



Resource Augmentation

Nice to have or a  
strategic imperative?



A TECH MAHINDRA COMPANY

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# Understanding Resource Augmentation

Resource augmentation involves enhancing existing resources or adding new ones to improve performance and achieve organisational objectives.

These resources may include workforce, technology, infrastructure, or expertise. The primary aim is to bridge gaps in capacity, skills, or resources to meet specific requirements or overcome challenges.

A recent report on staff augmentation services indicates that the market will register increased spending of about

**\$81.87 billion,**  
at a **CAGR of 3.53%** during the five-year forecast period.

(Source: Spendedge)<sup>1</sup>

While resource augmentation may initially be seen as a convenient option for managing short term needs or filling skills gaps, it can also be a strategic imperative for organisations looking to stay competitive, agile, and focused on their core objectives.



When implemented strategically, resource augmentation can become an integral part of an organisation’s optimisation strategy, contributing to long term success and sustainability.

Both sides of the same coin

Nice to have	Strategic imperative
<p><b>Flexibility:</b> Resource augmentation provides organisations with the flexibility to quickly scale their workforce up or down as needed, making it a convenient option for managing short-term projects or temporary spikes in workload.</p>	<p><b>Competitive Advantage:</b> In today’s rapidly changing business landscape, having access to the right talent at the right time can be a critical factor in maintaining a competitive edge. Resource augmentation allows organisations to quickly adapt to market demands, innovate, and seize new opportunities.</p>
<p><b>Access to Specialised Skills:</b> It allows organisations to access specialised expertise that may not be available internally on a full-time basis, enabling them to fill skill gaps and address specific project requirements without the need for extensive hiring or training.</p>	<p><b>Agility and Resilience:</b> Resource augmentation enhances organisational agility and resilience by providing the ability to scale resources up or down in response to market fluctuations, changes in project requirements, or unexpected disruptions. This agility is crucial for organisations to stay responsive and adaptable in a dynamic environment.</p>
<p><b>Cost Control:</b> By utilising augmented resources on an as-needed basis, organisations can potentially save on overhead costs associated with hiring full-time employees, such as salaries, benefits, and training expenses.</p>	<p><b>Focus on Core Competencies:</b> By outsourcing non-core functions or tasks to augmented resources, organisations can free up internal resources to focus on core competencies and strategic initiatives that drive business growth and innovation. This strategic focus enables organisations to allocate their resources more efficiently and effectively.</p>





# It's not just for the top firms: Resource Augmentation can benefit business of all shapes and sizes

## ✓ **Small and Medium Enterprises (SMEs)**

SMEs may not have the resources or budget to hire full-time employees for every skill set they need. Resource augmentation allows them to access specialised expertise on a temporary or as-needed basis without the long-term commitment or overhead costs associated with traditional hiring.

## ✓ **Large Enterprises**

Even large enterprises can benefit from resource augmentation, especially when facing short-term projects or spikes in workload that require additional resources. Augmenting their existing teams with specialised skills can help them meet project deadlines and maintain productivity without overburdening their internal staff.

✓ **Companies with seasonal or cyclical demands**

Businesses that experience seasonal or cyclical fluctuations in demand may find resource augmentation particularly valuable. They can scale their workforce up or down as needed to accommodate peak periods or manage fluctuations in workload without the financial burden of maintaining a full-time staff year-round.

✓ **Companies expanding into new markets or initiatives**

Businesses expanding into new markets or launching new initiatives may need to quickly ramp up their capabilities to support growth and innovation. Resource augmentation enables them to access the skills and resources necessary to enter new markets, develop new products, or implement strategic initiatives without delaying timelines or overextending their internal teams.

✓ **Organisations undertaking special projects**

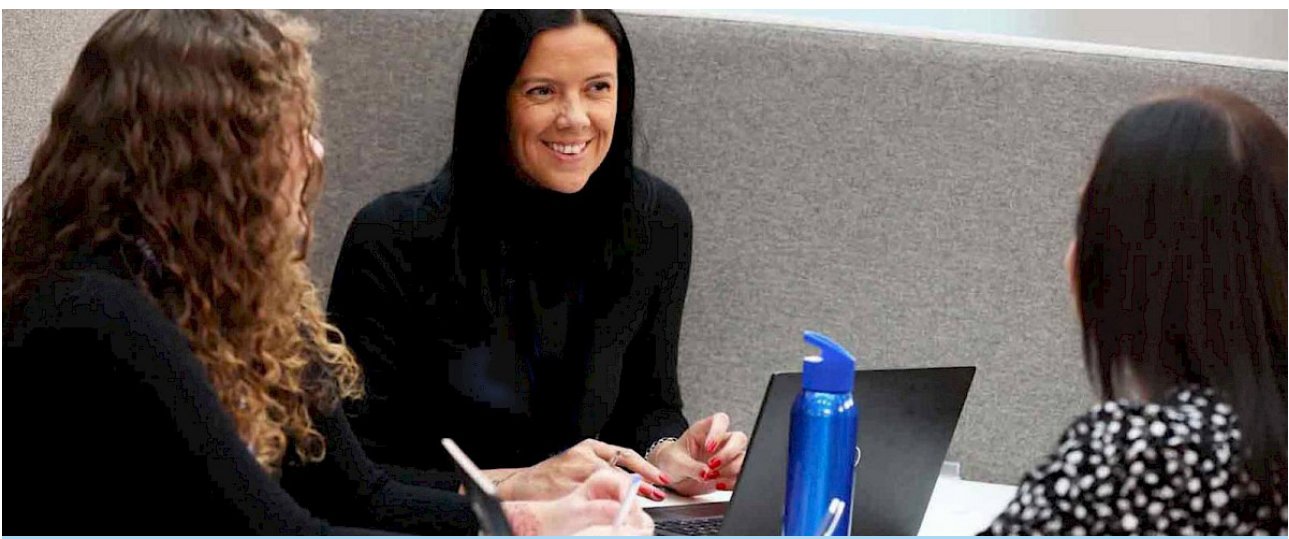
Companies embarking on special projects, such as software development, mergers and acquisitions, or process improvements, may require specific expertise or resources that are not available internally. Resource augmentation allows them to bring in experts or specialised teams to complement their existing capabilities and ensure project success.

✓ **Industries with rapid technological advancement**

Industries experiencing rapid technological advancements, such as IT, healthcare, or FinTech, often face challenges in keeping pace with evolving trends and skills. Resource augmentation allows companies in these industries to access specialised expertise in emerging technologies, software development, data analytics, and cybersecurity, among others, to stay competitive and innovative.

✓ **Startups**

Startups often operate with limited resources and need to be agile in responding to market demands and scaling their operations. Resource augmentation allows startups to access expertise in areas such as product development, marketing, or technology without the need to hire full-time employees or invest in extensive training.



It's not the **BIG** that eat  
the **SMALL**...it's the **FAST**  
that eat the **SLOW**.

(Source: Jason Jennings and Laurence Haughton)

# There's still a global war raging for talent

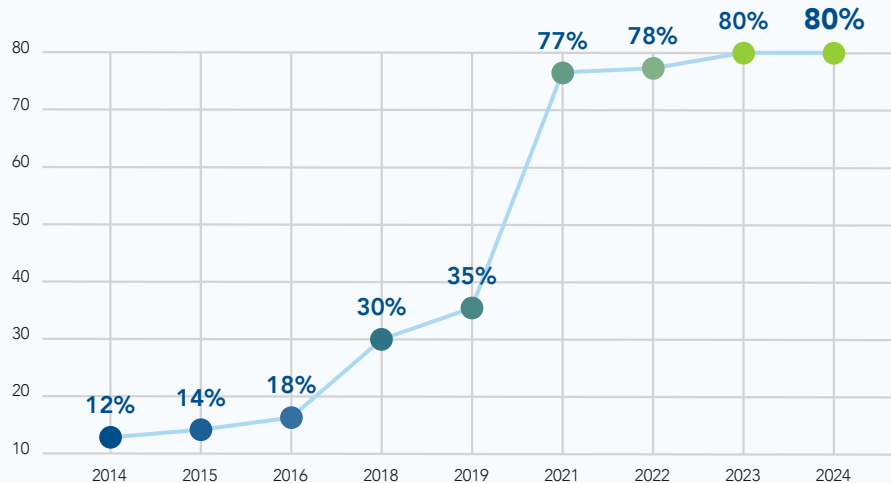
According to Manpower, 80% of UK employers are struggling to find the talent they need. This rises to 83% in the financial services industry.

Medium-sized enterprises feeling the biggest pinch.

**IT & Data skills** are the most challenging to find, regardless of industry and geography.

(Source: Manpower | UK Talent Shortage 2024)<sup>2</sup>

## 80% of UK employers report difficulty in filling roles



### Talent shortage over time

The annual Talent Shortage Survey was not conducted in 2017 and 2020.

(Source: Manpower Group | UK Talent Shortage 2024)<sup>3</sup>

The swift progress in technology, along with the shift to remote and hybrid work due to the pandemic, has greatly influenced the worldwide talent pool. These changes, combined with the intensifying competition for skilled workers, result in a noticeable scarcity of qualified professionals despite a growing need for diverse skill sets.



"As we transition into 2024, the confluence of technological evolution and globalisation is poised to intensify the war for talent further.

The **demand for skilled professionals** in emerging and advancing fields like Artificial Intelligence, Cybersecurity, and Data Analytics **is soaring at an unprecedented rate.**"

(Source: Berkley Group | Navigating the war for talent - a comprehensive outlook for 2024)<sup>4</sup>



It's crucial to adopt new approaches in acquiring and managing talent to stay ahead of the curve – Resource Augmentation could be just the key.

✓ **Reduced overhead costs**

By utilising augmented resources, companies can avoid the overhead costs associated with hiring full-time employees, such as salaries, benefits, office space, and equipment.

✓ **Cost-effective scaling**

Companies can scale their workforce up or down based on project demands without incurring the fixed costs of maintaining a permanent staff. This flexibility allows for more efficient resource allocation and cost management.

✓ **Access to specialised skills**

Instead of investing in training or hiring new employees with specialised skills, companies can quickly access the expertise they need through resource augmentation. This can lead to cost savings by avoiding the time and expenses associated with skill development or recruitment.

✓ **Increased efficiency**

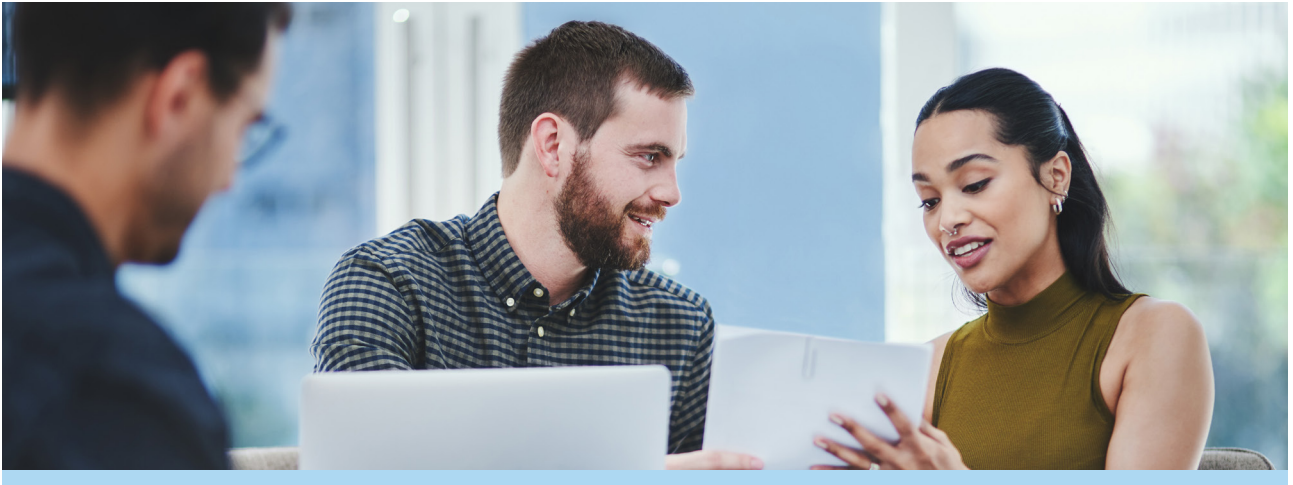
Augmented resources can bring fresh perspectives and efficiency improvements to projects, potentially leading to cost savings through optimised processes and workflows.

✓ **Reduced recruitment costs**

Recruiting and hiring full-time employees can be time-consuming and expensive. Resource augmentation offers a faster and more cost-effective alternative, allowing companies to quickly fill skill gaps without the need for extensive recruitment efforts.

✓ **Minimised long-term commitments**

Engaging augmented resources typically involves shorter-term contracts or project-based engagements, reducing the long-term financial commitments associated with hiring permanent staff. This can be particularly advantageous for companies operating in dynamic or uncertain markets.



# Key drivers for Resource Augmentation

## Customer experience

Driving the best outcome for customers

## Cost

Increasing pressure to improve margins and remain competitive

## Conduct

Remaining compliant in an ever-changing regulatory landscape

## Capability

Gaining access to increased technological and operational capabilities to drive diversification and competitive advantage

## Sound familiar?

With a growing number of market forces impacting the industry, can enterprises afford not to consider Resource Augmentation to deliver on their strategic objectives?

Utilising a provider with the right industry knowledge, expertise, and resources could save you a lot of time and money in the long term and provide a valuable return on investment.

And, it doesn't need to be an all-or-nothing approach. Partial Resource Augmentation to complement your internal capability is an equally viable and valuable option.

**Nearly 90% of companies contract a third-party solution provider to help with at least one component of their digital transformation.**

(Source: Accenture Research)<sup>5</sup>

# Fuelling innovation : How Resource Augmentation can ignite market disruption

To truly disrupt, you need access to world class experts across a huge variety of disciplines, technologies, and industries.

- ✓ UX/CX
- ✓ Risk and Regulation
- ✓ Machine Learning
- ✓ Data Science
- ✓ Cloud
- ✓ Artificial Intelligence
- ✓ Open Banking
- ✓ RPA / Automation

Resource Augmentation can give you access to new technology and resources across multiple geographies and horizontals. Allowing you to carry over those learnings into UK Financial Services. Many want to emulate the Amazon user experience in their own industries.

## Geographies

USA	IND
CANADA	MEA
UK/EUR	ASEAN
ANZ	

## Horizontals

Retail	Utilities
Hospitality	
Manufacturing	
Finance	

An innovative partner can challenge conventional thinking, deploying emerging technologies to everyday challenges.

**Resource Augmentation gives you the ability to harness this fundamental capability to deliver large scale complex solutions. But also, the freedom to focus on core in-house activity or pivot to new areas of focus. Like product manufacture.**



# Fuelling financial excellence: The strategic power of Resource Augmentation

The UK finance sector stands at the intersection of traditional excellence and contemporary challenges. Amidst the evolving regulatory landscape, technological disruptions, and global economic shifts, the imperative for resource augmentation becomes increasingly pronounced.

It plays a pivotal role in ensuring competitiveness, resilience, and sustainable growth.

## The competitive landscape

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With emerging FinTech startups disrupting traditional banking models and global financial institutions vying for market share, the ability to augment resources emerges as a critical differentiator. By leveraging augmented resources, financial institutions can enhance agility, responsiveness, and innovation, thereby fortifying their competitive position in the market.

## Talent acquisition and development

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In an era defined by digital transformation and evolving customer expectations, the demand for skilled professionals with expertise in data analytics, artificial intelligence, and cybersecurity is escalating. Through strategic talent acquisition and development initiatives, financial institutions can cultivate a workforce equipped to navigate the complexities of the digital age, driving innovation and sustainable growth.



## Technological integration

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By harnessing the power of emerging technologies such as blockchain, machine learning, and robotic process automation, financial institutions can streamline operations, enhance risk management capabilities, and deliver personalised customer experiences. Through strategic investments in technology infrastructure and partnerships with innovative solution providers, financial institutions can augment their technological capabilities, driving efficiency and agility.

## Regulatory compliance and risk management

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Resource augmentation plays a pivotal role in strengthening compliance frameworks, enhancing risk management capabilities, and fostering a culture of regulatory excellence. Through investments in regulatory technology (RegTech) solutions, financial institutions can automate compliance processes, mitigate regulatory risks, and ensure adherence to evolving regulatory requirements. By augmenting resources dedicated to regulatory compliance and risk management, financial institutions can safeguard their reputation, mitigate legal liabilities, and foster trust among stakeholders.

By harnessing the power of augmented resources, financial institutions can navigate regulatory complexities, drive technological innovation, and foster sustainable growth. Through strategic investments in talent acquisition, technological integration, and sustainable growth strategies, the UK finance sector can fortify its position as a global financial powerhouse, driving economic prosperity and resilience in an increasingly interconnected world.

## Sustainable growth strategies

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By aligning business objectives with environmental, social, and governance (ESG) considerations, financial institutions can drive long-term value creation while mitigating systemic risks. Through investments in sustainable finance initiatives, renewable energy projects, and community development programs, financial institutions can harness the power of augmented resources to catalyse positive social and environmental impact, thereby fostering inclusive growth and resilience.

## Global competitiveness and economic prosperity

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Resource augmentation emerges as a linchpin for enhancing global competitiveness and driving economic prosperity. By leveraging augmented resources to expand international market presence, forge strategic partnerships, and capitalise on emerging growth opportunities, financial institutions can solidify the UK's position as a global financial hub. Through a concerted focus on talent development, technological innovation, and sustainable growth, the UK finance sector can unlock new avenues for value creation, spurring economic growth, and fostering financial resilience.



# A seamless extension of your in-house team

Target Tech Mahindra combines Target's deep domain expertise in regulated financial services, with Tech Mahindra's transformation, innovation, and customer experience knowledge in and out of sector. Giving you a one partner vendor solution that brings together best-in-class expertise.

Our team of experts will work with you to understand your complexities, unique customer needs, and key strategic goals. Only then will we start to explore the right solutions to help you unlock your potential.

**Get in touch today to begin the conversation.**

## A strategic partnership can give you:

- ✓ **Access to specialised expertise.** Allowing you to tap into a diverse talent pool
- ✓ **Access to innovation.** Infusing cutting-edge innovation into your daily operations
- ✓ **Flexibility and scalability.** Allowing you to scale up or down to meet demand.
- ✓ **Cost efficiency.** Helping you to optimise cost structures based on demand
- ✓ **Risk insights.** Access to a team of specialists well-versed in compliance and risk management
- ✓ **Speed to market.** Helping you expedite delivery of products and services
- ✓ **Global reach.** Through our access to exceptional international resources.

## Sources

For more detailed information click on the links below.

- |   |   |   |   |
|---|---|---|---|
| 1 | Spendege   Staff Augmentation Services Procurement - Sourcing and Intelligence Report on Price Trends and Spend & Growth Analysis | 4 | Berkley Group   Navigating the war for talent - a comprehensive outlook for 2024  |
| 2 | Manpower UK   UK Talent Shortage 2024   | 5 | Accenture Research   Improving Customer Experience is Top Business Priority for Companies Pursuing Digital Transformation, According to Accenture Study |
| 3 | Manpower Group   UK Talent Shortage 2024 Infographic  |   |   |



### Amy Morgan, Senior Leader at Target Group

Amy has 15 years' experience across operations and communications in business process servicing and outsourcing. She brings extensive knowledge and understanding of the sector with a specific focus on financial services.



### Gautham Surampudi, Director of Strategic Initiatives at Target Group

Gautham drives transformative value for clients by leveraging joint capabilities with Tech Mahindra. With expertise in BFSI and global partnerships, he excels in solution development and integration for large-scale projects. Experienced in project management, digital transformation, and service design, Gautham ensures client-focused, market-leading solutions.



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