

Case

Duality Strategy of Customer Centricity and Employee Focus in Software Services Management

Balakrishnan Menon¹

Abstract

US Technology is a major software services company in India. It was started in the year 1999 with a modest beginning with a few employees at offshore development centre in Trivandrum, Kerala State. As in 2010, under the brand name of UST Global, the company has over 7000 employees across the world. Phenomenal success of such a software company, in the left- oriented party dominated State of Kerala, has invited the attention of many people in the industry. The company earned valuable foreign exchange through software exports for the country and the State, for the last 10 years. The company strongly believes in and practices its core values and “UST way of life” throughout its world locations. The company has come up some innovative service differentiators, to impress upon its clients, on the advantage of doing business with it. The company’s unique hybrid delivery model has worked well with

¹Professor, DC School of Management and Technology, One School Avenue, Pullikkanam Post, Idukki District, Kerala – 685 503, India and Research Scholar, School of Management Studies, Karpagam University, Pollachi Main Road, Eachanari Post, Coimbatore, Tamil Nadu – 641 021, India.

its clients. Its unique selling proposition of “few clients and more focus” has resulted in delight of its customers, as they see it as a value addition for their money’s worth. The leadership team attributes the success of the company to its fundamental core values and twin strategy of Customer Centricity and Employee Focus.

Key Words: *Customer Centricity, Hybrid Model, Net Promoter Score, Commitment beyond contract, service differentiators*

Introduction

When the founder Chairman of US Technology Private Ltd Late Mr. G A Menon wanted to set up a software company in Trivandrum, the capital city of the Communist party dominated State of Kerala in the year 1999, many people close to him warned that he was setting himself up for failure. The State of Kerala was, in those days, labeled as anti-investment and non-conducive to new entrepreneurial setups, as it was dominated by a work force, controlled by militant trade unionism with a vested interest to keep their flocks together with age-old dogmas and philosophies. However, Mr. Menon went ahead with his plan and set up the company in Trivandrum, as he was keen to do something for his home State, even when the top echelon in the Secretariat (Head Quarters of the state administration machinery) discouraged him, pointing out that he was entering into an area, where angels dreaded to walk. History and Time proved otherwise, as US Technology became the largest software exporter from the State of Kerala, to US and other countries.

US Technology Private Ltd. (UST) is a fully-owned subsidiary of California-based US Technology Resources LLC. Established on Sept 1, 1999 with barely 14 employees, the company was set up, as a 100% Export Oriented Unit, to export software services and solutions, in Techno Park Trivandrum. The company, touted as the first of the software conglomerations, which was set up under the Special Economic Zone in the Country, was set up and promoted as part of the worldwide US\$ 7 Billion Comcraft Group (Anonymous, 2010). US Technology has vast experience in software solutions for areas like retail, banking & financial services, airlines, healthcare, shipping & transportation, networking, telecommunications automobiles and manufacturing. The company is built and operated on the strength of its focused and fundamental core values.

The company focuses on equal importance to customers and employees. It advocates an open communication policy with professional freedom in its operation. The management empowers the employees at each level with levels of responsibility. UST Global follows a customer centric organizational set up and business model and a flat organizational structure. Industry watchers comment that these policy paradigms provide maximum employee involvement and dedication in career development and

thereby contributed to its organizational development and growth of the company.

The company is governed and managed by a professional advisory board and highly competent leadership team. Their current chairman, Dan Gupta is an industry veteran with 40+ years of prior experience in IBM where his executive experience included responsibilities for operations, offshore software development, new business development, and marketing. The current chief executive officer, Sajan Pillai also has extensive experience in the IT industry, having served as the co-founder of Softek Systems in India and US and has also architected and managed several large software systems for large telecommunications and software solutions companies in India and the UST Global[®] (UST) is a leading provider of end-to-end IT (Information Technology) services and solutions for Global 1000 companies. UST uses a client-centric Global Engagement Model that combines local, senior, on-site resources with the cost, scale, and quality advantages of off-shore operations. UST is also one of the fastest companies in India to attain CMM (Capability Maturity Model) Level 5, CMMi (Capability Maturity Model Integrated) and PCMMi (People Capability Maturity Model Integrated) Level 5 quality certifications.

As per records available, the company was able to make a growth rate of 60% to 70% in the initial few years and grew to a size of 5000 employees and USD 250 million in revenue in the year 2006. Enthused by the sustained growth rate and future opportunities for the company, the executive board strategized and came up with a vision and long term objectives for the company. Under the board's guidance, the CEO of the company announced the long term goals for the company as under:

- a) To become a software major in the country with 10,000 employees, by the year 2010
- b) To achieve revenues of USD one Billion Dollars by the year 2010.
- c) To get the company listed in NSE and ADR by going in for public issue of the company shares in the year 2010.

Aims and Objectives

Objective of this paper is to examine the Key Success Factors of UST Global in delivering quality software services to its clients in US and other countries. The aim of the paper is to bring in those unique service differentiators that made the company achieve the kind of growth and success in its 10 years of existence, that is comparable to the best to the

software industries in India and thus focus on the services management philosophy of the company, for the benefits of others in the industry.

Results of the Company

UST Global has grown from a mere 14 employees in 1999 to over 7000 employees in 2010. This phenomenal growth has caught the attention of software industry watchers and corporate analysts. Analysts believe that the dual focus of customer centricity of customer focus and employee focus has been focal points on which the company built itself from the base and grew to over 70% till the year 2006 and thereafter to over 40% from the year 2006 onwards. Its current revenue for the year 2010 is approximately 400 Million US Dollars. Its gross profit is about 225 Million US Dollars net profit is about 150 Million US Dollars approximately. The company targets for project and account profitability of over 40% for all its client engagements. (These projected figures are compiled by the author, and they are approximate, and may not reflect true figures). The company is the highest software exporter in money value from the State.

Materials and Methods

Vision, mission, core values and organizational culture are its fundamental strength. Executive Management breathes and propagates these core values in their daily interactions and practices of the company affairs. Analysts believe that the company owes its success, basically to the practice of these fundamentals, on which the company was built and made operational. Dual focus on employees and customer centricity places the company to achieve its efficient client relationship management practices.

What distinguishes customer centric organizations, from other companies that proclaim customer focus? They moved from lip service and re-organized their entire operating model around the customers, increasingly delighting the customer and increasing their profitability in the process. Customer centric companies understand not only the customer values, but the value it contributes to their bottom-line. They align their operating model in synchronization with a carefully defined and quantified customer segmentation strategy to deliver the greatest value to the best customers at the least cost Customer centric organizations will have higher focus on organizational linkages & metrics, business processes, customer interface, advise orientation, solutions mindset, and

finally customer orientation **(Hamilton, 2003)**. Being customer centric is about ability for everyone in the company to continuously learn about the customers and market. It is also the ability of everyone to respond to appropriately to what we learn from the customer **(Three Step Consulting, 2011)**. Mark Suster lists down 5 tips for any organization to becoming more customer centric – understanding customer requirements, watching user interactions, getting customers involved in product / service priorities, openness in communication, putting technologist upfront as customer interfaces **(Suster, 2009)**.

UST Global has oriented its processes, technology and business units as per the customer organizational needs. The company also focuses on providing permanent and lasting solutions to the customer business problems, with a clear direction towards customer orientation. Employees are empowered and encouraged to contribute to the client's and ultimately to the company's success. Employee centric training programs are contiguous, progressive and technically oriented towards achieving client objectives.

UST Global also gives much importance and oriented its processes to understand customer requirements and sign off, carefully watching user interfaces, getting the customer fully

involved during user acceptance tests on software product development phases, putting their best technical people to interface with customers, and maintain a open communication at all levels.

The company has assimilated corporate social responsibility into the work life of its employees and members of the executive management actively participate in all such events in turn. The company has evolved and practices its unique selling position in software services. Its differentiators in software services management are physically evident and perceived clearly by the clients. Its unique Hybrid Delivery Model places it in an advantageous position in terms of local talents at the client executive interaction levels. Its established ways of service delivery to the clients makes its deliver client solutions to solve their business problems. UST Global Delivery is characterized by “commitment beyond contract”, “ease of doing business”, building long-term partnership and learning and innovation as a continuous process, benefitting the clients. The Service delivery performance is measured within the framework of Capability Maturity Model Integrated (CMMi) and ISO certified practices. UST Global proposes value proposition in all its client engagements, by supplementing consultancy services to improve client business processes, by innovative solutions. The company

measures its client performance by Net Promoter Score method. UST Global has established key alliances and partnerships with many companies to provide complementary benefits and prowess to its client engagements and programs.

Discussions

The various methods and practices followed by the company are discussed in the following sections.

Vision, Mission and Core Values

Vision: - To be the best IT services company in the world

Mission: - Setting the new standard in global sourcing and delivery and Transforming lives

Core Values: UST Global core values are embraced in the hearts and minds of every UST employee who then embodies these values and shares them throughout the company and with their clients. Across UST locations worldwide, one will find three core values at work (Anonymous, 2010a)

Humility - To listen, learn, and help selflessly in the interactions with others

Humanity - Through business, to foster a strong sense of corporate social responsibility

Integrity - To honor one's commitments and act with responsibility in all relationships

These values are the building blocks of UST's global work culture. Mr. Menon, the late Founder of the company, was fond of simple, yet powerful quotes that he would often share with associates. The company and its employees often refer to these quotes as they capture the essence of UST's values and culture. Here are a few of those quotes that the company and employees cherish (Anonymous, 2010b):

"In UST, we give responsibilities - not orders"

"Competent people working in harmony will produce the best results. Both 'competence' and 'harmony' are equally important"

"You must shoot for the moon. You may not reach there, but at least you will reach the top of a small hill. Otherwise, you will remain where you are"

"People need people to succeed. The success of every business depends on good human relationships. We should work hard to build and maintain great relationships among ourselves and the customers"

"Everyone should have the 'Fire in the belly' to achieve high goals in life"

"Always make decisions based on facts and figures - not opinions, emotion, rumors, or hearsay"

"The values and ethics drive the success of the organization"

Company Culture

UST's culture has developed from the core values of the company. It inspires the behavior, relationships, and business decisions of the employees and management. UST culture celebrates achievement and teamwork and promotes the UST way of life. The following words personify the UST way of life:

Passion, Learning, Compassion, Harmony, Fun, Fearlessness, Flexibility, Openness and Excellence

The company demands high level of ethics and values from its employees and clients. The chairman and the top management team often state in company meetings openly that company will not pursue a client deal, if it has to offer bribes to get the contract.

At the heart of UST lives the vision of one man: Mr. Menon, an inspirational leader who first charted the course of UST. Through his distinctive legacy of values, he established the foundation to be the "best IT and BPO services company in the world". He contributed significantly to the formation of

the Kerala Support Group in California, aimed at entrepreneurial development in his home state, Kerala. In a life celebrated by corporate achievement, Mr. Menon was Chairman of 14 companies across the globe. He was a person who deeply influenced the world around him. His passing away in 2003 was an irreparable loss to the company.

Every day, associates working across the U.S., India, Malaysia, Philippines and Europe set new standards in global IT sourcing and delivery. Every day, the company aims to surpass client expectations and set new benchmarks. UST believes that enterprises have a responsibility to society. UST Global honors this responsibility in all the decisions, actions and plans that the company takes.

These are some of the quotes from the employees of UST Global (Anonymous, 2010c):

"I joined UST in 2000 working with the delivery team. One of the great things about UST is that I can manage my accounts as if they are my own small company within a larger company. I am given the freedom to make decisions that are best for my clients and teams, as long as they are consistent with our values and guidelines. - Mary Johnson, Director, CSR, US.

"UST has provided me with a role where I can excel and showcase my talents. I am responsible for new business and lead generation, so I come to work every day excited about the ways I can contribute to meeting the goals the company has set for growth. It puts a smile on my face to think of the creation of perhaps 5,000 new jobs this coming year."- Casey Nolan, Director, Business Development, Aliso Viejo, CA.

Company locations

UST Global has its head quarters and corporate office in North America, located in Aliso Viejo, California. It has got other offices in New York and Austin. In Europe, it has got an office in London, U.K. In Asia, the company has branch offices in Malaysia, Philippines, and Singapore. The company has its major offshore Indian development centers located in Trivandrum, Kochi, Chennai and Manila.

Employee Centric Programs

Donald et.al (2006) examines the role of employee focus of attention - and the target of this focus on employee reactions to organizational change efforts. The authors had hypothesized that employees focusing highly on their jobs would react relatively favorably to the job changes, Employee

focus has been the other winning formula adopted and practiced in UST Global. Due to the high attrition rate in the IT employees, the company was focusing on its employees to win them over and retain them in the company.

Wipro Technology's new CEO, Mr. C T Kurien calls the philosophy of "go to company" for global customers and employees (Anonymous, 2011). He declares that "Wipro will stand on customer, employee focus". Towards this, Kurien has reshuffled its verticals, simplified its practices, and is said to have introduced greater transparency in its HR systems. The success of the strategy lies in the ability to create a confluence of technology, confluence of business and confluence of society, says Kurien. Thus, IT companies, who basically depend on global customers have been bringing in this twin focus philosophy of customers and employees.

The UST Global has adopted the twin mantra, as a foundation to its company values. UST Global has been focusing on its employees to build and maintain the skill sets as per the varying demands of the software industry. The HR function is lead by Mr. Niketh Sundar, Vice President and Global HR Head, who reports to the Chairman of the company. The Global HR Head is also a member of the board, thereby emphasizing the company's focus on employee development

and retention. Company has adopted many industry relevant Human Resource Development programs and has achieved PCMMi (People Capability Maturity Model Integrated) certification. This certification is mandates the company to follow and implement many people related processes and programs under the quality and process framework.

Various employee development programs are conducted periodically to develop technical and management skills of employees. The various Premier Programs conducted by the UST University include the following:

- Vista - for all new employees
- Renaissance - for lateral entrants
- Prelude - for new recruits
- Chrysalis - for honing soft skills and communication
- GA Menon Leadership Program - grooming tomorrow's leaders, today
- Certifications - for various technologies and domains

Colors of UST Global (Anonymous, 2010d) is a unique program in which employees are encouraged to participate in an additional activity, be in different areas of quality, people, process, performance, etc. This is a unique corporate concept

that enables associates to work on organizational goals that are aligned with their personal goals.

As a part of efforts to involve employees in idea generation for the company and its clients, a program on Collaborative Innovation is institutionalized in the company. The “Innovation Ecosystem” in UST Global is interwoven in the spirit of democratic and crowd-sourcing approach where every employee participates. Employees have been driven to think afresh and contribute ideas for the betterment in working of the company and its clients. The company is committed to using the talents of its entire people to the fullest. The vision is to drive revenues & profits for both the clients and for UST Global with their innovative ideas & solutions.

Keeping these purposes in mind, UST launched three innovation engines (Anonymous, 2010e):

- **Eureka! the Idea System** - Employees to log in their ideas, follow them, assign owners, view its progress & see its realization
- **The Apple Tree** - Make Mistakes, Break Something, And, Learn!!! - An innovation gym where employees are invited to experiment without fear of mistakes. It’s the “zone” where

ideas can be bounced around, mistakes made, hypotheses tested, where inquisitive & experienced minds can congregate. Here one can “play” with ideas, software & systems without the restrictions of a highly regulated & secure environment. In other words, this is defined as “garage” of UST, where employees can try out their ideas and learn from them.

- **Open Minds, Nurturing Ideas** - An online internal collaboration space for employees to discuss, debate, blog and share technological thought

Company Financials and Clients

UST Global, being a Private Limited company, the information on company balance sheet, investments, profits and other financials are not available for public domain and review. However, the company sales are estimated approximately to the tune of 400 to 500 US Million Dollars as of 2009 – 2010 financial year. Moreover the details of clients and projects are also not available for public domain, due to the private limited status of the company and the restriction of sharing such details as per bi-partite agreement terms with the client. However, a list of some of the critical projects delivered by the company is given in Annexure 01.

Company Growth

From a few projects in the year 1999, the company grew to industry verticals in health care and insurance, retail, financial services, transportation and logistics, manufacturing and automotive, media and entertainment and utilities & energy. Employee strength grew from a meager 14 in 1999 to 7000 in the year 2010.

From a mere project based delivery in the initial few years of its incorporation, the company has grown to provide variety of service offerings in the areas of application development and maintenance, e-commerce services, QA and testing services, consultation services, IT infrastructure services, enterprise solutions, Business Intelligence, Data Management, BPO, Mortgage BPO and AV Studios (Suster, 2009). UST Global's AV Studio team is comprised of innovative & creative IT professionals with experience to turn human experience with latest and industry standard technology into positive and fruitful interactions. The company excels in both corporate and advertising industries, aligning user-centric creation with industry changing technology. By working closely with the clients to uncover hidden truths about enhancements, adjustments or improvements, UST Global creatively explores

multiple visual and technical solutions for optimal user engagement.

Retail and Healthcare IT are two of the industrial verticals where the company has established a strong presence. UST's expertise in this area was acquired over a period of seven years working with some of the leading Fortune 500 retailers in the world.

Service Differentiators

Software Services being highly intangible, UST global always try to distinguish its services by creating unique service differentiators. The Company is operating on a flexi-timing. Though entry and exit to the office is controlled by an access control mechanism, employees are allowed to choose their own work timings. This philosophy has nurtured the spirit of ownership amongst the employees and motivates them to go "beyond the contract" to their work and customers. Employees show "commitment beyond the written contract", when they provide services to their customers. The company is able to maintain higher customer satisfaction and delight, resulting in additional work from the existing customers, through client referrals. Employees are encouraged to come up with "out of the box" solutions to complex customer problems and issues. They "raise their bar" in their

performance constantly, thereby winning more business to the company. Company has a policy that insists that employees address their seniors by the first name and do not “No Sir” at all levels for verbal and oral communications, embodying the spirit that “we are all equal, but do different job roles”. Even the base level software engineer addresses the Chairman and CEO by their first names. If anybody is found to be addressing their supervisors by “Sir”, they are supposed to pay a fine, which goes to a charity and philanthropic purposes. “Ease of doing business” is also yet another service differentiator of its services. here is an “Open Policy” in communications, where in anybody communicate or suggest ideas to any levels in the company.

Service Delivery

Company follows a Hybrid Delivery Model, where the onsite team work at client site in tandem with the customer for contract negotiation, sales, and customer relationships, where as the offshore teams work on designing and developing the software solutions according to customer requirements. Employees come up innovative and creative solutions to customer problems, there by fast tracking development efforts. Global Delivery function is divided into many Business Units, based on sectors and customer businesses.

Each BU is headed by a General Manager, who has both sales and service delivery teams reporting up to that position. All the BU Heads in turn report to Chief Operating Officer. Delivery Model is highly focused on the principles of Customer Centricity. In many cases, the BU structure has been made in tune with the customer business structure, thereby creating and benefitting the customer to provide domain knowledge to their customers. The industry-leading expertise found within the Centers of Excellence (CoEs) plays a key role in the success with clients. The CoEs deliver pragmatic IT solutions that allow clients to consistently achieve their most critical business objectives. The company's Partner Program complements the Centers of Excellence. The program aims to develop strategic relationships with best-of-breed organizations to provide UST developers with advance access to new technology and educational resources.

Industry analysts consider the strength of UST Global in building long-lasting and strategic relationships. Management teams of the company believe, practice and propagate that the client-centric focus forms the basis for how UST as a company, operates and serves its clients. UST Global empowers their employees for their commitment to long-term client success, which prompts every associate to provide value and flexibility beyond the written words of the contract.

Characteristics of UST Global Delivery

UST Global believes that quality is not just about operational efficiency. It is built upon people, relationships, and skills; meeting timelines; reducing costs; ensuring transparency of processes; identifying the right tools for building solutions; and the optimum utilization of resources. UST delivery characteristics include (**Anonymous,2010f**):

- Commitment beyond contract - not only will the company get the client project specifications implemented, it will also ensure the customer inherent business needs are addressed.
- Long-term investment in the clients - investments and efforts are carefully structured toward reducing the risk of outsourcing the client projects.
- Global Engagement Model perfected for projects of all sizes
- Building business partnerships with the clients while developing solutions for them.
- Learning and innovation as a continuous process. The company constantly seeks out new technologies and share its expertise through domains, knowledge portals, Client University, learning audits, reverse engineering, and application modernization.

- Ease of doing business. UST Global offers complete contract and engagement model flexibility to every client based on their specific needs.

Client Engagement Model

UST Global provides end-to-end IT services, infrastructure management and BPO solutions using a unique client-centric Global Engagement Model that offers the optimal mix of senior local resources with the cost, scale, and quality advantages of offsite operations for each of the company's clients. Enterprises can expect to receive.

- Vertical expertise – Company focuses on training the teams through the client specific universities / portals
- Technology expertise - delivered through its Centers of Excellence
- Fewer clients; more attention - focus on the quality of client relationships, not the quantity of transactions

Customer Centricity

Client intimacy – The Company's primary focus is on spending time with the clients to understand and address their specific needs. The company constantly and continuously supports its clients to improve their business processes

through consultancy and domain expertise. Clients are encouraged to visit the offshore development centre in India, to inspect the facility & infrastructure and interact with their offshore teams directly to build rapport and relationships.

UST Global works collaboratively with its clients. UST Global establishes partnerships, not client-vendor relationships. Throughout every engagement, the company observes the following guidelines:

- Engage the company experts (Architects, Senior Project Managers, and Senior Business Analysts) to work directly with the client
- Keep cost and quality always in focus - focus on delivering it right the first time as opposed to reworking to get to the right solution
- Ensure client participation throughout the engagement cycle
- Set up checks and balances in the company's systems and processes to ensure quality and timely deliveries to the client
- Provide post-implementation support
- Project delivery complies with clearly defined delivery metrics and SLAs. PMP-certified professionals provide

project management expertise, integrated project plans and change management. The company ensures that the clients have full visibility into the projects and project teams through multiple touch points.

UST Global Expertise

UST Global is equipped with the organizational infrastructure for executing engagements at the highest levels of delivery standards. The company's Account Management is made up of a globally integrated team that focuses on the full spectrum of every project

The company attributes the success of its service solutions and the level of excellence that it delivers to five basic ingredients:

- Proven methodologies
- Right metrics
- World-class infrastructure
- Industry-accepted security standards
- Business continuity procedures

Measuring Service Performance

Service Delivery to client is measured and monitored under the framework of ISO quality processes and practices. UST Global adopted Six Sigma practices for developing the client-facing processes. UST centers in India are ISO 27001 certified and the company has been assessed at PCMM level 5 in 2004. These certifications and practices provide a qualified foundation for all UST service offerings and enable its clients to benefit internally. Quality of deliverables is monitored by a continuous evaluation under the framework of ISO Quality Standards and Processes.

Company philosophies and practices the service quality parameters – Reliability, Assurance, Tangibles, Empathy and Responsiveness.

Reliability – Insistence of doing it right in the first time, under the quality and reliability parameters, making zero defects production lives, containing the post production defects to a rare minimum etc.

Assurance – To manage and maintain client applications, providing them 24 x 7 support on critical applications by qualified and skilled resources

Tangibles – Inviting the clients to the company’s offshore development centre to see for themselves the infrastructure, resources working on the client projects, interacting with them without the executive management support, facilities like video conferencing, web casting, web conferencing, corporate facility walk etc.

Empathy – Company volunteered to reduce the specified numbers of resources, which were contracted for billing, to a lower number, thereby sharing the empathetically the concerns of the client on their reduced IT budgets.

Responsiveness – Production support teams are trained to respond within the SLA (Service Level Agreement) as per the criticality of the applications defects for online and batch applications. Development teams are trained to respond to the client queries and e-mails within 24 hours time period etc.

These quality parameters are measured and reported against the predefined thresholds. to the client on a monthly basis, as per a predefined client progress status report.

Company’s Competitors

Company’s main competitors are the big six software companies in the Indian IT Industry: Tata Consultancy Services, IBM Global Services, Infosys Technologies, Wipro

Technologies, HCL Technology and Mahindra Satyam Computers. Apart from these major competitors, there is also competition from multi-national software companies such as Cognizant Technology Services, Syntel Ltd etc.

Unique Selling Proposition

UST Global has a philosophy is “Few Clients and More Attention”. The focus is to concentrate on the limited number of clients, by providing them undivided attention. Customer Centricity is the main selling point to these clients. There is also an underlying selling point of “Commitment beyond contract”, as employees are encouraged to go beyond the written contract to satisfy the client needs. Employees are also professed to delight the customers with their commitment and providing innovative solutions to solve customer problems, which goes much beyond the written lines in the contract. Company also propagates the word that it sells “Proven IT Services to fit the needs of the Clients” internalizing its willingness to tailor the services to the customer’s needs.

Value Proposition

UST Global proposes to add value to the customer’s business, by taking up their issues, not as a vendor, but as a partner to its business. Company has a policy of suggesting

improvements in its working, by providing value addition in terms of consultancy, innovation and creativity to solve customer issues and provide expert advice, within the same ambit of the work contract with the client.

Measuring Customer Satisfaction

The focus of customer satisfaction has been woven into the whole fabric of the companies work culture. Employee's incentive plan, which forms part of their salary package, is linked to the level of customer satisfaction. Customer's delightful satisfaction is measured with a Net Promoter Score (NPS), which is calculated as a "percentage of Promoters minus percentage of Detractors. A customer feedback is obtained quarterly from all the customers on a scale of 1 to 10, based on a question as "How do you rate the company's services on a scale of 1 to 10". A score of 1 to 6 is considered as a 'Detractor' and a score of 9 or 10 is considered as a 'Promoter'. A score of 7 or 8 is considered as "Neutral". Customer is also encouraged to write the points on which he rated the company 9 or 10. He is asked to provide his feedback as to what forced him to rate the company below 7, in case a rating falls in that range. The Net Promoter Score customer-wise is compiled quarterly and sent to executive management for their review and corrective measures.

Key Strategic Alliances and Partnerships

UST Global realizes the value of developing a network of long-term alliances and partnerships with leading technology providers. The alliances, which are extensions of the company, complement UST Global core competencies and core values.

Partnering with these companies enable us to take advantage of emerging technologies in a mutually beneficial and cost-competitive manner, while providing the maximum benefits to the company's clients. The following are the partners and alliances:

Bender RBT, Cisco, Compuware, IBM Informatica, JDA Metastorm, Micro Focus Microsoft Netezza, NewCode Technologies, Oracle Out Systems, Salesforce.com, SAP Business Objects, SmarteSoft

Analysts View of UST Global

The publishers of the annual Black Book of Outsourcing ranked UST Global as the #1 ITO provider of legacy modernization in their Top 20 IT Vendors for Comprehensive Systems Revitalization, Transformation and Re-Engineering Services for 2007 report.

The publishers of the annual Black Book of Outsourcing ranked UST Global as the #2 ITO provider in their Top 20 Outsourced Software Testing and QA Vendors for 2007 report.

As per Gartner Inc, a prominent market analyst, “*UST Global is One of 21 Companies Positioned in the 2008 North American Offshore Applications Services Magic Quadrant*”.

Social Responsibility

UST Global believes that the company has an obligation to help those who are less fortunate and under privileged in the society. This belief is reflected in the Corporate Social Responsibility (CSR) initiatives which are geared toward making meaningful differences in the communities in which the employees live and work. The company feels most passionately about two vital global issues: health and education.

UST Global has selected partners both global and local organizations for its CSR initiatives. Two of these partners are PATH and Communities in Schools.

PATH to Support Global Health Initiatives

UST Global has made a commitment to provide both funding and volunteers for immunization projects that will be launched and managed by PATH, an international nonprofit organization that works in more than 70 countries to improve global health. PATH's mission is to improve the health of people around the world by advancing technologies, strengthening systems and encouraging healthy behaviors.

For its first project, UST has selected two upcoming PATH immunization programs aimed at assisting women and children in India. UST Global associates have initiated a volunteer fundraising drive that will coincide with a corporate donation to make a positive impact on these programs. Portion of the UST funding will be used to support:

- Community mobilization activities using banners, posters, booklets, and other materials to create awareness about the importance of immunizing children.
- Development of training kits for project staff and volunteers.

In addition, UST Global will co-fund programs to increase community awareness about the project and the benefits of regular immunizations.

'Communities in Schools' to Support Education

“Communities in Schools” is the US’s largest dropout prevention organization, working in more than 3,200 K-12 public schools. Today, 1.2 million young people annually receive direct services through more than 200 Communities in Schools local affiliates in 27 states and the District of Columbia.

As voluntary mentors and tutors to students in schools across the country, UST associates will share their professional and personal experiences, energy and enthusiasm. The goal is to reach 10 percent volunteer participation of the U.S. associates this year and continually increase the number of hours and volunteers contributing to this program.

Voluntary Employee Programs

Apart from key partnerships, UST has voluntary programs to reach out and build relationships in the communities. The associates involved in these activities participate whole heartedly and believe in giving something for a cause. Specific objectives and goals are set in terms of the amount of resource hours and money that the team aims to contribute for a specific cause. These goals are met from the contributions collected from associates and many associates spend time on week-ends for various community activities. Activities, which

are mainly focused on community health care & education for women and children, include:

- Providing uniforms to school children, Conducting computer literacy programs
- Visits to hospitals to help underprivileged patients, Training sessions for children of indigent families
- Contributions to orphanages and women's homes, Blood donation camps

In addition to initiatives focused on health and education "green" teams work on several environmental causes including:

- Tree planting
- Beach and community clean-up, Restoration work, Trail maintenance, Energy efficiency

Future Challenges for the company

Due to the slowdown of the US economy in the year 2008, company was forced to modify its projection for the future. The sales were badly affected, some of the major clients were forced to cut down the project allocations and IT spend for the year and therefore asked UST Global to trim down drastically the resource numbers who were working for those clients, for a long period of time. The major clients also negotiated for

reduced resource billing rates, due to their internal budget cuts for their IT divisions

Though there was high growth in the initial few years, the growth of the company is found to be lower in last couple of years. Company has been scouting for mergers and acquisitions, and in fact acquired a few companies. However, the acquired companies were not able to be integrated with the work culture, which resulted in many employees of the old entities leaving the company due to misalignment. This is a challenge that the company was trying to grapple with. Moreover, the employee attrition is also an issue in general in software services companies, where experienced software professional leaving the company for better opportunities elsewhere in the State and country. UST Global had set the targets to go public, by issuing IPOs. In fact, the company issued employees stock option in the year 2008, with a goal of going public in 2010. However, the plan has not been successful so far. The increasing operating cost of business due to annual rising wages and the reduced client billing, due to national and international rate pressure, had a cascading effect on its market plans.

The company is evaluating its plans to go public and its growth projections to become one billion dollar company.

Company is also re-examining and revalidating its strategic directions to put it back on its growth track and ambitious plans. The high attrition rate, which is attributable to the opening up of the job opportunities in the IT sector, is worrying the HR and Delivery department and they are examining options for retaining talents within the company.

Company has majority of its clients based in USA. With the US administration increasing the visa fees for Indian software professionals to work in US, coupled with the added withdrawal of tax benefits for those US companies, which outsourced their jobs to India, is a general concern not only for the company, but to all other software export companies in India.

Conclusion

The enviable growth and success achieved by UST Global in the area of software services delivery and management is calling the attention of the industry veterans. Industry analyst Gartner Inc spot lights UST Global as one of the 21 companies, who have been positioned in the 2008 North American Offshore Applications Services Magic Quadrant, which in itself is a very creditable achievement for an Indian software services company. UST Global follows a philosophy

of “few clients and total attention” and this has helped the company to focus on customer requirements, needs and satisfaction. The drive “to go beyond written contract lines” has endeared the company to its clients and ensured customer delight and loyalty. The twin focus of customer centricity and employee focus has played a key role in its success mantra, which has been assimilated into the UST way of life across multiple company locations. As the philosophy of ‘satisfied employees’ creating ‘satisfied and delighted customers’, has found resonance in the core values and culture of UST Global, which is standing testimony to its success and growth years after years.

The author was a program director in UST Global from Dec 2002 to Oct 2008. The paper is written with the writer’s personal experiences with the company and through the information collected through interviews from some of the employees. The views expressed in the article are purely of the author’s view points and shall not contradict stated position of policies of the company.

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Abbreviations:

ADR – American Depository Receipts

BPO – Business Process Outsourcing

BU – Business Unit, organizing company into various verticals and domain areas of business.

CMMi – Capability Maturity Model Integrated

COE – Centre of Excellence

CEO – Chief Executive Office

Colors of UST – A unique program, encouraging employees to “Add Color to your life” with the UST Colors program - an opportunity to add variety to your work by contributing to the company’s vision in an area different from what you do every day.

CSR – Corporate Social Responsibility

IPO – Initial Public Offer

ISO – International Standards Organization Quality Program

IT – Information Technology

Flexi-timing – employees are encouraged to work as per suitable time slots, along with client timing requirements

NPS – Net Promoter Score – A way to evaluate service delivery and customer satisfaction

NSE – National Stock Exchange

PATH - An international nonprofit organization that works in more than 70 countries to improve global health.

PCMM – People Capability Maturity Model

PMP – Project Management Professional

QA – Quality Assurance

SLA – Service Level Agreement

USD – US Dollar currency

UST Global – The brand name of US Technology Private Limited

UST University – The Academic Centre for conducting various programs of the company

UST Way of Life – some features of the Core Values, practiced throughout the company locations and employees

USsociate – The way of commonly referring of Employees of UST Global

Annexure 01

Case Studies / White Papers on critical Project Delivered:

Case Studies and Whitepapers
White Paper
HIPAA 5010 Remediation Methodology

To read the white paper, [Click here](#)

ICD-10 Compliance solutions

To read the white paper, [Click here](#)

The Investment Profitability Assurance: Best Practice for Ensuring IT-Enabled Value

To read the white paper, [Click here](#)

Case Study

Real time Race Management System for Virgin Racing

To read the case study, [Click here](#)

Development of a Web Based Enterprise Application for a Fortune 500 Retailer

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Application enhancements for a leading financial solutions provider

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Quality assurance for a Fortune 500 financial services company

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