

## Case Study

### Gemstone Systems

Gemstone Systems used Talentica to set up its own development center in India using the Build-Operate-Transfer approach.

#### Product Vision

Help in resource management, in-memory caching and disk persistence

#### Strategy

- Global product development team.

#### Results

- A risk free way to setup a subsidiary in India
- The right people to work
- Full Management Control
- Higher productivity and quality

#### Key Statistics

- Duration: 2 years
- Engagement Model: Dedicated Development Team with option to transfer ownership.

GemStone Systems provides data services solutions for enterprise customers. It is recognized worldwide for its unique competency and patented technology in object management, virtual memory architectures, high-performance caching, and data distribution technologies.

#### The Challenge

Gemstone wanted to expand its R&D operations in India. While its top management wanted to reap the benefits offshore development, its Engineering Team was not entirely convinced. This was because Gemstone had a technologically complex product. Moreover, it had no experience in outsourcing development, even locally in the US.

Gemstone was looking for a risk free way to setup an initial team in India, convince some of its own management about the feasibility and benefits, and then go ahead and expand India operations.

#### The Solution

Gemstone leveraged Talentica's Build-Operate-Transfer service, BuildODC, to quickly set up a team in India. The initial team consisted of experienced developers (all IIT/REC graduates) hired specifically for Gemstone as per its requirements.

The offshore team adopted the product development methodology followed by Gemstone's development team in USA. Access to the source code and bug system was provided through a secure infrastructure.

Communications were mainly through scheduled weekly status calls for each product team as well as daily informal discussions between the two teams on design and implementation issues. Although bulk of the communication was through e-mail, members of both the teams also used voice and internet messenger services as needed.

Quarterly visits by Gemstone's Product Managers & Engineering Managers to India ensured that the offshore team always had a clear vision of the product roadmap.

Once Gemstone was convinced that the Offshore Model worked for them, they set up their own subsidiary in India and exercised the transfer option. All Talentica Employees working for Gemstone were transferred to Gemstone India.

Even after the transfer was completed, Talentica helped Gemstone transition the management.

### **A risk free way to setup a subsidiary in India**

Gemstone could defer capital investment for setting up its own subsidiary in India till it was convinced of its success. It also learned a lot about hiring and retention of people in India and processes required for successful dual shore product development. Since the transfer option was priced in the initial contract itself, there were no valuation surprises.

### **The right people to work**

The entire team was selected as per Gemstone's requirements of experience and qualifications. Hiring of developers was restricted to graduates of the top colleges in India (IIT's and REC's). Thus, Gemstone got developers with the qualifications it required, instead of having to manage with a team built from pre-existing resources with the Indian partner.

### **Full Management Control**

With a dedicated team, managers at Gemstone had the freedom to manage and reallocate developers between tasks as per their needs.

### **Higher productivity and quality**

Team members hired for Gemstone were worked exclusively for them. This ensured that Gemstone continued to get maximum productivity after the initial domain knowledge transfer.



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