

A vertical sidebar on the left side of the page, featuring a blue background with a white grid pattern. It contains a list of content items, each preceded by a small yellow square bullet point. The word 'Content' is written in large white letters at the top of the sidebar.

## Content

- Advantages of Captive Centers
- Initial Captive Center Start Up Process
- Project and Program Management
- Local Recruiting Process
- Retention and Training Programs
- Facilities and Infrastructure
- About Ukraine, and The City of Kharkov
- Looking for Strategic Partner?

# Building Captive Centers in Ukraine:

## Advantages of Strategic Outsourcing

**Captive Centers play an essential role in offshore outsourcing. Understandably, many companies use captive centers to preserve control and protect intellectual property. At a large scale of operation and with a clear and professional management approach, Captive Centers also provide a cost effective alternative to the price charged by vendors.**

---

## Advantages of Captive Centers

From a business stand point, Captive Centers are wholly owned entities that provide services principally to a parent organization. Captive Centers provide a controlled environment that minimizes the security risks to both valuable intellectual property and to confidential information. This also allows parent organizations to retain ownership of any new intellectual property generated in the offshore location.

Understanding that Captive Centers need a long-term engagement strategy, it is beneficial that they offer the flexibility to adapt services and processes to any changes in the business environment. After setting up the infrastructure and management processes, Captive Centers provide benefits for easier monitoring and control over the operations as compared to third parties or vendor relationships.

## Our management services include:

- Talent Recruitment
- Human Resources
- Accounting and Finance
- Legal and Risk Management
- Real Estate Infrastructure
- IT and Communications
- Project Management
- Training and Education
- Consulting
- Customized Services Tailored to Your Company's Needs

**It is very important for the parent organization to view this incubation period as an investment that will provide long-term benefits.**

The risks associated with moving offshore are reduced as a result of the parent organization retaining a greater degree of control over operations. Also, the risks of regulatory barriers for the parent company are mitigated when processing is outsourced and moved offshore since the Captive Centers are fully owned by the parent organization.

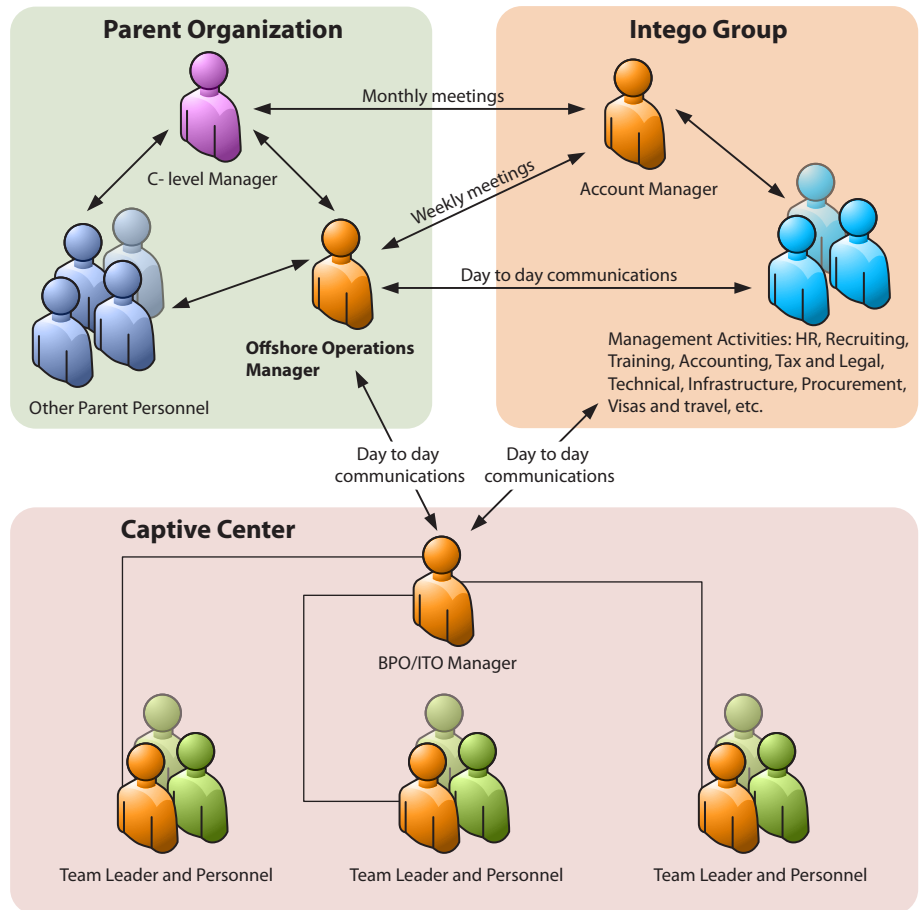
An important – perhaps the most important – element of building the Captive Center, is to put into place the mechanisms for ongoing governance of the Captive. The Intego Group team has the experience and the expertise in running Captive Centers.

## Initial Captive Center Start Up Process

From our experience, the incubation period of a Captive Center takes from 3 to 12 months, depending on the complexity of the engagement. During this period we develop the core team, setup communication between the parent organization and its' Captive, setup ongoing recruitment programs and implement a full cycle of knowledge base setup. Productivity levels will gradually increase during the incubation process. It is very important for the parent organization to view this incubation period as an investment that will provide long-term benefits.

Captive setup begins with the recruitment of the core team members. It is extremely important to perform the knowledge exchange during the initial setup stage that usually lasts from 2 weeks to 3 months. This stage requires frequent visits between the parent company and its Captive. Sometimes, employees of the Captive need to spend an extended period of training time (2-3 months) on the parent side to become familiar with parent company processes. On the other hand, the principal part of the core team needs to stay on the Captive's side to support the knowledge base setup for the rest of the team.

The Captive Center Model requires a higher level of engagement from the parent organization as compared to third party vendor relationships. The best way to make the incubation process successful is to assign an Offshore Operations Manager on the parent side to be in charge of the ongoing governance of the Captive Center in order to mitigate risks during the engagement process (See Figure 1). The Intego Group management team will perform all back office management activities and act as the liaison between the parent organization and Captive. Intego Group will not interfere in the processes that the parent company establishes; instead it will help make the engagement more successful by coaching both sides on best practices.



**Figure 1.**  
Communication Structure between Parent organization and Captive Center

When the incubation period is complete, the Intego team will be able to recruit team members on a permanent basis. In order to support the knowledge base setup process, the Captive will have its own methodology and different optimization models in place to utilize new hires as quickly as possible. Intego Group does not recommend hiring more than 10 employees per month because of the risks associated with not bringing new hires up to speed in a timely manner.

## Project and Program Management

The success in achieving ROI by going offshore lies not in harnessing technological competence, but in the successful planning and execution of global project and program management.

Dedicated and experienced Captive Center program managers ensure that customers receive metrics-based performance tracking, proactive internal communication, and thorough knowledge transfer. Careful planning, monitoring, and reporting ensure that measurable cost savings are achieved, not just low hourly rates.

**Imperatives of Offshore Program Management are:**

- Bridging the cultural gap between the working team and international stakeholders
- The communication and connection between teams, expectations and delivery
- Smoothing the process of offshore-onsite delivery models
- Building mutual confidence through trust

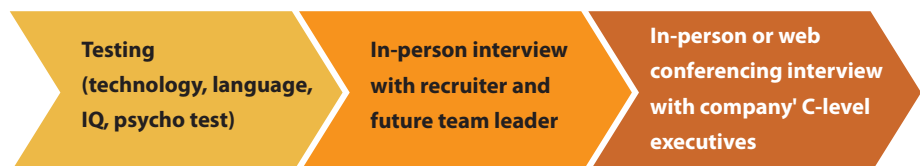
**Key features of Captive Center:**

- Scalability
- Long-term Cost Avoidance
- Knowledge Retention
- Productivity and Quality
- Long-term Risk Avoidance

We provide a dedicated Project Manager, Program Managers or a Project/Program Management Office [PMO] built to suit your requirements and help you more effectively deal with offshore projects, especially when there are multiple projects going on offshore.

## Local Recruiting Process

Intego Group has implemented a solid recruiting process based on best practices and experience, which includes testing, interviewing and employee orientation. Our corporate recruiting process suggests having at least 3 candidates for one open position, but frequently we consider up to 10 applicants depending on the job type. The recruiting process consists of 3 major steps (See Figure 2): on-site testing (technical, language, IQ), an in-person interview with a recruiter and future team leader, and in-person interview with a C-level executive.



**Figure 2.** Recruiting Lifecycle

**The Intego Group Management Training Program includes trainings provided by Project Management Institute**

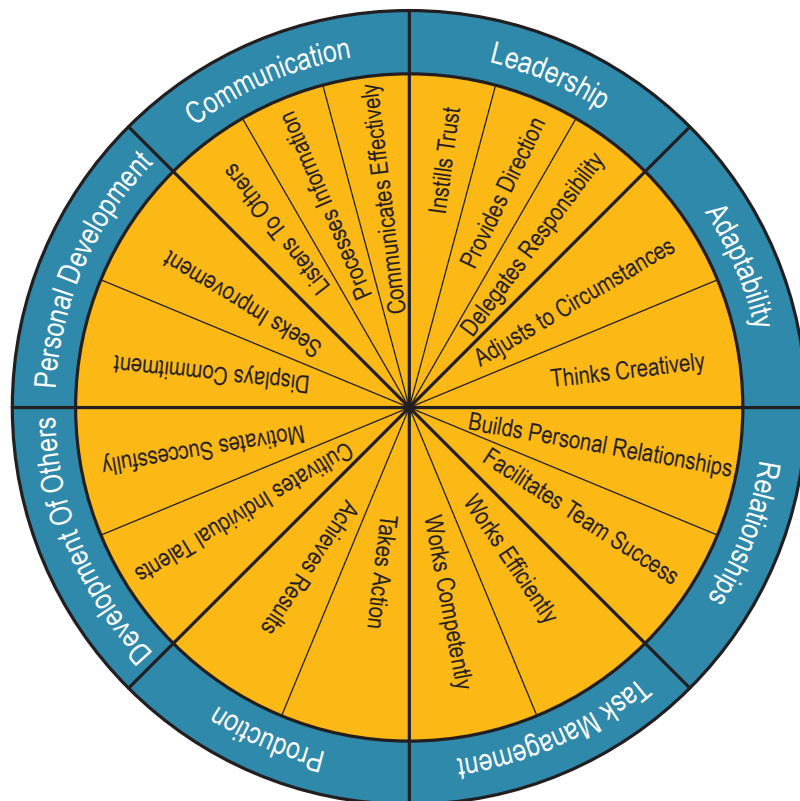


Our collaboration with local educational institutions gives us the unique opportunity to implement our own Workforce Development Program, which considers the preparation of needed resources “on-the-fly”, if such a necessity should arise.

## Retention and Training Programs

We have developed a companywide retention program, which includes imperative personnel performance appraisals, career path determination, social benefits programs, internal and external trainings, sport programs, etc.

Every employee, regardless of their position, receives an evaluation every 6 months. This includes an appraisal from a supervisor/manager, and a 360 degree evaluation (See Figure 3). This helps us define each team member’s strengths and weaknesses, and develop a plan for improvement. Additionally, these evaluations serve as basis for future promotions.



**Figure 3.** 360 degree Competency Evaluation

---

We place great emphasis on extended English language courses. We have an agreement with a world-renowned English language training school that offers a wide range of educational programs for different skill levels. They assist us in improving employee's pronunciation, as well as with an extended business vocabulary.

If an employee requires additional training, we have a training coordinator on staff that is responsible for finding and arranging training courses for all Intego Group employees.

---

## Facilities and Infrastructure

Our offices, all in the USA, EU and Ukraine, are equipped with all the necessary facilities and infrastructure for deploying state-of-the-art software development projects, as well as various BPO centers. In our facility in Ukraine, we have installed two fiber optics channels with a cumulate bandwidth of 50 MB/s and ADSL backup lines, which are connected to 5 roots out of the country. Our offices are powered from three independent electrical sources, and the server center is additionally backed up with UPS's and generators.

Our facilities include business and recreation areas that are endowed with a restricted access security system that supports personalized access swipe cards. We additionally provide and ensure a 24/7 security watch.

Our offices, in the USA, EU and Ukraine, are equipped with a high-end VoIP system, allowing us a quality phone connection, including linkup with any US area code or 1-800 phone number, and the ability to install an IVR system if needed.

In our daily operations we use prominent CRM systems that are customizable according to project needs. Also, our IT department has invaluable development experience in building our own CRM system.

## About Ukraine, and The City of Kharkov

Ukraine has a heritage of a large population of highly trained scientists and engineers, a legacy of the USSR's science-oriented education system. Despite the economic losses and drawbacks that Ukraine experienced during the 1990s, it still possesses one of the world's leading scientific and technical systems. Ukraine continues to place significant emphasis on science and mathematics in their tertiary education, which is of special consideration since mathematical competence has a significant impact on algorithmically advanced software engineering.

Ukraine's large scientific and technological capital and impressive technology resources are based on the country's education system that comprises approximately 966 institutions of higher learning. About 87% of high school graduates are going on to higher education. This amounts to 1.3 million students who study at 347 universities. According to UNESCO, Ukraine has more students per 10,000 people (249) than Japan (240) or Great Britain (220).



**Outsourcing to Ukraine can be a reality for your company. Despite what you might have heard, Ukraine is an ideal outsourcing location.**

### The following points can help dispel any misgivings you might have.

- Ukraine has approximately 1% of the world's population, but 6% of the world's physicists, chemists, mathematicians, biologists, computer programmers and other highly trained professionals
- Ukraine was the most technically developed republic of the former USSR
- Ukraine has gained all traditions of a quality IT education
- Ukraine is recognized worldwide as a reliable hi-tech outsourcing country
- Most Ukrainian IT professionals speak fluent English
- Ukraine labor costs are several times lower than in the USA or in the EU
- Ukraine enjoys a European culture, traditions and way of thinking
- Ukraine is a stable, peaceful state

---

The city of Kharkov is one of the largest science and cultural centers in Ukraine. There are more than 180 science-oriented organizations, 60 of which are scientific research institutes, and more than 170 educational centers, 92 of which are rated among the highest educational institutions.

There are many reasons why Kharkov deserves deference and attention. Among them are its eventful history, its rapid economic development, its rise to the cutting edge of advanced science in the 21st century, and its bright and manifold cultural life.

These days there are 92 colleges and universities (both state funded and private) that are working in the Kharkov region educating almost 300,000 students on 360 specialties, including 8,839 foreign students from 96 countries. More than half of these educational institutions are technically oriented, and most of them give basic or extended knowledge in the IT sphere.

Every year more than 30,000 students graduate from universities – many of them cum laude. This is where our future employees come from! Intego Group consistently works with leading universities to select the best students during their senior year.

---

## Looking for Strategic Partner?

**Our Intego Group engagement methodology, management standards, and best practices implementation make our company a true leader in the Eastern European outsourcing market!**

If you are looking for a Strategic Partner, we can assure you that the current global market dynamics make Ukraine a perfect alternative to India in providing a vast array of offshore outsourcing solutions. This industry has existed for more than 15 years, and has now reached the capacity to serve as heavy competition to well-known offshore centers such as India, the Philippines, and China. Among all Ukrainian cities, Kharkov historically has the best technical and human resource potential for high-tech offshore industry enhancement and now serves as a leader in this area.



Bridging <sup>the</sup>  
Gap

**Captive Offshore Delivery Centers are setup by global companies to achieve :**

- Full Control on Operations and Governance
- Lowest Operational Cost Based on Scale of Operations
- Desired Quality as Per Your Own Global Standards
- Long-term Growth Plans
- Own Human Capital Pool

## USA

Intego Group, LLC  
1800 Pembroke Dr., Suite 300  
Orlando, Florida 32810  
Phone: +1 407 965 3005

[www.intego-group.com](http://www.intego-group.com)

## Germany

Intego Group, LLC  
Schwanort 2, D-24256  
Schlesien/Kiel, Germany  
Phone: +49 4303 928341

## Ukraine

Intego Group, Ltd  
43/2 Gagarin Prospect  
Kharkov 61001, Ukraine  
Phone: +38 057 760 2303