

Case Study Document

Alternate Development Center

A Pertinent Step in line with the Economy

DATA INC.
your targets. *our solutions*

www.datainc.biz | 201-802-9800





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Background

In Step with the Economy

In the new world economy, Blue-Chip organizations are looking for unique cost control solutions. As cost-cutting initiatives are implemented, Information Technology (IT) departments are under continued pressure from executive management to “do more with less.”

Paradigm Shift

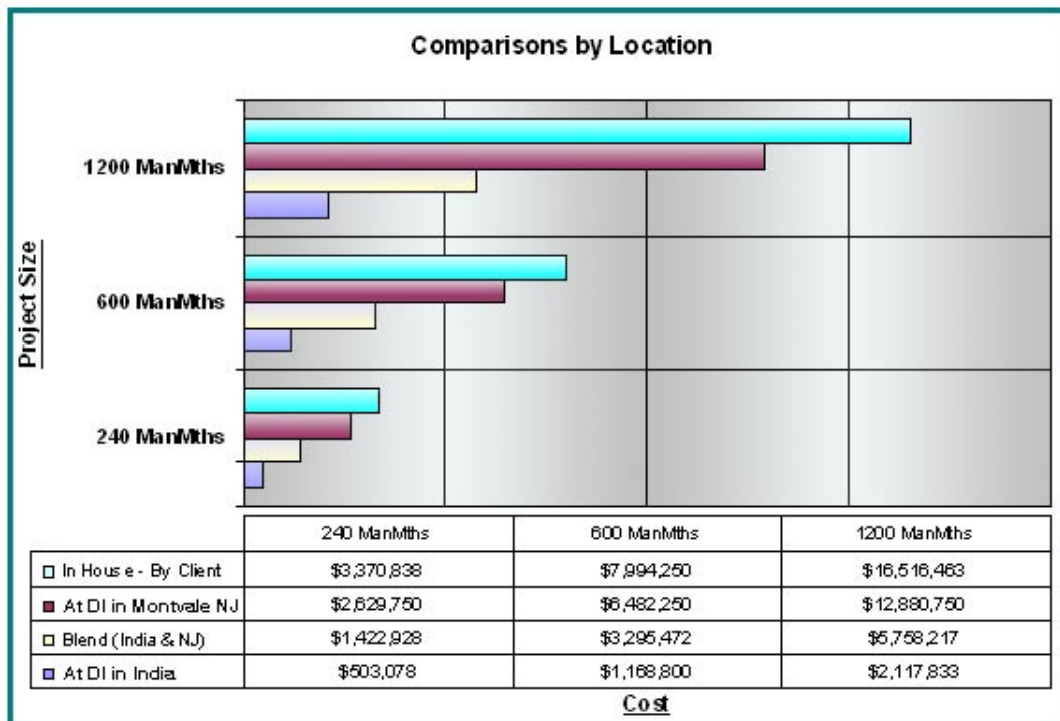
Based around best practices and review of the industry, DATA Inc. has designed a new business model called the “Alternate Development Center” (ADC). The ADC model provides a viable, cost effective alternative to organizations. It offers our clients the capability to:

- Relinquish the burden of a sizeable IT staff.
- Retain high performers who are intimately familiar with functionality and technology.
- Provide for the outsourcing of internal system development and support.
- Reduce Costs
- Focus on their core businesses.

This offer has been recognized as an exceptional value proposition.

Cost – A Major Driver

In the graphic below, three sample projects of varying scope are outlined. Each outsourced “project size” requires a different budget depending on the “location” where effort is expended:



About DATA Inc.

Established in 1983, DATA Inc. is a full service IT Solutions Provider with offices in North America (Montvale, NJ), Europe (United Kingdom and Switzerland) and Asia (New Delhi and Bangalore, India.) Delivering high quality services to major Fortune 100 companies, DATA Inc. has experience in a full range of information technology services including:

- ◆ "On-Site" Project Development – at your Organization
- ◆ "Off-Site" Project Development – at our Development Center in New Jersey
- ◆ "Off-Shore" Project Development – at our Development Center in India
- ◆ "Global" Project Development – at our Development Center in New Jersey; together with specific components being developed in India
- ◆ Consulting services

Client References

DATA Inc. has been providing outstanding software services since its inception in 1983. References may be verified from any one of our clients:

United Parcel Service
Merrill Lynch
Johnson & Johnson
Mercedes Benz
BMW

Goldman Sachs
Sanofi Aventis
Cigna
ADP
Omgeo

Pfizer
DTCC
Union Bank of Switzerland
Prudential

Client Projects (Delivered as "Time and Material" or "Fixed Price" engagements)

- ◆ Application Outsourcing
- ◆ New development and enhancement of leading edge systems and solutions
- ◆ Production support and maintenance of leading edge systems
- ◆ Re-engineering of legacy systems (mainframe to OOD/web)
- ◆ Prototyping of new solutions
- ◆ Tools Analysis and Recommendation
- ◆ Product Development
- ◆ Quality Assurance



Capability

Implemented Domestically

- ◆ Since 1997, DATA Inc. has successfully delivered multiple projects for our client base from our Off Site Development Center in the United States. Our facilities are:
 - Located in the New York Metropolitan Area, near the heart of Global 500 companies.
 - SAS 70 / ISO 17799 Audited and Certified
 - Client Audited and Certified
 - Certified Microsoft Developer (Microsoft Gold Partnership)

Implemented Globally

- ◆ Since 2002, DATA Inc. has successfully delivered multiple projects for our client base from our off shore development center in India. Our facilities are:
 - Located in New Delhi India
 - Audited and Certified ISO 9001:2000 for development
 - Secure; protecting the proprietary interests of the client through the security of infrastructure and all appropriate data confidentiality.

Global Delivery Methodology

DATA Inc. utilizes its global presence to provide world-class quality to its clients. DATA Inc's project management system is based on best practices and powered by a combination of custom-developed applications and off-the-shelf components. It has helped the organization usher in a true global lifecycle on all projects.



Deployed enterprise-wide, DATA Inc's project management system (based on Sharepoint) is a valuable enterprise wide application that has been implemented to facilitate:

- ◆ **Centralization**
Resource Centralization for consolidation, simplification and speedy access.
- ◆ **Project Tracking**
Monitoring progress of project tasks across project portfolios of geographically dispersed projects for improved project management control.
- ◆ **Financial Oversight**
Gives a clear picture of project budget forecasting, expense tracking and earned-value management.

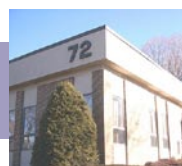
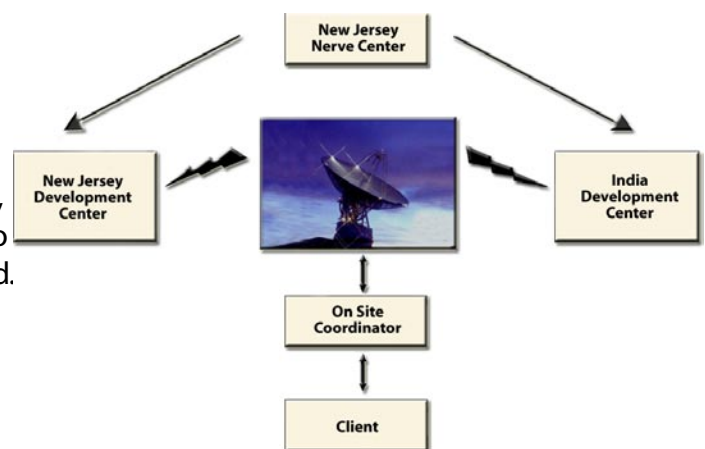


- ◆ Knowledge Retention
Knowledge repository, information sharing, collaboration, training and communication.
- ◆ Productivity
Streamlines productivity, whether local or for a globally distributed team. The system also allows users and organizations to log in remotely via the Internet to access information.
- ◆ Integration
A platform for employees, partners and customers to communicate more effectively and to manage the unstructured collaborative activity that is inherent in many project and service processes. In addition, integration with other Microsoft-based applications such as Outlook and Office further streamlines productivity.
- ◆ Fortified Security
Utilizing state-of-the-art security protocols and technology, DATA Inc's Project Management System reduces the risk of security being compromised. These integrated technologies include:
 - Authentication based on Windows protocols.
 - Authorization based on the permissions model to ensure a high degree of granular control.
 - Code access security in .NET Framework.
 - Security techniques such as Secure Sockets Layer (SSL) and IPsec.
 - Firewall protection of external sites.

Our global project management capabilities in dealing with application development have been recognized and presented at the annual symposium of the New Jersey chapter of the Project Management Institute. In the presentation "Project Management of a Globally Distributed Team: Tools and Techniques" the senior project managers of DATA Inc. presented their methodology for managing a project teams to great acclaim.

Flexible Software Delivery Paradigm

DATA Inc. has successfully delivered software projects for numerous clients utilizing resources on-site at the client location, through the Development Center in Montvale, NJ, through the Development Center in New Delhi, India and through a combination of each. DATA Inc. determines, recommends and utilizes the optimal delivery paradigm to achieve the quality, cost and timeframe objectives required.

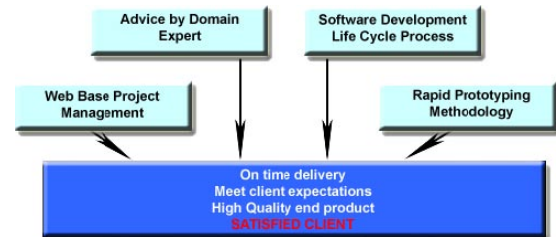


Capability

Processes and Methodologies

Strategic Initiatives

To ensure process improvement, we utilized integrated workflow and management capabilities. This initiative is also incorporated into the Global Project Management Solution. Our clients thus benefit from improved responsiveness, cost containment and process standardization.



Quality Management

Best Practices – Our Company constantly improves its processes by **turning to metrics to drive process and quality management**. Our Technical Managers review our processes to ensure that critical elements of each process are maintained. Standard metrics include:

- ◆ Software Lifecycle Time
- ◆ Design-to-Cost
- ◆ Design Reviews
- ◆ Design Reuse
- ◆ Defect Detection
- ◆ Risk Mitigation
- ◆ Top Development/Production Issues
- ◆ Staffing and Training

Continuous monitoring through metrics helps us identify sources of defects and increase productivity, design and development and communication among various software engineering disciplines. This approach has helped to reduce the software lifecycle time and improve costs, performance and schedules for individual activities.

The Ideal Choice

With our industry-recognized global management structure, high success rate and top-tier delivery capabilities, DATA Inc. is uniquely positioned to be your ADC partner.



The DATA Inc. Unique Selling Proposition

Assured Commitment

- ◆ DATA Inc. is a privately held company with well-established procedures to ensure a fast, flexible and efficient response.
- ◆ There is no bureaucracy or administrative barriers and we offer commitment and accountability from the President downwards.

Minority Enterprise

- ◆ DATA Inc. is a certified Minority Owned Enterprise by the State of New Jersey.
- ◆ DATA Inc. has been ranked as a Top Minority Owned Business locally and nationally by NJBiz and DiversityBusiness.com.

Blend of “Off Shore” and “Local” Development Centers

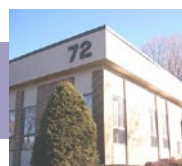
- ◆ For years, DATA Inc. has been delivering Application Development services from the United States and India.

Delivering with Experience

- ◆ DATA Inc. is proud of its track record in delivering Application Development services for the past 25 years.

Added Value to Client

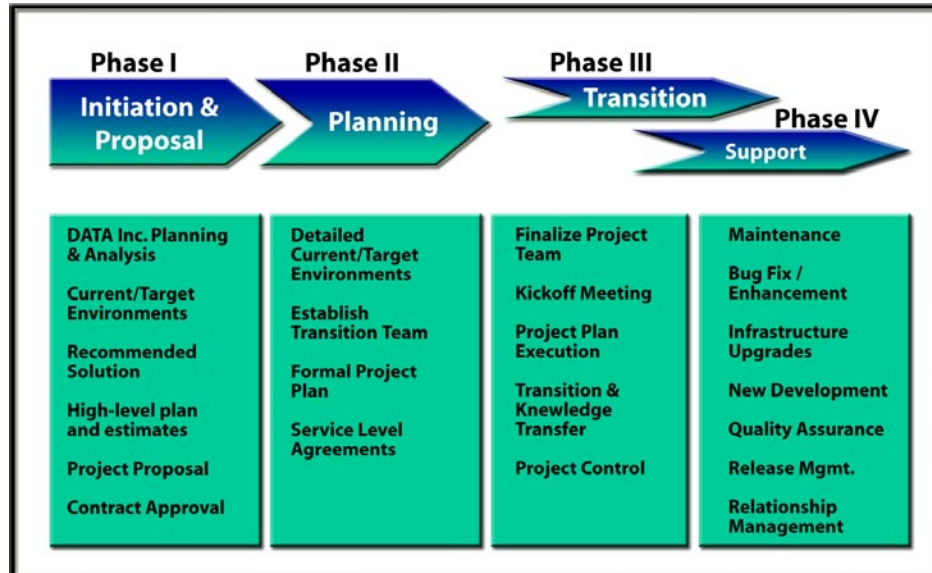
- ◆ Through multiple successful engagements, we have gained a reputation for a winning combination of the following factors:
 - Competitive Pricing
 - High Quality
 - Exclusive Resource Base
 - Superb Client Service
 - Broad Selection of Services
 - Post Delivery Support
- ◆ Merrill Lynch awarded DATA Inc. with the 2005 Global Sourcing and Procurement Services Consulting Vendor of the Year Award. The award recognizes the superior service and consistent performance that DATA Inc. has delivered as a partner in the Merrill Lynch Preferred Vendors program.



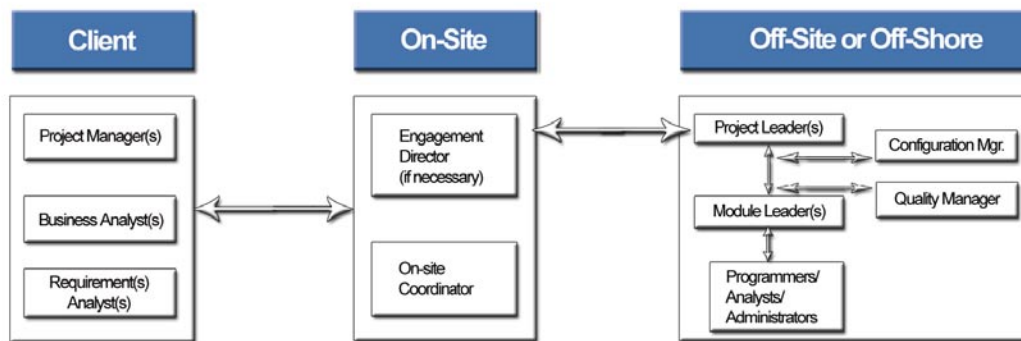
The ADC Approach

Transition Process Overview

For each engagement, the following one-time transition process is conducted to ensure the quality of the services provided by DATA Inc. Once the transition has been completed, standard software development guidelines/methodology and change management procedures are adhered to.



The transition is coordinated as follows:



Effortless Scale-Up

Prior Recruiting Experience

DATA Inc. has been operating in the US, UK and India for several years. Our efforts in India, besides our Offshore Development Center, have included the recruitment of talent for our technical staffing needs in USA and Europe. With this experience, it is relatively simple for us to "Scale Up" a project within a very short period of time.



The ADC Approach / Costs

Stringent Recruiting Practices

Management cadres will continue to ensure that our high standards of recruitment are maintained so that we enhance our workforce with talent that is academically and technically the best of breed.

Costs

High Level Cost Estimates

In order to facilitate ADC planning and budgeting, the cost estimates below have been prepared based on the following team location, size, and composition scenarios:

Team Location	Small Scale (20 Total Resources)	Mid Scale (50 Total Resources)	Large Scale (100 Total Resources)
India Based Team	- 1 Onsite Coordinator - 1 Proj. Mgr. (India) - 16 P/A (India)	- 2 Onsite Coordinator - 1 Proj. Mgr (India) - 5 Senior P/A (India) - 42 P/A (India)	- 1 Engagement Dir. - 1 Onsite Coordinator - 1 Proj. Mgr (India) - 7 Senior P/A (US) - 90 P/A (India)
US Based Team	- 1 Onsite Coordinator - 1 Proj. Mgr (US) - 2 Senior P/A (US) - 16 P/A (US)	- 2 Onsite Coordinator - 1 Proj. Mgr (US) - 5 Senior P/A (US) - 42 P/A (US)	- 1 Engagement Dir. - 1 Onsite Coordinator - 1 Proj. Mgr (US) - 7 Senior P/A - 90 P/A (US)
Combination	- 1 Onsite Coordinator - 1 Proj. Mgr (US) - 1 Senior P/A (India) - 1 Senior P/A (US) - 10 P/A (India) - 6 P/A (US)	- 2 Onsite Coordinator - 1 Proj. Mgr (US) - 3 Senior P/A (India) - 2 Senior P/A (US) - 26 P/A (India) - 16 P/A (US)	- 1 Engagement Dir. - 1 Onsite Coordinator - 1 Proj. Mgr (US) - 5 Senior P/A (India) - 2 Senior P/A (US) - 56 P/A (India) - 34 P/A (US)

The estimated average annual costs per resource of an ADC arrangement based on the scenarios is outlined in the following tables:

TOTAL ANNUAL RESOURCE COST			
Location	Small	Mid	Large
India	\$503,078	\$1,168,000	\$2,117,833
US	\$2,629,750	\$6,482,250	\$12,880,750
Combo	\$1,422,928	\$3,295,472	\$5,758,217
In House by client	\$3,370,838	\$7,994,250	\$16,516,463

AVERAGE HOURLY COST PER RESOURCE			
Location	Small	Mid	Large
India	\$18.80	\$17.37	\$15.86
US	\$71.88	\$70.84	\$70.12
Combo	\$41.36	\$38.60	\$36.32



Costs

Seizing the Cost Advantage

Based on these High-level Cost Estimates, it is apparent that there are significant benefits in adopting the ADC concept. DATA Inc. can deploy its teams in India, or in Montvale NJ, or in a blend of the two (India & NJ.) Cost savings are significant when any of the above 3 options are compared with an effort that is attempted by a client to develop a project internally by themselves (in house.)



In summary, DATA Inc. is **uniquely** qualified to be an Alternate Development Center provider for your organization.

DATA Inc. offers a combination of the following **KEY SUCCESS FACTORS**:

- ◆ Our technical and business expertise.
- ◆ Our global service delivery infrastructure.
- ◆ Our offshore outsourcing experience.
- ◆ Our status as a Minority Vendor.
- ◆ Our well-established procedures, leading to fast and efficient responses to our clients.
- ◆ No bureaucracy or administrative barriers; offering commitment from the President downwards.
- ◆ Our capability to achieve and exceed your business goals; looking forward in taking the next step in creating a sustainable ADC model for your organization.

Client Testimonials

I engaged DATA Inc. to deliver Software Services back in the early 80's, right up until my retirement in 2002. Over the years, they have delivered exceptional services to DTCC. DATA Inc. delivered cost effective and good quality solutions on projects that were outsourced to them in "off-shore" engagements. In addition, DATA Inc. developed several ingenious solutions to the complex task of identifying, researching and offering prototypes of architectures to utilize new technologies in mainframe web enablement. My experiences with DATA Inc. have been extremely wholesome and I sincerely recommend them as a quality company that is nimble, fleet-footed, conscientious and ethical.

Joseph Bellantoni — Managing Director — DTCC

I engaged DATA Inc. to help us develop the "ebook" (electronic order book) application, a highly visible and business sensitive project that had many aggressive time constraints. Even with aggressive time constraints, DATA Inc. adhered to their software development procedures and delivered a quality product. Due to the success of the implementation additional funding was granted for a second phase and of course we hired DATA Inc. to partner with us. As always, the relationship with DATA Inc. was very professional and very amicable.

Frank Graziadio — Senior Director — Merrill Lynch

Arun and his associates quickly provided a quality deliverable and stood behind it to ensure that the operation could function in a controlled environment. He is a man of his word, upon which I would rely upon as a true partner for future efforts.

Paul Travers — Director — Prudential









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72 Summit Ave, Montvale, NJ 07645