establish feedback mechanisms to gather insights, assess performance, and refine processes regularly, ensuring the framework adapts to evolving business requirements.



Benefits of Offshoring

A successful transition from onsite to offshore work offers significant benefits including:



Note: These benefits can only be achieved through meticulous planning, unambiguous communication, and effective governance.

Best practices for a Successful Onsite to Offshore Transition



01 Start with a Pilot Project

Test offshore capabilities, communication processes, and workflow integration before a full-scale transition.

01



02 Invest in Training

Ensure both onsite and offshore teams understand roles, expectations, and cultural or operational differences.

02



03 Create a Blended Onsite-Offshore Model

For critical functions, maintain a hybrid onsite-offshore presence to reduce risks and ensure control over key processes.

03



04 Define Clear KPIs

Establish performance metrics to monitor offshore teams and align outcomes with business objectives.

04



05 Regular Review and Feedback

Continuously review team performance, identify bottlenecks, and provide constructive feedback to ensure sustained success.

05



06 Leverage Automation and AI

Utilize automation tools and AI for repetitive tasks, workflow monitoring, and performance insights to improve efficiency.

06

Case Studies

Here are some examples of offshoring models, including captive centres managed by customers or suppliers, and scenarios where technology transfer constraints lead to sizable onsite teams.

1. Captive Centre Managed by Customer

- **Example:** An Aero engine OEM set up its own captive centre in India to support global operations.
- **Use Case:** Managing core Manufacturing platforms, ensuring regulatory compliance, and safeguarding sensitive customer data.
- **Benefits:** Full control, regulatory alignment, and protection of proprietary technology.

2. Captive Centre Managed by Supplier (Hybrid Model)

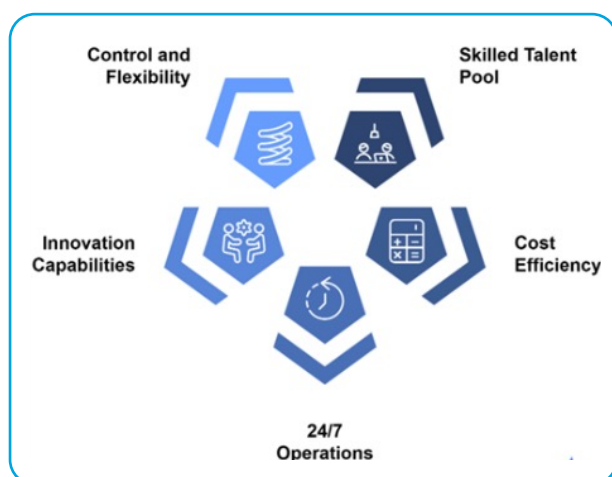


Image Source:

<https://www.wisemonk.io/blogs/establish-captive-center-in-india-for-your-global-success>

- **Example:** Off highway company partners with Cyient Ltd to establish and manage a captive centre. The supplier manages operations, staffing, and infrastructure, while the client retains strategic oversight.

- **Use Case:** Customer support and R&D functions where the client seeks control but lacks local expertise.
- **Benefits:** Cost savings, operational efficiency and faster scalability without direct management.

3. Technology Transfer Requiring Sizable Onsite Teams

- **Example:** An Aero tier-1 supplier outsources manufacturing / design / analysis support to Cyient Ltd. A large offshore team is initially relocated onsite to facilitate knowledge transfer.
- **Use Case:** Complex domains like aerospace manufacturing and assembly at final assembly line, where initial knowledge transfer is critical.
- **Benefits:** Smooth transition, faster learning curve and strong alignment with client expectations.



4. Build-Operate-Transfer (BOT) Model

- **Example:** A Healthcare company partners with a vendor to establish an offshore development centre. The vendor builds and operates the centre for a defined period before transferring the ownership to the client.
- **Use Case:** Setting up operations in a new geography while reducing upfront risks and investments.
- **Benefits:** Low-risk entry, local expertise and eventual full ownership by the client.

5. Project-Based Offshoring with Onsite Presence

- **Example:** An Aero engine OEM outsources instruction migration projects to Cyient Ltd. Due to integration challenges with legacy systems, a significant portion of the offshore team works onsite for the project duration.
- **Use Case:** Legacy modernization or integration projects requiring frequent client collaboration.
- **Benefits:** Better communication, reduced delays and efficient knowledge transfer.

6. Global Delivery Model

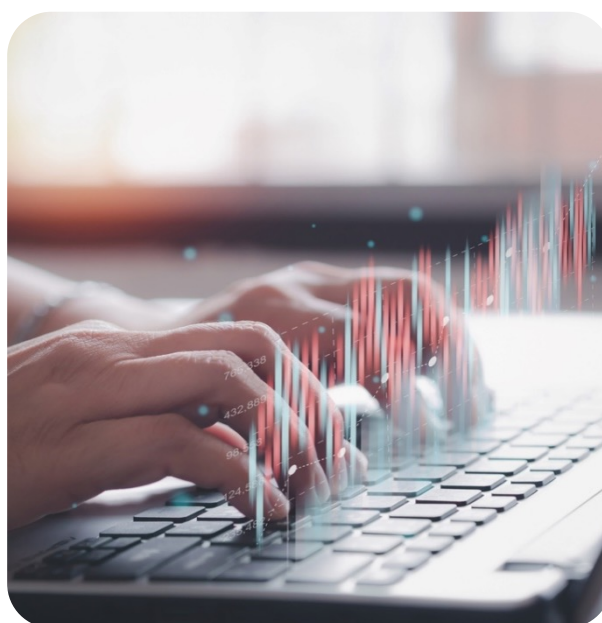
- **Example:** An enterprise outsources SAP implementation to a supplier using a global delivery model. Core development happens offshore, while a portion of the team works onsite for stakeholder alignment and real-time troubleshooting.
- **Use Case:** ERP implementations, multi-geography rollouts or IT infrastructure transformations.

- **Benefits:** Cost optimization, 24/7 productivity, and proximity to clients during critical phases.

These examples illustrate different offshoring models tailored to specific business needs, technology constraints, and operational strategies. **Cyient Ltd. has successfully developed a sustainable offshore ecosystem by aligning with organizational goals and prioritizing:**

- Clear governance structures,
- Effective communication protocols,
- Integration of advanced technologies,
- Efficient talent management, and
- A culture of continuous feedback and improvement.

This holistic approach enables Cyient to deliver seamless onsite-offshore transitions that drive efficiency, scalability, and long-term success for global businesses.



Conclusion

The transition from onsite to offshore work model offers substantial advantages including cost efficiency, access to global talent pool, and improved productivity. However, to fully harness these benefits, organizations must adopt a well-structured approach that prioritizes clear communication, robust governance frameworks, effective talent management, and a sustained focus on quality and performance.

By following the best practices outlined in this white paper and proactively addressing potential challenges, organizations can establish a seamless, efficient, and sustainable offshore model. This approach not only complements onsite operations but also drives long-term engagement, scalability, and business growth.



About the Author



Prashant Kamble

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Mr. Prashant Kamble brings over 23 years of rich experience in steering high-impact projects across industries such as Aerospace, Automotive, and Medical Healthcare. He has successfully partnered with leading global OEMs and Tier 1 companies, including Pratt & Whitney Canada, Airbus (CT Ingenierie France), Medtronic (USA), and GKN (UK), to deliver complex and prestigious projects.

A recognized expert in his field, Mr. Kamble is celebrated for driving innovation, optimizing processes, and delivering consistent, high-value outcomes aligned with strategic business objectives. His expertise spans:

- Manufacturing and Assembly Process Planning: Standard Operating instructions (SOI) / Work Instructions / Methods.
- Quality and Process Excellence: Mastery in Supplier Quality, FAI, APQP, PPAP, Engineering Change Management, Value Engineering, and PLM.
- Leadership and Program Management: Skilled in program execution, fostering client relationships, and leading cross-functional teams.

With a proven track record of managing complex, multi-disciplinary projects, Mr. Kamble's leadership and ability to foster collaboration position him as a vital contributor to driving organizational growth and operational excellence.

About Cyient

Cyient (Estd: 1991, NSE: CYIENT) partners with over 300 customers, including 40% of the top 100 global innovators of 2023, to deliver intelligent engineering and technology solutions for creating a digital, autonomous, and sustainable future. As a company, Cyient is committed to designing a culturally inclusive, socially responsible, and environmentally sustainable Tomorrow Together with our stakeholders.

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