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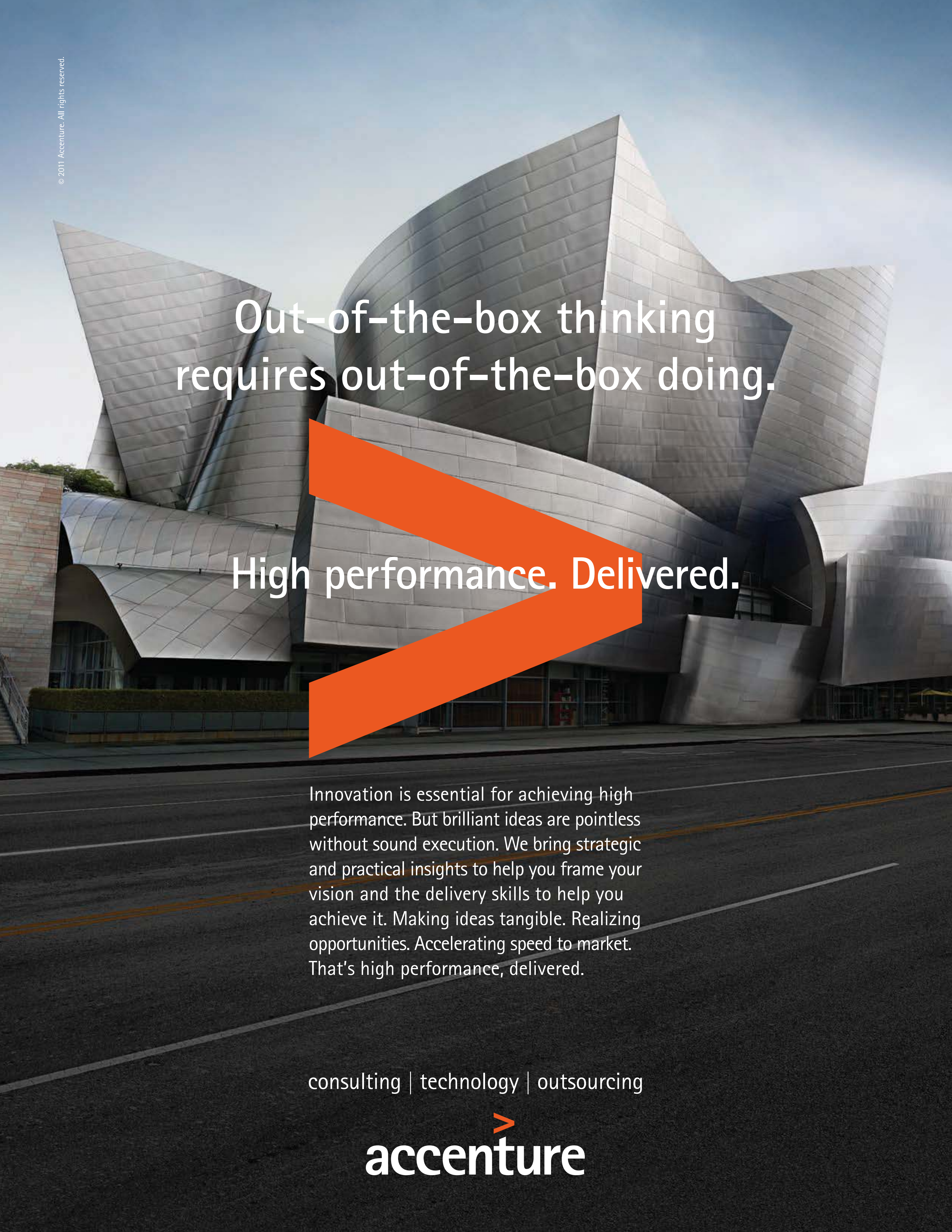
THE MAGAZINE DRIVEN BY & FOR THE OUTSOURCING PROFESSIONAL

PULSE

THE 2013 OUTSOURCING WORLD SUMMIT ISSUE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THE MAGAZINE DRIVEN BY & FOR THE OUTSOURCING PROFESSIONAL

PULSE

THE 2013 OUTSOURCING WORLD SUMMIT EDITION

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REGULAR FEATURES

PULSE FLASH BACK

Message from the Chairman

THE 2013 OUTSOURCING WORLD SUMMIT ISSUE

Leadership: What it Takes to Reach the Summit

Political, economic and social turmoil seem to have become the "new normal."

The Arab Spring gives way to more violence than we've seen in much of our lifetimes. The Euro's future and even the survival of some of the continent's major economies is uncertain. China's rapid growth makes it the target of cries of foul while, at the same time, markets drop every time there's even a hint of its slowdown. And, the U.S. spends north of $6 billion dollars over an 18-month election cycle to end up where? Pretty much exactly where it started.

So, how can we be doing so much but accomplishing so little? What are we missing? In a word, leadership.

Commenting on leadership, American President John Quincy Adams wrote, "If your actions inspire others to dream more, learn more, do more and become more, you are a leader."

Having been involved in outsourcing since its inception and having had the pleasure to be a small part of its development over the past 20-plus years, I believe this is exactly the kind of leadership that has been the hallmark of our profession, our industry, our association, and our premiere event, The Outsourcing World Summit® – now in its 16th year.

Let's face it, outsourcing has never been 'popular.' Those of you who have led these kinds of fundamental transformations of business know this all too well. After all, what executive wants to let go of the sense of security inherent in the command and control structure of the traditional organization? What manager wants to give up the perceived stability of their current job to take one with an outsourcing service provider that has to reinvent itself everyday just to stay in business? And, worst of all, who wants to be the target of political ads that equate outsourcing to being un-American, un-British or un-French? Even in India, a country that embraces 'offshoring' like no other, its own domestic industries and unions fight against 'outsourcing' at every turn.

American President John Quincy Adams wrote, "If your actions inspire others to dream more, learn more, do more and become more, you are a leader."

So, why do we do it? Quite simply, because we know that we are leading our organizations to new heights of productivity, creativity and competitiveness. We know that in the end the work is going where it creates the greatest economic benefits. We know that individuals working for outsourcing service providers have unlimited career opportunities. And, we know that as these benefits accumulate everyone wins – customers, employees and shareholders – alike.

But, getting there takes leadership. And, that's why you're here at The 2013 Outsourcing World Summit: to meet and learn from other leaders in our field; to become better at what you do; to accelerate, not just protect, the advances you've made at your organization; and to celebrate the accomplishments of your fellow professionals and to be inspired by them.

As an added bonus, I encourage you to read this special Summit issue of PULSE, share it with colleagues and save it for future reference. We're bringing you the event highlights that you don't want to miss in Phoenix in our cover story on "Best of the Summit." You'll hear from one of the industry's great leaders – Mike Salvino, Group Chief Executive, Business Process Outsourcing of Accenture, in our "View from the C-Suite." You'll get the latest insights into what's happening with outsourcing in Europe and how you, as outsourcing professionals, can help to drive the Eurozone forward. And, you'll learn how to take advantage of IAOP's Advanced Certified Outsourcing Professional® program to both improve your skills and build the credibility that is so important to getting others to follow.

John F. Kennedy said, "Leadership and learning are indispensable to each other." I hope that you will continue to leverage your fellow professionals to do both.

MIKE CORBETT
CHAIRMAN, IAOP

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PUBLISHER
IAOP
Debi Hamill, CEO

EDITOR-IN-CHIEF
Sandy Frinton
sandy.frinton@iaop.org

MANAGING EDITOR
Jag Dalal, COP
jag.dalal@iaop.org

PULSE BLOG EDITOR
Kate Tulloch-Hammond
kate.hammond@iaop.org

MANAGING DIRECTOR
Kim Maneeley
kim.maneeley@iaop.org

CREATIVE DIRECTOR
Pamela Zarrella
brandingwithpam.com

ADVERTISING
Renee Preston
renee.preston@iaop.org
+1.845.452.0600 ext.109

CONTRIBUTIONS
PULSE welcomes contributors!
Please email: pulse@iaop.org

IAOP
2600 South Rd. Suite 44-240
Poughkeepsie, NY 12601
+1.845.452.0600

PULSE CONTRIBUTORS

DUIE BLOCK manager, KPMG Shared Services and Outsourcing Advisory, has more than 17 years of experience in IT consulting and BPO. Based in Dallas, he enjoys the ocean, and travelling to Latin America.

SERGEI MAKEDONSKI helped develop Russia's ICT and new media market. President of the award-winning ASTRA association and regional manager of in4media/Forrester Russia, he runs and swims regularly.

KENNETH W. BREMER Director of Germany Trade & Invest's Chicago office, markets business opportunities in Germany. His diverse interests include training hunting dogs and clay target shooting.

BEN TROWBRIDGE is founder and CEO of Alsbridge, an award-winning sourcing advisory and benchmarking firm. He served in the U.S. Marine Corps as a Captain and led a Special Operations company.

PULSE WELCOMES CONTRIBUTORS!
To submit an article, research, interview, commentary or news contributions, please email Sandy Frinton at Sandy.Frinton@iaop.org

TAKING THE PULSE

FEEDBACK AND COMMENTARY FROM THE PULSE COMMUNITY

Best Past Outsourcing World Summit Words of Wisdom: "Strategic sourcing goes way beyond cutting costs."

– Devi Kencki, COP, from Xerox

FEAR OF COMMITMENT

Guest blogger, Tom Browne, management consultant at hiSoft, shares these thoughts in his blog on "How to Take Advantage of Asia:"

"A big problem facing many Western companies is self-induced: Failure to commit. CEOs of thriving companies are torn between missing out on the Asia Opportunity and messing with the status quo. So rather than tell the board 'we'll take a pass on China,' he'll stick a toe in the Chinese water, playing not-to-lose rather than grabbing the market by its throat. No surprise then when results are very modest and attention is turned elsewhere."

His remarks drew praise from Darien Van Patten, who wrote: "Nicely done, Tom! Those in the Asian outsourcing industry really need to realize Asia is not just India. They need to find their niche and focus on developing their capabilities in other geographical areas. This was a very insightful article. I would be very interested to revisit this and see your insights on it in the future."

What do you think about the political climate for outsourcing in the coming year?

Share your thoughts with us.

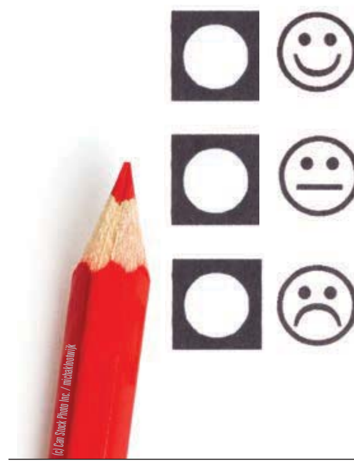
ELECTION 2012 BEFORE AND AFTER

With the U.S. Presidential Election now decided, a reader offered this opinion: "I am in the IT outsourcing industry and the re-election of President Obama is probably not the best news for this industry. While the election is over, I'm interested to see if the election propaganda and rhetoric will continue to stay with us and spill into 2013. This will be a large determining factor into the full capacity in which our industry is affected."

GOVERNMENTS DEBATE OUTSOURCING

While some governments are encouraging outsourcing to cut costs, Britain's West Midlands police force has decided against letting private firms run some of its core services. IAOP Managing Director of Thought Leadership Jag Dalal looks at the issue in "The Beat."

What is your opinion on outsourcing by governments? Let us know!



LETTERS TO THE EDITOR

Send Pulse letters to pulse@iaop.org.

COMING NEXT ISSUE IN PULSE:

Probe into the State of the Industry. Meet our Hall of Fame inductees and GEO winners. Delve into China and Real Estate Outsourcing in our Hot Spot and Vertical sections.

To contribute to these stories or submit other ideas for editorial consideration, contact pulse@iaop.org

*** We welcome guest bloggers. Join the dialogue at iaoppulseblog.blogspot.com**

GOVERNING THE Cloud

As cloud-based services evolve, so must today's outsourcing governance functions

In today's outsourcing environment, many large companies have established global governance capabilities in order to manage the complexity of relationships with multiple service providers.

Successful, multi-provider governance operating models generally include the following functions: service delivery strategy and planning, committee structure, organizational roles and responsibilities and governance processes.

As the adaption of cloud computing changes the outsourcing landscape, successful organizations will need to update or evolve these functions in order to realize the business value associated with cloud services. Companies should adapt enhanced governance functions as they move to cloud services.

Outsourcing Cloud Strategy and Planning

Due to the broad array of cloud based services, delivery models and risks, a thorough strategy is necessary before engaging cloud providers. A foundational analysis should be performed prior to establishing a formal cloud adaption strategy that includes:

CLOUD SUITABILITY ASSESSMENT – Determining where and how to adapt the cloud model into the IT landscape Enterprise Readiness Assessment – Defining current capabilities in the areas of IT governance, business unit alignment, program management, architecture and technology adaption, outsourcing governance and organizational change management

CLOUD STRATEGY – Succinctly defining the target architecture and technology environment, policies and standards for security, access, data integration, a deployment plan, a financial base case, a risk mitigation plan, a service catalog and a funding model for cloud services

CLOUD GOVERNANCE MODEL – Establishing a specialized governance model to support the enterprise level enforcement of cloud standards and policies and to provide ongoing decision making and management around cloud-based opportunities, funding, issues, changes and communications

Cloud Governance Model Recommendations

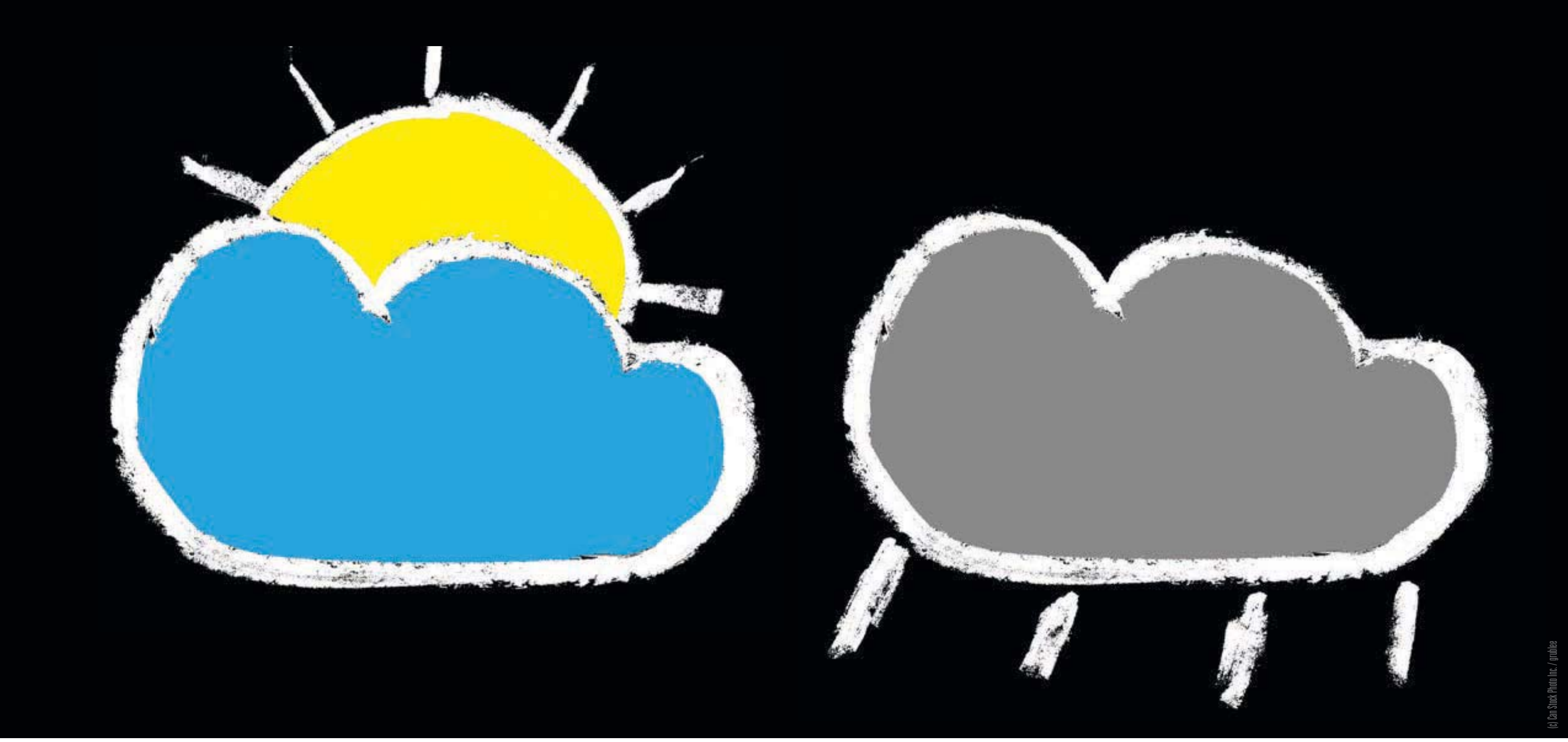
GOVERNANCE COMMITTEE STRUCTURE

To take advantage of the opportunities and mitigate the risks associated with the rapidly changing environment of cloud computing, companies must first maintain a broad-based knowledge of evolving technology, services, pricing, contracts, integration standards and, most importantly, the health of cloud service providers.

Secondly, governance organizations must maintain an internal process for making rapid decisions that may require multiple departments outside of IT.

These steps should be followed for developing this decision making capability:

DEFINE KEY DECISIONS – Define the new decisions that will enable cloud services and identify which departments need to be involved in making those decisions.



DEVELOP DECISION RIGHTS – Develop a Decision Rights Matrix showing critical approvals for strategic and tactical changes to the cloud operations.

REVIEW THE CURRENT DECISION MAKING STRUCTURE – Compare the Decision Rights Matrix against the current decision making structure, including Corporate or Executive Steering Committees, IT architecture boards, Customer Councils or other groups that make or influence multi-department decisions. It is critical to identify entities that include business unit leadership.

Due to the broad array of cloud based services, delivery models and risks, a thorough strategy is necessary before engaging cloud providers.

ESTABLISH CLOUD GOVERNANCE – Add cloud decisions to the agendas of current decision making entities. If the current committee structure is unworkable, companies may choose to initiate a Cloud Management Committee. Along with business unit leadership, members of the committee should include representation from Security, Compliance/Audit, Legal, Finance, HR and or Communications departments. Depending on the strategic importance of Cloud services, the committee may meet monthly or quarterly to resolve issues and make architectural and technical recommendations for the addition or substitution of providers, new services, technology integration, etc.

GO OPERATIONAL – Communicate to all associated stakeholders, including service providers and technology partners, the details of the committee's charter, membership, roles, decision making/recommending authority and agenda.

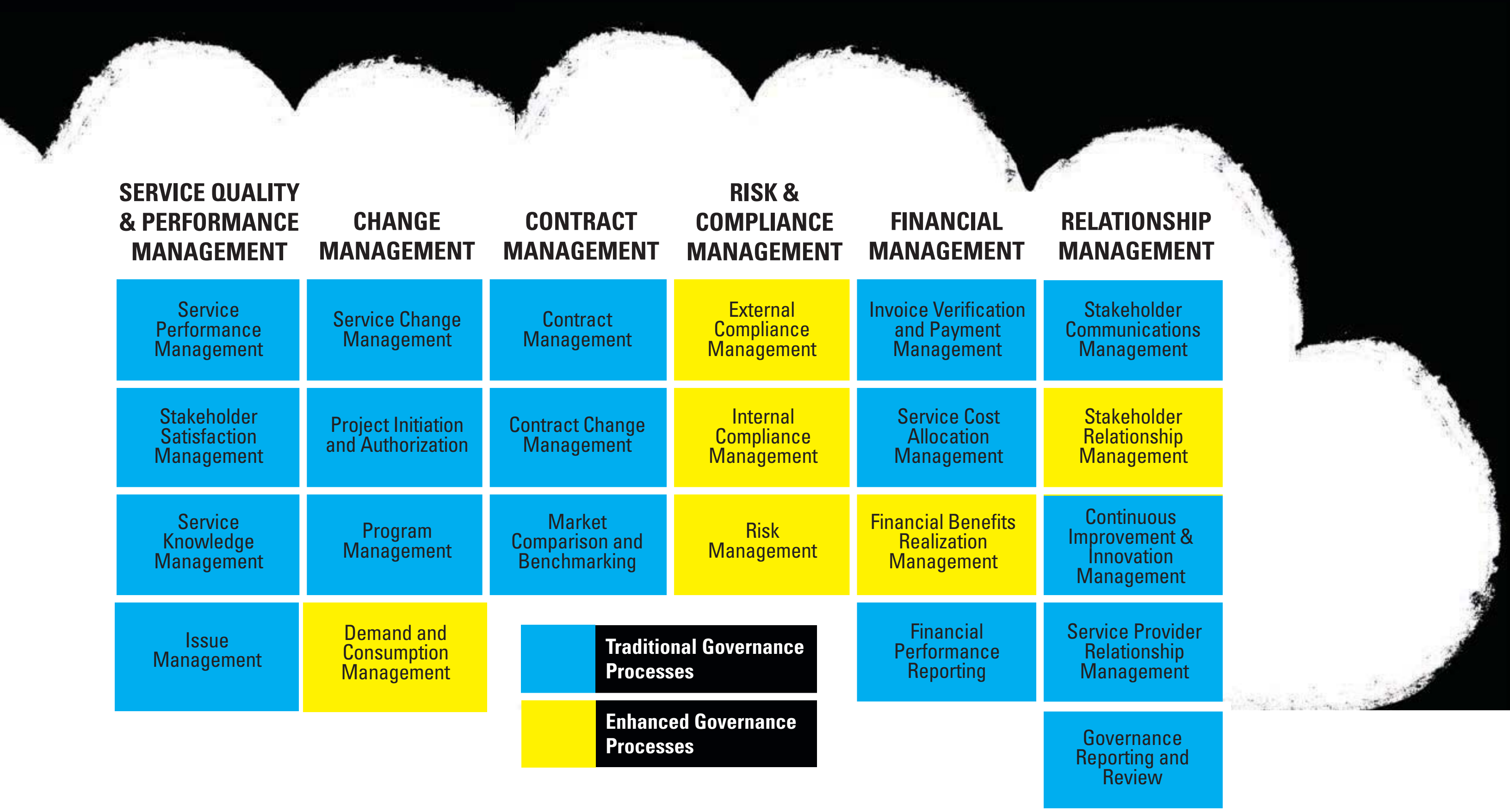
Organizational Roles and Responsibilities

Governance evolution in the cloud does not necessarily require additional personnel; rather it requires emphasis to be put on specific roles within the governance organization model.

CLOUD SUBJECT MATTER EXPERT – A specialist who monitors the cloud market and acts as the subject matter expert for evolving technology and changes in the cloud service environment

CLOUD SERVICE MANAGER/OWNER – A single point of contact that interfaces with a single provider organization, providing issue resolution, performance monitoring, change facilitation and tactical decisions. It is recommended that one Service Manager be assigned to each major cloud contract.

RELATIONSHIP MANAGER(S) – Since business units or geographic regions are able to contract cloud services independently, emphasis should be focused on relationship management: the governance role of maintaining a continuous, dynamic connection between corporate IT and business units. This role plays a critical part in communicating cloud related security policies, architecture standards and integration requirements, while at the same time ensuring business unit compliance. Relationship managers also should facilitate the reporting of each business unit's cloud utilization, service level performance and financial forecasting back to corporate IT.



Governance Processes

Governance organizations have generally become proficient at traditional BPO processes like managing issues, risks, service performance, financial tracking and contract changes. Effective cloud governance demands that some of the traditional outsourcing management processes should be revisited or enhanced *(See illustration 1)*.

For example, the public cloud delivery model allows unlimited services to be purchased without approvals from centralized IT. To avoid IT disintermediation, processes need to be tightened up in the areas of demand management and alignment with business units (Stakeholder Relationship Management).

Each of these processes is critical for achieving success in the cloud. However, other nontraditional, cloud-specific processes need to be developed and implemented.

The following processes should be established as a part of the cloud governance model:

IDENTITY AND ACCESS MANAGEMENT – Developing a framework for sharing user identities and providing user access to sensitive data, including conditions under which service providers, third parties and government agencies may have access to the company's data. The framework should include authentication, authorization and use of physical devices like biometric scans, hidden paths, digital signatures, encryption, social barriers, and monitoring by humans and automated systems. It should be audited and updated regularly to address changing technology and service delivery mechanisms.

Develop a framework for sharing user identities and provide user access to sensitive data, including conditions under which service providers, third parties and government agencies may have access to the company's data.

SECURITY MANAGEMENT – Setting enterprise level security requirements and enforcing policies for protecting sensitive corporate and customer data from being shared along with managing all forms of virus prevention and detection relative to public cloud services. It also includes steps for regular audits of service providers' security functions.

SERVICE PORTFOLIO MANAGEMENT – Finding available solutions as opposed to building in-house solutions. The process involves performing regular reviews with business users and potential service providers to balance the capabilities, services and pricing of each current provider against future business requirements in order to introduce additional services where necessary

(c) Can Stock Photo Inc. / grublee

With the right timing, planning and execution, effective governance can make the difference between winning and losing in the cloud.

to take advantage of high value opportunities in the areas of software, platforms and infrastructure services.

SERVICE AND TECHNICAL INTEGRATION – Working with internal IT and cloud providers, across all architectures and platforms, providing integration standards and guidance to ensure that potential and current technical solutions and services remain within the approved computing environment. The process includes continuously updating and communicating integration standards, guidelines and policies to all stakeholders, including service providers, business users and technology partners.

Ensure that internal audit, legal, risk, and security organizations work closely to identify potential regulatory and compliance risks

CLOUD COMPLIANCE MANAGEMENT – Ensuring internal audit, legal, risk, and security organizations work closely to identify potential regulatory and compliance risks and continuously confirm that the assurance methods adopted by service providers are evolving to include SAS 70, the new Service Organization Controls (SOC) reporting model and other cloud security certifications.

LEGAL SUPPORT – Engaging internal and external legal guidance to support entering into new agreements with cloud service providers and making changes to existing contracts. This process includes steps for providing legal risk and compliance audits.

It is important to remember that these recommendations are a starting point. As the market for cloud services evolves, companies must stay tuned to the changes and build their management capabilities accordingly. With the right timing, planning and execution, effective governance can make the difference between winning and losing in the cloud.

For the story, see IAOP's Knowledge Center, Firmbuilder.com, at http://www.iaop.org/Firmbuilder. The opinions expressed in this article are those of the author and not necessarily those of KPMG LLP.

Duie Block, manager, KPMG Shared Services and Outsourcing Advisory, has deep experience in developing and implementing all aspects of outsourcing management and governance. He leads and coordinates BPO engagements across several industries, including consumer package goods, retail, manufacturing and energy. Block joined KPMG with the acquisition of EquaTerra in February 2011.

The Beat / NEWS & COMMENTARY AS COVERED BY JAG DALAL

IAOP's Director of Thought Leadership Jagdish Dalal looks at the risky business of outsourcing with two stories exploring some common issues that CEOs lose sleep over: contract problems and the economic "financial cliff."

THE NEWS HEADLINES

RESTLESS NIGHTS

(c) Can Stock Photo Inc. / diego_cervo

NOV. 19 , 2012 INFOWORLD: 7 OUTSOURCING NIGHTMARES - AND HOW TO AVOID THEM

This article gives real examples and talks about mistakes to avoid, including outsourcing employee exodus, project delays, offshore communications breakdowns, not being refunded for poor quality work, unexpected overhead, meaningless metrics, and downtime and disorganization.

THE IAOP DISH

SOUNDER SNOOZING

Even though outsourcing risks can be managed, they provide a good fodder for nightmares. Some nightmares are real while others are imaginary or perceived. As we enter the third decade of the increased use of outsourcing, it is good to be familiar with these nightmares and understand the underlying reason for them so we address them when the time comes. Addressing nightmares is sort of like lying down on the analyst's couch, drinking warm milk and eating a cookie before going to bed rather than having a shot of whiskey, and wiping the sweat off and analyzing what you just experienced when it happens.

GOVERNMENTS LOOK TO OUTSOURCE

(c) Can Stock Photo Inc. / Feverpitched

SEPT. 24 , 2012 FINANCIAL TIMES: CBI URGES MINISTERS TO OUTSOURCE SERVICES

This story explores government's use of outsourcing to reduce expenses. The Confederation of British Industry (CBI) – one of the UK's leading independent employers' organizations – is asking the U.K. government to look to outsourcing for improving efficiency and reducing costs rather than eliminating services.

CRY TO CUT COSTS

European countries have been dealing with economic challenges now for almost five years and government's belt tightening is the "cry" of many nations. Clearly, as soon as the conversation moves to reducing expenses, the word "outsourcing" begins to appear more frequently. In that respect, governments are no different than public companies. Obviously, bureaucrats and labor unions have differing opinions. As the congressional dialog intensifies in the U.S. regarding the "financial cliff," will we hear the same story? Interestingly, there are many successful examples of "privatizing" (another bureaucratic term for outsourcing) in governments. Australia is a leading candidate as a reference.

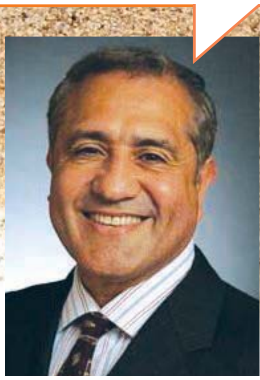
the Sandbox

Professional certification has grown increasingly important and valued by employers in outsourcing. We asked three Certified Outsourcing Professionals® from customer, provider and advisor organizations:

How has the COP designation helped you professionally?

ADVISOR

"Becoming one of the first individuals to achieve the COP designation provided me with the opportunity to demonstrate to a governing body that I have achieved a level of mastery in a field that is becoming critical to practically every global business. As globalization and outsourcing continue to expand into many different fields, global standards need to be established, referenced and adhered to. The discipline, rigor and methodologies that I learned and applied in going through the certification process have prepared me to think critically and contribute to improving the field."



DR. VINNY CARABALLO

COP, CEO, Global Targeting, Inc.

PROVIDER

"The Certified Outsourcing Professional (COP) designation identifies leaders in the field of outsourcing. At the heart of the certification process is the Outsourcing Professional Body of Knowledge (OPBOK), which has helped me to utilize industry best practices in the design, implementation and ongoing governance of outsourcing engagements worldwide. This certification provides credibility, both for myself and my organization, to prospective customers interested in successful outsourcing initiatives."

PAUL FISHER

COP, Director, North Area Sales,
Diebold Incorporated

CUSTOMER

"Being a COP has allowed me the expanded scope of knowledge learned, experienced and gathered from my peers to help guide my company in outsourcing maturity. This certification goes beyond the validity a certification brings. COPs help align customers, vendors and consultants in outsourcing in order to achieve company success in the global economy. I believe that COPs bring better process and communications to the marketplace and, therefore, better results for all those that are engaged in outsourcing."

JOANN MARTIN

COP, VP of Marketing and
PMO Partner Alliances,
Impetus

THE 2013 OUTSOURCING WORLD SUMMIT GUIDE

WELCOME TO THE NEW AGE OF OUTSOURCING & THE RISE OF THE OUTSOURCING PROFESSIONAL

YOU'VE ARRIVED AT JW MARRIOTT PHOENIX DESERT RIDGE AND IT'S TIME TO GET STARTED. READY, SET, GO…

PULSE PICKS

With more than 50 in-depth sessions, 100- plus visionaries sharing their expertise, seven engaging educational tracks, and hundreds of delegates from around the world to meet and network with, where to get started? Why not start here ...

This year's 2013 Outsourcing World Summit is all about you with its theme: "The New Age of Outsourcing and the Rise of the Outsourcing Professional." The event is designed to be tailored to meet your current and future professional needs whether you are a customer, provider or advisor, and whatever part of the industry and part of the world you do business in.

"You, as organization leaders and outsourcing professionals, have the vision, the knowledge and the experience to help us pave our way into the future," says IAOP CEO Debi Hamill. "You are truly our greatest asset today and tomorrow. Stay engaged, proactive and help us shape the future of the industry and IAOP."

TOP 10 CAN'T MISS LIST

1. FORMER PUBLISHER AND EDITOR OF INDUSTRY WEEK PRESENTATION
2. "DYNAMIC INNOVATION"
3. OUTSOURCING WORKS
4. COP AND EDUCATIONAL TRACKS
5. FAST, FOCUSED, FUN SESSIONS
6. INDUSTRY INSIGHTS
7. RECOGNITIONS
8. NEW NETWORKING
9. GLOBAL INFORMATION SECURITY
10. CLOSING KEYNOTE BY ACCENTURE

1

CREATING VALUE IN AN ERA OF UNCERTAINTY

Business visionary John Brandt will share new research and examples of how outsourcing fits with strategies successful companies are using in his keynote address to delegates on Feb. 18, at 1:15 p.m.

As former publisher and editor-in-chief of IndustryWeek magazine; president, publisher, and editorial director of Chief Executive magazine; and now CEO and founder of The MPI Group, a global research firm, Brandt has spent more than two decades studying leadership in effective, purpose-driven organizations.

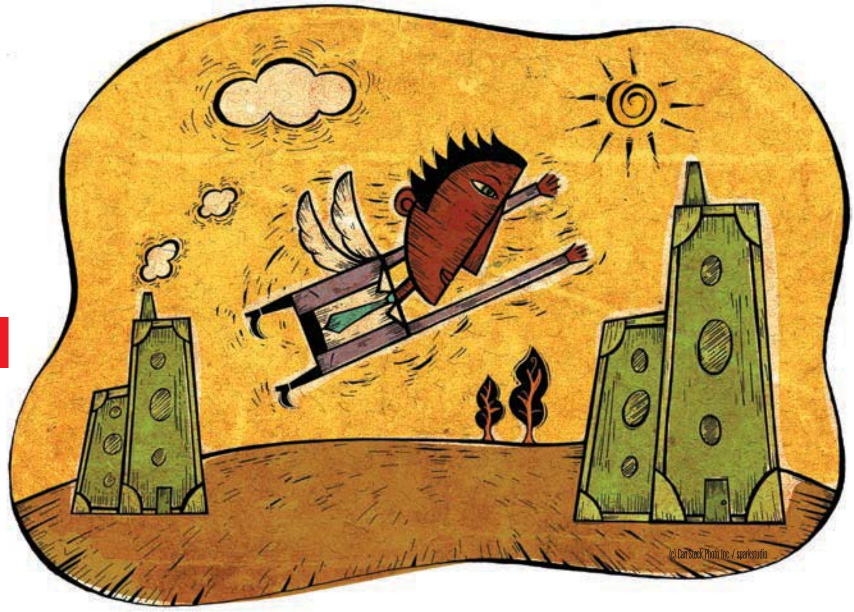
An expert on how companies and communities can adapt themselves to the realities of new markets, new corporate structures and new customer expectation, Brandt will talk about innovation, talent, process improvement and the right way to handle outsourcing in the C-suite.

"In our research, we ask companies to look at what they are good at and terrible at," he says. "If you can't fix it, get rid of it and have someone else do it right with outsourcing."

Brandt's combination of humor and affability with real depth in management theory, strong personal experience, and unparalleled research and analysis resources has made him one of the most popular business speakers in the world.

FEB. 18, AT 1:15 P.M.

2 DYNAMIC INNOVATION



How do you take your organization from so-so to great? Dynamic innovation is the way, according to two leaders in academia who will present on Feb. 19 at 9:15 a.m.

Mary Lacity, COP, Curator's Professor, University of Missouri- St. Louis; and Leslie Willcocks, COP, Professor of Work, Technology and Globalization, London School of Economics, will share new research, examples and insights in this practice that is characterized by continuous, energetic, and sustained efforts that improve the client's operational efficiency, process effectiveness and/or strategic performance.

One of the biggest insights: It's never too late to start innovating.

Day two sessions are chaired by Neil S. Hirshman COP, Partner, Kirkland & Ellis, LLP.

FEB. 19 AT 9:15 A.M.

The McDowell Sonoran Preserve near The Desert Ridge hotel welcomes hikers of all ages and abilities.

3 OUTSOURCING WORKS

We all know it – outsourcing works and it's time to show the world. With the help of our global membership and affiliates, we're out to prove it! Help us change the public perception of outsourcing. This initiative will kick off at the Summit on Feb. 18, starting at 2:15 p.m.

Hear from a panel of experts the facts and figures that all of us can use to communicate how outsourcing works to bring value to our regional and global economy. The results of our research project will right the many misconceptions that tarnish the image of our industry.

Moderated by Brian O'Keefe, Assistant Managing Editor, Fortune Magazine, the panel discussion will bring together executives, including IAOP Chairman Michael F. Corbett to share their perspectives and discuss how we should move ahead to spread the news about how outsourcing works.

All delegates will leave this session with a transcript of key facts, figures and talking points to use when they return home to their locations around the world and they are asked hard questions about jobs and outsourcing.

FEB. 18, AT 2:15 P.M.

4

EDUCATIONAL TRACKS

We've got seven different tracks to choose from and sessions for all levels: Everyone, Advanced, Experienced. Look for the symbols in the program guide when making your selections.

The tracks are: (1) Customer Experiences and Best Practices; (2) Outsourcing Tools and Technology Innovation; (3) Management Science of Outsourcing; (4) Governance and Risk Mitigation; (5) Social Responsibility and The Human Side of Outsourcing and (6) Trends in Global Business, Outsourcing and Shared Services.

In response to member requests, IAOP has added another track led by Certified Outsourcing Professionals (COPs). The COPs working across the industry are truly the experts and they will deliver the content in Track 7: "Stepping Up Your Game, Insights from COPs."

Donald Mones, COP, Director, Global IT Vendor Management, MetLife, chairs the track and leads a session on IT Vendor Consolidation. There are six other sessions to choose from, covering such topics as creating winning IT outsourcing contracts, continuous improvement and innovation, integrating strategic BPO and ITO, the economic foundation of outsourcing, unlocking outsourcing's value and managing global relationships.

COPs instructors will share findings from the latest research, case studies and their own personal experiences. Among the highlights Giovanni Vaia, COP, Ca' Foscari University Venice, Department of Management, Italy, presents research on customer provider relationships in IT services; two COPs from Sprint speak about alliance partnership relationships with Ericsson, Alcatel-Lucent and Samsung; and a panel of experts will discuss outsourcing's impact on the world economy.

SEE PROGRAM GUIDE

5

FAST FOCUSED AND FUN

We know your time is valuable so let's get to the point – and have fun while doing it. These sessions build on prior years of the Summit and elevate it a notch. Delegates will learn from industry leaders who are informative and inspiring.

The setting is a theatre-in-the round, with no Power Point slides or canned speeches. Each session is on point, on target and designed to get delegates thinking and interacting throughout.

Dylan Taylor, Chief Executive Officer USA, Colliers International, chairs this track for the third day of Summit learning. Presenters tackle such topics in under a half hour as the impact of Software as a Service to IT outsourcing, software engineering, creating high performance teams, and driving innovation and value.

FEB. 20, AT 9 A.M.

6

INDUSTRY INSIGHTS

The results of IAOP's annual survey conducted with the support of Accenture will be presented by IAOP's Managing Director of Thought Leadership Jag Dalal, COP, in the opening session on Feb. 18 at 12:30 p.m.

Dalal will share key trends and developments revealed in the survey based on experiences and insights from IAOP's members and affiliates worldwide.

Another anticipated event creating buzz at the Summit is the release of the 100 names of service providers that make up of Global Outsourcing 100 as well as the top consulting, legal and advisory firms named to IAOP's World's Best Outsourcing Advisors list.

Take a sneak peek at the names included. The ranked list, sublists and more will be unveiled in the FORTUNE Global 500 issue on May 20, with extensive coverage also in PULSE.

FEB. 18, AT 12:30 P.M.

CityNorth and Desert Ridge Marketplace, upscale venues with premier shopping and dining, are just minutes away.

7

AND THE WINNERS PLEASE...

The Summit comes complete with the hype and excitement of awards recognizing the very best – from the latest Hall of Fame inductees and the team winners of the Global Excellence in Outsourcing to IAOP Members of the Year.

At the Awards Luncheon on Feb. 19 at 12:15 p.m., IAOP will recognize three new inductees into the Outsourcing Hall of Fame, as well as two winning teams receiving GEO awards for innovation and best practices, plus the IAOP Members of the Year.

Be sure to come back for more insights on Feb. 20 to hear from Hall of Fame inductee Dana Deasy, Group Chief Information Officer of BP, as he shares his perspective as a CIO on "Driving Business Value Through a Supplier Ecosystem" and a GEO winner in the session to follow.

FEB 19, AT 12:15 FOR LUNCHEON

DANA DEASY, FEB 20, AT 9 AM

NEW NETWORKING EVENTS 8

START YOUR SUMMIT EXPERIENCE EARLY AND JOIN US FOR IAOP'S

1ST PUBLISHER'S CUP GOLF TOURNAMENT

PRESENTED BY PULSE WITH ANCHOR SPONSOR KPMG.

The tournament will be held at The Marriott's renowned Wildfire Country Club's Palmer Course.

The event starts at 11 a.m. for driving range and putting green practice. There will be a shotgun start at 12:30 p.m. Delegates can reserve their own foursome or join an open team. Outsourcing customers play free while all others play at a discounted rate.

The format for the golf tournament is a Texas scramble. Tournament prizes include two flights of first, second and third, hole-in-one, closest-to-pin, longest drive and longest putt. The Awards Reception will immediately follow the tournament at the Wildfire Clubhouse. Check back with PULSE for photos and winners.

SUN. FEB. 17 AT 12:30 P.M.

Non-golfers are invited to network by the pool for a "Getting to Know You" Networking session during the tournament.

NEW

AT THE 2013 SUMMIT:

"Taste of Nova Scotia" Party hosted by Nova Scotia Business Inc., where delegates are invited to partake in local wines and savories.

FEB. 19, AT 6:30 P.M.

Blue Sage Restaurant in our North Phoenix hotel blends contemporary American and regional cuisine. For the daring, try the adventurous Prickly Pear Margarita.

9

GLOBAL INFORMATION SECURITY

Global information security continues to be a major focus in outsourcing relationships, including the issue of competing and overlapping standards. IAOP is working with the Information Security Forum and ISACA to develop a "common language" in global data security.

A panel of industry experts will explore critical security issues, challenges and triumphs at this keynote session on Feb. 19 at 10 a.m. with Michael de Crespigny, CEO, Information Security Forum, Ltd.; Rick Stewart, Director Cybersecurity, CSC; Rob Stroud, Member - Strategic Advisory Committee, ISACA; and Pat Fisher, CEO, Janus Associates. The session will provide a clear understanding of how data security affects organizations and steps to take to ensure protection.

FEB. 19, AT 10 A.M.

10

CLOSING REMARKS

Be sure to stay until the end on Feb. 20 at noon to hear the closing keynote by Anoop Sagoo, Senior Managing Director, BPO, Asia Pacific, Accenture on "Outsourcing the Enterprise: Is there any "there" there?

His talk will look at what's left to do when companies continue to outsource more and more operations to third parties. He looks at what cannot be outsourced and how do we know?

Wrapping up the final day is the presentation on Final Thoughts & Highlights of The 2013 Outsourcing World Summit at 12:30, The Food for Thought luncheon, and COP workshops.

FEB. 20, AT 12 P.M.

THANK YOU TO OUR:

Corporate Partners
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Chapter & Track Chairs

And to you – Today's Outsourcing Professional

SEE YOU AT THE 2014 OUTSOURCING WORLD SUMMIT, FEB. 17-19 IN ORLANDO!

THANK YOU FOR ATTENDING THE 2013 OUTSOURCING WORLD SUMMIT

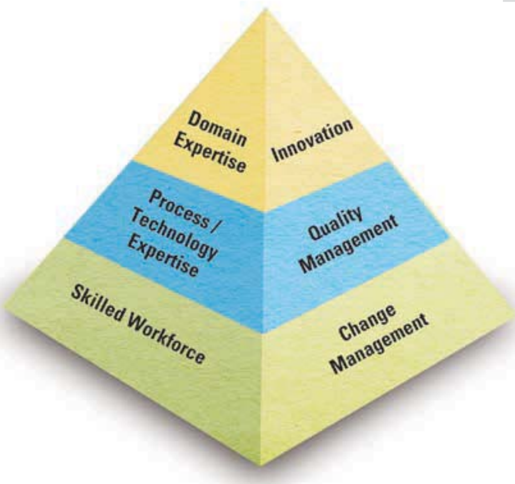
real-world, practical advice you can use on the job

This feature looks at topics covered in the annual "Advanced COP" workshops. These sessions cover ideas and thoughts that go beyond what is currently included in the OPBOK and are part of the curricula for becoming a COP. It presents frameworks for a dialog at the workshop.

Focus On: Advancing Your COP Expertise Successful Pyramids of Outsourcing

Even though outsourcing is becoming commonplace and many service providers compete in the marketplace, a lack of understanding still exists as to what creates success in the marketplace. Outsourcing engagements require various disciplines and expertise for long-term success.

The location from which the services are provided – on or off shore – has no bearing on the success or failure of an outsourcing engagement. If anything, offshore providers have to be more demonstrative of their capabilities and competencies to earn and maintain the business. Two models are necessary to create a successful outsourcing environment. One is needed to "win" the business and the second is needed to manage it effectively:



Winning the BPO Business

1 WINNING THE OUTSOURCING BUSINESS

Successful outsourcing providers build and maintain their competencies in these areas. As is evident, the pyramid of success depends on many dimensions other than access to skilled labor. The left face of the pyramid identifies the skills and competencies required to "win" the business; the right face shows what it takes to keep customers satisfied and create a profitable environment. As can be seen, they are totally aligned in their value to an outsourcing engagement.

Keeping the BPO Business

2 MANAGING THE OUTSOURCING BUSINESS

Figure 2 shows how a provider succeeds in managing the outsourcing business and creates a satisfied customer. These processes are critical for short and long term success of an outsourcing engagement. The left face of the pyramid addresses how a service provider creates an operational environment and solution that delivers value to its customer; the other face shows what it takes to ensure ongoing success. It is quite evident that the competencies required to "win" the business support are necessary to establish the framework for managing the business. These requirements not only create a satisfied customer but also enable the provider to have a profitable business.

by Jag Dalal

A Winning Combo

Entering and sustaining a strong outsourcing service requires that the service provider has a strong foundation of process or technology expertise, coupled with domain knowledge. Skilled staffing is a requirement for successful provision of service but is not, by itself, a criteria for success in winning the outsourcing business.

On the other hand, operational knowledge and experience are required to maintain customer satisfaction and achieve the results expected by both the customer and service provider. A pre-planned solution and strong transition management assures that the service provider can take over the responsibility for the operation. Then, utilizing the quality and operational management expertise, the provider will continue to meet the commitment.

The most successful service providers have all of these disciplines as their core competencies and use their domain expertise to continue to innovate and evolve their service. It is the stable delivery of operation, coupled with continued innovation that creates long-term successful relationships with the customer.

For more information on the Advanced COP program, contact Pam O'Dell, pam.odell@IAOP.org or Courtney Coon at courtney.coon@IAOP.org

NETWORKING STRATEGIES TACTICS BEST PRACTICES

THE 2013

OUTSOURCING WORLD SUM

JW Marriott Phoenix Desert Ridge | Phoenix, Ariz

February 18-20, 2013

NOTEPAD

COP Must-Attends at the Summit:

Before leaving Phoenix, take advantage of these two complimentary COP workshops for newcomers to advanced COPs on Feb. 20, from 1:30 to 3 p.m. It will be the perfect way to wrap up your Summit experience.

COP Primer: Get introduced to IAOP's certification programs and the value these certifications bring to outsourcing professionals from entry level positions to senior executives. Hear first hand from COPs about how the designation has benefitted their careers.

COP Intensive: Gain an understanding of the latest advanced options available in the COP program. This annual update will focus on current issues, as well as show how the outsourcing industry's only professional certification is leading to greater opportunities and outcomes for outsourcing professionals and firms.

HOT SPOT

EUROPE EXPLORE THE DIVERSITY

From the main market in the UK to new opportunities in Belgium and forces not to be overlooked in Germany and Russia, outsourcing in Europe is as diverse as the individual countries that make it up. To stay on top of developments, IAOP has active chapters in each of these areas and strategic advisory boards in the region. PULSE explores outsourcing in this important part of the world.

RUSSIA | GERMANY | BELGIUM | UK

UNITED KINGDOM

Compatible Culture. Global Presence.

Location: A sovereign state located off the north-western coast of continental Europe .

Economy: Plays a significant role in the financial industry of the world economy and has an emerging knowledge economy.

Population: Last recorded at 62.6 million people in 2011.

ALTHOUGH, IT MAY NO LONGER BE TRUE THAT THE "SUN NEVER SETS ON THE BRITISH EMPIRE," UK IS STILL A VERY BRIGHT SPOT FOR OUTSOURCING AS A CONSUMER AND A PROVIDER OF SERVICES.

In the 19th and early 20th century, it was always said the "Sun never sets on the British Empire" because of its huge size. While this is no longer true, the British Empire is still a significant world force in politics and in the economy. The United Kingdom - consisting of Great Britain (England, Scotland and Wales), Northern Ireland and many smaller islands - is an economic powerhouse in the outsourcing market. The UK is considered to be a first tier outsourced services market for many providers.

Oxford Economics and Business Services Association (BSA) projects the annual outsourcing market to be £207 billion (approximately $350 billion USD). A 2011 report by BSA found the primary services being procured are: Information Technology at 42 percent, real estate services at 40 percent and back office support at 25 percent.

BSA projects the outsourcing industry as a whole provides employment to almost 11 percent (3.1 million jobs) of the population and contributes more than $35 billion in tax revenue from individual and company taxes.

Government Outsourcing: The large opportunities that exist in the public sector in the UK differentiate it from the U.S. Many UK government departments have used outsourced services to enhance their capabilities and service delivery. Most notably, the Department of Health, Social Services and Public Safety outsourced their IT almost a decade ago.

Compatible Culture: Due to its Western business practices and a more open labor related legislation compared to other Central European countries, the UK has been a preferred location for many companies and providers to build service centers.

With the emergence of lower cost Asian locations, this had slowed down in recent times. However, according to a recent research report by Raconteur Media and published in The Times (UK): "The UK is enjoying an outsourcing renaissance thanks to the competitiveness of its regions. Locations, such as South Wales, Glasgow and Belfast, offer skilled people at a reasonable price with Glasgow, particularly, known for its work ethic."

Provider Locale: Most of the large outsourcing providers globally look at UK as an attractive market and have significant presence there. At the same time, a few large outsourcing providers headquartered in UK have a large global presence as well. BT (previously known as British Telecomm), Capita, Logica (now part of CGI), Xchanging and Prolog are some of the larger outsourcing service providers based in the UK with global services offerings.

Story by: Jag Dalal, IAOP

GERMANY

Quality. Stability. Available Workforce.

Image: canstockphoto.com

Location: Located in west-central Europe, Germany stretches from the Alps to the North and Baltic Seas.

Economy: The largest national economy in Europe. Known for its engineering products, Germany is the leading producer of wind turbines and solar power technology in the world .

Population: Estimated at 82 million, making it one of the largest countries in the European Union

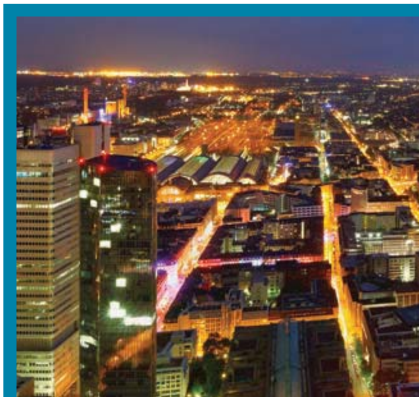
THE PHRASE "MADE IN GERMANY" STANDS FOR EFFICIENCY, QUALITY AND STABILITY, ALL AT AFFORDABLE PRICES.

IT'S ALMOST INTIMIDATING TO THE COMPETITION IN TERMS OF THE QUALITY IT PROMISES.

But as many are now discovering, the same quality can be expected in services delivered from Germany. Business Process Outsourcing (BPO) is growing 12 percent annually in Germany, according to Pierre Audoin Consultants.

Shared Service Center Opportunities:
Germany's economy largely consists of some 3.6 million small to medium enterprises (SME), which employ a combined 81 percent of the country's labor force. The comparably small HR and finance and accounting units at these enterprises represent a huge target market for investors looking at back office shared service centers (SSC).

Larger global players have already invested in Germany. BASF has a 1,000-plus employee SSC in Berlin, providing finance and accounting and HR services to 180 companies in the BASF group from over 25 different European countries. Among its employees, 45 different nations are represented.



FRANKFURT, GERMANY

(c) Can Stock Photo Inc. / sborisov

Keeping it local: German companies looking for BPO rarely move outside their own borders because of the high quality demanded. This creates several ready-made BPO solutions for the international BPO investor. On top of infrastructure, Germany offers stability and an available workforce, especially in front office services such as contact centers and customer support.

According to Stephan Fricke, CEO German Austrian Swiss Outsourcing Association, only 4 percent of German companies offshore directly. "The situation in the ITO segment is similar to the one in the German BPO market," he said. "Exporting IT services to Germany requires a slightly different business strategy because the majority of German companies use German IT-partners to take advantage of offshore capacities."

Sitel, a world leader in customer care services, has been active in Germany since 1996, with seven sites in six cities.

"From a quality and recruitment perspective, Germany remains one of the most interesting locations in Europe. That is why we are planning to continue our expansion in Germany," says Christian Steinebach, Sitel Managing Director of Germany and Eastern Europe.

Staffing and Education: Germany's moderately-paid, well-educated, internationally astute and frequently multi-lingual employee base, backed up by a cutting edge infrastructure, is making the country a shining prospect for the services sector.

Germany's geographical location at the heart of Europe and the Eurozone economy is also propelling growth. International companies especially are realizing the quality being offered in this country where 81 percent of the population has been educated either to university entrance level or to the attainment of a recognized vocational qualification. The unique dual education system ensures that both learned students and vocationally-trained employees appear on the service radar. Equally flexible are the differing German employment models offered, enabling every potential service investor the chance to tailor employment arrangements.

With its efficiency, quality, stability and affordability, "Made in Germany" is a phrase that is already a modern benchmark. "Business Serviced in Germany" may join it.

Story By: Kenneth W. Bremer, Germany Trade & Invest

HOT SPOT

RUSSIA

Natural Resources. New Russia Capitalism.

Location: Located in northern Eurasia and comprised of 83 federal subjects, Russia is the largest country in the world.

Economy: Today considered a developing economy, Russia has an abundance of natural gas, oil, coal and precious metals.

Population: The world's ninth most populous nation with 143 million people as of 2012

RUSSIA'S FREQUENT REFERENCE AS THE "SLEEPING BEAR" IS ESPECIALLY TRUE NOW.

RUSSIA HAS ALWAYS BEEN A COUNTRY OF VAST TERRITORY AND GREAT OPPORTUNITIES.

With its European face and Asian nature, formal innovations usually come slowly from the top-down. But real social and economic changes always seem to come from the bottom-up, as seen with the well-known Russian riots and revolutions.

Government: Over the last 20 years, much has been changing in Russia's industrial and information technology sectors. Russia's natural resources, such as crude oil and gas exports, have flourished. Nationally, the country has seen the development of a "New Russia Capitalism" with national asset privatization and increasing consolidation under government controls. This growth and prosperity is causing increased focus on social equality, increased market competition across the country, and information technology expansion.

Outsourcing Waves: The first wave of IT services outsourcing in Russia came in the crisis years in 1999-2000 as leading Russian software companies went abroad to sell their expertise in software development based on Soviet Union's historical strengths in education in the Natural Sciences. To support the potential for software outsourcing, the National Software Developers Association (NSDA) was created in 2001 (now known as Russoft Association). During the last decade the IT outsourcing export market in Russia has grown to be a mature market of more than $5 billion (USD) industry.

The second wave of IT outsourcing and shared services in Russia began in 2001 with the consolidation of IT assets of the largest private Russian oil company Yukos within a related company Sibintek. This trend featured most of the largest Russian corporations creating "insourcing" or "captive" shared service centers.

The third wave of outsourcing and shared services success began in 2008-09. This period in recent Russia history has seen strong local and national economic growth as the "New Russian Capitalism" is taking hold. In the field of IT, outsourcing leaders are local systems integrators such as CROC, Jet Infosystems and Technoserve, as well as more fully focused outsourcing service providers: DataFort, Optima Services, SBSystem and Maykor, which had 67 percent growth in 2012.

> **"We see great opportunities in IT outsourcing and facility maintenance in nearest years in Russia covering the whole Russian territory with our services. Close cooperation with IAOP and ASTRA associations gives us deep understanding of both global and local outsourcing industry trends to develop further our business excellence in IT services."**
> **- Sergey Sulgin, President, MAYKOR**

In Russia, the business process outsourcing (BPO) market also is rapidly developing with international companies like Intercomp Global Services, BDO Outsourcing Division, and UCMS Group leading the way. In 2012 alone, the Russian commercial ITO and BPO market is estimated near $3 billion (USD).

Promotion: Today, the rapidly emerging internal and external Russian outsourcing industry is promoted by the Russian Association of Strategic Outsourcing "ASTRA" created in 2008 (ASTRA became an IAOP Affiliate Association in 2010).

As Russia prepares for 2013 and beyond, it envisions continued democratization, market competition and increased development of a globalized economy with outsourcing as a key enabler. The Russian outsourcing industry will grow fast and significantly, driving a more innovative post-industrial national economy. The "Russian Bear" will soon awaken.

Story by: Sergei Makedonski, ASTRA

BELGIUM

"Crossroads" Location. Accessible Transport Network.

Location: Western Europe bordering France, Germany, Luxembourg and the Netherlands.

Economy: The world's 15th largest trading nation has a highly productive work force, high GNP and high exports per capita, exporting chocolate, diamonds, machinery, metals, chemicals and pharmaceuticals.

Population: With 11 million people, Belgium is 321 times smaller than the USA.

KNOWN AS THE "ESSENCE OF EUROPE," THE KINGDOM OF BELGIUM HAS OFTEN BEEN AT THE FOREFRONT OF INNOVATION IN RELIGION, TRANSPORT, ARCHITECTURE, ARTS, FASHION, LANGUAGE AND PUBLISHING.

Belgian's have a desirable quality of life with high-quality healthcare, social security and excellent food and drink (brewing more than 800 kinds of beer).The saxophone, Les Mis, waffles and chocolate only begin to describe why the rest of the world should pay homage to this little gem of a country.

Government: Belgium is a constitutional monarchy (whose palace is twice as long as Buckingham Palace) and a federal state comprising three communities; the Walloon French-speaking region, Flemish Dutch-speaking community and the Brussels-Capital Region, which is bilingual. A small area of Wallonia speaks German. Due to hostility between the Dutch-speaking Flemings in the north and the French-speaking Walloons in the south, Belgium broke a record and went 541 days without a government until December of 2011.

BRUSSELS, BELGIUM

Both the federal and regional authorities go above and beyond to advise and support foreign investors. Belgium offers a variety of pro-business tax incentives, making it one of the best countries in which to do business.

Central Location: Belgium's central geographical location – the crossroads of Western Europe – and its modern, open, private enterprise-based economy has allowed it to capitalize on a highly developed transport network and diversified industrial and commercial base. With few natural resources, importing raw materials and exporting massive manufactured items makes its economy vulnerable to volatility in world markets.

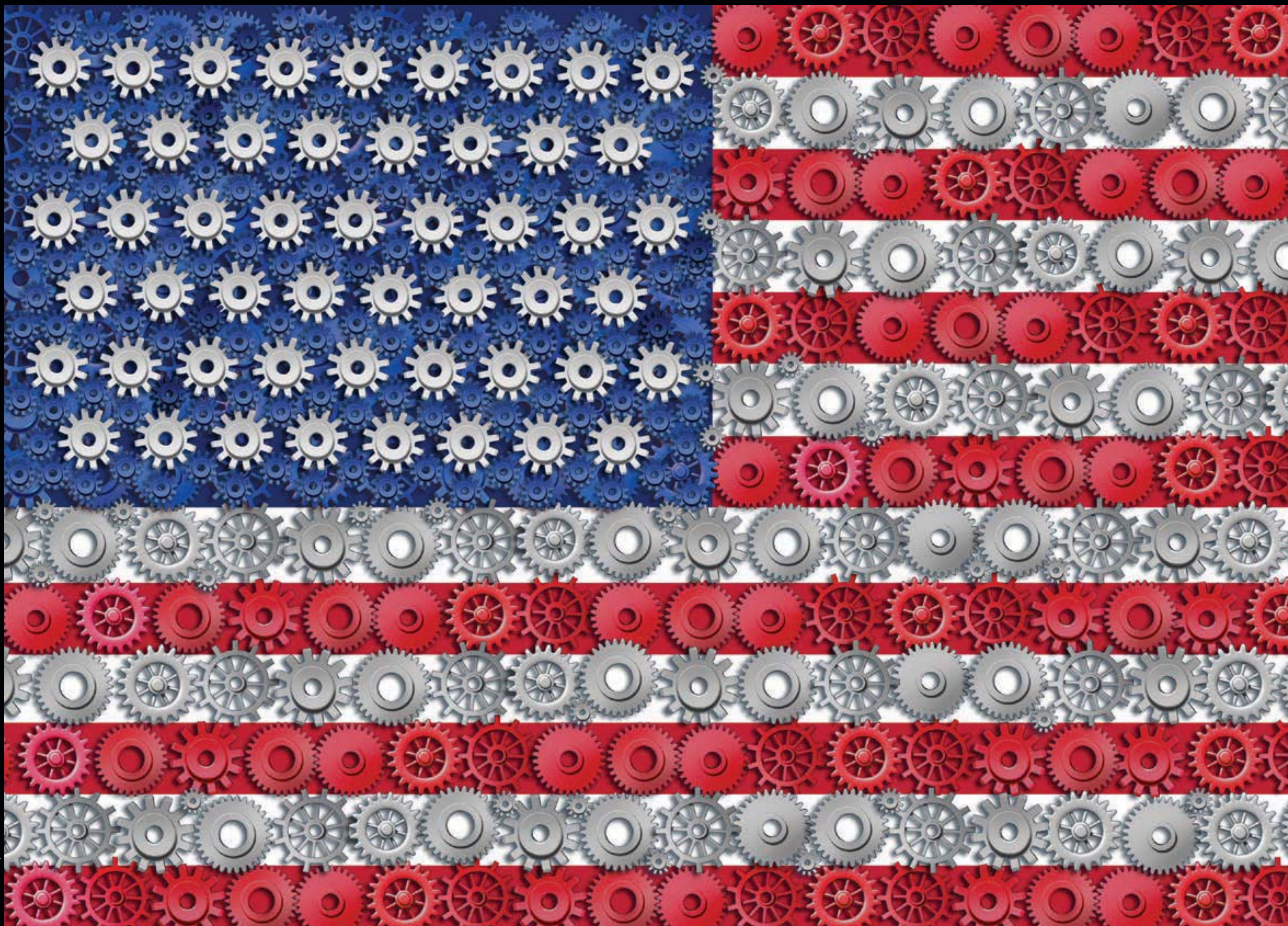
The "crossroads" of Western Europe, Belgium links up flawlessly with Germany, France, Luxembourg and the Netherlands. Belgium has a road network with seven international roadways – one of the best in Europe, and the only man-made structure visible from the moon. Incorporated with one of the densest railway systems in the world, with high-speed trains running 10 times a day to London, this provides for various prospective sites for the business sector throughout Belgium.

Brussels is called the "Heart of Europe" as it is the capital of Belgium and the capital of the European Union (EU), housing the headquarters of NATO.

Outsourcing Opportunities: According to Rene Herlaar, vice chair of the IAOP Brussels Chapter and chair of the Regional Advisory Board in Northern Europe, the leading index for the Euronext stock exchange in Brussels is the BEL20, which includes banking, telecom, insurance and pharmaceutical. The country's economic crises has led more companies to explore IT offshoring with outsourcing projected to be as much as an $8 billion (USD) opportunity. In recent years, Belgium is seeing many more first-time outsourcing firms, especially in the fields of infrastructure outsourcing, BPO, application development and maintenance.

Story by: Kate Tulloch-Hammond, IAOP

WATCH FOR IAOP'S EURO WEEK – COMING SOON!

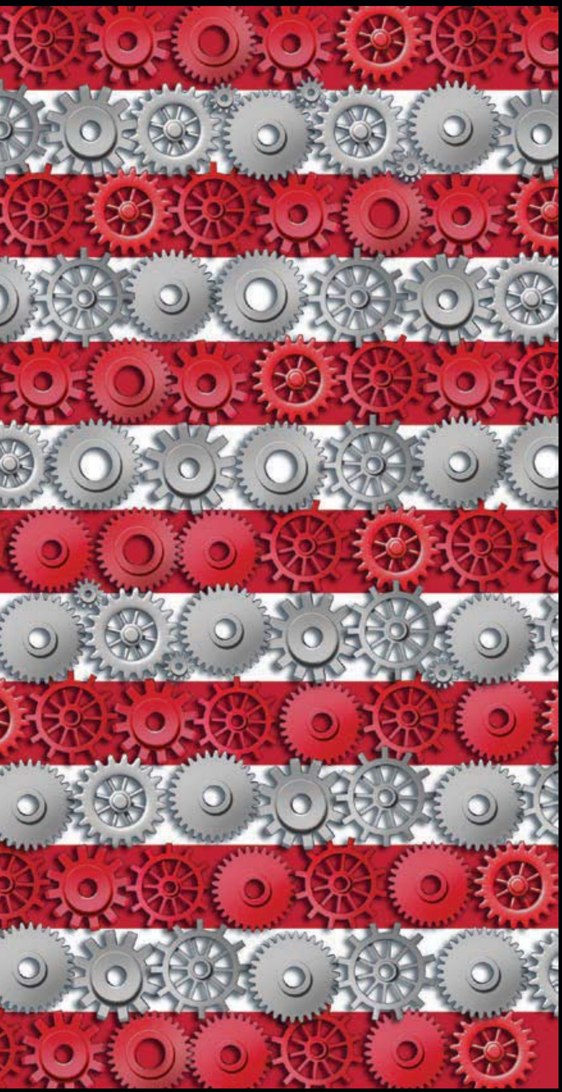


We are not seeing a broad shift from outsourcing to insourcing. Few companies are exploring a full insource as part of their sourcing strategy evaluation, although for some it is a reasonable alternative worth considering. More prevalent is a trend toward "selective" insourcing, where a portion of an IT outsourcing agreement is brought back in house because of cost concerns, delivery concerns, change in business conditions, business risk, or a combination of several of these.

Because of the smaller scope and higher focus, these insourcing opportunities tend to be highly cost effective while limiting risk and reducing the amount of disruption required get back to steady state operations. Also, some companies pursue a selective insource merely as a step towards multi-sourcing, and for certain reasons do not want to directly transition services from one provider to another.

The decision to insource should not be taken lightly. It is hard work! When most of your IT is outsourced, it means that you will have to build an IT team and acquire or build IT capacity from the ground up. Much work is required to understand your risks, understand the capabilities of your current IT organization, terminate current agreements, plan and execute a transition plan, build new capabilities (both resources and skills), and transfer knowledge to your organization.

If you are wondering if insourcing might be a viable option, answer the following questions and then



MAKING THE DECISION TO IN-SOURCE

Over the past few years, and especially since the start of the Great Recession, the concept of "insourcing," or bringing work back into the U.S. from offshore, has received some pretty extensive media coverage. The concept has a strong emotional appeal, especially when there are so many out of work within our own country.

But how strong is this trend and how would one go about insourcing IT services?

evaluate your answers. These questions are a good first step towards making a solid sourcing decision:

ASSESS PHASE

WHY WAS THE OUTSOURCING DECISION MADE ORIGINALLY, AND WHAT IS DIFFERENT NOW?

What were the original problems with in-house IT that were to be solved by your outsourcing agreement? The typical value proposition for outsourcing is to reduce costs, improve delivery, provide thought leadership, eliminate capital expenditures and provide access to broad capabilities. Even if all of these haven't been realized to extent originally expected, will they be more fully-realized by bringing it back in-house? How will IT be structured and managed differently to ensure a better outcome?

ARE YOU SURE YOUR PROVIDER CANNOT (OR WILL NOT) RESTRUCTURE AND RE-PRICE THE AGREEMENT?

Your provider has a long-term business interest in keeping you as a client. You should openly communicate your need for change and ask for executive-level commitment from the provider to explore the best ways to achieve your business needs. Frequently there will be a way to achieve at least some/most of what you need without incurring the significant one-time costs, organizational upheaval and delivery risk of bringing your entire IT operations into your organization.

HOW MUCH DO YOU WANT TO BRING BACK FROM YOUR PROVIDER?

You probably transferred much of your IT staff when you outsourced IT. How many of those people are still around supporting you as part of the provider's account staff? They have a tremendous amount of institutional knowledge that you want to bring back if you can. Of course hiring resources who already understand your environment greatly reduces the risks of transition and lowers the cost of knowledge transfer. What provisions are in your outsourcing contract regarding the hiring of resources in the event of termination? Additionally, what hardware, software, tools, processes and documentation can be (and should be) brought over from the provider?

DO YOU UNDERSTAND THE RISKS OF TRANSFORMING YOUR IT OPERATIONS?

You probably have a good idea of the handful of "big risks" that you will need to mitigate. However, there will be a whole other set of risks and issues that may not be front-of-mind but can just as easily derail your transition plans. A couple of risks that may not be immediately obvious are the risk associated with a change in business direction occurring during the transition (which could affect the realization of cost savings due to delays in the transition plan) and the risk associated with gaps in knowledge of your current team (which could affect how effectively your new resources ramp up and how efficient your end-state processes will be). A thorough and structured risk analysis is imperative for a successful transition.

HOW READY ARE YOU TO FULLY MANAGE IT OPERATIONS?

It is important to objectively evaluate everything that will be needed to rebuild your IT organization in-house. When you outsourced your IT operations (probably several years ago) you changed the skills, roles and responsibilities of your retained organization. In the insourced model, you will now own the responsibility for managing teams of individual technical performers and will have project and program management responsibilities for service delivery. You also will own all process management, vendor management and incident resolution processes. Do you know how to do that? If not, do you know where to get the help you need?

You may have also migrated your technical platforms to your provider's data center and possibly even eliminated your own data center. Obviously the costs and time for bringing your technical environment in-house will need to be understood and included in the overall business case. It may be beneficial to selectively "re-outsource" selected components of your IT services portfolio. For example:

> **YOU MAY BE BETTER SERVED RE-OUTSOURCING YOUR HOSTING ENVIRONMENT RATHER THAN REBUILDING IT FROM SCRATCH.**

WILL IT REALLY BE BETTER TO RUN IT YOURSELF?

There is a reason that the outsourcing industry has been in existence for 50 years. Through their ability to leverage large pools of resources, institute common processes, invest in tools and technology, and use their size for cheaper hardware, software and services, outsourcing providers often can reduce a client's IT spend while improving delivery and realizing a fair profit. Therefore, it is important to understand how your current costs compare to typical market-based pricing and how your new IT organization would compare to both. Your financial analysis needs to be thorough and include "hidden costs" such as additional communications charges, additional management staff, additional third-party costs for hardware and software, and additional people costs to cover the inability to leverage parts of people across a larger enterprise. From a delivery perspective, what service levels are not being achieved today that need to be achieved in the future?

HOW WILL YOU ADDRESS THE "INTANGIBLES" THAT A LARGE OUTSOURCER CAN PROVIDE?

There are benefits of working with an outsourcing provider and you need to consciously determine if you will "do without" or will re-create those benefits in a different manner. These benefits can include things like:

- **Severity 1 problem escalation and resolution** – when a severe problem occurs in your environment the provider has the ability to quickly escalate to other subject matter experts within their company and also to leverage their relationships with hardware and software vendors if necessary
- **Knowledge of IT trends** – because they support hundreds or thousands of clients, the executives at an outsourcing provider often can provide you with good information on trends in the IT industry and possibly even within your industry
- **Resource flexing** – providers have the ability to quickly get resources when you need them, and also to reallocate resources when you no longer need them

PREPARE PHASE

WHAT IS INVOLVED IN GETTING OUT OF YOUR CURRENT AGREEMENT?

Have you done a thorough read of your current contract to understand the termination mechanisms that are available and what impact those will have? Obviously there are financial aspects to consider, but you also need to understand what sort of termination assistance your current provider is obligated to provide in the event of early termination. In cases where you are only interested in taking back a subset of services, is it clear how the partial termination will work? Partial termination also requires you to thoroughly consider the impact to the relationship and how the provider's behaviors might be affected by this decision.

WHAT ARE THE ONE-TIME TRANSITION COSTS AND ACTIVITIES THAT WILL BE REQUIRED?

A transition from a provider to an in-house organization usually occurs over a 6-12 month period of time depending on complexity. Do you fully understand all of the termination and wind-down costs that will need to be paid to the provider to terminate the contract? Assuming your staff is 100 percent allocated to managing the business today, who will develop the detailed transition plan and manage and execute the tasks required? What kind of staffing overlap will be required for knowledge transfer? What costs are associated with disentangling the current outsourcing contract and buying out hardware and software? What costs can you assume for new staff? These questions, and others, need to be fully answered in order to build the right amount of one-time costs and activities into your plan.

WHAT SHOULD YOUR NEW IT ORGANIZATION LOOK LIKE?

There is a big difference in the skills required to manage a provider and set overall direction versus the skills required to manage end-to-end service delivery. Are the leaders you have on your staff today equipped to truly lead end-to-end service delivery in the future? How will you handle cross-tower functions such as process management, change management, audit compliance, root-cause analysis identi fication and elimination, etc.? How will you flex your organization based on future needs? Building the right organizational structure is the cornerstone for your future success. You will need to focus on defining market-based job descriptions for each role and working with HR to post them and to execute a hiring process that meets your business needs.

WHAT PROCESSES NEED TO BE DEVELOPED OR REVISED?

How will your delivery and support processes need to change to reflect the new IT model? You should think about not only re-creating your current processes but also using this transition to streamline and optimize your IT processes and make sure they are aligned with your business needs. Normally you can simplify your delivery and support processes because you no longer have to manage the formal handoffs from one company to another. Of course, you must balance simple and agile processes against the need for structure and rigidity where it is desired and beneficial.

WILL YOUR DECISION BE SUPPORTED WITHIN YOUR ORGANIZATION?

Terminating a set of services and bringing those responsibilities back in house not only requires the technical capacity and knowledge to do so, but as importantly requires that your peers and leadership chain understand and support the decision as well. Without their support, an insource transition can easily derail at the first signs of difficulty. Developing a formal communications plan with key stakeholders before a decision is made will be a key success factor.

Insourcing some or even all of your IT operations may be the right choice, but there are many factors to consider before you conclude that it is the best alternative. If it is indeed the best alternative, you will need to determine how to get out of your current agreement, how to build the new team and IT capacity you'll need to deliver the service internally, and how to successfully execute a transition plan to move to the new model.

For the full story, see IAOP's Knowledge Center at https://www.iaop.org/Firmbuilder/Articles/34/179/3558 and Alsbridge at http://www.alsbridge.com.

Ben Trowbridge, CEO of Alsbridge, has been on the leading edge of technology innovation over the past 20 years. He is renowned for his collaborative approaches to deal structuring and sourcing techniques.

FRESH FACE: MIKE SALVINO

VIEW FROM THE C-SUITE

INTERVIEW BY SANDY FRINTON

Image: canstockphoto.com

At the 2010 Outsourcing World Summit in Orlando, Mike Salvino of Accenture presented on the Future of BPO in an IAOP real-time strategy session that was unscripted, hands-on, engaging and inspiring. Just like him.

As Group Chief Executive of Business Process Outsourcing (BPO) at Accenture, Salvino heads one of the three growth platforms – management consulting, technology and BPO – at this leading global company that is all about helping clients achieve high performance, but you will find him grounded.

He plays hard at work or at home – whether going full out to win business by talking about Accenture's differentiators or on the basketball court with his sons. It's all about balance, and Salvino – Sal as his friends call him – has achieved it.

With no agenda or script, he regularly visits Accenture's 50 delivery centers located across five continents to just sit down with employees and hear what's on their minds. It's the place where he gets inspired by talking to his people. He loves to share the centers with clients because he knows it will get them hooked too.

Salvino understands the value of two magic words he uses frequently with employees: Thank You. And his team members are more likely to receive a handwritten note of thanks than an email in off-business hours asking for something. He knows the company's BPO employees regularly look to him and he leads by example.

Salvino could have taken over his family business selling office equipment but he followed his own passions that led him to grow up in the outsourcing industry. From the early first generation deals in the 1990s, he has gone on to continuously move Accenture – and the entire industry – to higher levels.

Salvino joined Accenture in 2006 from Hewitt, where he served as global sales and accounts co-leader for Hewitt's HR outsourcing group and also served as president of the Americas region for Exult Inc., prior to that company's acquisition by Hewitt.

Before assuming his current position in September 2009, Salvino was Accenture's managing director of BPO and also led sales and account management across Accenture's outsourcing business. In his current role, he oversees Accenture's comprehensive portfolio of cross-industry (finance and accounting, HR, learning, procurement, marketing and supply chain) and industry-specific BPO services (including credit services, health, network, pharmaceuticals and utilities).

Under his leadership, Accenture's BPO business has moved from a commodity to being differentiated. The business has received many industry accolades, including IAOP's #1 global service provider on the Global Outsourcing 100 from 2008 to 2012, and has consistently been recognized as a market leader for BPO. Salvino has also been personally awarded for his outsourcing achievements.

We talked with "Sal" about his view of the outsourcing industry (what he calls the "generations of BPO"), his strong focus on his people, how he re-charges his own battery, the importance of giving back, his own pride and passion for Accenture, and how he gets the pulse.

P: Tell me about your role as Group Chief Executive – Business Process Outsourcing at Accenture?

M: We have three growth platforms at Accenture: management consulting, technology and business process outsourcing (BPO). I have responsibility for BPO and the 47,000 employees that are charged with developing, selling and delivering our BPO services to more than 450 clients. I'm responsible for setting the strategy and inspiring our people to deliver on our commitments to those clients.

P: Tell me about how your BPO group works with technology and consulting?

M: We work together very tightly. One of the unique things we have at Accenture, which I think is truly an advantage, is that we can bring all three of these entities together to deliver an end-to-end integrated business service for our clients and drive a real business outcome. From consulting, we get the industry and functional expertise. From technology, we're able to leverage the investments we are making in cloud, social media, analytics and mobility. We take those investments and apply it to BPO, which is a great competitive advantage.

P: How important is the marketplace to Accenture?

M: The marketplace is really important to us. At Accenture we believe in being good industry 'stewards' and pushing the BPO industry beyond just global transaction processing and towards business outcomes, or what we call fourth generation BPO. Our goal is to help clients achieve business value, which means increasing their revenue or further reducing their costs by transforming the way they run their business – beyond the normal cost savings that are typically associated with process efficiencies and labor arbitrage or offshoring that you would expect to see with a BPO contract.

P: How has BPO evolved from when you first started at Accenture?

	1st Gen Late 1990s "Pioneers"	2nd Gen Early 2000s "Offshore"	3rd Gen Mid-2000s "Opex"	4th Gen Today "Insight"	5th Gen Near Future "On-Demand"	6th Gen Future "Community"
Industry & Offerings	FS Industry, F&A and HR	Back-office, industry processes	Middle office	All "offices," industry focus	Standard platforms & processes	Delivery scale
Deals	Lift and shift	Labor arbitrage	Gain-sharing for innovation	Business outcomes	Technology components	1:many approach
Platforms	Client platforms for 1:many	Client platforms	Mostly client platforms	Provider analytics tools	Standard platforms	Collaboration and social media
Client Objectives	Cost savings	Global capability	Noiseless delivery	Industry depth, analytical insight and innovation	Flexibility	Community

M: I got into this industry in the mid-1990s. At that point in time, the deals that were being done were what I call first generation "take the people" deals. They were done onshore and the client saw cost savings as their people were transferred over to the providers. But those were tough deals to make.

In the second generation of the market in the early 2000s, we started offshoring the work to places like India, the Philippines and China to get additional savings. The real issue was that the processes still weren't working very well.

In the mid-2000s, we moved into what I call third generation BPO. The focus was on getting the onshore-offshore model to work, while processing transactions very efficiently. This is when the industry started implementing Six Sigma methodologies, or what we at Accenture call operational excellence. The key focus was to operate the process for the client on a global basis at scale. Not everyone can do this and it isn't easy.

Typically, when you sign a five, seven or 10-year deal, after the first couple of years, you've gotten to third generation in some capacity and at the 24- to 36-month mark, clients typically will come back and say, "What's next?"

Fourth generation BPO is all about business outcomes. You see the ability to deploy analytics to extract actionable business insights from the volumes of transactional data that have been amassed during long-term engagements to create tangible business value for the client.

Fifth generation builds on that. It's still about business outcomes but the cloud, social media and mobility are applied to create a different way of working.

> **"Today, we apply our functional expertise and industry insight, analytics and innovation to help clients operate their businesses better and generate more revenue or further reduce their costs."**

P: What generation is the industry in now?

M: The industry is somewhere between third, fourth and fifth generation, depending on who you talk to from a client and provider standpoint. The industry has started to move in this direction and a lot of clients will talk about fourth and fifth generation BPO, or use the terms "analytics" or "business outcomes" or want to talk about the cloud. I like the term "business process as a service" – when we talk about BPO as a service it's in reference to fourth or fifth generation BPO.

P: What generation is Accenture in?

M: At Accenture we are very focused on fourth generation BPO and beyond. Through our global delivery network we had scale and were running transactions efficiently on a global basis, so we looked to build on that and take the next step. Today, we apply our functional expertise and industry insight, analytics and innovation to help clients operate their businesses better and generate more revenue or further reduce their costs. This is what clients really want and has helped us get momentum.

P: What is the future looking like?

M: There's starting to be a push on the community or networks – which can bring buyers and suppliers together in the procurement space, for example, or in financial services, traders and investors can come together to work in a common network. This is sixth generation BPO. The technology and the analytics will lend itself to creating a different model and get into higher-end processes.

P: What are some examples of the move into higher-end processes?

M: Let me pick a few examples that I think are interesting. We've moved into marketing, healthcare and credit services.

For example, we have marketing professionals on staff helping clients create and execute digital marketing campaigns to drive new revenue streams. We're working with a global consumer goods brand helping enable their digital marketing campaigns and globally manage the Web sites for many of their brands.

In healthcare, we have nurses and doctors on staff who follow up on patient care and wellness programs for a number of insurance companies to improve the patient experience and also lower the overall cost of care by helping to prevent reoccurring problems or illnesses.

From our purchase of Zenta last year, we now have underwriters, mortgage processors and closers on staff. We took our credit services consulting experience, along with our technology experience in implementing loan origination systems and we combined it with mortgage processing operations to launch Accenture Credit Services. We are now one of the top three mortgage processers in the U.S. We have roughly 75 clients and four out of the five largest banks.

The folks who can get into fourth and fifth generation, not only provide analytics and technology, but move up the value curve. Instead of BPO being viewed upon as back office, we are right at the heart of what our clients are doing. Back in first generation BPO this was more of an aspiration. With Accenture's BPO, it is a reality.

P: What have you learned from this journey?

M: Our tagline is "high performance delivered." That's more than a slogan for us. It's in our DNA and nowhere more so than in BPO. We recently collaborated with The Outsourcing Unit at The London School of Economics and the Everest Group to survey about 270 buyers of BPO services to explore the characteristics of high performance in BPO.

AT A GLANCE

ACCENTURE BPO AT A GLANCE

YEARS OF EXPERIENCE: 20-plus in BPO

CLIENTS: 450 across a variety of industries

EMPLOYEES: 47,000 people who deliver BPO services

DELIVERY CENTERS: 50-plus on five continents

GEOGRAPHIES SERVED: Clients in 120 countries

LANGUAGES: 39 languages supported

M: The study found that high performers in BPO exhibit eight core management behaviors and practices, in this order of importance:

end-to-end approach, collaborative BPO governance, making change management a priority, balanced purchasing decisions, business outcome focus, domain expertise and analytics, retained organization transformation and using technology as an enabler.

Of them all, change management ranking #3 was most surprising to me. When we talk about BPO services and Accenture's ability to bring consulting, technology and outsourcing together, there is always a transformational component when delivering a service to a client. So many times organizations overlook the change journey that is at the heart of any BPO arrangement. It takes time and training to get this stuff right. To have this show up as #3, versus technology or business outcomes, is really unique. So many times people blow through that and say, "oh well, we'll figure it out."

Having a structured program around change management is incredibly important and for me the Accenture high performance BPO framework is a way for us to share our experience with clients, show them what "the masters" who have done it well look like, and guide them on their own journey to high performance in BPO.

P: Tell me about your Grow BPO initiative?

M: My leadership team and I wanted to take our scale and use it to our advantage with our people. If we want to be the best provider in the industry, we want to attract the best talent. How do we do that? Grow BPO. It's not a project or a campaign; it's an initiative that is core to how we do things at Accenture and in Accenture BPO. It's part of who we are as an organization and it ties to what we call, the "Accenture Way."

> **"It's not a project or a campaign; it's an initiative that is core to how we do things at Accenture and in Accenture BPO. It's part of who we are as an organization and it ties to what we call, the 'Accenture Way'."**

P: What are the key components of this way of being at Accenture?

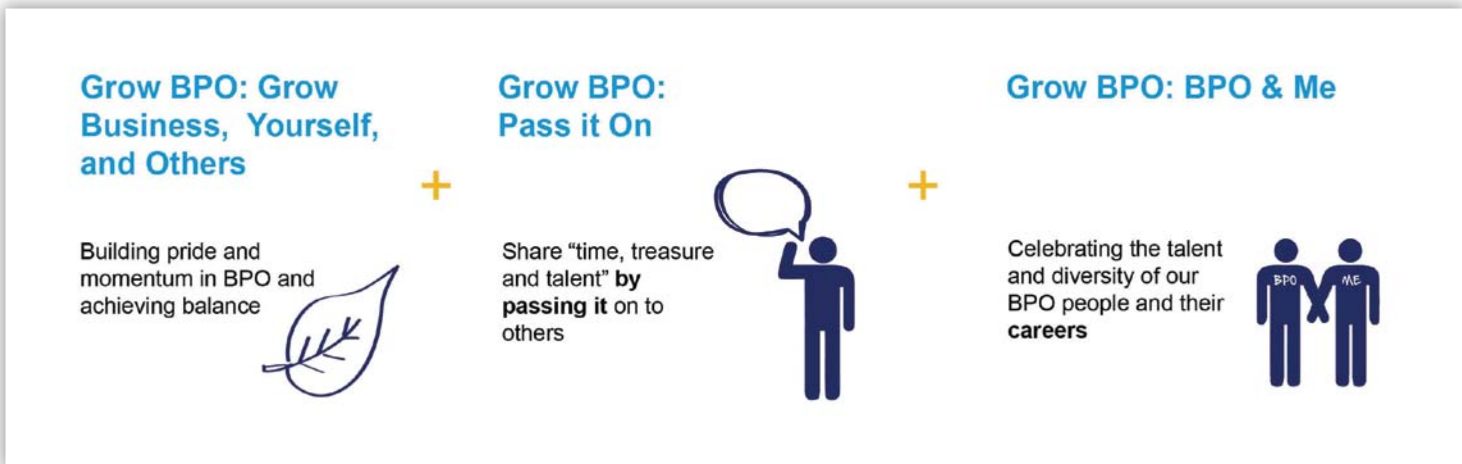
M: The Grow BPO program is anchored around three core themes: Growing the business, growing others and growing yourself. We have scale in our business and I wanted our people to really see that they could have their professional career, could develop as BPO leaders, and also have time to have a balanced life beyond Accenture. Balance was a big theme right from the beginning. We showcased what people did to recharge their batteries – some people climbed mountains, some people baked, others volunteered their time at non-profits or played sport with their families. The focus with Grow BPO was to make sure that people understood that having balance in your professional life is important, while giving them the time to achieve it. At first, people said "You have to be nuts Mike, everyone is going to be out on vacation to get balance." What we saw was the complete opposite. This inspired people so much.

P: How do you recharge your batteries?

M: By seeing the world through the eyes of my children: It brings me back to what is important in life. I have 15- and 12-year old sons, and a 9-year old daughter. When I have to spend the weekend away from my family, I am not as good the next week. When you step away for a while, your perspective is better. It's what I try to inspire in others.

P: What else is part of Grow BPO?

M: Giving something back and leaving our clients and communities better off is core to our values at Accenture, and is a key part of Grow BPO.



At Accenture we have a company-wide initiative called "Skills to Succeed" that is all about helping others, with the goal of equipping 250,000 people by 2015 with the skills to get a job or build a business.

Personally, I have always believed that if you have balance, you should take what I call "your time, treasure and talent" and pass it on to someone else. This is a message that really resonated with all our employees from a global standpoint. It really took off inside of BPO. Every geography got the fact that we ought to be helping others, and became inspired by passing on their skills, which is amazing.

This year we are bringing it back to "BPO and Me," which again puts our people at the heart of Grow BPO. Our folks manage their own careers. They tell us what they want to do with their careers and then it's our job to be very transparent in telling them what they need to do to get there and how long it's going to take.

P: How important is focusing on your people?

M: There is no way to run a BPO business unless you focus on your people. The way we do it is to focus on the individual – celebrating success, helping them achieve balance, enabling them to pass on their talent to others

“First, is focus and connect with your people because it starts there. You can’t do anything without a team. Second is to achieve balance between your personal and professional life. Third is making sure you’re always pushing the business to the next level.”

both inside and outside the organization, and growing their careers within.

We’ve had people look at what we’ve done and say it’s a great example of authentic leadership. We just look at it as the Accenture way. We lead by example and I think Accenture is a unique place and our employees have so much pride and passion for our business. We’ve seen an uptick in the marketplace of people trying to get a true understanding of what is going on at Accenture in BPO because it seems like a cool place to be.

It’s been a lot of fun because you can see the impact you’re making with people. We win in the marketplace when we can get prospective clients to see our delivery centers. When they see the passion in our people, it’s hard not to feel good about partnering up with Accenture.

P: Who are your role models?

M: I have been very fortunate to have many influential mentors/role models. The people I would highlight are members of our Accenture leadership team past and present, but also my Dad, who ran his own business for 25 years. I picked up a lot from my own family around how to run a business and what to do with your people. My role models have taught me how to develop strong teams, stay laser focused on managing the P&L and to always differentiate the business. But most of all, I learned the importance of achieving a balance between your personal and professional life, giving back to others and saying ‘thank you.’

P: What is the best advice you ever received?

M: First, is focus and connect with your people because it starts there. You can’t do anything without a team. The second is to achieve balance between your personal and professional life. The third is making sure you’re always pushing the business to the next level. You have to focus on what you have and run it well. But as a leader you have to be able to paint the picture of where you are going. I learned this from my father, who sold office equipment back in the day. Who would think that one day typewriters, copiers and fax machines would be extinct? He knew he had years before this happened. It was his call on whether or not he made the investment to go into computers, but he knew the next step in the business.

P: What are you most proud of?

M: I’m proud of the team and the BPO business we have created at Accenture. We once thought, as a leadership team, that we had to inspire our folks -- now they inspire us. We’ve created a mindset within BPO where everyone is thinking about the next step. Our people are just phenomenal and very inspirational. To be able to create that kind of pride and passion in a business is pretty neat.

P: How do you connect with employees and customers?

M: First, by talking and listening to our leadership team. I focus on getting the pulse by asking, “What is going on in the marketplace? What is going on with our clients? What is going on with our people?”

Of course, I always have my own point of view. I see clients and people every week. I go to our delivery centers and see people on client engagements. I like to sit down with our folks and just ask them what they are doing. I regularly talk to our up and coming leaders at all levels of the organization and hold town hall meetings that give all our employees a chance to give input and be heard. With our most recent town hall, we had a survey to gauge what people think of “Grow BPO.” We want to know if we’re only hearing good things or if there are other issues out there. So far, the responses have been very good.

Get the pulse of your team and keep the pulse yourself. Put those two things together and communicate back to your folks. We always try to be as transparent and direct as possible. I don't like surprises - positive or negative - so let's not do that to anyone else.

P: What else is important?

M: Always say "thank you." It is amazing what happens when you get a personal note in someone's own handwriting that says, "I really appreciate what you did today." It's the little things. To drop an email or handwritten note or before you leave the center go back and say "I appreciate what you're doing," is huge.

P: What is the value of The Outsourcing World Summit?

M: My experience with the Outsourcing World Summit goes back to the late 1990s, before IAOP was even formed, when outsourcing was just emerging as an industry. Michael Corbett and Debi Hamill and a small group of what I would consider very smart people realized the industry needed a voice and a forum to share ideas and they organized the event to promote outsourcing as a strategic discipline.

I think the Summit is awesome for three reasons: First, it provides a platform for promoting the value of outsourcing. So many times, we can get off base in terms of what outsourcing is. So the Summit is a way to educate and push the industry forward, and to share best practices and lessons learned.

Second, it's a great forum for education and learning. Whenever I meet a prospective client who is stuck in first, second or even third generation BPO, I tell them that such an event is a perfect value-added opportunity because you are going to meet both providers and buyers that have a ton of experience. Everyone's got a point of view and what they should do is establish their own perspective by speaking to different people. There is no better place to get informed and create a point of view than the Summit. Finally, I always think of it as an event where the leadership of outsourcing shows up. The industry is growing larger every day but there is still a strong sense of community in the outsourcing world. The Summit is where the community gathers every year. It gives you a chance to reconnect. You get to see your friends and a lot of your clients.

I think of the Summit as a platform for outsourcing, an education and learning experience for the industry and a good event to reconnect to the community and a set of people you've been with for 20-plus years.

"We win in the marketplace when we can get prospective clients to see our delivery centers. When they see the passion in our people, it's hard not to feel good about partnering up with Accenture."

Mike Salvino, Group Chief Executive of Business Process Outsourcing (BPO) at Accenture

WELCOME IAOP NEW MEMBERS

IAOP is pleased to welcome new and renewing corporate and professional members from:

Accenture; Assurant Services; BBEST; Belcan Corporation; Bell Alliant; Bleum Inc.; Blue Cross/Blue Shield of Florida; BSS; Capgemini; Capital One Financial Services; CBRE; Cienet International, LLC; Citi; Cognizant Technology Solutions; COMNet Group Inc; Compass Group; ConductIT; Covidien; Dell; Deloitte; dp Consulting; EMC; Ernst & Young; EXL Service; Fasken Martineau DuMoulin LLP; Firstsource; Free Net Business Solutions Sdn Bhd; Fujitsu Consulting; Gedass SRL; GlaxoSmithKline; Global DiversifiedIT; Global Mindset; Grant Thornton; Harleysville Insurance; HTC Global Services; Hunton & Williams LLP; IBM; IGS; Infosys; ING Belgium; Inova; Integrated Corporate Services; investTT; ISC; ISG; Johnson & Johnson; Johnson Controls, Inc.; KPMG; Kraft Foods; Liberty Mutual; Limited Brands; Lucan Consulting; Manpowergroup Services; MDeC; Mechanalysis Sdn Bhd; Microsoft; MULTIENLACE SAS; NetApp; NiSource; Outsource Block; Pratt & Whitney; PwC; Qatar Petroleum; Quint Wellington Redwood; Rio Tinto; RPC; SEI Investments; Shergroup Limited;Sigmaxyz; smc hartmann; Softhourn; Sogeti USA; State Street Corporation; Suerte Academy; SunGard; Sutherland Global Services; Teledatos S.A.; The Hartford Insurance Group; TIMIT Solutions; T-Mobile; Transguard Group;TwinBizz BV; UBC; UNIL; UniversalMusic Group; University of Bradford; University of Wales; Walgreens; Webb Henderson; WeiserMazars; Wells Fargo; Western Union; and Zurich Financial Services.

For information on IAOP membership, click here or email sales@iaop.org

JOIN WITH THE INDUSTRY LEADERS

Membership in IAOP provides access to an extensive array of services, and just as importantly distinguishes organizations and professionals as leaders in the field of outsourcing.

• **Customer Corporate Membership** – Organizations that are currently outsourcing or are considering one or more outsourcing initiatives should become Customer Corporate Members of IAOP. This membership provides organization-wide access to the association's research, training, certification, and networking programs - all designed to help companies achieve better business results through outsourcing.

• **Provider/Advisor Corporate Membership** – Outsourcing service providers and advisory firms should join IAOP as Provider/Advisor Corporate Members. This membership provides the same organization-wide access to IAOP's research, training, certification, and networking programs as Customer Corporate Membership, but also includes member-only sponsorship opportunities that serve the marketing and business development needs of these companies.

• **Professional Membership** – Professional Membership is available to individuals either as part of their company's corporate membership or on an individual basis. This membership serves the needs of practitioners working in the field of outsourcing whether as customers, providers, or advisors. In addition, it provides these professionals with direct, personal access to association services.

MEMBER SERVICES

Many of these services are included as part of IAOP's Professional or Corporate Membership, with discounts available for use beyond the level provided. Some services are also available individually at non-member rates. These include:

• **Pulse Magazine** – Available bi-monthly online, our e-zine features in-depth coverage of the industry, issues, trends, geographies and vertical sectors and functions; thought leadership and case studies, probing Q&As, C-level interviews and profiles; as well as exclusive and insider coverage of IAOP events, programs, awards, research, training and certifications and surveys. Members get a free subscription, advertising discounts as well as the opportunity to submit content.

• **IAOP's Knowledge Center, Firmbuilder.com** – IAOP's online repository houses more than 1,000 articles, including chapter meeting presentations, conference proceedings, industry whitepapers, research articles and more. Members have full access.

• **Global Chapter Network** – Through its active and expansive chapter network, IAOP members can share their expertise and find knowledge on best practices for specific industry segments, topics and geographic areas within outsourcing. Access to any and all chapter meetings is included in IAOP membership.

• **Conferences & Events** – IAOP hosts the world's best-known and most highly-respected executive conferences on the topic of outsourcing, including The Outsourcing World Summit.® Become a member and attend at a discount.

• **Outsourcing Professional Certification Frameworks (OPCF)** IAOP's trainings and certifications are the industry's de facto. Whether you are interested in getting educated through the COP Master Class or becoming a Certified Outsourcing Professional (COP), there is a path that suits your needs. Members receive substantial discounts.

• **Value Health Check Survey** This Web-based diagnostic tool provides outsourcing customers and service providers with rapid insights to realizing outsourcing value. Corporate members receive a free survey.

• **Global Supply Risk Monitor** – A unique Web-based product that enables clients to monitor, predict and manage the various risks in their services supply chain across countries, cities and suppliers, in real-time. Corporate Members receive one free monitoring service.

• **BestOutsourcingJobs.com** – Companies seeking the best talent for outsourcing jobs, as well as professionals looking for employment opportunities, will benefit from this IAOP member service. Corporate Members receive free job postings.

For more detailed information on membership and member services, visit www.IAOP.org/MemberServices

PULSE ROUND UP

Upcoming Chapter Meeting Calendar:

FEBRUARY. 27, 2013

Nordic chapter meeting on “Managing Distant Teams Across Cultures.” The meeting will be held from 3 p.m. to 6 p.m. at Gorrissen Federspiel’s office, H.C. Andersens Boulevard 12, Copenhagen V.

The calendar on IAOP’s Web site is frequently updated. To stay current, visit www.IAOP.org/calendar.

IAOP Professional Members may attend an unlimited number of chapter meetings. IAOP also offers complimentary Associate Membership that allows non-members the opportunity to attend up to two chapter meetings as IAOP’s guest. Go to www.IAOP.org/chapters for more information and to register.

IAOP MEMBER HUB

IAOP’s social network further helps you connect with members around the world. The IAOP Member Hub allows members to:

- Find people by name or profile details – includes profile photos to help you put names to faces
- Keep track of people you know and tag people you want to know
- Start a discussion thread
- Send a private message to another user
- Leave a comment directly on someone’s profile
- View the integrated calendar of upcoming IAOP chapter meetings and events and keep your own personal calendar of the meetings and events you’re attending

THE HUB IS OPEN TO IAOP PROFESSIONAL MEMBERS ONLY. It is easily accessible by signing in to www.IAOP.org and clicking “Member Hub” in My IAOP.

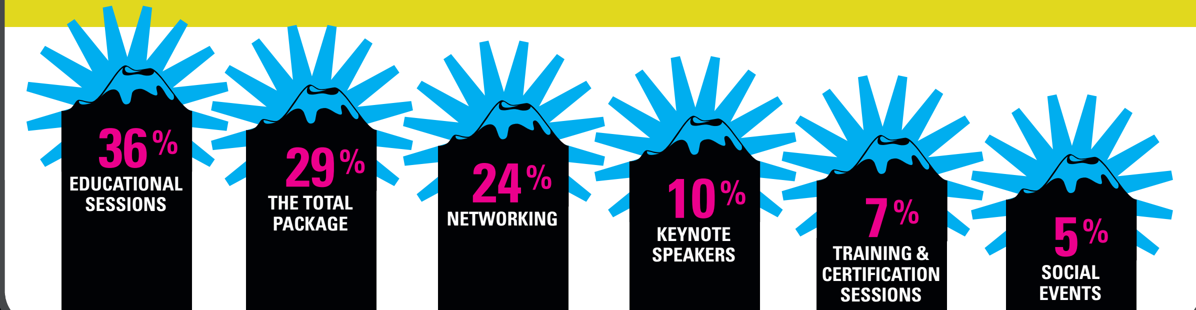
GUEST BLOGGERS WANTED

If you are an IAOP Member with something to say, email your relevant, current, witty, insightful, edgy and maybe even controversial blog post to pulse@iaop.org.

GUEST BLOGGER GUIDELINES:

- Blog should have an approximate 500 word count
- Blogs must not be a repost from another Web site or personal blog
- Previous writing experience is preferred
- Blogger will receive full credit for post authorship
- Blogs must be proofread by the author before publication
- We will try to notify every one by email that their blog has been accepted and will appear in the future on the PULSE Blog. If approval is required from guest bloggers’ management, the blogger must have permission before submitting entry as there is no guarantee we will email confirmation before the blog is posted.

IAOP QUICK PULSE POLL: WHAT DO YOU LIKE BEST ABOUT THE OUTSOURCING WORLD SUMMIT?



IAOP MEMBER NEWS MAKERS

New Service Centers in North America and Europe

ADITYA BIRLA MINACS, a global business solutions company, has set up a new center in Mexico City, Mexico in partnership with **QUALFON**, a leading global BPO provider with proven LATAM contact center experience. This center will provide customer support services to Minacs' clients in North America.

The 600-seat center will offer a wide range of facilities to employees in a world-class working environment. Qualfon will partner with Minacs to provide customer service support in English and Spanish to its clients. Senior Minacs executives will provide leadership onsite to ensure the delivery of a world-class service experience to customers. Commenting on the new partnership with Qualfon and the focus of the Mexico City delivery center, Anil Bhalla,COO, North America and Europe at Aditya Birla Minacs said, "With this new center, we are strengthening our LATAM presence and solution offering to add to Minacs' presence in Jamaica and the Dominican Republic. This enables our clients to be even closer to their customers."

Read More: http://www.prnewswire.com/news-releases/minacs-partners-with-qualfon-to-launch-mexico-center-180841381.html

INTEGREON, a leading global provider of outsourced legal, research and business services, has opened a 100 seat legal document review center in the City of London. The London center is the second UK facility Integreon has opened this year, with the initial Bristol center opening in January. These onshore locations complement the company's offshore review centers in India and the Philippines and further extend Integreon's leadership position in the UK for onshore and offshore service delivery.

"Client interest in the UK for Integreon's onshore legal outsourcing services has never been higher and we are committed to investing and growing our business in this market," said Brent Larlee, Global Head, Legal Services at Integreon. "Our London review center offers UK law firms and corporations a high quality service experience and outsourcing cost benefits, while providing clients with the ability to balance data protection requirements, if work is required by the client or by law to be carried out in a UK facility."

Read More: http://www.prweb.com/releases/2012/11/prweb10168327.htm

COMPETITIONS, AWARDS & WINS

ISS SWEDEN has introduced a new competition for innovative students at Swedish universities to come up with the best idea to increase productivity. The competition is open to academic theses and aims to highlight creative ideas that can increase productivity within the Facility Management industry. The total prize fund is 100,000 SEK in scholarships. The application deadline is June 1.

LARS TÄUBER, Country Manager at ISS Sweden, said: "The Facility Management industry is responsible for very large capital values in terms of Sweden's property portfolio. The industry is of socioeconomic significance and an important part of the country's future. Therefore, everyone must cooperate in the development of skills and creativity. As a leading service provider, ISS is working with this on a daily basis. By awarding this prize every year, we want to contribute to the development of the industry."

Read more: http://www.issworld.com/press/news_stories/pages/student_competition_will_vitalize_facility_management.aspx

SYNECHRON INC., a leading provider of technology solutions for the insurance and financial services industries has been recognized with an award for its Mobile Platform for the insurance industry. ACORD is the global standards organization for the insurance industry. The ACORD Award is presented at the annual ACORD Implementation Forum in Fort Lauderdale.

The ACORD award is of great importance to Synechron, as its industry-leading mobile insurance framework for the auto insurance industry was received for an entirely new award category in the list of solutions and platforms.

Read More: http://www.synechron.com/about-us/Synechron_Wins_ACORD_Compliance_Award.shtml

Under a new deal, **FREEBORDERS**, which provides IT services to large and medium-sized businesses, will use Virtustream's xStream to migrate Lanx Inc.'s mission-critical, enterprise data and applications to a virtual multi-tenant cloud environment. With Virtustream and Freeborders, Lanx expects to have its entire SAP environment up and running in the cloud within 45 days. Virtualization will help Lanx reduce infrastructure costs as well as provide data replication for disaster recovery.

Read More: http://www.businesswire.com/news/home/20121018005046/en/Lanx-Selects-Virtustream-Freeborders-Move-SAP-Environment

IAOP members are welcome to submit press releases for consideration in this section. Email your news to: pulse@iaop.org

PULSE
PROFESSIONAL

PAMELA O'DELL is the Director of Corporate & Professional Development at IAOP

LETTER FROM THE DIRECTOR

Over the past years directing IAOP's Certification & Training programs, it has been immensely satisfying to see the growth of the programs globally and the acceptance the COP family of certifications has achieved among individuals and companies involved in the outsourcing industry.

With the assistance of Courtney Coon and Dana Corbett, our team has seen the number of COPs grow to almost 400 elite professionals. There's also been an exponential surge in the number of COP and aCOP applications in the pipeline, which keeps our COP application reviewers in the Training & Certification Committee hopping!

We currently have several hundred open applications that will equate to that many additional certified outsourcing professionals in the near future. We recently reached a milestone of having more than 1,000 individuals go through our COP Master Class training since its inception.

While the COP program itself has grown, we have also branched out to include the Certified Outsourcing Specialist family, which now has hundreds of people certified in COS-FP, COS-F&A and COS-HR . We've also expanded our advanced COP certifications, as well with new ones in the pipeline. There literally is something in our certification and training offerings for everyone at every stage of their outsourcing career.

However, I was most proud when I learned IAOP was focusing its theme this year for the 2013 Outsourcing World Summit on The New Age of Outsourcing and the Rise of the Outsourcing Professional. Not only does the Summit feature workshops for both COPs as well as those seeking to gain the designation, but IAOP has devoted an entire educational track both by and for COPs! Having this focus on the Outsourcing Professional shows how critical knowledgeable and skilled individuals are to the companies that count on them to design, implement and manage their outsourcing relationships.

When you are at the Summit this year, please take a moment to seek out those who are sporting a COP ribbon on their delegate name card. They won't be hard to find. Please let them know that indeed they are the drivers, and movers and shakers within the outsourcing industry, who epitomize industry excellence. Also take time to ask them how the designation has helped them in their career and has helped their companies to excel and compete. After hearing from them, I hope you'll leave the Summit thinking about earning the letters COP after your name!

We look forward to seeing you at the Summit. If you are certified now or have been in touch with anyone at IAOP in the Corporate and Professional development program, please look for Courtney, Dana and me and say hello in person!

Best regards,
Pamela O'Dell

PAMELA O'DELL can be reached at +1.845.452.0600 ext. 121 or at pam.odell@iaop.org.

PULSE PRAISE!

CONGRATULATIONS NEW COPS

Virat Bhartiya, COP
Strategic Global
Sourcing, Infosys

Devi Kencki, COP
Manager, BPO, Xerox

Martin Keaney, COP
VP, Global Vendor
Managment,
WellPoint

Randall Fralick, COP
Principal, BPO,
Capgemini

Haipeng Wang, COP
Senior Project Manager,
hiSoft

Monica Juan, COP
Global Alliance Director,
CB Richard Ellis

Chuck Wright, COP
Senior Practice Director,
KellyOCG

LINK IN WITH COPS

All current COPs are invited to join the official LinkedIn group for COPs. Here, you'll find upcoming webinar and training dates along with new additions to the Outsourcing Professional Course Catalog and Outsourcing Professional Certification Framework. More than 150 COPs already are members.

Join today at http://www.linkedin.com/groups?gid=836717&trk=myg_ugrp_ovr

OUTSOURCING WORLD SUMMIT COP CREDITS

CREDITS FOR COPS

As a COP attending this year's Summit, you'll earn 16 Continuing Education Hours (CEHs).

Here are other ways to keep the credits coming:

- Attend the advanced intensive to end your Summit learning experience on Feb. 20, from 1:30 to 3 p.m. CEH: 5
- Speak at the COP Primer on Feb.20 and share how obtaining the COP designation has benefitted your career. CEH: 2
- Submit white papers for PULSE and the online Knowledge Center, FirmBuilder. CEH: 1
- Review a COP Application. On average, COP reviews one to two applications a quarter. For more information, contact copprogramservices@IAOP.org. CEH: 2 per application
- Attend a live or webinar-based chapter meeting. CEH: 1 per meeting attended
- Speak at a chapter meeting. CEH: 2

There's plenty to choose from to meet your interests.

Check out the Outsourcing Professional Course Catalog (OPCC) page on the IAOP Web site to see pre-approved course listings.

Any pre-approved course in our course catalog can be used towards continuing education hours.

GLOBAL
CLASSES/CALENDAR

The New Year is a great time to set goals in your executive career. Continuous education in a constantly developing industry is a must in order to stay ahead. The more you know, the more value you hold for your company and the more beneficial it will be when it comes to enhancing your career.

NORTH AMERICAN TRAINING LOCATIONS

Attend one of the COP Master Classes and gain inside knowledge. Learn from industry experts and network with industryprofessionals at one of our prestigious locations. Leave with an increased understanding in managing outsourcing projects.

RIZZO CONFERENCE CENTER IN CHAPEL HILL, NC.
March 25-28
Register: Contact sales@iaop.org for current specials and member discounts

KINGBRIDGE CONFERENCE CENTRE TORONTO, ON
June 24-27, 2013
Register: Contact sales@iaop.org for current specials and member discounts

COP WEBINAR
Find out what it takes to become a COP with this complimentary webinar that covers the process, requirements and typical timelines for certification.

Upcoming session:
Feb. 27
Time: 12 to 1 p.m. EST
To register, visit www.iaop.org

INVERNESS HOTEL & CONFERENCE CENTER DENVER, CO
Sept. 16-19, 2013
Register: Contact sales@iaop.org for current specials and member discounts

NETWORKING AND CONNECTING

IAOP CLASSES AND TRAINING AVAILABLE ONLINE

With the tight economy, companies are increasingly shaving travel and training budgets. At the same time, professionals are being asked to increase productivity and do more with less, making it harder to take three or four days out of their schedules to travel to and attend a professional training.

That's why IAOP has developed all of its outsourcing training courses and workshops in a convenient online, on-demand format. The following training courses are now available in online format from IAOP's Web site:

- COP Master Class
- Outsourcing Governance Workshop
- Service Provider Business Development Workshop

Online classes deliver the exact same quality content as the live versions, and count the same towards certification and recertification points and hours. They have the added benefit of providing self-paced instruction and the convenience of logging in when the timing fits. Best of all – there's no need to leave the office, deal with airports and travel, and you'll save money as well.

All of our online classes have a "live" mentor, Jim Shea, COP, an Authorized Trainer who can help mentor and assist with any questions you have about the online platform or course materials.

Please visit www.iaop.org, in the Training section and select "Online Training" in the dropdown menu to learn more about how to register. Or, you may contact Renee Preston at renee.preston@iaop.org for pricing, specials and information on single or combo classes.

GET GREATER GLOBAL OUTSOURCING 100 VISIBILITY WITH FORTUNE PACT

Through its long partnership with Fortune Custom Content, IAOP offers greater visibility to companies ranked on the Global Outsourcing 100 and World's Best Outsourcing Advisors lists. This year's list will run, in a special advertising section on outsourcing, in the May 20 issue, which features the world-renowned Fortune 500 list.

Aligned with this highly publicized media event, our 20-year collaboration has provided IAOP, its members and the outsourcing industry with valuable exposure to Fortune readers, a highly regarded community of 3.5 million business leaders and executive decision makers.

In addition to gaining greater global relevance, our 2013 outsourcing programs with Fortune will offer new integrated opportunities for organizations of every size and expertise. IAOP also plans expanded editorial and advertising opportunities with Fortune Custom Content.

To learn more about advertising opportunities, please contact Renee Preston at renee.preston@iaop.org, or Rob Meagher, Fortune Custom Content sales consultant, at Rob@robomayor.com. An overview of these programs is available at the IAOP Web site.

IAOP offers greater visibility to companies ranked on the Global Outsourcing 100 and World's Best Outsourcing Advisors lists.

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PULSE FLASH BACK

CELEBRATING 15 YEARS OF THE OUTSOURCING WORLD SUMMIT

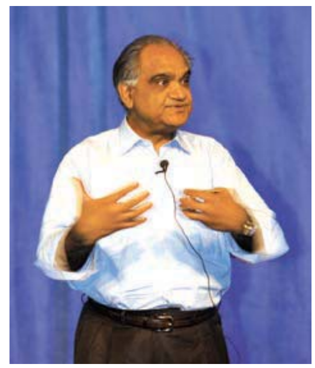
Andy Cvitanov, American Express, keynotes the first Summit.

James Brian Quinn wins the Outsourcing World Achievement Award.

Vice Presidential candidate Jack Kemp also took the stage.

American astronaut Buzz Aldrin walked the moon and was at the Summit.

Mary Lacity, COP, of University of Missouri-St. Louis also is speaking at this year's Summit on Dynamic Innovation.



Business consultant Ram Charan shares insights with delegates.

IAOP founder and chairman Michael Corbett has spoken at many Summits over the years.

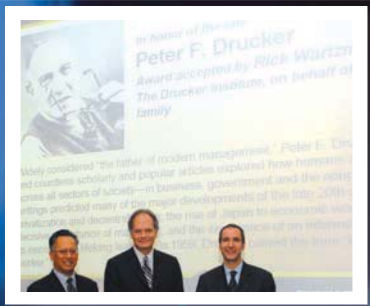
IAOP launches at the 2005 Summit in Coronado, California.

1998 1999 2000 2001 2002 2003 2004 2005

Paul Spence, CEO Outsourcing Services, Capgemini, is announced as the first inductee to The Outsourcing Hall of Fame.

Kevin Campbell, COP, Accenture and Ron Kifer, COP, Applied Materials are inducted to the Outsourcing Hall of Fame.

Robert Reich, former U.S. Secretary of Labor, key notes.



The late Peter Drucker inducted into the Outsourcing Hall of Fame. Award accepted by Rick Wartzman of The Drucker Institute.

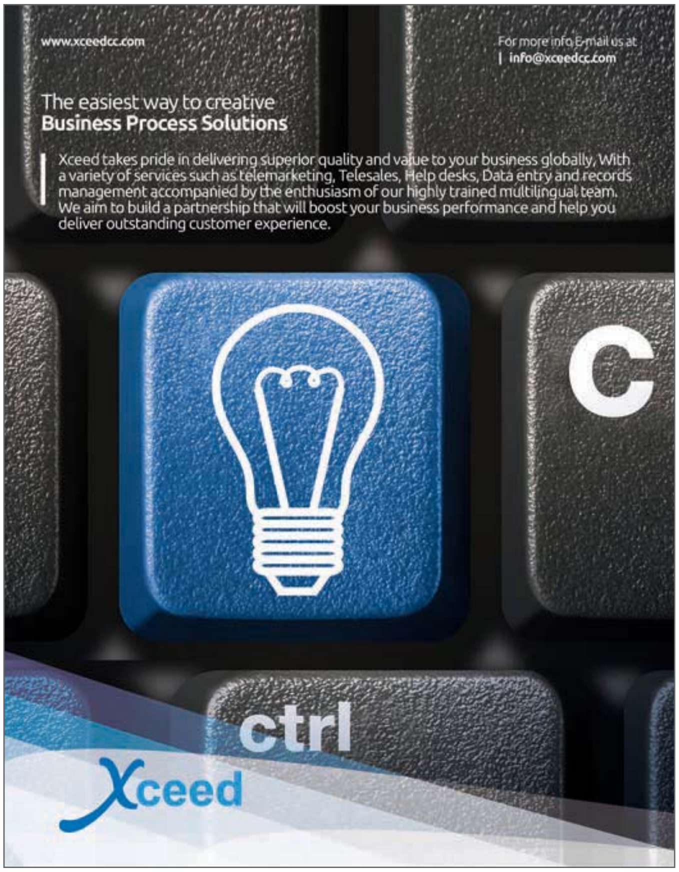
In honor of the late Dewang Mehta, Past President, NASSCOM, award accepted by Dr. Ganesh Natarajan.

Strategic Advisory Board members John Maher, COP, CBRE; Santiago Pinzon, ANDI; Bobby Varanasi, Matryzel; and Julia Santos, Ernst & Young meet at The Summit in Palm Desert, California.

Keynote speaker Peter Sheahan, Founder and CEO of ChangeLabs, presents "FL!P".

2006 2007 2008 2009 2010 2011 2012

PULSE PROFESSIONAL DIRECTORY



COMING NEXT IN

PULSE

2013 OUTSOURCING WORLD SUMMIT HIGHLIGHTS

Don't miss our exclusive event coverage from Phoenix with Photos and Video

PLUS: Plus, The State of the Industry: Meet the Hall of Fame Inductees and GEO Winners

China Hot Spot and Real Estate Vertical Focus

Pulse blog } iaoppulseblog.blogspot.com