Project Kaveri, Karnataka
Vendor Transitioning: An Outsourcing Setback

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About the Initiative

This publication is a part of the Capacity Building initiative under the National e-Governance Plan (NeGP) by NeGD with an aim to draw out learnings from various projects implemented in various States/ UTs and sharing this knowledge, in the form of case studies, with the decision makers and implementers to benefit them, by way of knowledge creation and skill building, from these experiences during planning and implementation of various projects under NeGP.

Conceptualised and overseen by the National e-Governance Division (NeGD) of Media lab Asia/DeitY these case studies are submitted by e-Governance Practitioners from Government and Industry/Research Institutions. The cases submitted by the authors are vetted by experts from outside and within the Government for learning and reference value, relevance to future project implementers, planners and to those involved in e-governance capacity Building programs before they are recommended for publication. National Institute for Smart Government (NISG), working on behalf of this NeGD provided program management support and interacted with the authors and subject matter experts in bringing out these published case studies. It is hoped that these case studies drawn from successful and failed e-Governance projects would help practitioners to understand the real-time issues involved, typical dilemmas faced by e-Governance project implementers, and possible solutions to resolve them.

Acknowledgment

NISG sincerely thanks all the authors for documenting and sharing their rich experiences in terms of challenges and lessons learned and allowing us to publish and use these case studies in various training programs of NeGD and NISG. NISG also thanks all the external and internal experts who helped review the submitted cases, providing critical observations and for helping in articulating and presenting the case studies, both for class room use as well as a reference article.

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1 Abstract

Vendor Outsourcing has become a norm in both public and private sectors. Often it is adopted to achieve cost arbitrage and leverage technical expertise of the vendor. Customers with time have become accustomed and experts in hiring new vendors. They are well versed with the rigour required for vendor selection, procurement and contracting. The difficulty arises when these vendors have to be replaced by a new vendor. Customers, in most scenarios, are unprepared primarily for two reasons, namely, lack of certainty regarding methods to adopt for switching vendors and difficulties in retaining best practices from incumbent vendor and while resisting the lacunae/gaps in existing contract and vendor relation.

The Department of Stamps and Registration, Government of Karnataka, was facing a similar issue when it decided to replace an existing vendor which was working for over 10 years with a new vendor.

This case study provides an overview of vendor switching, focusing on the department’s need to switch vendor, the approach adopted, gaps in the approach and best practices adopted. The case study also details some CSFs (critical success factors) that helped the department through the vendor transitioning and implementation phase without facing any serious operational disruptions.

“Vendor switching is a painful phenomenon for customers primarily because they are unprepared and secondly because they are not sure how to retain the best practices from existing contract”
2. Keywords & Tags

<table>
<thead>
<tr>
<th>#</th>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>DR</td>
<td>District Registrar</td>
</tr>
<tr>
<td>2.</td>
<td>DRO</td>
<td>District Registrar Office</td>
</tr>
<tr>
<td>3.</td>
<td>DS&amp;R</td>
<td>Department of Stamps and Registration</td>
</tr>
<tr>
<td>4.</td>
<td>IGR &amp; CS</td>
<td>Inspector General of Registration and Commissioner of Stamps</td>
</tr>
<tr>
<td>5.</td>
<td>KSWAN</td>
<td>Karnataka State Wide Area Network</td>
</tr>
<tr>
<td>6.</td>
<td>OEM</td>
<td>Original Equipment Manufacturer</td>
</tr>
<tr>
<td>7.</td>
<td>SDC</td>
<td>State Data Centre</td>
</tr>
<tr>
<td>8.</td>
<td>SLA</td>
<td>Service Level Agreement</td>
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<td>Sub Registrar</td>
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<td>Sub-Registrar Office</td>
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<tr>
<td>11.</td>
<td>TPA</td>
<td>Third Party Auditor</td>
</tr>
<tr>
<td>12.</td>
<td>RFP</td>
<td>Request for Proposal</td>
</tr>
<tr>
<td>13.</td>
<td>BOOT</td>
<td>Build, Own, Operate and Transfer</td>
</tr>
</tbody>
</table>

3. Note for Practitioners/Instructors

This case study can be used to illustrate the challenges faced by organizations in public and private sectors in the process of transitioning between IT vendors. The case provides an overview of the approach adopted by the Department of Stamps and Registration (DS&R), Government of Karnataka, key issues faced and some critical success factors that resulted in successful transition between IT vendors for the project Kaveri.

For the Practitioners

The case puts forward a very relevant scenario that every other organization involved in IT Outsourcing faces. The case discusses specific issues faced by the department but the approach adopted by the department can definitely be considered by others for replication with relevant modifications. Also, the case plots an issue matrix and points to various
recommendations which are categorically agnostic to business segment and can be leveraged by practitioners undergoing a vendor transitioning phase. The Critical Success Factors (CSFs) discussed later in the case epitomize key steps taken by the department to overcome issues and risks faced. These CSFs can be considered by practitioners and can form backbone of implementation strategy for similar projects.

For the Instructors

The case helps in discussing the reasons for switching vendors. It takes a deep dive into issues faced by organizations in parting ways from incumbent vendors. Issue mapping and CSFs unravel the key aspects for consideration in an exit management scenario. It also lays special emphasis on the significance of change management and use of effective communication tools. The following Discussion Questions could help participants analyze and surface important issues for debate and discussion:

1. What are the key takeaways from the project?
2. Why is vendor transitioning important? When is the right time for such transition?
3. How critical is it to prepare the organization for transitioning? What are the key areas/aspects to be covered?
4. What is the significance of risk assessment and how to formulate a mitigation strategy?
5. How to tackle the change management issue? Which communication strategy is best?
6. Are the CSFs discussed in case study adequate? What additional factors and recommendations should be included to make the transition successful?

4 Project Context

About the Department

The Department of Stamps and Registration is one of the oldest departments under the Government of Karnataka. The department falls within the jurisdictional ambit of the Revenue Ministry of Government of Karnataka. The department is as old as 150 years and the earliest records available date back to 1856. The Department is the third largest revenue generating entity in the State with approximately 1600 employees across 248 Sub-Registrar offices and 34 District Registrar offices in the State.
Department Services

The Department has the responsibility to register private documents like those pertaining to property transactions, general power of attorney, wills, gifts, and mortgage, lease agreement etc. and preserve them as public records for posterity. Besides, it collects Stamp Duty and Registration Fee for the State. Apart from these activities, the department also provides services such as Registration of Marriages, Registration of Partnership Firms, Registration of Societies, Issue of Encumbrance Certificate, certified copies of registered documents and Deposit of Wills.

The services rendered by the department to citizens can be classified into two broad categories –

a. Registration Services

b. Information services.

<table>
<thead>
<tr>
<th>Nature of Services</th>
<th>Instruments</th>
<th>Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration</td>
<td>Documents</td>
<td>Documents capturing information about sale of immovable property transaction, General Power of Attorney, Mortgages, Lease Agreement, Gifts, Wills etc.</td>
</tr>
<tr>
<td>Services</td>
<td>Marriages</td>
<td>Hindu Marriages, Special Marriages, Parsi Marriage</td>
</tr>
<tr>
<td></td>
<td>Firms</td>
<td>Partnership Deeds of firms</td>
</tr>
<tr>
<td></td>
<td>Society</td>
<td>Registration of societies</td>
</tr>
<tr>
<td>Information Services</td>
<td>Certified Copies</td>
<td>Issuing duplicate copies of registered documents</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Encumbrance Certificate</td>
<td>Certificate notifying transaction and charges against properties</td>
</tr>
</tbody>
</table>

**Services of the Department**

**Interaction with Other departments**

The department during the course of its functioning interacts with various other Government departments and agencies. Information is exchanged across these departments as statutory requirements for some and general information and validations for others. The picture on the next page shows the external information exchanges that take place in the Department. Communication of the department with Revenue Authorities, Revenue Department, Courts, Auditor General and Income Tax department is a statutory requirement. Others are used for the sake of information and validation. Most of the communication shown above is made through conventional mode of registered post. The only exception is the transfer of J slips to Revenue department. J slips are sent electronically to revenue department in XML form through dial up connections.

These are information pertaining to registered transactions of agricultural land. It is required to effect mutation changes in the RTC which is issued by the Revenue Department.

**Governing Acts**

The activities performed by the department are governed by the following Acts/Rules:
1. Registration Act, 1908
2. Karnataka Stamp Act, 1957
3. Indian Partnership Act, 1932
4. Hindu Marriage Act, 1955
5. Special Marriage Act, 1954
6. Parsi Marriage and Divorce Act, 1936
8. Karnataka Societies Registration Act, 1960

The services of the department are currently computerized, though partially, through implementation of a software application christened as ‘KAVERI’.
5 Project Overview

About KAVERI

Background

The primary function of KAVERI is to computerize the registration process, facilitate archival of registered document in the form of scanned images and generate reports from the data digitized as a result of computerized registration. The system has been developed for following category of users:

- Frontline users/ Operators: Data entry and other operations built in KAVERI for registration
- Managerial staff: Generate and access reports
- General Public: Market valuation, Model deeds and general public information.

![Figure 1: Key features of KAVERI](image)

**Modules in KAVERI**

- Document Registration
- Marriage Registration
- Firm and Societies Registration
- Property Valuation
- Reports
- EC Search module
- Scan Archival
- Vendor Management System
- Court order data entry module

![Figure 2: Modules in KAVERI Application](image)

Incumbent Vendor Partners

KAVERI was successfully rolled out in all Department Offices by 2004 on BOOT (Build, own, operate and transfer) Model and has been operational since then. Two Vendors were selected for running the operations at department offices across state. The contract was
signed for five years initially but was later extended till February 2014.

**Business Model**

The vendor work is manpower intensive with over 1000 employees deployed by vendors to work with department across its offices. The business model was based on revenue sharing wherein the vendors were paid for scanning and registration service based on the number of pages scanned. The vendor operation flow is described below:

**Figure 3: Vendor Operation Slow**

As per the contract with incumbent vendors, the hardware procured by department in 2003 was to be maintained and repaired by the vendors.

In 2011, the department rolled out RFP to select new vendor to take over the entire project from incumbent vendors and to simultaneously revamp the old and ailing IT assets.

“For almost a decade, vendors had been using same hardware across offices. The ailing hardware reduced the operational efficiency and lack of adequate monitoring tools increased cases of n/w failure and downtime”

**Need for switching vendors**

Customers invariably spend a considerable amount of time and money with IT service providers before entering into contracts and the negotiations are typically long drawn. This is more prominently observed with government clients. Having invested in the process of selecting vendors, many clients shy away from ousting IT suppliers, once the contract is underway. And in most cases, post contract termination, the incumbent IT provider is awarded an extension so as to avoid the pains of choosing a new vendor. This is at times also due to the complacency of the customers with their vendors. With government clients, this becomes more relevant as the settlement period is more for vendors and the exit management too is tedious and painful. Needless to say these decisions to switch vendors have not
always been a well thought over one. These decisions need to incorporate the base understanding and benefit rationalization of switching to a new vendor. For this, the customers need to be well aware of the risks involved in changing vendors, either mid-contract or post-termination. Once the risks are identified, they can be tackled with a certain amount of visibility into the future in conjunction with a thorough analysis of the existing conditions which gives a clear picture to the customer, on the cause and effects of the decision to switch.

**Why did the DS&R switch Vendor?**

Department of Stamps and Registration (DS&R), Karnataka hired two vendors for running and maintaining the IT infrastructure in 2003 with initial contract period of 5 years. The department later further extended the contract by 5 more years for these vendors. Around 2008, department conducted a detailed As-Is study to understand the root cause of falling operational efficiency, to study the lacunias and gaps in the existing structure, to re-engineer the processes and transform the departmental services through e-governance. As an outcome of the study, it was decided to revamp the existing ailing IT hardware and transform KAVERI with more citizen centricity and to upgrade technological platforms.

The key factors impacting department’s decision to switch vendor were –

**Growing issues with existing ailing hardware:** The department procured hardware in 2003. With passing time, not only did the cost of maintenance increase but also the system performance deteriorated which raised the cases of system failure causing operational disruption. This made it apparent for the department to replace and upgrade the existing setup. The existing contract with the vendors didn’t have any clause for hardware replacement and considering the volume of hardware involved, it was not feasible for the department to make amendments in the existing contract. All these factors combined made a strong case for RFP.

**Need for enhanced IT support systems:** KAVERI system relies on KSWAN (Karnataka state wide area network) for data transmission from local servers in department offices to servers in state data centre. This heavy reliance makes it imperative for the department to have enhanced monitoring systems to check the network status on a real time basis and report abnormalities. Also, remote monitoring of IT assets and expedited issue resolution is also desired to improve up-time. The existing setup failed to provide department with these services which prompted the department to go for fresh tendering with a revised RFP.

**Need for business model change:** The contract with existing vendors had expired in 2008 post which department renewed the tender till 2013. Since then the same vendors had been operating the KAVERI system across department offices through the same contract with existing infrastructure. As-Is study conducted in 2008 suggested major revamp in software and hardware to meet the growing registration needs. The incumbent vendors
were operating on constrained BOOT model wherein drastic expansion and revamp was not feasible. Thus, the department decided to go ahead with RFP and changed the business model in revised contract to accommodate future expansions.

“Poor infrastructure, high maintenance cost and lack of flexibility in existing contract topped with concerns over software hardware incompatibility compelled the Department to go for tendering.”

**Proposed Business Model**

With the existing BOOT model for vendor deployment, department not only had constraints relating to modifications in the scanning fees as it directly impacted the vendors’ income but also there was limited flexibility for the department to revamp the existing setup. Considering this, the department decided to shift to facility management model with upfront payment for hardware infrastructure, office upgradation and resource deployment to the new vendor. In the new model, the vendor shall be paid by the department and will have no rights on collected scanning fees thereby removing any vested interest in increasing the registration count hampering the quality. Also, the vendor will be required to deploy advanced IT support systems and will be stringently governed by operational SLAs to ensure timely closure of technical issues. This is not only expected to improve the operational efficiency but also provide flexibility to the department to upgrade IT assets as and when required without affecting the contract terms.

**Scope of work for new vendor**

![Figure 4: Scope of work for new vendor](image-url)
Department’s approach for vendor transitioning

**Figure 5: Phases involved in Transition process**

Analysis and Requirement gathering:

1. **Analysis and Requirement Gathering**
The Department conducted a detailed As-Is analysis to understand the status of IT intervention and projects running within the department. The study report detailed about the ailing status of IT assets, outdated KAVERI technology and a need to add new functionalities to the software. Based on the study, department conducted a detailed requirement gathering exercise for preparing new RFP, capturing existing infrastructure details and additional requirements.

2. **Design and Development**
After analysis and requirement gathering, the KAVERI project monitoring unit of the department post analysis and requirement gathering redesigned the business model and developed the request for proposal for tendering. Based on analysis it was observed that the existing BOOT model of vendor operation was not optimal over long term as it had bigger financial implications and little scope for enhancements and upgrades. Hence, it was decided to shift to a more operationally and economically balanced model. The department also consulted State IT department representatives and academic experts to come up with future ready configuration for its IT assets.

3. **Selection and Contracting**
The Department adopted the standard two envelope tendering process i.e. selecting the lowest financial bidder post technical qualification. It followed the conventional contract management process. SLA standards were defined for the contract to ensure timely delivery of hardware and rollout of project.
4. Transitioning and Implementation

![Transitioning & Implementation Workflow]

**Figure 6: Transition and Implementation Workflow**

**Project Performance Chart**

<table>
<thead>
<tr>
<th>Project Stage</th>
<th>Duration (in months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation and Transitioning</td>
<td>0, 2, 4, 6, 8, 10, 12, 14</td>
</tr>
<tr>
<td>Selection and Contracting</td>
<td>0, 2, 4, 6, 8, 10, 12, 14</td>
</tr>
<tr>
<td>Design and Development</td>
<td>0, 2, 4, 6, 8, 10, 12, 14</td>
</tr>
<tr>
<td>Analysis and Requirement gathering</td>
<td>0, 2, 4, 6, 8, 10, 12, 14</td>
</tr>
</tbody>
</table>

**Quality of execution**
- High
- Medium
- Low
6 Issues and Challenges faced during Transitioning & Implementation

The department conducted a root cause analysis to identify the lacunas and gaps in the way the entire vendor transitioning effort was managed. A brainstorming session was conducted with all stakeholders to identify the key issues faced by them during the entire transition process.

A. Lack of Adequate Planning

A.1 ISSUE Description: Exit management plan was not present at the time of work order allocation. This created a lot of scope for confusion and assumptions for incumbent and new vendors. As a result not only did the transition get delayed but also there were gaps during the planning and implementation phase between stakeholders.

KEY LEARNING AND RECOMMENDATIONS: It is very important to create a layout of implementation roadmap. Planning is essential to ensure that all the essential points are covered. In a vendor transition process, it is imperative to define the exit management strategy at early stages. The plan should also include the following -

1. Stakeholder identification and mapping
2. Milestones
3. Steps and processes during transition
4. Scope and coverage

A.2 ISSUE Description: One of the biggest gaps in the initial planning was absence of overlap period between the incumbent and new vendor. It was expected that the new vendor will take over on a particular day and will start delivering from day one with the existing assets. However at a later stage, the gap was realized and an overlap period was pushed which resulted in a further delay of over 4 months in transition.

KEY LEARNING AND RECOMMENDATIONS: Vendor overlap period should be included as a basic prerequisite in the transition plan. Also, it is necessary to devise a detailed plan to ensure that the new vendor gets sufficient knowledge transition covering every aspect of business and operations. Milestones should to be identified and reverse knowledge transition should be included to verify the vendor readiness.

A.3 ISSUE Description: KAVERI revamp project scope included procurement and installation of hardware and furniture in large volumes which was governed by SLAs. The selected vendor failed to supply and install the equipment on time resulting in breach of SLA at multiple instances. On conducting a thorough analysis, it was observed that vendor had heavy reliance on a single OEM who failed to deliver on time.
KEY LEARNING AND RECOMMENDATIONS:

For customers: It is important to ask the bidders during tendering about their fallback plan and request details of more than one OEM for all the major deliverables.

For vendors: A contingency plan must be in place for all SLA points. In case of large deliveries, the vendor must have contract with over one OEM to have a fallback option in case the first does not work out.

A.4 ISSUE Description: The department provides services electronically. All the data stored is transmitted over the state wide area network. As drafted in RFP, the new vendor deployed new software for asset management, EMS, Service desk etc. This software used network extensively to capture data and share details which resulted in slower connectivity for mainstream services and hence, posed a risk of service disruption. This issue is more severe as the department has dependency on single network (KSWAN) with no fallback option.

Key Learning and Recommendations: In cases where the client has heavy reliance on network for services and the vendor transition has potential to impact the network. It is advisable to prepare a network and infrastructure plan and share it either at the stage of RFP or at the time of vendor induction. Simultaneously, the vendor should be asked to analyze its network requirements and align it with the network availability. In case of serious gaps, the same must be raised immediately through a proper channel.

A.5 ISSUE Description: Department has 282 offices which had one phase electricity connectivity at the time of tendering. It was proposed that the department will reuse the existing UPS/genset across offices. In between the tendering phase, the department planned to upgrade all the offices to three phase and simultaneously go for revamp. During the implementation study, it was observed that new UPS will have to be procured in nearly 70 offices. The existing contract with the vendor did not cover this in scope and the department went for change control notes and multiple rounds of approvals to procure the additional hardware. This caused delay.

Key Learning and Recommendations: As-Is analysis is one of the key activities that the customers should perform to analyze the existing processes, systems, people, infrastructure etc. Projects like this have high level of dependency on time bound and proper installation of hardware. Therefore it is imperative to ensure that a detailed As-Is and To-Be analysis is conducted in cognizance with other projects in progress.

A.6 ISSUE Description: The department since 2012 has taken multiple initiatives to increase its e-governance footprint. These initiatives include website revamp, office automation, social media, software revamp, etc. In between, the department also rolled out the hardware revamp project which required dedicated manpower from department to monitor the project progress. The department formed a project monitoring unit (PMU) which has
pool of limited resources comprising of department officials and external consultants to look after all the e-Governance initiatives. With so many disassociated initiatives running in parallel, it became difficult for the PMU to focus on this project. This resulted in lack of sponsorship and ownership and ineffective follow-ups which impacted the overall project rollout.

**KEY LEARNING AND RECOMMENDATIONS:** It is imperative for customers to have a yearly roadmap and all the short term as well as long term projects should be mapped to it. A resource utilization and capacity plan should also be put in place to check the available bandwidth from time to time. Thus, while planning a vendor transition project, the customer should take into account the resource availability and utilization and accordingly rollout the other projects.

**A.7 ISSUE Description:** KAVERI application used in the department currently was initially developed in 2003 and since then has been upgraded sequentially. When the hardware RFP was written and subsequently published, it was envisaged that the KAVERI II software (a refreshed version of KAVERI based on latest platforms with numerous added features) will be available for use. But unfortunately, the development of KAVERI II got delayed and it was later decided that the existing KAVERI will run on this new hardware. But due to lack of sufficient due diligence and planning, it was missed out that the Operating System proposed in new hardware is Windows 8 whereas the existing KAVERI application could not support OS newer to Windows XP. Effectively, the vendor was pushed to downgrade the OS of all desktops.

**KEY LEARNING AND RECOMMENDATIONS:** Due diligence and compatibility assessment are the initial but recursive activities that must be performed by customer to avoid such last minute issues.

**B. Delay in decision making**

**B.1 ISSUE Description:** The department finalized, approved and circulated the RFP in early 2012 but the overall process of tendering and work order allocation took over a year due to administrative and legal delays. In between, the new selected vendor had proposed a system configuration which by the time of installation was called off from the market by OEM. As a result, the vendor had to go back, submit a change control note with proposed new configuration. This further delayed the process.

**KEY LEARNING AND RECOMMENDATIONS:** It is advisable for the vendors to take into account such dependencies and always have a contingency plan to mitigate such issues. For the customers, it is always suggested to request for at least two specifications - one primary and one fallback. Also, in case there are longer delays in the process, the customer may decide to allow vendor to submit fresh specifications (same or higher) in between the process to
cut down the delay.

**B.2 ISSUE Description:** The project lacked defined exit planning which resulted in communication gaps at the time of vendor transition. The department faced a situation where it could have faced severe shortage of consumables because none of the vendors had clarity about the supply. The department asked the new vendor to take it up with immediate effect but there were delays as the managers deployed by vendors had no financial decision making powers and getting approval from senior management took time.

**Key Learning and Recommendations:** Decentralization of financial discretion, financial flexibility or tight response periods are expected to be well established in advance by vendors working with the customers, especially government customers. As a customer, it is important to ensure that senior management (with financial discretion) is involved or at least looped in during the transition phase. The customer can also insist on forming a transition committee comprising of senior members from client and vendors to discuss such issues well in advance.

**C. Lack of Understanding**

**C.1 ISSUE Description:** The project’s scope included procurement and installation of IT hardware in large numbers by the vendor. The RFP published did not detail about the pre-delivery inspection. Also, the department did not have any plan at initial stages to manage the inspection and testing. There was no clarity and understanding on how this had to be undertaken. Initially, the department decided to go ahead with STQC but later it was decided to go for an RFP. All this not only created confusion between the stakeholders but also it delayed the entire project.

**Key Learning and Recommendations:** In case of projects of similar nature, customers should include pre-delivery inspection details as part of the RFP. The customer must ensure that the activities associated with the project are completed on or before the project rollout and vendor selection.

**C.2 ISSUE Description:** Department did not consider preparing a detailed project report in addition to the RFP to define scope, activities and process flows. This resulted in delay and gaps during the project planning and implementation phase.

**Key Learning and Recommendations:** It is advisable for the customer to prepare a detailed project report with information about the proposed project. The DPR should cover all aspects of the project including milestones, dependencies, risks, process flows, prerequisites etc. and should be used as base document for preparation of RFP and other project documents.
D. Poor Communication and Coordination

D.1 ISSUE DESCRIPTION: The revamp project got delayed by almost a year due to administrative backlogs and legal complications by almost a year. This affected the project milestones and expected procurement and installation plans by the vendor. But when the backlogs were cleared and work order was issued, the vendor was unable to deliver on time due to non-supply of hardware and furniture equipment by the associated sub vendors and OEMs.

KEY LEARNING AND RECOMMENDATIONS: For the vendor, it is utmost important to ensure that its supply chain management is intact. In such scenarios where the vendor anticipates a delay in delivery of products, there is strong need to prepare a contingency plan and establish communication and follow-up channels with suppliers. This will keep the suppliers in confidence and the vendor will also be aware of their delivery schedule and can plan the installations accordingly.

**Mapping Issues to Transition Phases:**

<table>
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<th>Issue #</th>
<th>Transition Phases</th>
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<th>DD</th>
<th>SC</th>
<th>IT</th>
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<td>X</td>
<td>X</td>
<td>X</td>
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<td>X</td>
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"75% of Issues can be attributed to first two phases. This makes it imperative to understand that highest level of sponsorship and review is required during the initial phases of transition “
7 Key Lessons

The KAVERI revamp project was a massive project affecting the daily operations of department across its 282 offices in state. Though the project faced some impediments during its planning and implementation but overall the project was a success as a result of critical processes followed by department and vendors during the implementation phase to overcome the gaps posed from planning or pre-planning phase. Below are few best practices and critical success factors:

1. Effective Communication Strategy:

   The department realized it very early that it is important to develop an effective communication channel with vendors and department officials located remotely. Social messaging tool “WhatsApp” was introduced to officials and groups and sub groups were formed to communicate real time. Not only did the individuals communicate their issues and concerns but also all urgent communications including meeting notifications were shared over the tool. This improved response time, increased accountability and sense of ownership among individuals. The trust quotient also improved between stakeholders.

2. Continuous follow-ups and monitoring:

   Considering the project size, it was important to effectively and timely monitor the progress and follow-up with stakeholders on a regular basis to understand and accordingly remove the bottlenecks:

   a. A monitoring strategy was put in place and detailed milestones chart was prepared and mapped with SLAs.
   
   b. Daily status meetings were conducted to follow-up and weed out the bottlenecks.
   
   c. Detailed MIS reports were prepared to track daily status change.
   
   d. Escalation strategy was formalized to timely escalate the issues to concerned senior management from vendors. All SLA breaches were formally documented and communicated.

   All these measures helped in near real time analysis of project and in avoiding some of the major impending hurdles.

3. Flexibility and Trust:

   In government setup, decision making and approval process is time consuming and requires adequate paper work. While running large projects like this with tight deadlines, it was important to understand this factor and take it into account. Both the new and existing vendors were flexible in delivering services and at instances, they went beyond the contract scope to ensure successful roll out of the project. The department too was flexible and certain stringent criteria were relaxed post approval.
4. **Resource retention:**

KAVERI is a manpower intensive project with over 1000 technical resources from vendor working for the department. Many of these resources were working with the department for over 5 years and were a knowledge asset with deep understanding of department functioning and legalities. Also, there was a risk to data security and of operational disruption if these resources had to be replaced/removed. Therefore with mutual consent from new vendor it was decided to organize a ‘Job Mela’ for hiring of resources and preference was given to existing resources with the intent to retain majority of resources provided they met the eligibility criteria. This not only avoided the risks posed but also resulted in healthier transition and handover.

5. **Capacity Building:**

Department of Stamps and Registration is one of the very few citizen facing departments which is so closely governed by Acts and Rules. Thus, it is very important for the individuals working in the department to understand the basic nuances of its functioning. Also, it is important for them to understand department’s goals, its vision, and high level organization structure to align themselves with department ideologies. With this in mind, training sessions were conducted for all new resources to make them understand about department. Following were the key areas covered during the training

a. Department and Services Overview
b. Organization and reporting structure
c. KAVERI background and current state
d. Future roadmap
e. Your role and expectations of the department
f. Code of conduct
g. Sessions by senior department officials
h. Sessions by incumbent vendor to explain the ground level challenges.

These sessions not only gave them confidence to work more closely with the department but also eased their induction within the department. Simultaneously, awareness sessions were conducted by the new vendor for department officials on following areas -

a. Organization overview
b. Technical strengths
c. Functional tools
d. Project charter and plan

*Manpower and reporting structure:* The department changed the login credentials for all
active users to ensure reinforcement by technical hardware executives and bring in accountability and maintain data security.

**Conclusion**

Switching vendors is a reality in today’s era of outsourcing and therefore it deems fit that, sooner customers and vendors take cognizance of this fact and prepare to tackle it, the better.

Customers need to understand the different risks that can affect their business as a result of inefficient vendor switching. The customer must also decide on the best approach that needs to be taken to go about the transition. This decision must take into consideration the strategic importance of the functions in balance and the extent of cooperation that can be expected between the customer, the incumbent vendor and the new vendor.

The new vendor has a key role to play in the entire process – right from helping the customer in exiting the relation with the incumbent to forming the new contract. The new vendor also has the responsibility of helping capture the knowhow from the incumbent, using the best practices for the same.

Customers need to understand that switching vendors is not an easy task; it is daunting and tiresome. But at the same time, they must realize that it is not an impossible task. With proper planning and analysis, and backed by a strong vendor, the customer can certainly exit from an engagement with the incumbent and partner with the new vendor with no impact on the business or services.
8 Case methodology adopted

The case adopted a two level methodology for data and information collection. At the primary level, department and project information and facts were collected from department official website (karunadu.gov.in/karigr) and department journals. The secondary level information was gathered through primary research by interviewing project stakeholders and conducting brainstorming sessions. The authors, being a part of the project, have also contributed their own first-hand experience on various issues.

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