



FTE-based Price Benchmarking for IT-ADM Services

Client XXX

Final Report



■ Background and pricing assumptions

- Detailed price benchmarking
- Pricing estimates for consulting roles in other geographies
- Analysis of staffing pyramids
- Pricing differential between generic and specialized technologies
- Analysis of onshore-offshore delivery mix



Background

- Client XXX commissioned Everest to conduct analysis aimed at validating its price competitiveness in the consulting and technical delivery space. The analysis was also intended to gain insights into multiple pricing drivers and operational metrics
- This report contains the following results of our analysis:
 - Detailed price benchmarks for consulting and technical delivery roles for India and US
 - Pricing estimates for consulting roles in Germany, Spain, France, Australia, Brazil, and Italy
 - Staffing pyramids for Indian and Global suppliers across offshore, landed, and onshore delivery models
 - Pricing differentials between generic and specialized technologies
 - Onshore-offshore delivery mix for consulting and technical delivery roles, across each project phase (i.e. analysis, design, build / code, and test)

Assumptions for price benchmarking

- We have used 1 USD = 46.11INR; 0.76 EUR; 1.79 BRL; 1.12 AUD as the ForEx conversion ratios
- Hourly rates have been calculated from annual rate cards, wherever applicable, assuming the following annual billable hours
 - India, US, Australia, and Brazil: XX hours
 - Germany: XX hours
 - Spain and Italy: XX hours
 - France: XX hours
- Only the deal rate cards for the period 2008-2010 have been used in this engagement. All the pre-2010 data has been trend-adjusted to reflect 2010 pricing
- The following classification of suppliers has been followed for the benchmarking exercise:
 - Global Suppliers: IBM, Accenture, CSC and HP-EDS
 - Indian Suppliers: TCS, Infosys, Wipro and Cognizant



- Background and pricing assumptions
- **Detailed price benchmarking**
 - **Summary of findings**
 - **India**
 - **Onshore U.S.**
- Pricing estimates for consulting roles in other geographies
- Analysis of staffing pyramids
- Pricing differential between generic and specialized technologies
- Analysis of onshore-offshore delivery mix

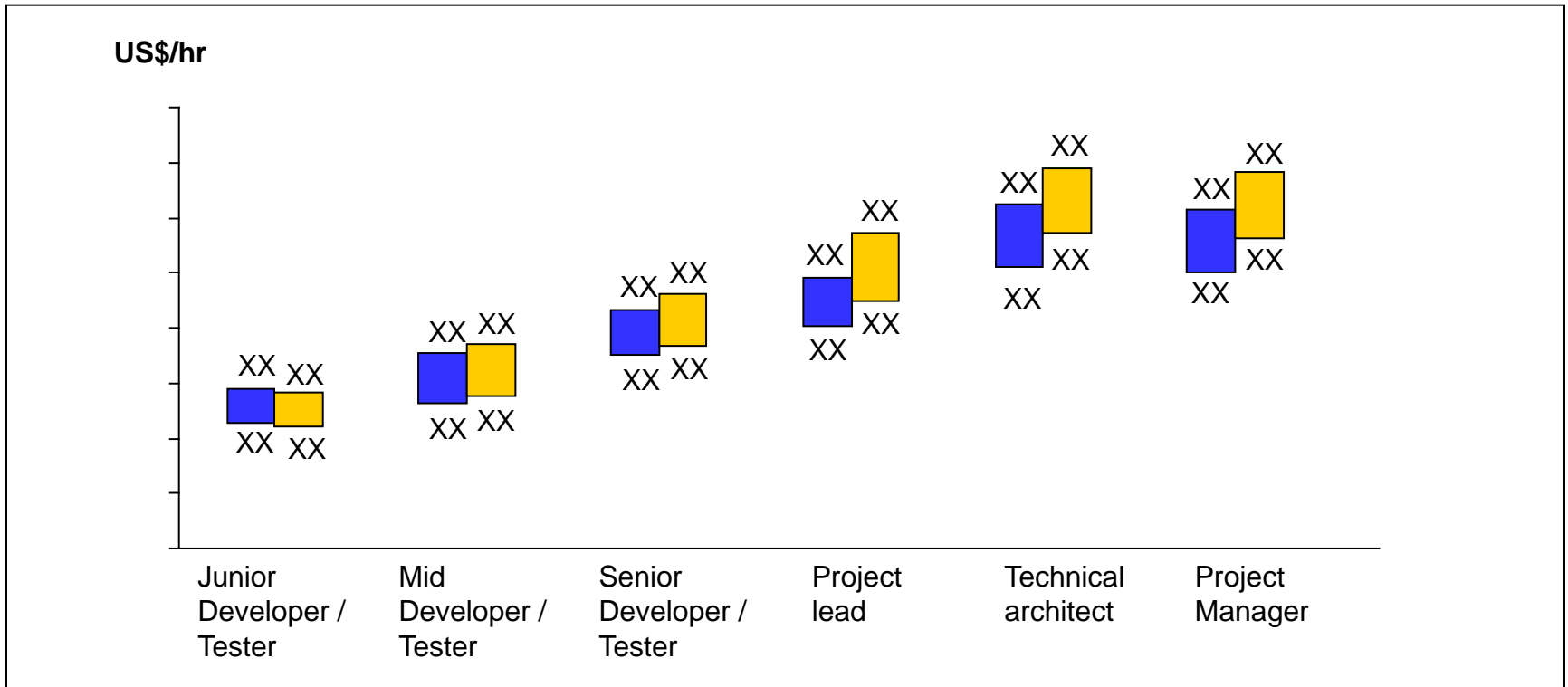
Summary of findings (page 1 of 2)

Technical delivery pricing for India



Indian Global

Illustration 1: Offshore pricing for technical delivery



Key observations:

- XXXX
- XXXX
- XXXX

Summary of findings (page 2 of 2)

Consulting and technical delivery pricing for US



Indian Global

Illustration 2: Onshore US pricing for consulting

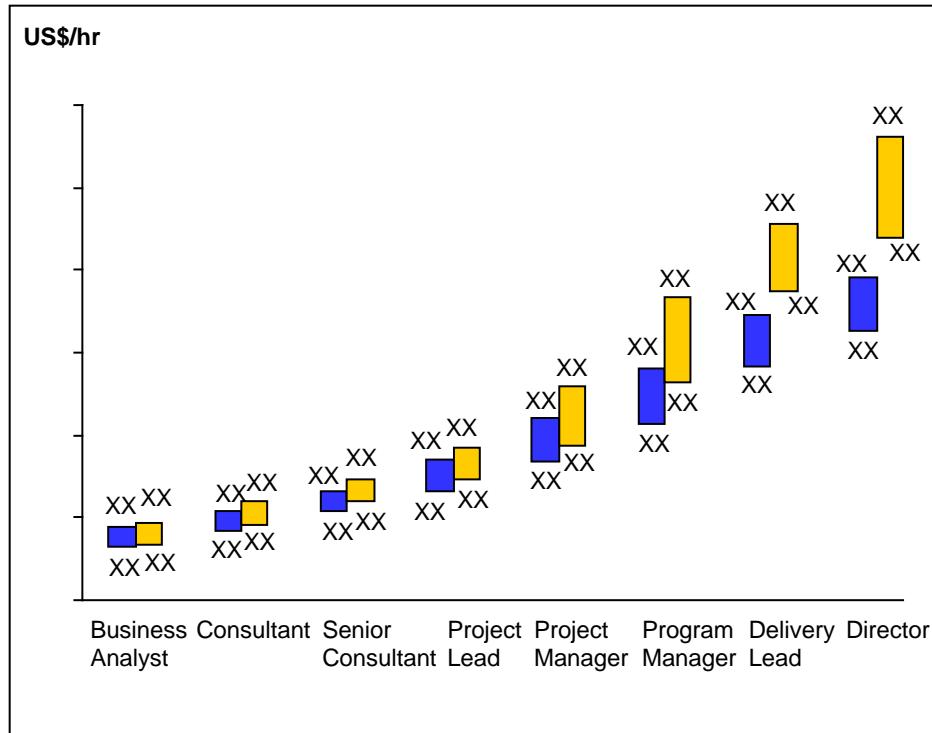
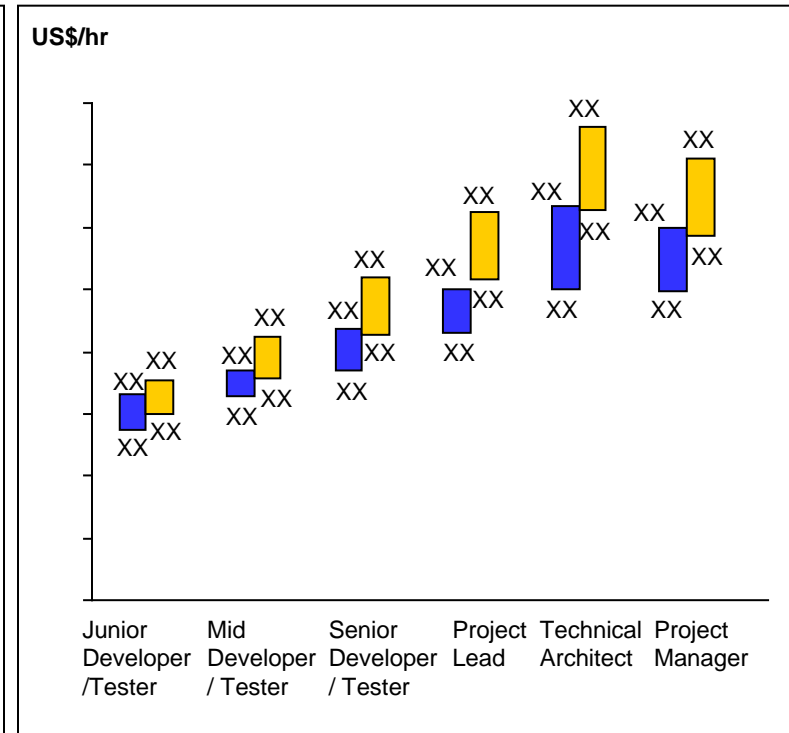


Illustration 3: Onshore US pricing for technical delivery



Key observations:

- XXXX
- XXXX
- XXXX



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Technical delivery

Junior developer / tester



Role characteristics

Tenure: 0-2 years

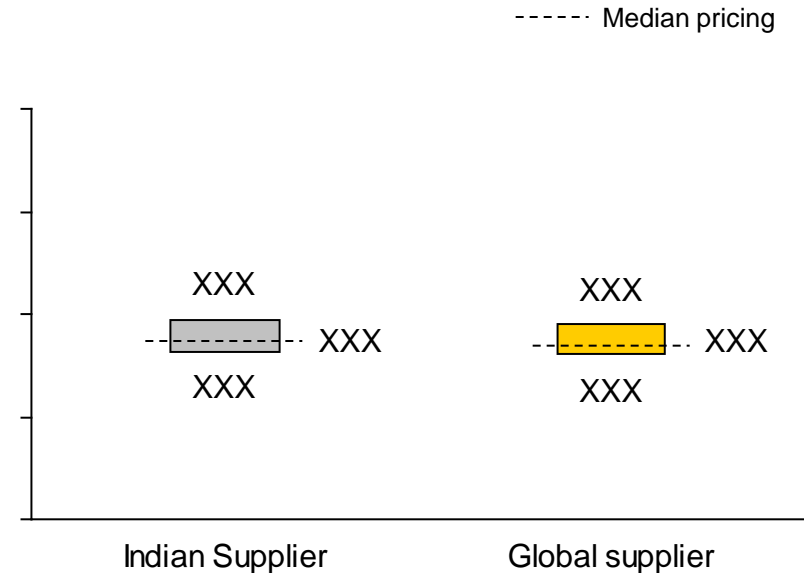
Qualification: B Tech

Description:

- Under general supervision, works on software development assignments within a specific software functional area or product line. Conducts unit testing on the module
- Involved in execution and reporting for system integration testing and regression testing

Typical offshore pricing per FTE in India

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Technical delivery

Mid developer / tester



Role characteristics

Tenure: 2-4 years

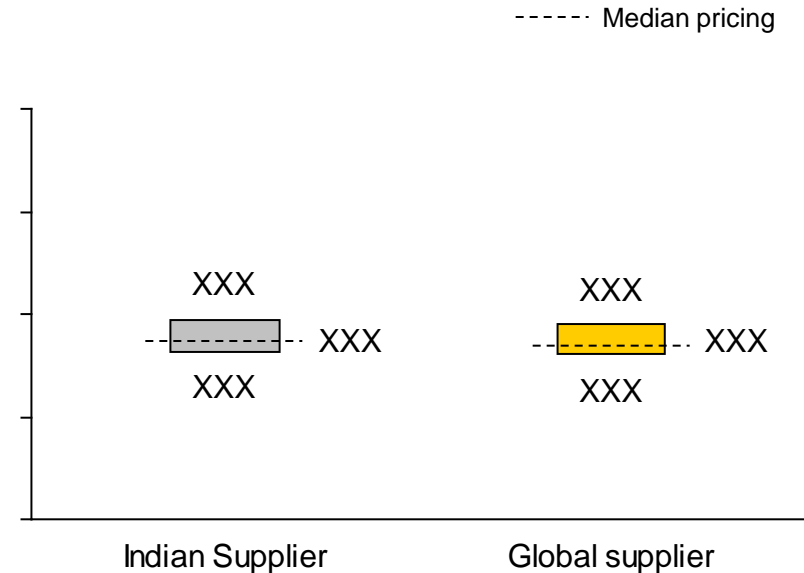
Qualification: B Tech

Description:

- Performs application development, deployment and maintenance with minimal supervision. Trained in all phases of the application development lifecycle
- Coordinates test case development, review and modification
- Involved in execution and reporting for system integration testing and regression testing

Typical offshore pricing per FTE in India

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Technical delivery

Senior developer / tester



Role characteristics

Tenure: 4-6 years

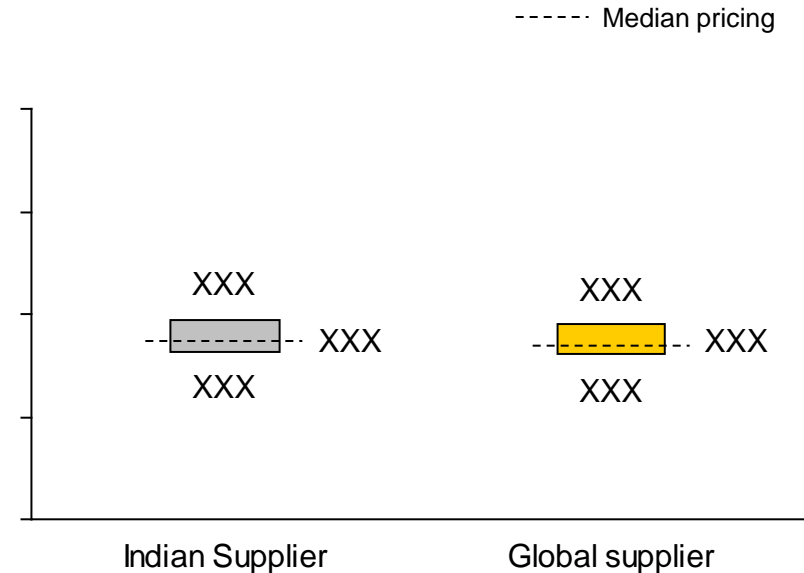
Qualification: B Tech

Description:

- Involved in the design, development and support of applications. Translates business requirements into program specification and writes code for the functional specification. Participates in peer review of code and documentation of code changes
- Develops test plans to test specific conditions to ensure product quality. Coordinates test environment setup

Typical offshore pricing per FTE in India

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Technical delivery

Project lead



Role characteristics

Tenure: 6-8 years

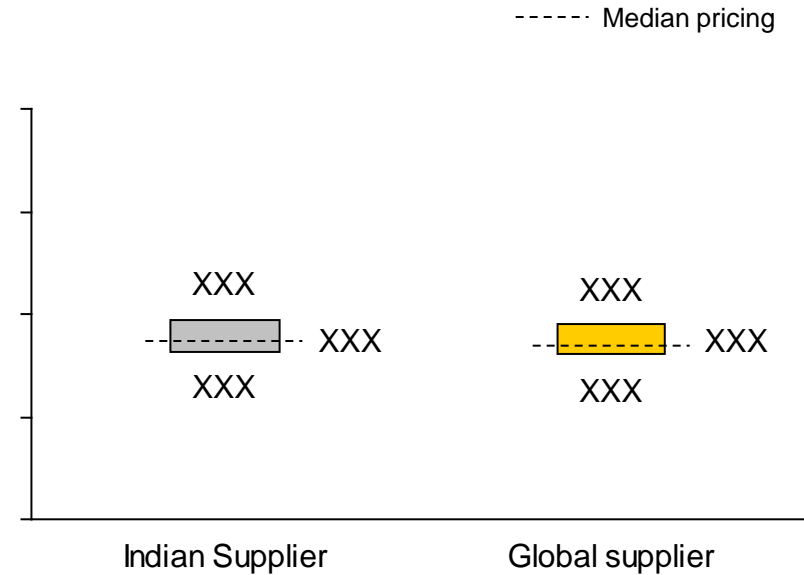
Qualification: B Tech

Description:

- XXXX
- XXXX
- XXXX

Typical offshore pricing per FTE in India

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Technical delivery

Technical architect



Role characteristics

Tenure: 8-10 years

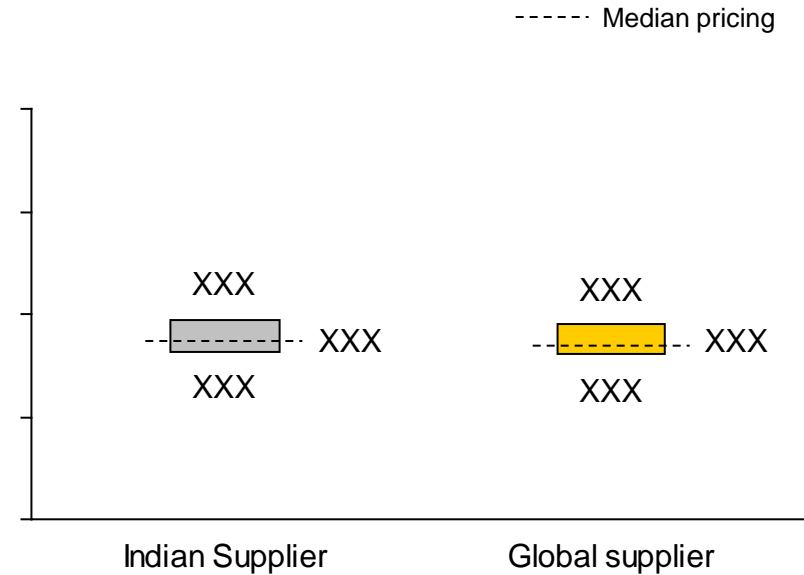
Qualification: B Tech / M Tech

Description:

- XXXX
- XXXX
- XXXX

Typical offshore pricing per FTE in India

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Technical delivery Project manager



Role characteristics

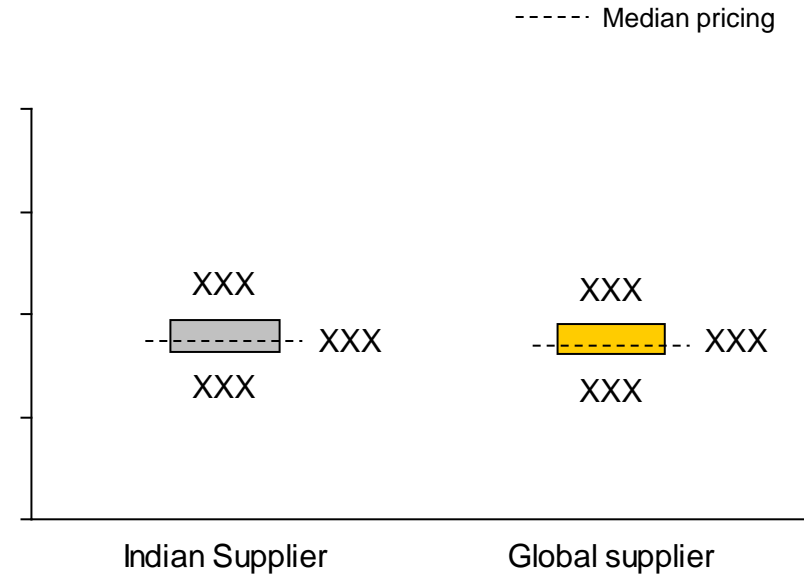
Tenure: 8-10 years

Qualification: B Tech / PMP

Description:

- XXXX
- XXXX
- XXXX

Typical offshore pricing per FTE in India US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice



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Technical delivery

Junior developer / tester



Role characteristics

Tenure: 0-2 years

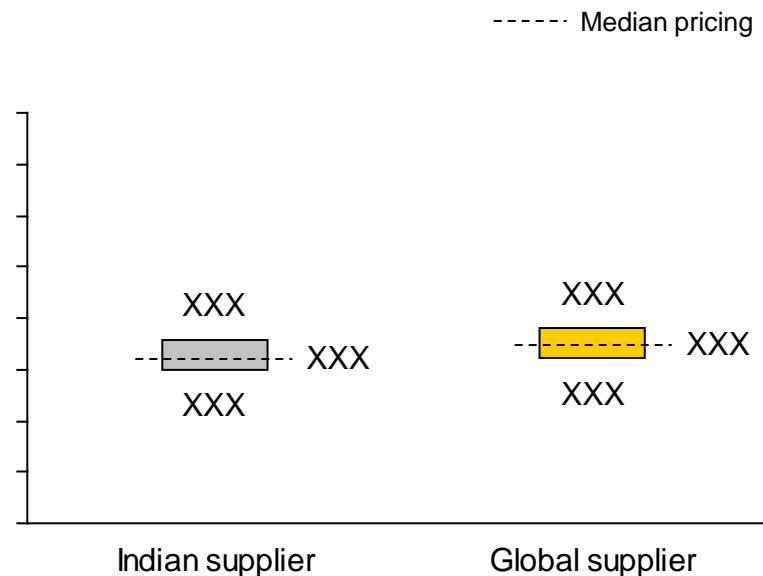
Qualification: B Tech

Description:

- XXXX
- XXXX
- XXXX

Typical onshore pricing per FTE in U.S.

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Technical delivery

Mid developer / tester



Role characteristics

Tenure: 2-4 years

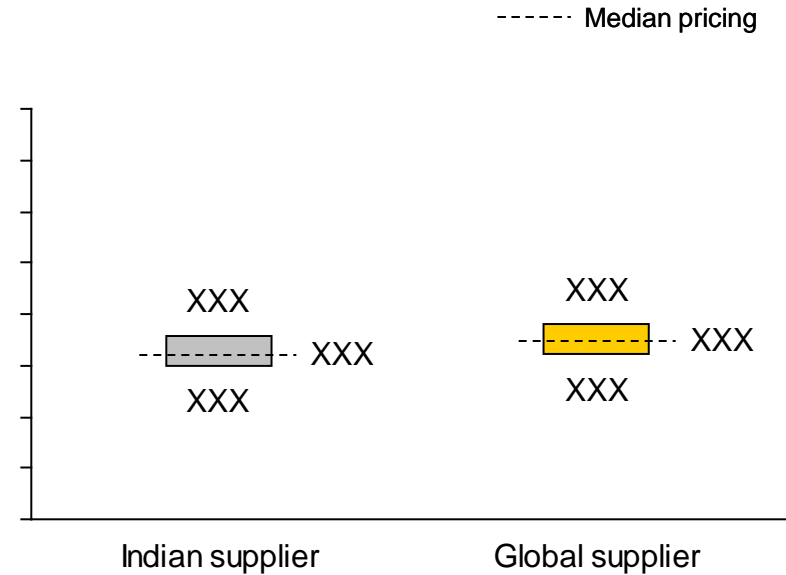
Qualification: B Tech

Description:

- XXXX
- XXXX
- XXXX

Typical onshore pricing per FTE in U.S.

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Technical delivery

Senior developer / tester



Role characteristics

Tenure: 4-6 years

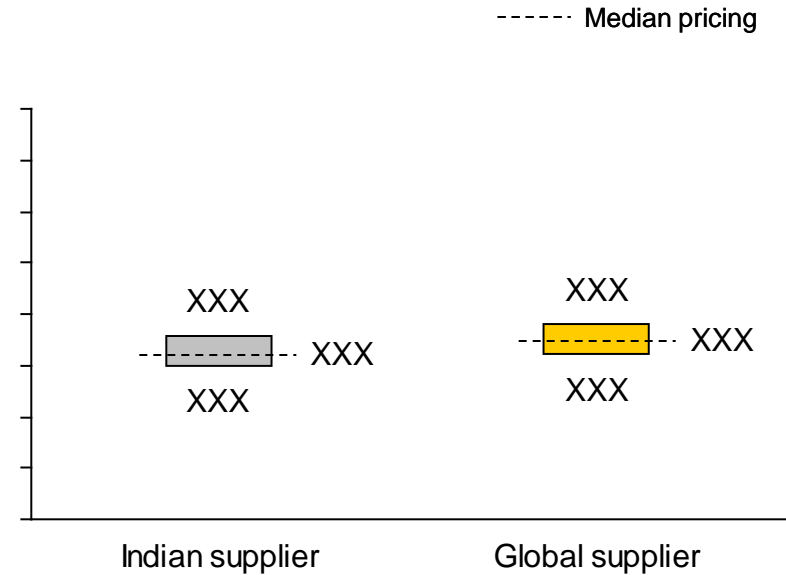
Qualification: B Tech

Description:

- XXXX
- XXXX
- XXXX

Typical onshore pricing per FTE in U.S.

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Technical delivery

Project lead



Role characteristics

Tenure: 6-8 years

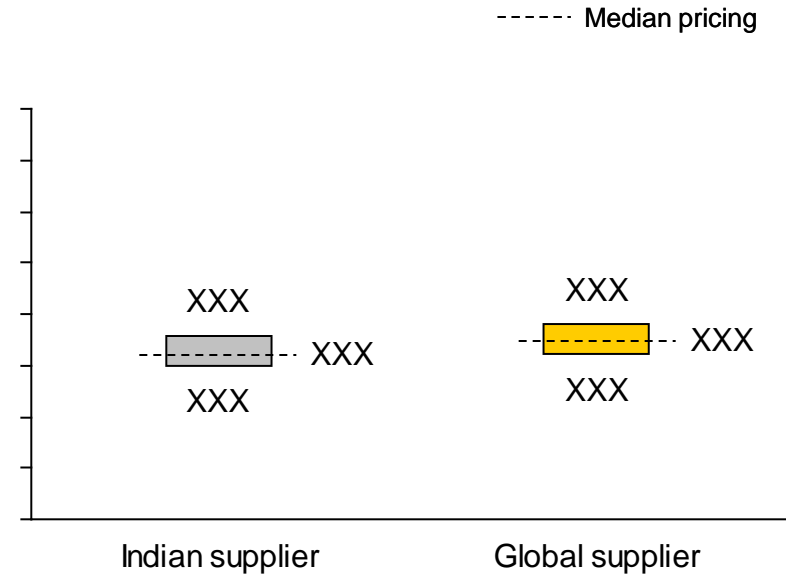
Qualification: B Tech

Description:

- XXXX
- XXXX
- XXXX

Typical onshore pricing per FTE in U.S.

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Technical delivery

Technical architect



Role characteristics

Tenure: 8-10 years

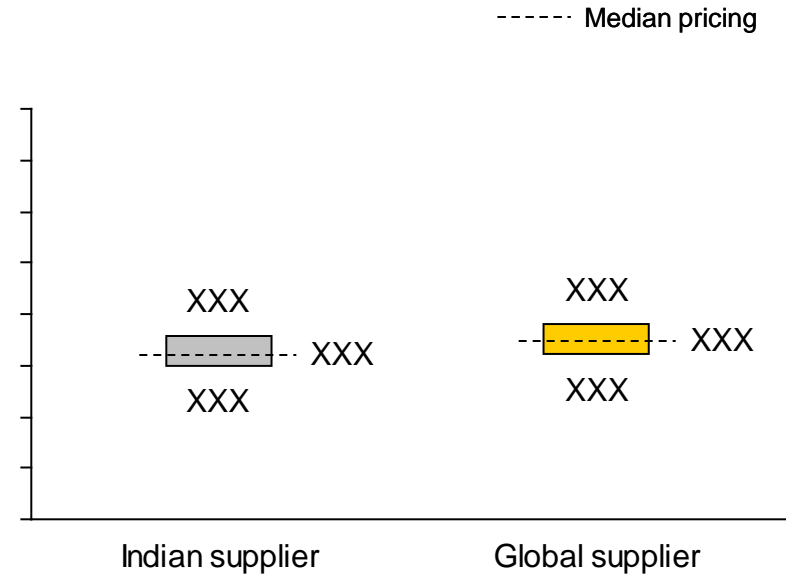
Qualification: B Tech / M Tech

Description:

- XXXX
- XXXX
- XXXX

Typical onshore pricing per FTE in U.S.

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Technical delivery Project manager



Role characteristics

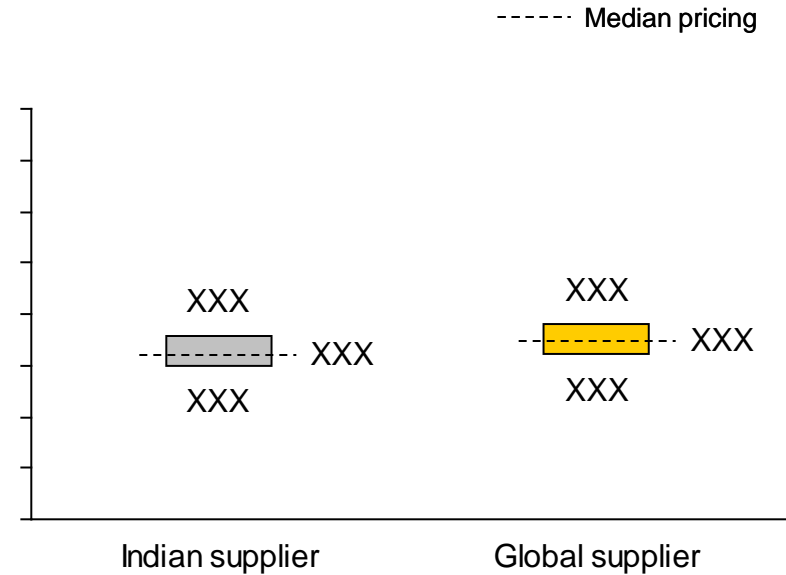
Tenure: 8-10 years

Qualification: B Tech / PMP

Description:

- XXXX
- XXXX
- XXXX

Typical onshore pricing per FTE in U.S. US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Consulting / system integration

Business analyst

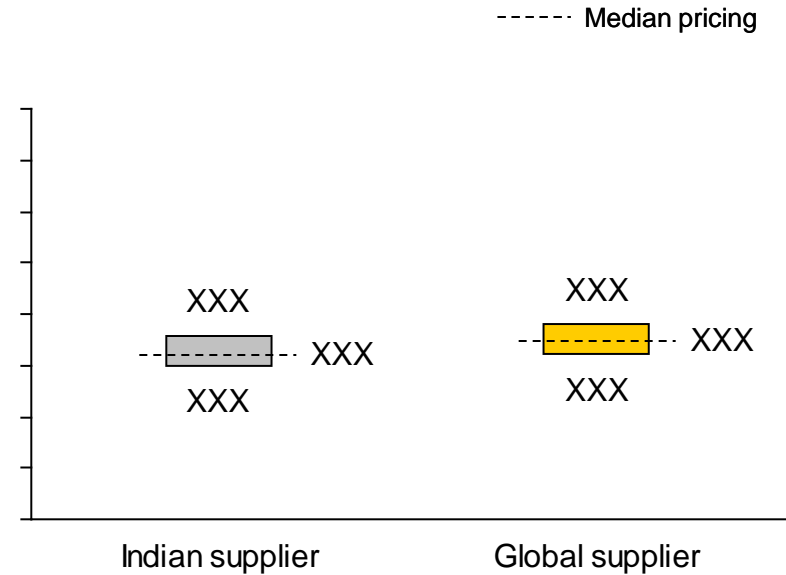


Role characteristics

- Tenure:** 0-2 years
- Qualification:** B Tech / MBA
- Description:**
- XXXX
 - XXXX
 - XXXX

Typical onshore pricing per FTE in U.S.

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Consulting / system integration Consultant



Role characteristics

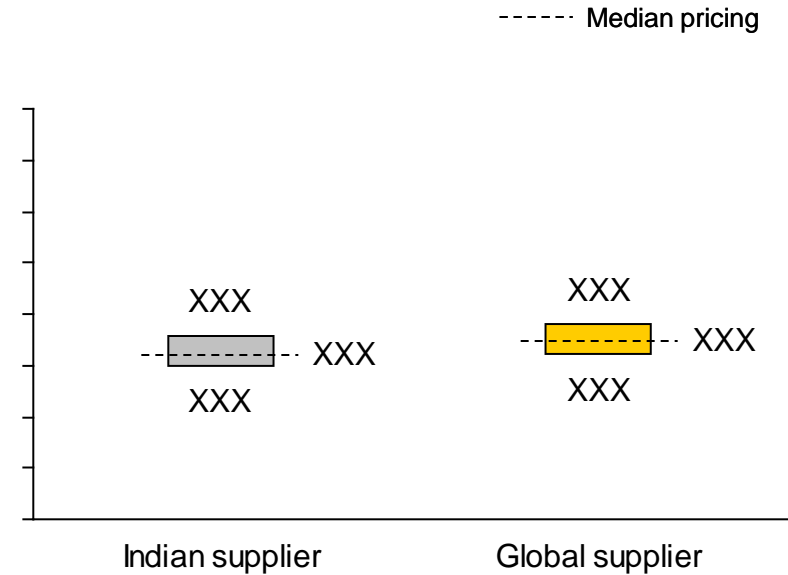
Tenure: 2-4 years

Qualification: B Tech / MBA

Description:

- XXXX
- XXXX
- XXXX

Typical onshore pricing per FTE in U.S. US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Consulting / system integration

Senior consultant



Role characteristics

Tenure: 4-6 years

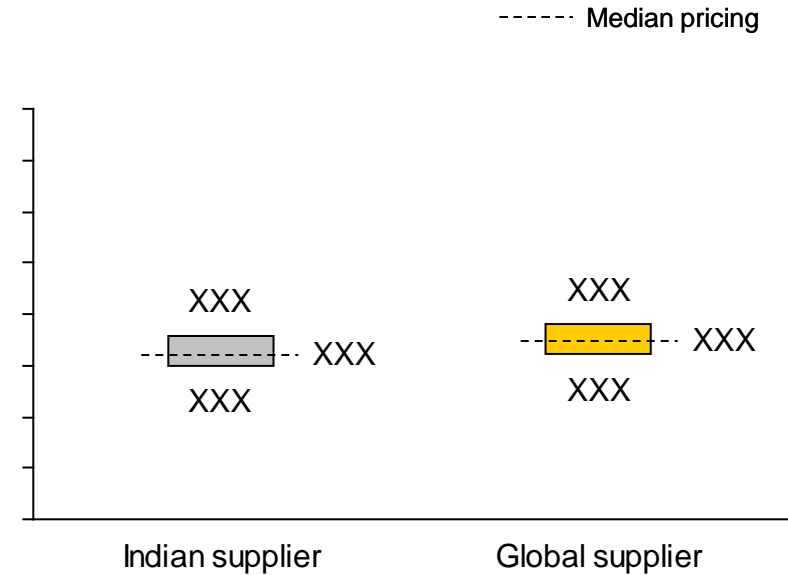
Qualification: B Tech / MBA

Description:

- XXXX
- XXXX
- XXXX

Typical onshore pricing per FTE in U.S.

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Consulting / system integration

Project lead



Role characteristics

Tenure: 6-8 years

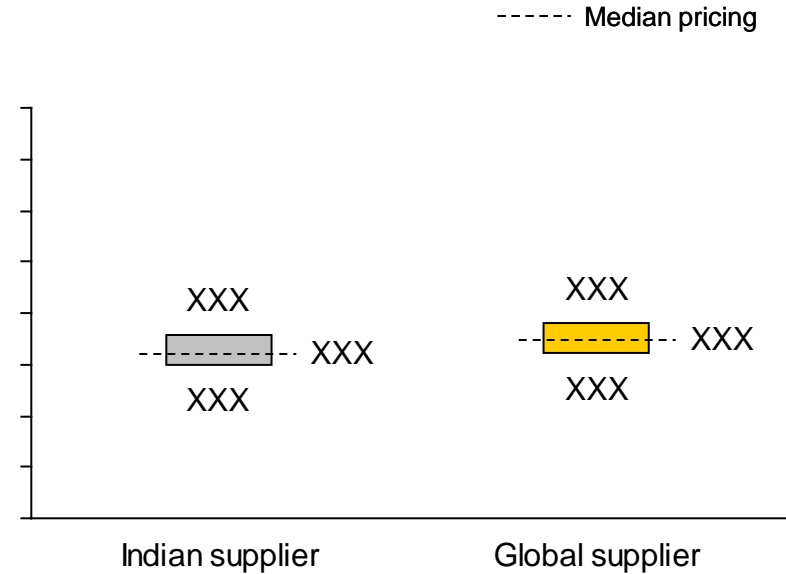
Qualification: B Tech / MBA

Description:

- XXXX
- XXXX
- XXXX

Typical onshore pricing per FTE in U.S.

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Consulting / system integration

Project manager



Role characteristics

Tenure: 8-10 years

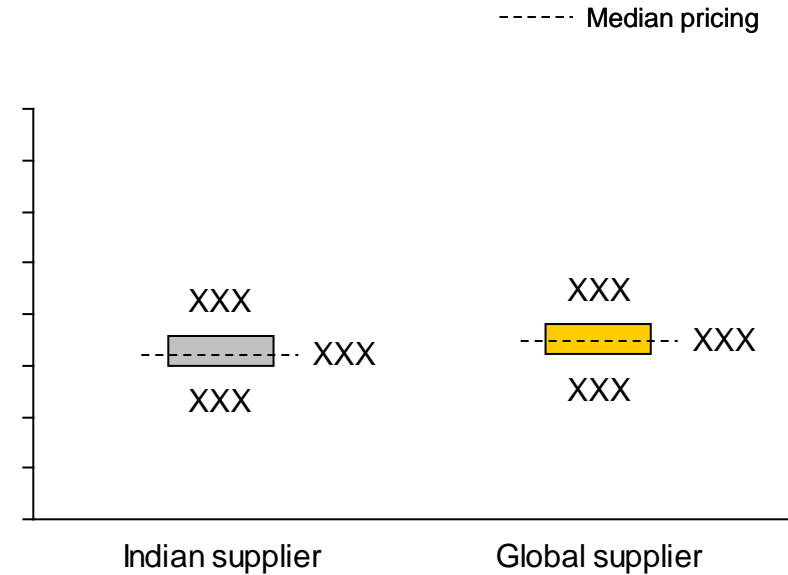
Qualification: B Tech / MBA

Description:

- XXXX
- XXXX
- XXXX

Typical onshore pricing per FTE in U.S.

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Consulting / system integration

Program manager



Role characteristics

Tenure: 10-12 years

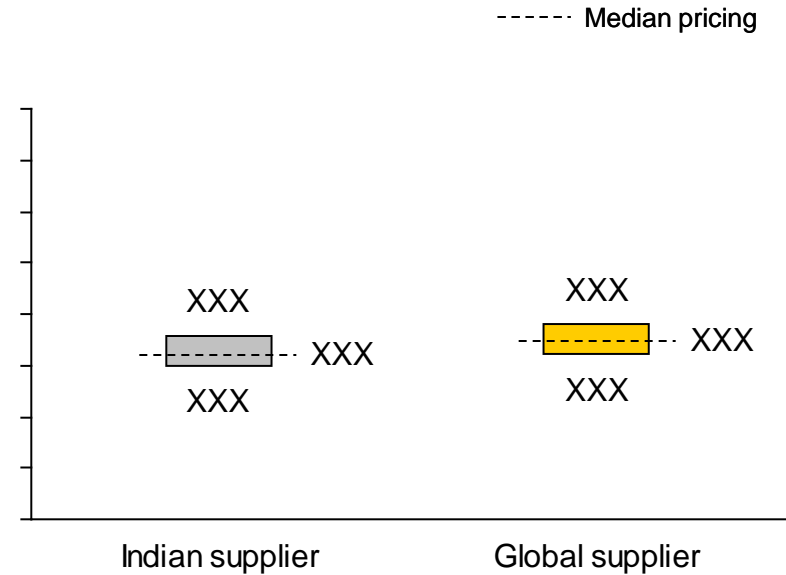
Qualification: B Tech / MBA

Description:

- XXXX
- XXXX
- XXXX

Typical onshore pricing per FTE in U.S.

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice

Consulting / system integration

Delivery lead

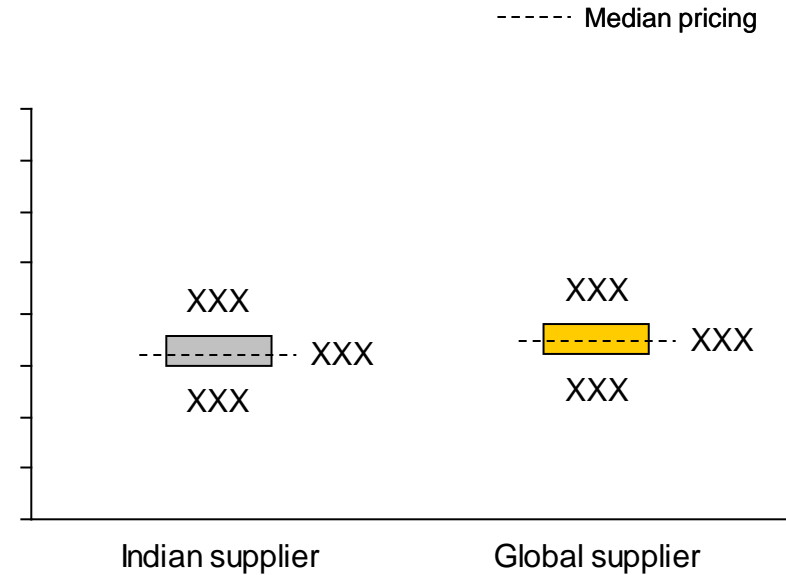


Role characteristics

- Tenure:** 12+ years
- Qualification:** B Tech / MBA
- Description:**
- XXXX
 - XXXX
 - XXXX

Typical onshore pricing per FTE in U.S.

US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice



Role characteristics

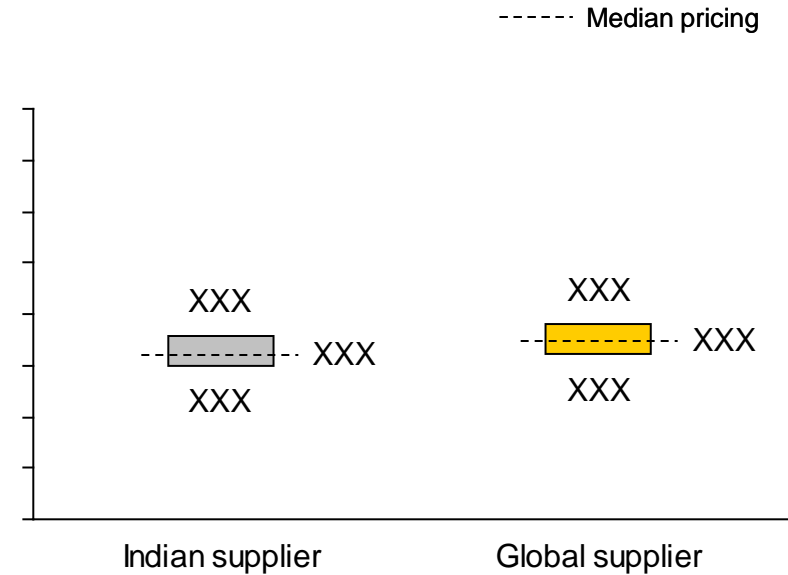
Tenure: 12+ years

Qualification: B Tech / MBA

Description:

- XXXX
- XXXX
- XXXX

Typical onshore pricing per FTE in U.S. US\$ per hour; 2010



Max	XXX	XXX
Min	XXX	XXX

Source: Everest Pricing Assurance practice



- Background and pricing assumptions
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- **Pricing estimates for consulting roles in other geographies**
- Analysis of staffing pyramids
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Key takeaways



- A consistent pattern is observed with regard to the relative ranking of the 6 countries (Australia, Brazil, France, Germany, Italy and Spain) based on pricing for each consulting role. XXX is typically the least expensive country while XXX is the most expensive country.
- Within the European countries, pricing in XXX and XXX are higher than the pricing in XXX and XXX
- Interestingly, while operating expenses (and consequently annualized pricing) in XXX are higher than XXX by 7-13%, the hourly pricing in both the countries are almost comparable attributed to gross differences in labor norms.
- Pricing in XXX is typically higher than pricing in XXX on account of XX % higher salaries in XXX and comparable labor norms between the two countries

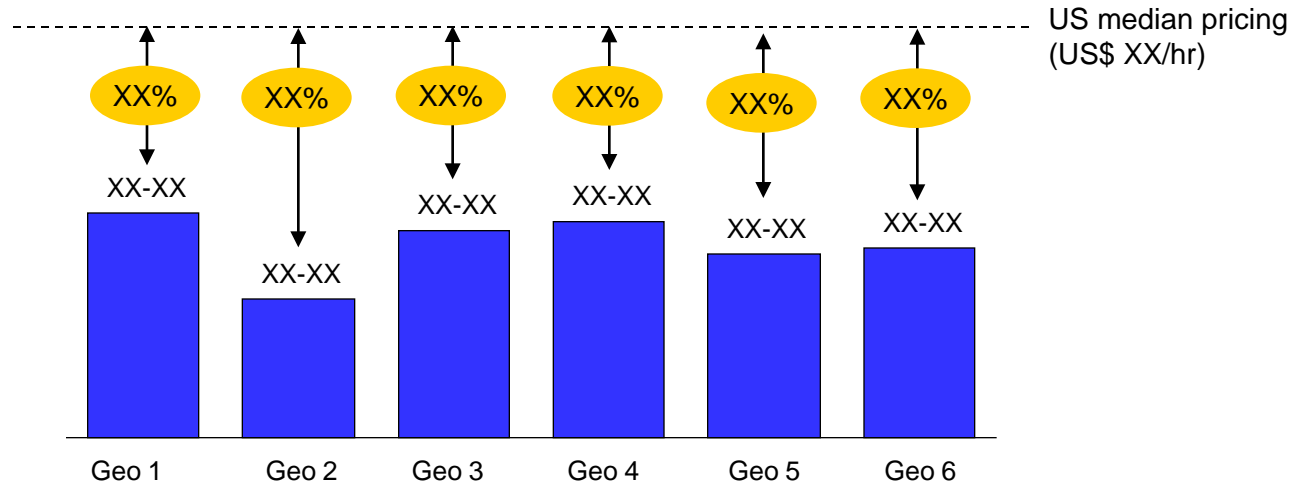
Pricing estimates for consulting roles (page 2 of 5)

Onshore resource pricing per FTE (US\$/hr)

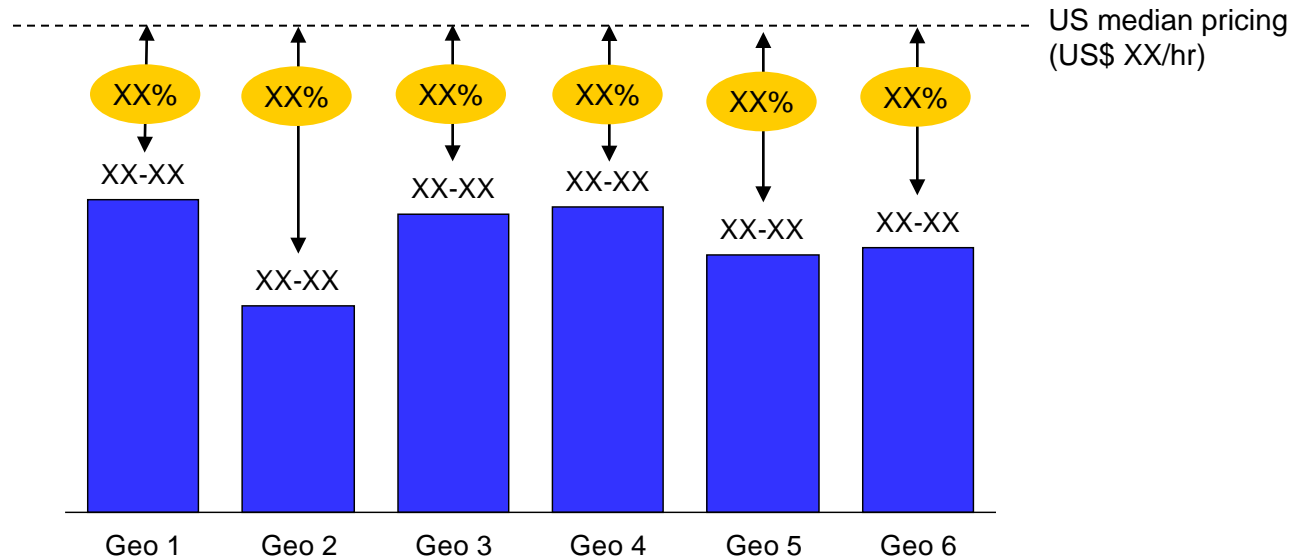


Labor arbitrage

Business analyst
(0-2 years)



Consultant
(2-4 years)




Source: Everest Pricing Assurance practice

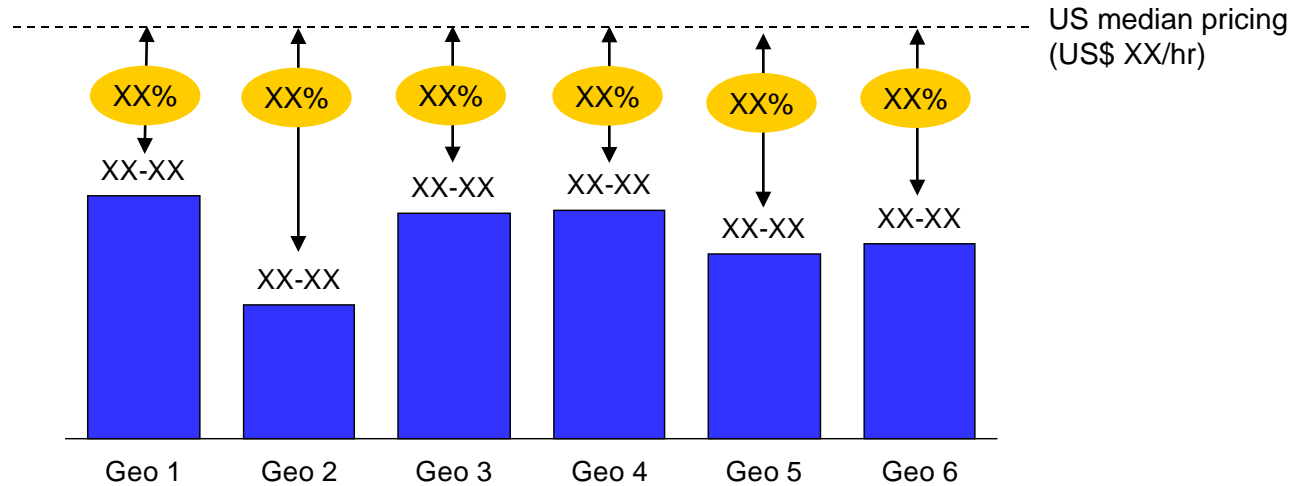
Pricing estimates for consulting roles (page 3 of 5)

Onshore resource pricing per FTE (US\$/hr)

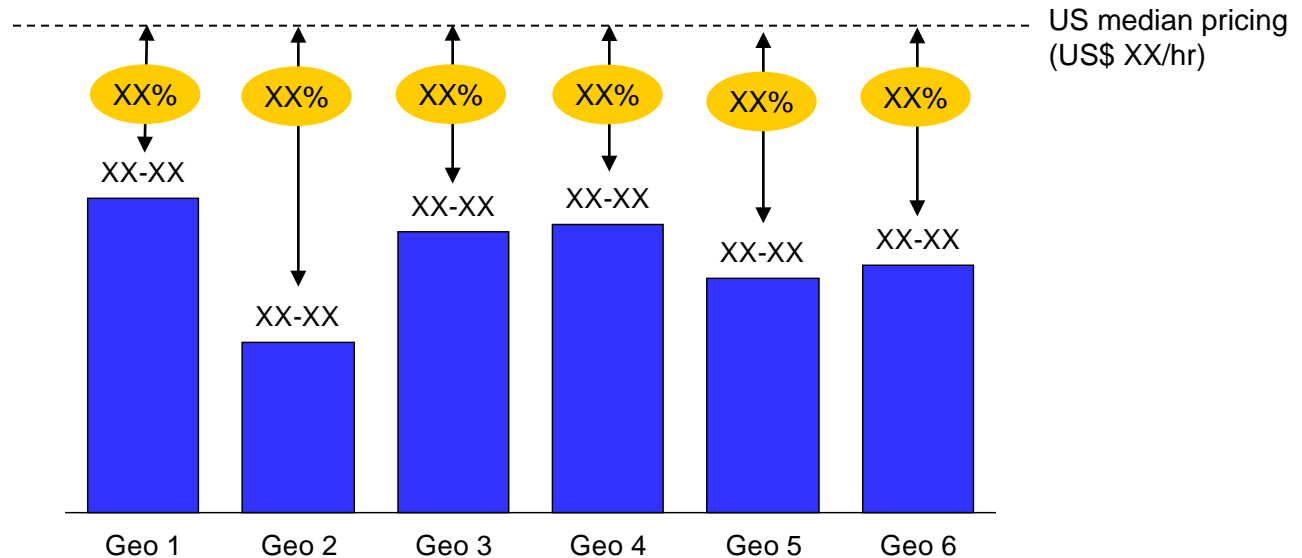


 Labor arbitrage

Senior consultant
(4-6 years)



Project lead
(6-8 years)



Source: Everest Pricing Assurance practice

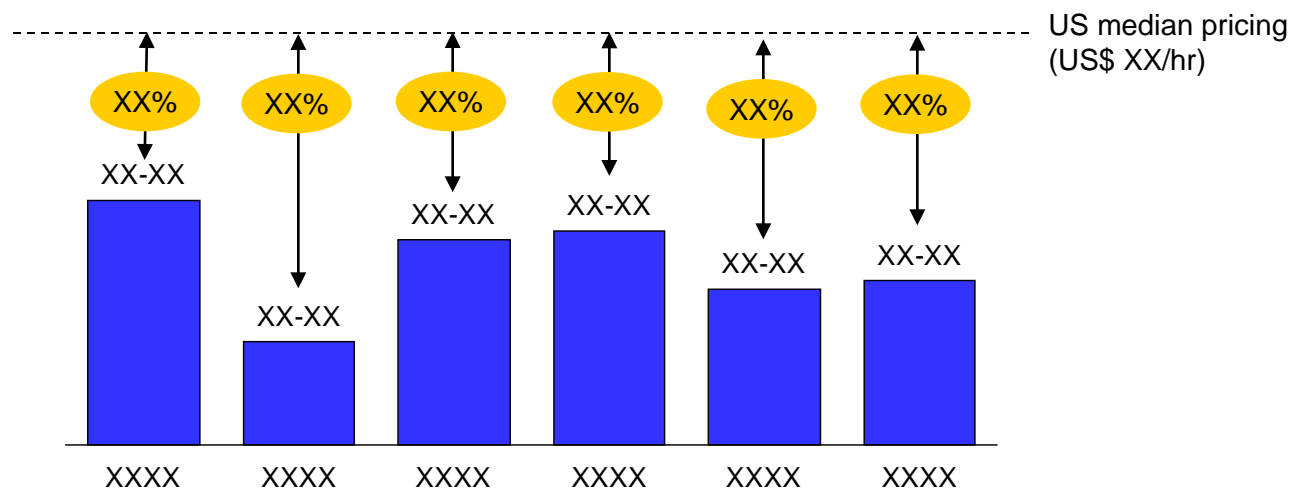
Pricing estimates for consulting roles (page 4 of 5)

Onshore resource pricing per FTE (US\$/hr)

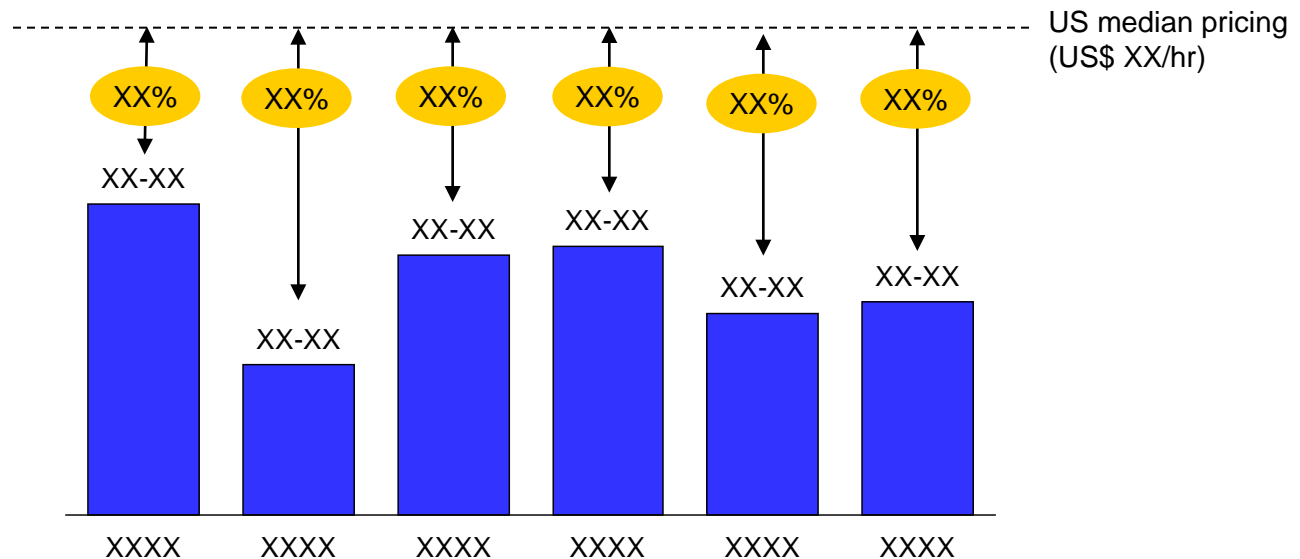


Labor arbitrage

Project manager
(8-10 years)



Program manager
(10-12 years)




Source: Everest Pricing Assurance practice

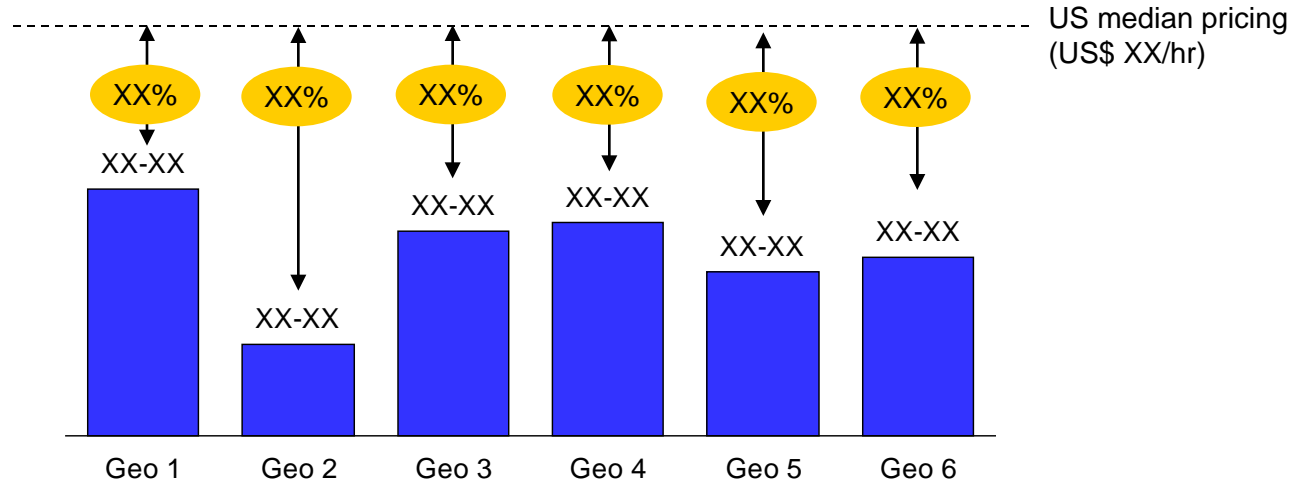
Pricing estimates for consulting roles (page 5 of 5)

Onshore resource pricing per FTE (US\$/hr)

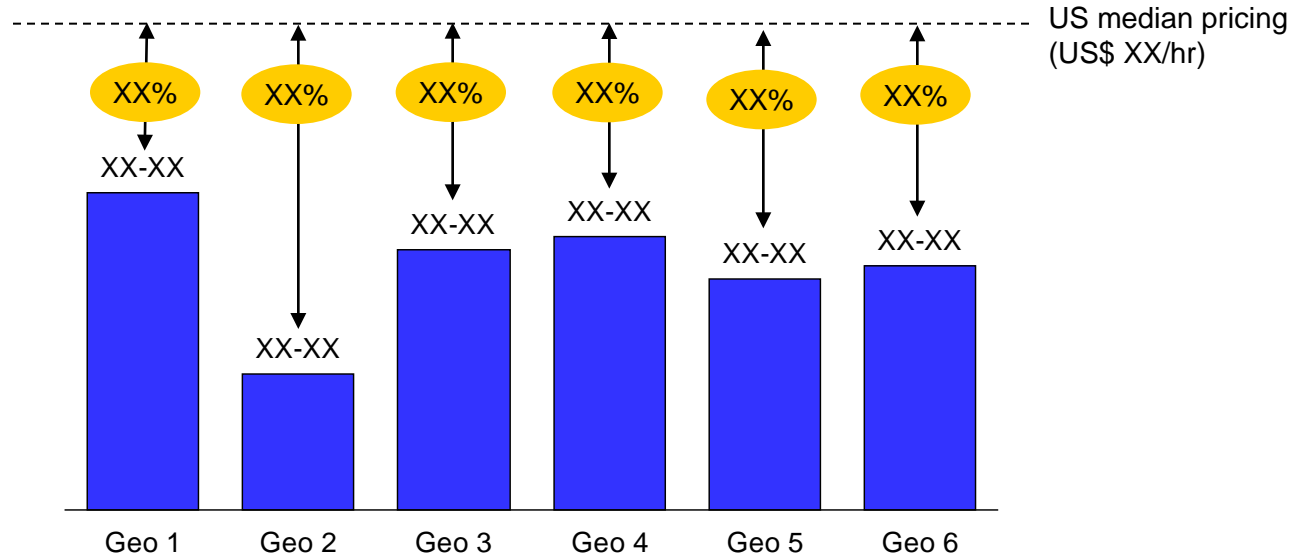


 Labor arbitrage

Delivery lead
(12+ years)



Director
(12+ years)



Source: Everest Pricing Assurance practice

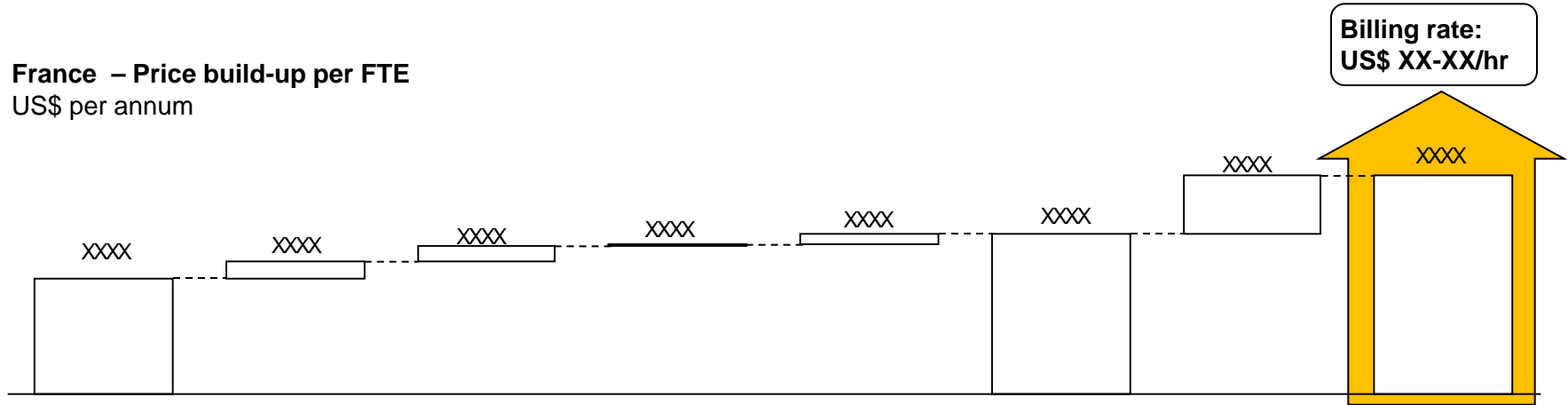
Illustrative ground-up benchmarks

Business analyst (page 1 of 2)



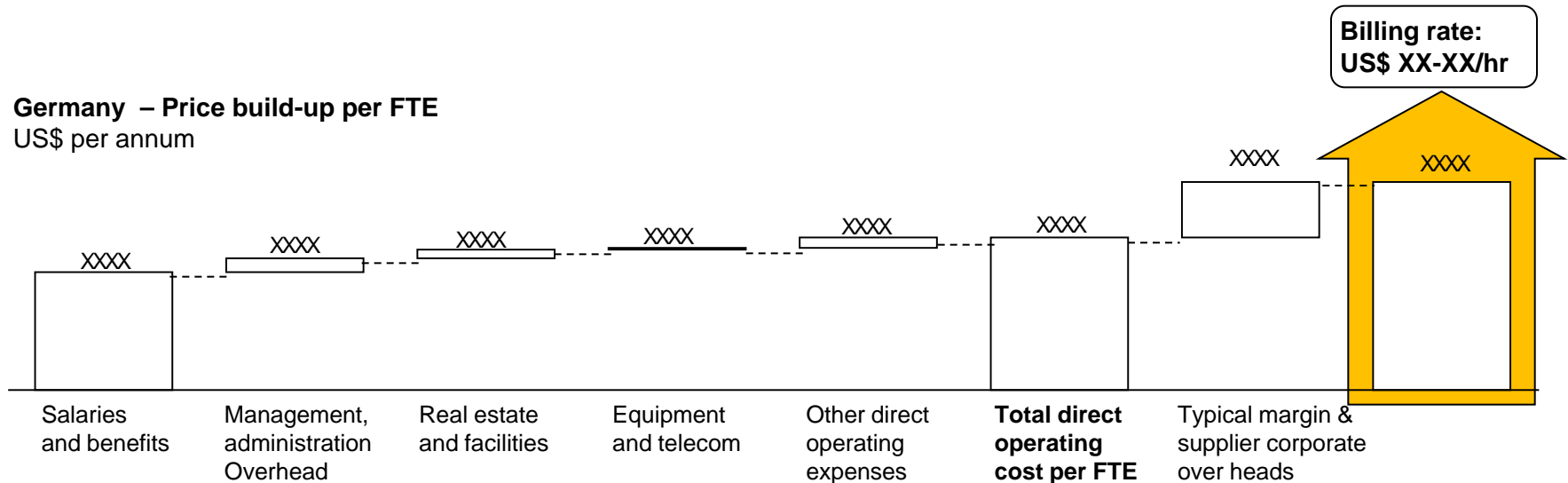
France – Price build-up per FTE

US\$ per annum



Germany – Price build-up per FTE

US\$ per annum



Note: Hourly rates have been built up from an annualized rate assuming ~XXXX annual billable hours (~XX weeks) in France and ~XXXX annual billable hours (~XX weeks) in Germany, at XX-XX% utilization

Source: Everest Pricing Assurance practice

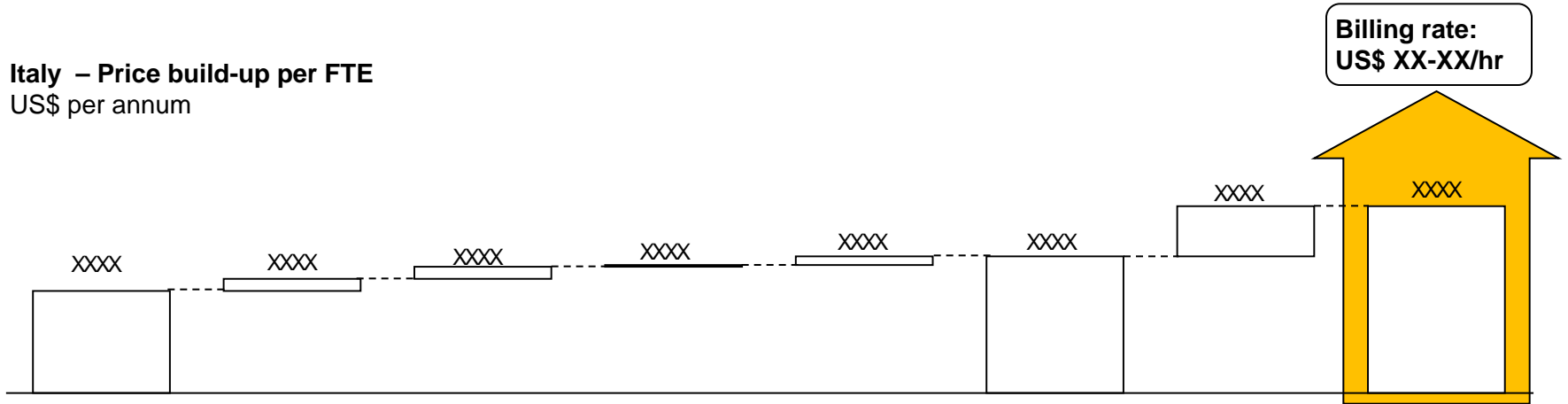
Illustrative ground-up benchmarks

Business analyst (page 2 of 2)



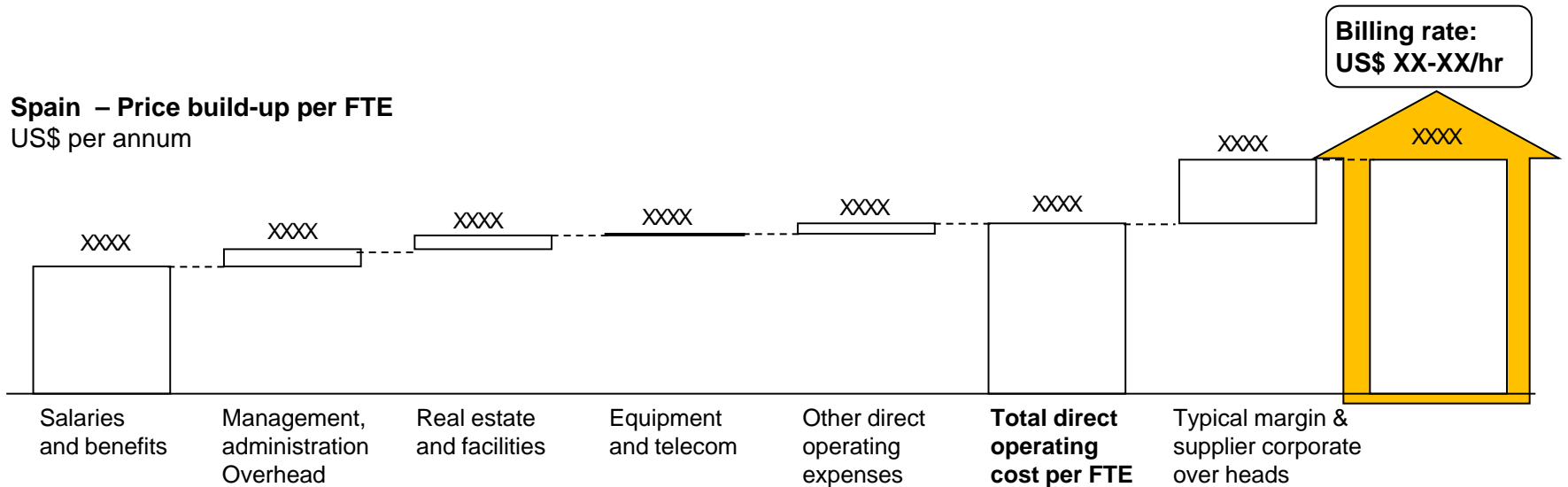
Italy – Price build-up per FTE

US\$ per annum



Spain – Price build-up per FTE

US\$ per annum



Note: Hourly rates have been built up from an annualized rate assuming ~XX annual billable hours (~XX weeks) at XX-XX% utilization
 Source: Everest Pricing Assurance practice

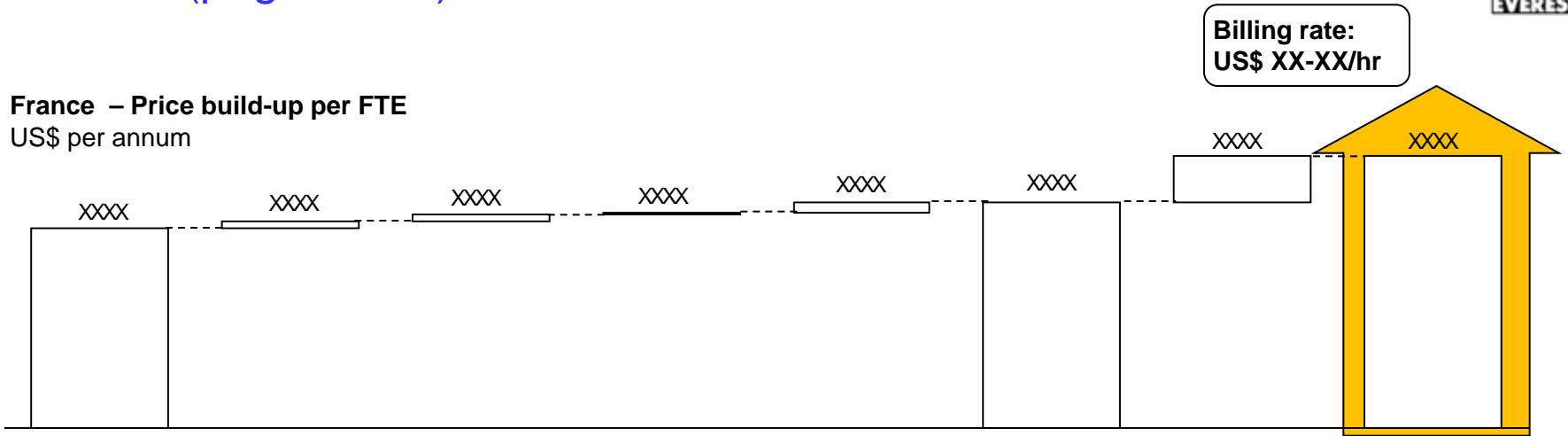
Illustrative ground-up benchmarks

Director (page 1 of 2)



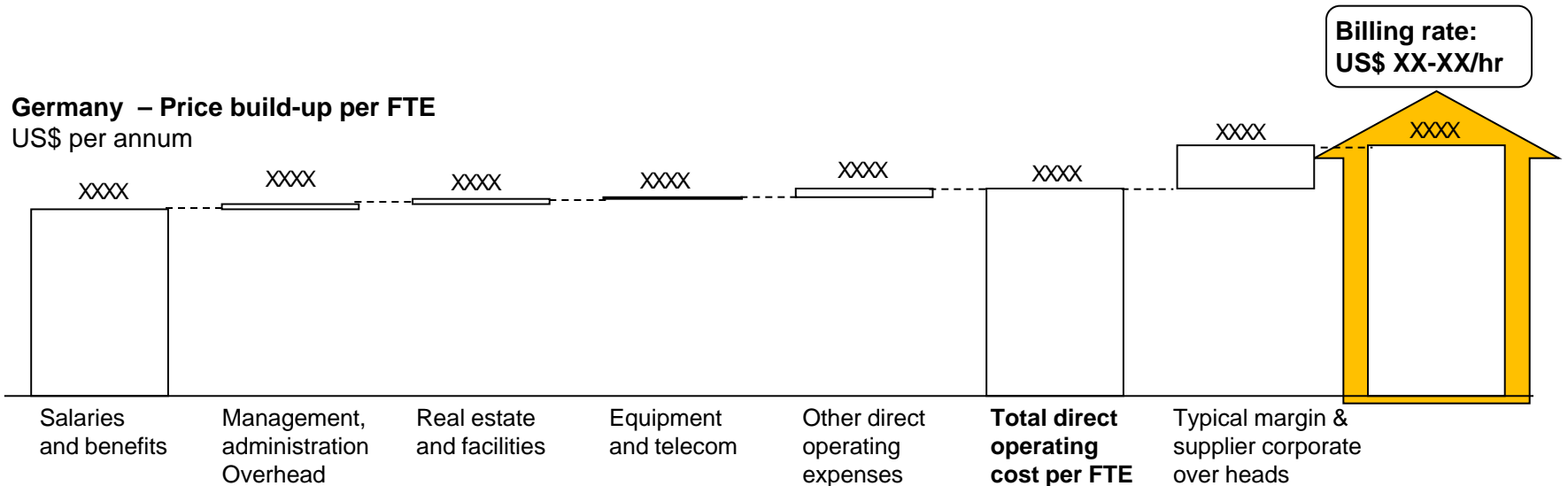
France – Price build-up per FTE

US\$ per annum



Germany – Price build-up per FTE

US\$ per annum



Note: Hourly rates have been built up from an annualized rate assuming ~XX annual billable hours (~XX weeks) in France and ~XX annual billable hours (~XX weeks) in Germany, at XX-XX% utilization

Source: Everest Pricing Assurance practice

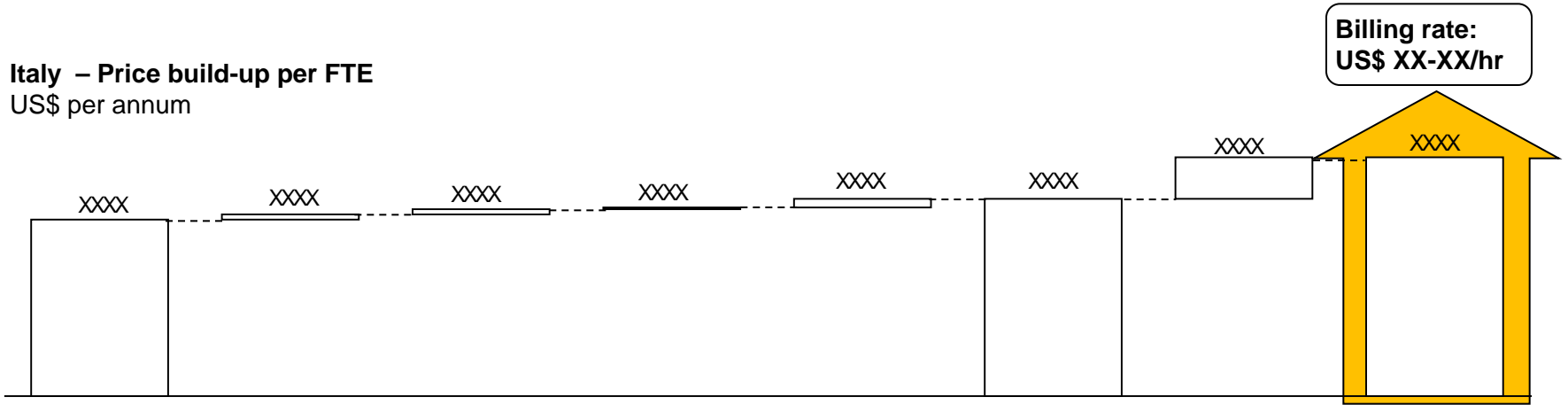
Illustrative ground-up benchmarks

Director (page 2 of 2)



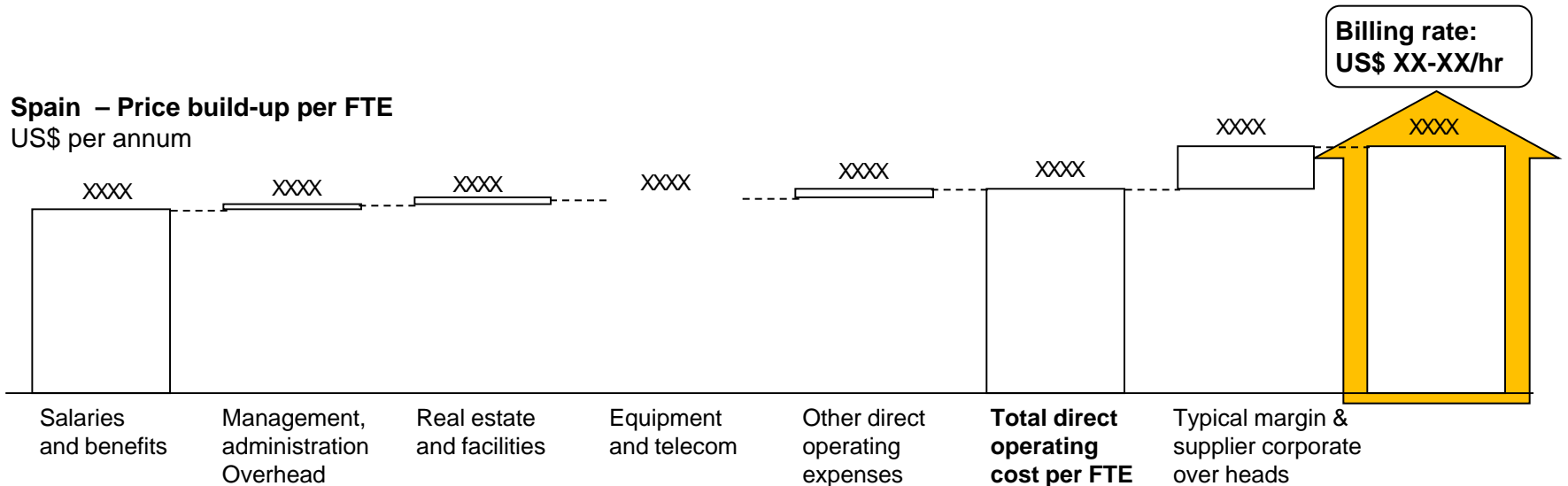
Italy – Price build-up per FTE

US\$ per annum



Spain – Price build-up per FTE

US\$ per annum



Note: Hourly rates have been built up from an annualized rate assuming ~XXXX annual billable hours (~XX weeks) at XX-XX% utilization
 Source: Everest Pricing Assurance practice



- Background and pricing assumptions
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- **Analysis of staffing pyramids**
- Pricing differential between generic and specialized technologies
- Analysis of onshore-offshore delivery mix
- Additional insights
- Appendix

Indian Supplier Span of Control (SPOC) IT-ADM Service Delivery



IT-ADM staffing pyramid
(by key delivery roles)

Typical SPOC
(by key delivery models)

	Offshore	Onshore	Landed
	Percentage		
Project Manager	XX	XX	XX
Team Lead	XX	XX	XX
Senior Developer	XX	XX	XX
Developer	XX	XX	XX
Total	100%	100%	100%

Key takeaways:

- XXXX
- XXXX
- XXXX

Global Supplier Span of Control (SPOC) IT-ADM Service Delivery



IT-ADM staffing pyramid
(by key delivery roles)

Typical SPOC
(by key delivery models)

	Offshore	Onshore	Landed
	Percentage		
Project Manager	XX	XX	XX
Team Lead	XX	XX	XX
Senior Developer	XX	XX	XX
Developer	XX	XX	XX
Total	100%	100%	100%

Key takeaways:

- XXXX
- XXXX
- XXXX



- Background and pricing assumptions
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- **Pricing differential between generic and specialized technologies**
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Price premium analysis for specialized vs. generic technologies



Functional area	Specialized technologies	Generic technologies	Price differential
Consulting	Force.com/SFDC	VB	XX%
	XXXX	XXXX	
	XXXX	XXXX	
	XXXX	XXXX	
	XXXX	XXXX	
	XXXX	XXXX	
Technical delivery	XXXX	XXXX	XX%
	XXXX	XXXX	
	XXXX	XXXX	

Key takeaways:

- Specialized technologies command a price premium over generic technologies on account of the following factors:
 - XXXX
 - XXXX
 - XXXX



- Background and pricing assumptions
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- **Analysis of onshore-offshore delivery mix**

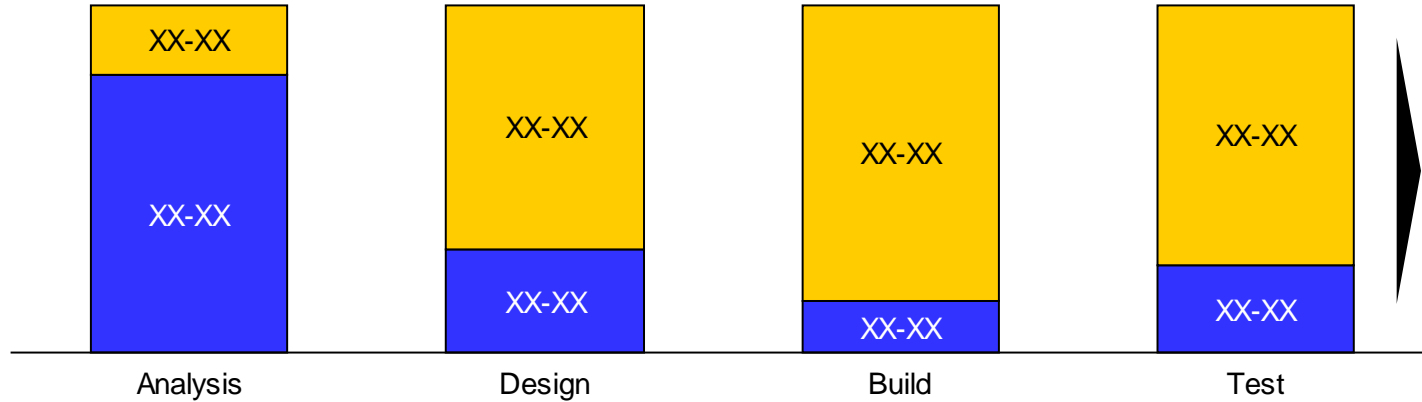
Onshore-offshore delivery mix for Indian suppliers

(page 1 of 2)



Typical ADM onshore-offshore delivery mix (in percentage)

Offshore
Onshore



Overall onshore-offshore mix ~ XX:XX

Activities

- | | | | |
|------------------------------------------------------|--------|--------|--------|
| ■ Requirements gathering, analysis and documentation | ■ XXXX | ■ XXXX | ■ XXXX |
| ■ XXXX | ■ XXXX | ■ XXXX | ■ XXXX |
| ■ XXXX | ■ XXXX | ■ XXXX | ■ XXXX |

Drivers of onshore-offshore mix

- XXXX
- XXXX
- XXXX

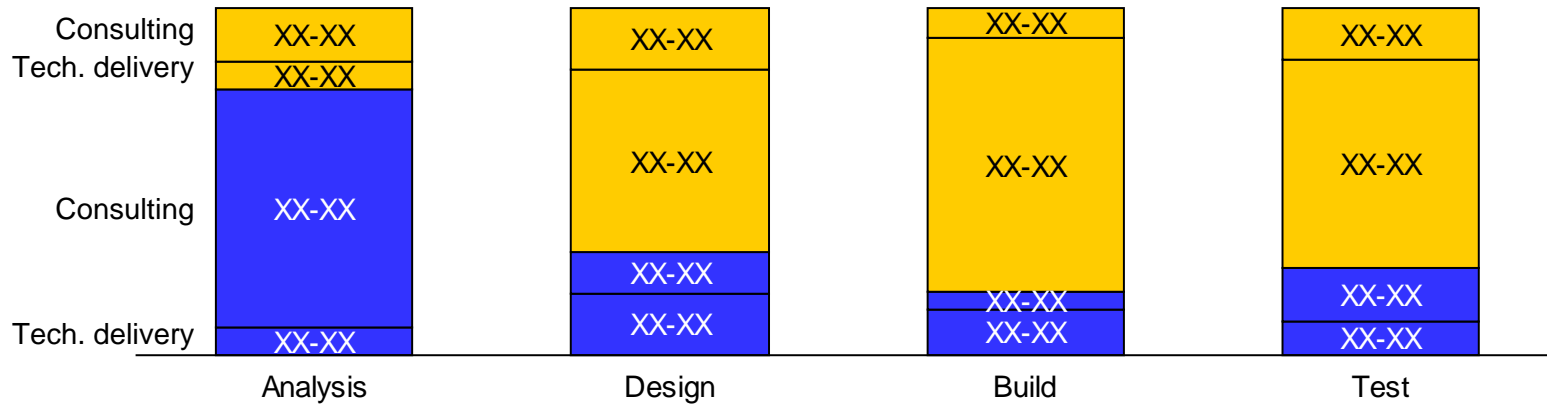
Onshore-offshore delivery mix for Indian suppliers

(page 2 of 2)



Offshore and onshore resource composition for consulting and technical delivery (in percentage)

Offshore
Onshore



Key takeaways

- XXXX
- XXXX
- XXXX

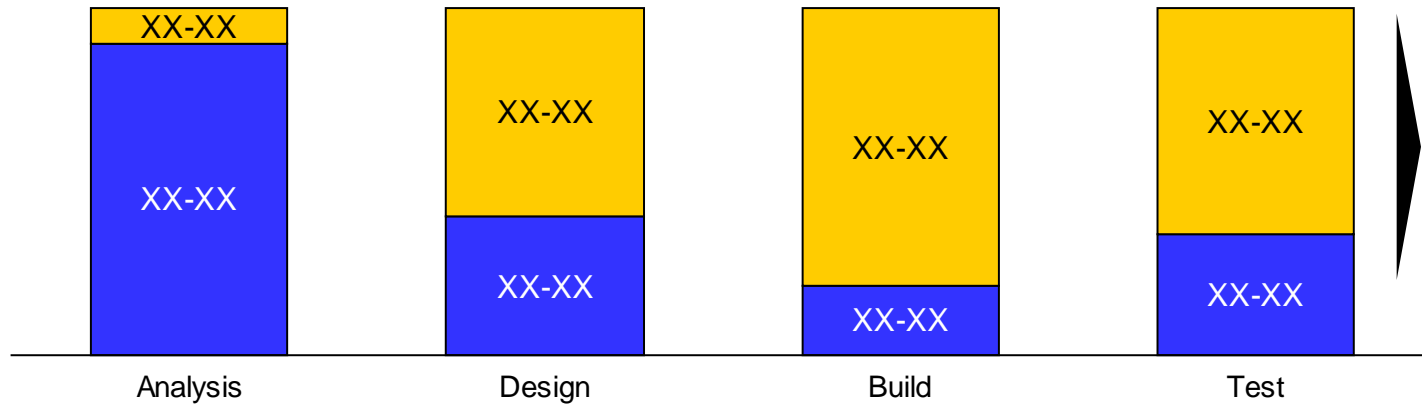
Onshore-offshore delivery mix for Global suppliers

(page 1 of 2)



Offshore
Onshore

Typical ADM onshore-offshore delivery mix (in percentage)



Activities

- | | | | |
|------------------------------------------------------|--------|--------|--------|
| ■ Requirements gathering, analysis and documentation | ■ XXXX | ■ XXXX | ■ XXXX |
| ■ XXXX | ■ XXXX | ■ XXXX | ■ XXXX |
| ■ XXXX | ■ XXXX | ■ XXXX | ■ XXXX |

Drivers of onshore-offshore mix

- XXXX
- XXXX
- XXXX

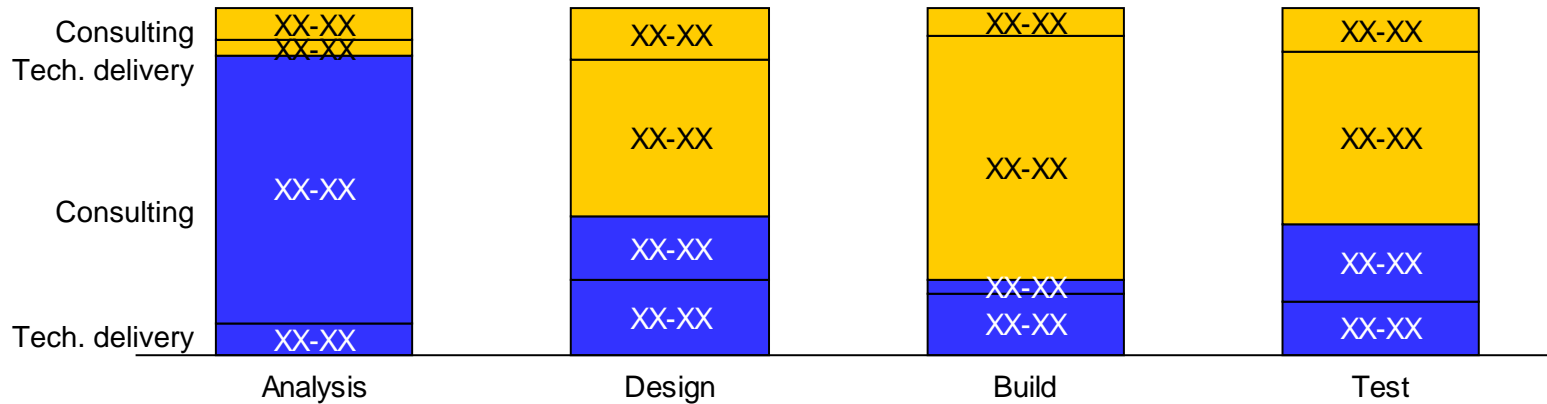
Onshore-offshore delivery mix for Global suppliers

(page 2 of 2)



Offshore and onshore resource composition for consulting and technical delivery (in percentage)

Offshore
Onshore



Key takeaways

- XXXX
- XXXX
- XXXX

Get the answers today that lead to tomorrow's success



The Everest Group has the resources, experience, and capabilities to provide our clients the appropriate consultancy services support coupled with the strategic intelligence, analysis, and insight that are crucial to making the right decisions in today's environment.

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