



Case Study at a Glance

Leading legal services provider partners with India-based impact sourcing provider to offer high quality, technical services at low cost, and discovers an alternate delivery model with high-energy, low attrition workforce.

Recipe to Make Impact Sourcing Work

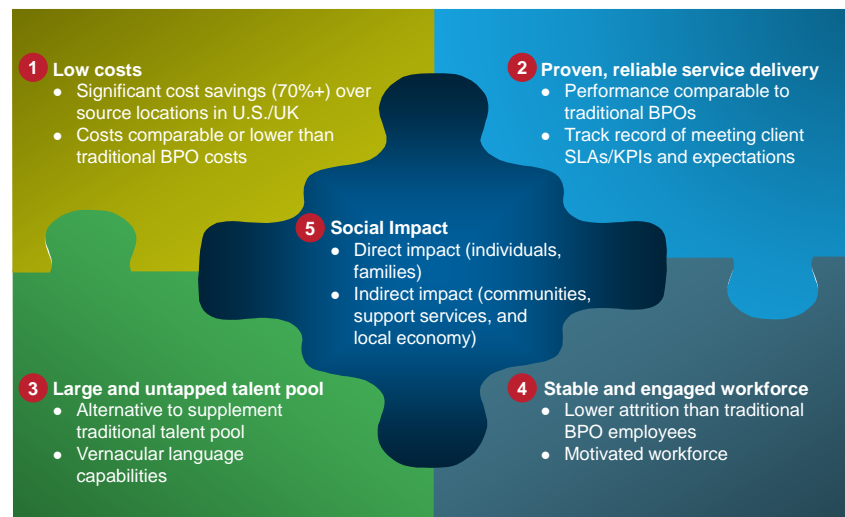
Pangea3 Partners with Impact Sourcing Provider B2R to Deliver High-quality Technical Work within Client's Budget... And Discovers an Alternate Delivery Model

Introduction to Impact Sourcing

Impact Sourcing (IS) is a business process service delivery model that provides quality and cost at parity with traditional BPO services, but with optimized enhancements such as:

- A qualified, trained, untapped talent pool with skillsets aligned to match client needs,
- Lower attrition rates and higher corresponding levels of employee engagement, and
- Opportunities to fulfil corporate social responsibility and diversity objectives while operating within a traditional BPO framework

Value Proposition of Impact Sourcing



This document highlights several elements of impact sourcing value proposition, such as **low cost, reliable service delivery, stable and engaged workforce, and social impact.**

The Backstory

When Pangea3, a Thomson Reuters company that provides outsourced legal process services, was asked by a U.S. client to provide contract abstraction services at reduced cost given the limited budget outlay without compromising performance or quality, the team needed a creative solution. Pangea3 team considered a variety of options, including impact sourcing. Pangea3's challenge was to provide high quality technical services including legal document coding, document review, key field extraction, and information summarization, at a considerably reduced price.

By partnering with an experienced impact sourcing provider, focusing attention on key training issues, and having confidence in the results, Pangea3 successfully met its client's expectations and discovered an alternate delivery model that worked in a relatively complex work environment.

On Quality + On Time + On Budget = Client Satisfaction

Pangea3's primary objective in using impact sourcing was to ensure **high quality delivery while meeting the budgetary constraints** of its client, specifically with its technically complex work. The Pangea3 team felt confident that they could deliver high-end work at the required performance level and zero slippage on deadlines with the right focus on, and investment in, training.

In order to achieve these results, though, Pangea3 realized they needed to partner with an organization that had experience in the impact sourcing environment. Pangea3 selected B2R, an India-based Impact Sourcing Service Provider (ISSP), subcontracting the work in a back-to-back arrangement.

Making Impact Sourcing Happen

Pangea3 credits several factors with its ultimate success in using an impact sourcing option to maintain quality and on-time delivery while meeting client's budget. Key steps in enabling a successful impact sourcing arrangement were:

- 1) **Selecting the right IS partner:** Pangea3 took into account several critical factors such as cost arbitrage, willingness to start small, prior experience in legal publishing domain, community presence and business stability, leadership experience, before considering B2R as its impact sourcing partner.
- 2) **Onboarding with Impact Sourcing:** Pangea3 was careful to ensure that the arrangement was completely transparent; the U.S. client was fully aware that Pangea3 was subcontracting work to B2R. Further, to build client's confidence into B2R's capabilities, Pangea3 did a pilot engagement with B2R.

"Client constraints made us look at a different delivery model from what Pangea3 normally offers. When this project came along and we knew we had to deliver differently, B2R was our first thought."

– Arun Ranjan, Director
Operations, Pangea3

"We designed the impact sourcing solution in a completely transparent manner with our client knowing that we were subcontracting work to B2R. Transparency with the client was a key success factor."

– Mohan Ayyangar, COO,
Pangea3

“We did not approach impact sourcing from delivery of low complexity work. We knew that given the right investment in training, our impact sourcing partner could deliver high-end work at the required performance level.”

– Mohan Ayyangar, COO,
Pangea3

The two week long first pilot phase involved B2R extracting sample work from its various centers, one manager from Pangea3 working full time to ensure knowledge transfer, and the achievement of weekly metrics. During this period, the project manager visited B2R’s facility to provide training and oversee the work. While there were initial challenges around comprehension of legal definitions and technical English structure, the impact workers were quick to learn the basics. The initial pilot was successful with the Service Level Agreements (SLAs) meeting the target benchmarks and the required accuracy rate. Scaling up the pilot to 42 seats was next challenge. This was accomplished with both B2R and Pangea3 teams working simultaneously to ensure quick implementation of training program with focus on Pangea3 processes.

The pilot program achieved ~50% cost reduction while meeting client SLAs. As the partnership with B2R translated into no loss of performance at significantly lower cost, the client ultimately met its budgetary target.

- 3) **Managing performance:** Pangea3 recognized that training was the key to success with impact sourcing, particularly given the bespoke nature of the work. To ensure delivery consistency and quality, Pangea3, together with B2R, designed an operating model with clearly defined responsibilities and performance metrics. While Pangea3 was responsible for training, quality, and overall delivery, B2R was responsible for process delivery.

Through partnering with B2R, Pangea3 was able to completely transfer its associate layer (~50) while retaining the Quality Assurance (QA) layer (5-10 associates), resulting in a 30 to 50% savings.

Impact Worker Performance: High Quality, Reduced Cost, and No-Attrition

As part of the engagement, Pangea3 replicated its 3-tier quality process with B2R to measure and monitor impact workers’ performance. A Pangea3-managed quality audit team performed a rigorous quality check on every project B2R delivered to measure performance on metrics such as “first time right.”

Impact workers’ performance showed significant improvement over the first one to two months; while initially Pangea3 performed a quality check on every document, **performance reached a point at which the quality control requirement dropped to 20 to 30% of all documents and a minimum level of quality audit, all of which was comparable to Pangea3’s traditional operating model.**

In some parameters B2R performed even better than Pangea3’s traditional delivery model. For example, **Pangea3 experienced zero attrition with B2R, saving time, effort, and cost in retraining and onboarding.** At the same time, by providing employment opportunities to rural youth within their communities the initiative contributed to the **improvement to the lives of rural youth without the need for individuals to migrate to urban centers for employment.**

“We experienced zero attrition among B2R associates. This saved us time and effort in retraining.”

– Mohan Ayyangar, COO,
Pangea3

“We started with 100% QC, and then reduced it to 20 to 30% after achieving a steady state. This is comparable to our traditional operating model.”

– Mohan Ayyangar, COO,
Pangea3

“Despite the remoteness of the facilities and the infrastructure constraints, I was quite amazed that the operations there were sufficiently secure, resilient and robust to meet our requirements. I had the opportunity to interact with people at two of B2R’s centers. I have rarely experienced such high levels of enthusiasm, energy and optimism.”

– Mohan Ayyangar, COO,
Pangea3

Key Learnings

Some of the key learnings for Pangea3 from their impact sourcing experience with B2R were:

- 1) **Ownership from the implementing team:** Pangea3 let its operational management take the final decision on using B2R’s support, thus giving them flexibility to serve the client using options within their business or take ownership of the decision to use B2R.
- 2) **Constant communication:** Establishing and maintaining constant communication between B2R and Pangea3 teams was essential in learning and mentoring of employees, and monitoring of work. This helped in building client confidence in the sub-contracting model.
- 3) **Focus on unique processes:** Challenges around familiarization with legal terminology and technical English language were addressed by devoting additional time to building these capabilities in B2R team.
- 4) **Finding the right activity:** Pangea3 constantly evaluated what can and cannot be delivered by B2R to make sure it leveraged B2R only for those activities that align with its capabilities and are best-fit for the sub-contracting model.
- 5) **Emphasizing BPO-level business acumen and infrastructure:** Pangea3 ensured that B2R hire right set of talent and infrastructural capabilities for a robust service delivery.
- 6) **Focus on high-order roles:** Using the sub-contracting impact sourcing model enabled Pangea3 to free internal bandwidth to focus on higher-order work.

The Outcome: Mutual Benefit for Client and Providers

Pangea3’s experience with impact sourcing and its partnership with B2R constituted a real success. The program helped Pangea3 fully meet its client’s requirements. **B2R’s associates’ willingness to learn, high energy, and zero attrition enabled them to achieve results comparable to Pangea3’s traditional delivery model at lower cost**, a benefit Pangea3 was able to pass along to its client.

Through impact sourcing, Pangea3 has **created significant positive impact on the lives of people in rural India that has extended out to their communities as well**. After its discovery of impact sourcing as an alternate delivery model, the Pangea3 management team is open to consider a long-term partnership with B2R.

About Pangea3

Pangea3, a Thomson Reuters company, is a leading provider of legal process outsourcing (LPO) services to international corporations and law firms, serving Fortune 1000 companies and Am Law 200 law firms.

About This Joint Project between Everest Group and The Rockefeller Foundation

The Rockefeller Foundation has funded Everest Group to conduct an in-depth assessment of how the growth of impact sourcing can be accelerated using a fact-based business case that substantiates benefits of the IS model. This assessment includes sizing the market, profiling the landscape, detailing the business case, and creating case studies to raise awareness of IS in the enterprise buyer and BPO communities. Establishing the business case for IS will contribute to the growth of the sector, which means that more high potential but disadvantaged youth will have the opportunity for employment, improving their lives and the lives of their families and communities.

About The Rockefeller Foundation

For more than 100 years, The Rockefeller Foundation's mission has been to promote the well-being of humanity throughout the world. Today, The Rockefeller Foundation pursues this mission through dual goals: advancing inclusive economies that expand opportunities for more broadly shared prosperity, and building resilience by helping people, communities and institutions prepare for, withstand, and emerge stronger from acute shocks and chronic stresses.

About Everest Group

Everest Group is an advisor to business leaders on the next generation of global services with a worldwide reputation for helping Global 1000 firms dramatically improve their performance by optimizing their back- and middle-office business services. With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of global services in their pursuits to balance short-term needs with long-term goals. Through its practical consulting, original research and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies and management approaches. Established in 1991, Everest Group serves users of global services, providers of services, country organizations and private equity firms, in six continents across all industry categories. For more information, please visit www.everestgrp.com and research.everestgrp.com.