



Business Objects

Offshore Development - Big Benefits for Business Objects



Herve Couturier
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When it comes to offshore outsourcing of software development, changes can happen quickly. Just ask Business Objects. Since the end of 2002, the Company has successfully established its first extended development center in India, acquired two additional offshore sites, and started consolidating its offshore activities.

As the world's leading provider of business intelligence solutions, Business Objects is no stranger to successful in-house software development. So when the Company began exploring the establishment of an extended development center in India, it naturally decided to partner with a proven leader in offshore software development - Ness Managed Labs, a division of Ness Technologies.

Business Objects is the world's leading business intelligence (BI) software company. Business intelligence enables organizations to track, understand, and manage enterprise performance. Business Objects' solutions enable companies to gain visibility into their business, acquire and retain profitable customers, reduce costs, optimize the supply chain, increase productivity, and improve financial performance. Business Objects has more than 29,000 customers in over 80 countries.

Business Objects' initial offshore activities began in November 2002 with the signing of an extended development center agreement with Ness. Within months, Ness built and operated Business Objects' first offshore development center in Bangalore. The center has been growing rapidly ever since, and currently employs 240 people.

With the acquisition of Crystal Decisions, which was completed in December 2003, Business Objects inherited two smaller offshore development centers in Pune, India, and Shanghai, China. The Company plans to consolidate its Indian development efforts by moving its headcount, budget and activities to the larger Bangalore center.

Demanding the Best

Business Objects' search for the ideal offshore partner involved several criteria. One key factor was the partner's ability to provide value added to software development. "We wanted a partner who really understands software development as opposed to service," says Herve Couturier, Senior Vice President, Products Group, at Business Objects.

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No less important, however, the Company was seeking a partner with shared attitudes and values. "We were interested in a flexible and creative partner who shared our approach to proactive problem solving - a firm that could anticipate and prevent problems before they occur," Couturier says.

Business Objects also wanted a partner with proven experience implementing a build-operate-transfer (BOT) delivery model. "From day one, we wanted a 'transfer' option to enable the full integration of the center at a later date within the Business Objects organization," he says.

Finally, Business Objects was looking for competitive pricing. "We wanted a mutually beneficial agreement that would create a win-win situation for all parties," Couturier explains.



Moving Up the Value Chain

For Business Objects, Ness fit the bill on all counts. "Not only did Ness people usually say 'yes' when we turned to them with our requests, but also they were very proactive from the outset. Even during the RFI process, Ness was way ahead in terms of adding value," says Couturier. "Ness personnel proved that they were focused on helping Business Objects solve problems, rather than merely trying to make the sale."

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While the Bangalore center is now mainly responsible for testing, porting and product maintenance services, Business Objects would like it to take on additional value-added development activities. "One of the major reasons we chose Ness was to derive greater value from the development center over time as it matures," Couturier says. "We expect the center to move up the value chain by undertaking additional development and innovation missions."

Reaping Big Benefits

Business Objects already has reaped major benefits from its offshore activities with Ness. With ready access to a large pool of technology professionals, Business Objects now has far more flexibility than ever. "Since the Bangalore center is organized on a project team basis, we can easily migrate new projects to and within the center," he says. "And we have been able to rapidly expand headcount at a very reasonable cost."

"Bangalore is a key element in our 'one site, one mission' strategy."

Business Objects also sees the Bangalore center as a springboard for expanding activities in the Asia-Pacific region. "We view the development center as an important beachhead for successful expansion in the AiPac region," Couturier says. Finally, the Bangalore center supports Business Objects' focused development strategy. "Bangalore is a key element in our 'one site, one mission' strategy of clarifying the mission of each of our development sites, and allowing each site to focus on fulfilling its particular mission," Couturier says. "Bangalore has a significant role in our overall development strategy by taking ownership of testing, porting and maintenance activities, as well as additional development efforts over time. This is very important to Business Objects as a large international company with many development centers worldwide."

Partnering for Progress

Now completing just its second year of operation, the Bangalore development center indeed has met Business Objects' expectations. "In 2003, Ness successfully got the center up and running and created ownership of the center's distinct mission. And this past year, the center contributed to the delivery of four high-quality products on time and on budget. Each year the bar is raised, which is only natural. The fact that the rest of the Business Objects organization is expecting ever-increasing value from the Bangalore center is a positive sign pointing to the success of the site so far."

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One of the secrets behind the Bangalore center's success has been the active partnership between Business Objects and Ness. "Overall, Business Objects and Ness maintain a very good, open and direct relationship. Ness people go above and beyond what's in the contract, and we rely on them to alert us about upcoming issues and problems," Couturier says. "The fact that we consider the Ness center exactly like our in-house development labs is indicative of the success of the center and the nature of our relationship. We look forward to continue working with Ness and making a lot of exciting progress in the future."

About Ness Technologies

Ness Technologies (NASDAQ: NSTC) is a global provider of end-to-end IT services and solutions designed to help clients improve competitiveness and efficiency. Specializing in outsourcing and offshore, systems integration and application development, software and consulting, and quality assurance and training, Ness serves a blue-chip client base of over 500 public- and private-sector customers. With over 5,000 employees, Ness maintains operations in 15 countries across North America, Europe and Asia Pacific, and more than 100 alliances and partnerships around the world.