Your trusted ITO partner

An increasing number of businesses are entrusting non-core operations to specialised suppliers. Sergei Levteev, chief executive of **IBA Group**, a leading provider of IT outsourcing solutions, talks to *CEO* about successful vendor management and the importance of partnerships.

There has been a lot of talk about vendor management recently. How does IBA Group help clients to align their information technology outsourcing (ITO) to their business objectives?

Sergei Levteev: As IBA is working on the provider side, outsourcing vendors are customers for us. We also seek to turn our customers into partners. We know from our 20

years of experience that outsourcing yields the best results when a vendor and a provider work in partnership. If you perceive the vendor as your partner, you would never allow yourself to limit project implementation to 'coding in line with the specs'. Our teams start working on a project with a thorough analysis of the customer's business. In many cases, they come up with an optimised solution that may

differ from the initial project specifications.

For certain projects – primarily transformation ventures, including those involving business intelligence (BI) – we form joint IBA-customer teams. BI provides excellent opportunities for aligning IT to business objectives. It is the software that helps managers understand what is happening with their business and why, and what should be done to make it better.

Some companies treat BI as a 'must have' without a clear understanding of why it is needed and what problems it can solve. They seek to embrace a maximum number of operations, gathering as much data and building as many reports as possible. We advise them to think of the bottlenecks in their business and of how BI can overcome them. In this way, a BI project is able to resolve a specific business problem.

If a customer needs to solve a wide range of methodological, organisational and technical issues, IBA applies an iterative approach to software development and deployment. Each iteration results in the installation of a working system at the customer's premises. The number of iterations is not outlined in advance but is determined dynamically depending on customer needs. This approach ensures that project risks are minimised and guarantees that the system is aligned with the evolution of the individual customer's requirements.

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What are the reasons behind the apparent increase in demand for ITO services?

On the one hand, the economic crisis and downturn have forced enterprises to optimise costs. They are driven to concentrate on their core business and also to outsource non-core operations to specialised providers. On the other hand, the IT outsourcing industry continues to mature and there are companies like IBA that have enormous expertise in the area.

Before making an outsourcing decision, enterprises perform situation analysis and study the experiences of other outsourcing vendors. As I said before, IBA has been involved in the outsourcing industry for 20 years. During that period, none of our clients have been disappointed. They share their positive experience with other vendors, which come to us feeling confident that with our help, they too will achieve their goals.

The survival of large enterprises is contingent on the agility of their IT platforms to support innovation. Where are enterprises currently

failing with this and how can they improve?

Innovation and modification in the IT area never end. The volume of information is growing from year to year. New products come to life and the IT system should be changing accordingly. Large enterprises have complex IT systems that initially involved huge investments. It is absolutely clear that there is a tendency to delay the upgrade of the aging infrastructure in order to preserve capital.

I see a solution in service oriented architecture (SOA). Using SOA, it is possible to integrate old and new applications, giving the IT platform the flexibility it lacked before.

It is also possible to update an old system by adding a new interface or mobile gadgets. In fact, mobile applications have revolutionised the way in which a user can work with information, and IBA supports this trend.

Migration of IT systems is fraught with complexity and risk. What steps should enterprises consider to mitigate these issues in the migration process?

Migration of IT systems is a specific task that requires a unique set of knowledge and skills. The primary problem is that the IT system is ongoing and there is no way for the production to be stopped or slowed down. Unlike a newly developed application, migration is carried out on real data. In addition, migration involves not only modern technologies or platforms but also old ones that are no longer in widespread use.

Therefore, choosing the right provider is crucial. IBA has accumulated rich experience and applies proven methodology in the migration process. In certain cases, automatic migration tools are applicable. A possibility of reverse transfer may be instrumental. If a problem is detected in the migrated system, it is possible to move a step back to identify the source of the problem. The new system can be deployed without interrupting the work of the old system and afterwards both systems may function concurrently for a certain time period.

Although you have strong offshore and nearshore capabilities in Eastern Europe, how do your clients feel knowing that they can also use your nearshore and onshore options in other territories?

IBA's major development centres may be concentrated in Eastern Europe, but our organisational structure is worldwide. We have support centres in Europe, the US, Asia and Africa. We have enough legal and organisational capacity to send our experts to these centres or hire local employees. IBA is there, whenever or wherever our clients need us. ■