Outsourcing the Back Office

The Path Toward Sustainable Benefits

A report prepared by CFO Research Services in collaboration with Capgemini
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About this Report

In late 2005, CFO Research Services (a unit of CFO Publishing Corp.) launched a research program to explore how companies have used outsourcing to control costs and improve performance for their back-office functions. We sought to understand how finance teams and their companies have made their outsourcing decisions, found and managed their vendors, and measured the benefits of their efforts.

This report presents the findings of our survey of 288 senior finance executives with titles such as chief financial officer, treasurer, controller, and vice president of finance. Two-thirds of the respondents are from companies with more than $1 billion in annual revenue, and respondents represent a broad cross-section of industries. The survey is supplemented with interviews with executives from the following companies:

- Alliant Energy Corporation
- American Crystal Sugar Company
- BorgWarner, Inc.
- Fidelity National Financial, Inc.
- Freescale Semiconductor, Inc.
- The Grocers Supply Co., Inc.
- Hormel Foods Corporation
- JLG Industries, Inc.
- Kennametal, Inc.
- Molson Coors Brewing Company
- Valmont Industries, Inc.

We also interviewed executives from several other companies who have asked not to be mentioned by name.

CFO Research Services and Capgemini—a global provider of consulting, technology, and outsourcing—developed the hypotheses for this research jointly.

Capgemini funded the research and publication of our findings, and we would like to acknowledge the Capgemini team—Maureen Barry, Lisa Boughner, Suzanne Graf, Ellen Krohne, Bill Martin, John Putnam, and Rick Tober—for their contributions and support.

At CFO Research Services, Randy Myers conducted the interview program and wrote the report. Sam Knox directed the research and edited the report.
Executive Summary

Despite published reports that outsourcing administrative processes was a fad, this new survey from CFO Research Services shows broad enthusiasm among senior finance executives for outsourcing back-office business processes. Seventy-three percent of survey respondents say they would be interested in outsourcing anything from “a few more discrete processes” to “everything that’s not core.”

This enthusiasm is at odds with general perception; 54 percent of finance executives say outsourcing doesn’t deliver the benefits portrayed by the media and vendors. But the survey reveals an important distinction between general perceptions of outsourcing and the views of those who’ve actually used it. Among the latter group, a decided majority—from 65 percent to 83 percent, depending on the process in question—say their experience has either met or exceeded their expectations. Moreover, finance executives are remarkably candid in assessing why outsourcing has sometimes failed in the past. Primarily, they say, it is because customers themselves have done an uneven job of structuring, overseeing, and governing their outsourcing relationship.

Armed with this experience and pressured by market forces to seize opportunities to streamline their processes and cut costs, finance executives are ready to take a fresh look at outsourcing. As Kennametal, Inc. executive vice president and CFO Catherine Smith puts it, outsourcing has almost become “a ticket to the game.” She adds, “We have to be competitive on every front, and outsourcing is one way to get there.”

A solid majority of finance executives report their outsourcing initiatives have met or exceeded their performance expectations and they often attribute failed outsourcing initiatives to their own uneven management of vendor relationships.

To find out how companies might improve their chances of realizing outsourcing’s core benefits—lower costs, access to best-in-class processes, more time for core business activities—CFO Research divided survey respondents between those who are happy with their outsourcing experiences and those who report that their outsourcing activities have fallen short of expectations. Significantly, those with positive results proved to be consistently more faithful and disciplined followers of good outsourcing management practices, such as defining performance metrics, negotiating and holding vendors accountable to service-level agreements, and auditing vendor performance.

Overall, this new CFO Research survey suggests a healthy future for outsourcing and the companies who use it—providing they are willing to devote the necessary time and attention to selecting vendors judiciously and managing their performance carefully. The study details the governance and management practices that companies have employed to find, evaluate, and monitor their outsourcing vendors and suggests practices that companies can adopt to make outsourcing more likely to succeed.
A New Appetite for Outsourcing

Although some early efforts have been promising, business process outsourcing has yet to become the revolutionary business practice envisioned by its earliest and most ardent supporters. A brilliant and seemingly simple concept—let someone else handle your routine business processes so your company can focus on its core competencies—it has, for some, proved devilishly difficult to implement in the real world. Vendors don’t deliver promised savings, fumble the innovative solutions they’ve touted, or fail to meet agreed upon service targets. Clients, expecting a hands-off solution, find themselves mired instead in unsatisfactory relationships—not always, of course, but often enough that the general perception of outsourcing has suffered. According to the survey, a disappointing 54 percent of senior financial executives say business process outsourcing does not deliver the benefits portrayed by the media and vendors. A slim majority—52 percent—say business process outsourcing is a good way to control costs, and 45 percent consider it a good way to improve business process performance.

Despite this lukewarm view of outsourcing, 73 percent of survey respondents say they are interested in contracting with third parties for more, not fewer, business processes. And while most would be happy to shed a few discrete functions, a significant 17 percent would consider outsourcing a broad range of functions and processes, and a determined 6 percent say they would like to outsource everything that’s not core to their business. One wonders, What’s going on here?

The survey data suggests two factors are at work. First, the general disposition against outsourcing is just that: general. When asked about outsourcing in the abstract, finance executives, including those who do and don’t have experience with the practice, are indeed lukewarm. But when asked to assess their personal experience outsourcing ten specific business functions—from IT infrastructure management to finance and account processes to employee benefits administration—a solid majority who’ve actually done so say the experience has met or exceeded their expectations. Depending on the function in question, these positive responses were reported by anywhere from 65 percent to 83 percent of survey respondents. (See Figure 6, page 15.)

However, many finance executives do not hold their vendors directly responsible for outsourcing endeavors that fail. They’re more likely to blame their own organizations. Fully 69 percent of survey respondents say it’s their management of the outsourcing vendor that determines the success of the relationship, a view that is echoed among finance executives interviewed for this study. “Where our outsourcing arrangements have gone well, we’ve had our employees and our management keenly on the case of managing the relationship and expectations, measuring the outsourcer’s performance, and generally keeping the vendor on a pretty tight leash—especially during the first couple of quarters or years,” says Tim Wolf, global CFO for $5.5 billion Molson Coors Brewing Co. in Golden, Colorado. “Where we’ve not done so well is where we abdicated management of the relationship more than was wise.”
Joseph Talley, vice president of finance and CFO for American Crystal Sugar Co. in Moorhead, Minnesota, agrees. “Some of our IT work that we’ve outsourced has been disappointing, but I don’t want to completely blame the contractor,” Talley says. “You have to know how to manage these relationships. In our case, where things didn’t turn out right, we probably didn’t define the scope of the projects as well as we should have.”

This refreshing ability to put past failures into perspective helps to explain why many finance executives are willing to give outsourcing another try. “From time to time you run into a service provider that’s not up to expectations,” concedes Robin Adams, executive vice president, chief financial officer, and chief administrative officer of BorgWarner, Inc., a $4.3 billion maker of power train products for auto manufacturers. “I wouldn’t say that’s an indictment of outsourcing as a whole.”

In fact, finance executives increasingly look to outsourcing not only as a source of cost savings—long one of its most highly touted benefits—but also as a source of process improvement and innovation. “Our organization’s views about outsourcing are changing,” says a finance director at a unit of a multinational manufacturer who asked not to be identified by name in this study. “In the late 1990s and early 2000s, outsourcing was viewed as a panacea—a way to solve all problems. Then, not because of anything we did but just because of other companies’ experiences, it went out of favor for a while. Now it’s coming back, but in a more disciplined and more well-thought-out way.”

“Outsourcing has almost become a ticket to the game,” agrees Catherine Smith, executive vice president and CFO of Kennametal, Inc., a $2.3 billion maker of metal-cutting tools, engineered components, and advanced materials headquartered in Latrobe, Pennsylvania. “We have to be competitive on every front, and outsourcing is one way to get there. If a process is not core and strategic to our success, someone else can do it for us, and do it better. I don’t know if I’d say our use of outsourcing gives us a competitive advantage, but I think it would be a disadvantage if we didn’t do some of it.”

Smith is hardly alone in viewing outsourcing of back-office business processes, at least to some degree, as a competitive imperative. “Today, we are a modest user of business process outsourcing, but we are on a path to aggressive outsourcing for a variety of reasons,” says Shahid Charania, executive vice president of global sourcing for Fidelity National Financial, Inc., an $8.3 billion title-insurance, software, and information-services company in Jacksonville, Florida. “Obviously, we’re looking for cost savings,” he says, but the company also seeks to focus its employees on higher value, customer-focused activities.

Other companies are looking to outsourcing to help them manage their growth. Whether they’ve expanded organically or by acquisition, their new girth is making the old do-it-yourself approach to back-office business look increasingly less attractive. JLG Industries, Inc., has seen its business-processing requirements grow exponentially, both in volume and complexity, as it evolved from a $110 million company thirteen years ago into what is now a nearly $2 billion enterprise. Rather than adding legions of clerks, it’s looking to outsource and automate non-core processes.
Molson Coors is in a similar situation. Created by Adolph Coors Co.’s acquisition of the Carling division of Bass Brewers in 2002 and a merger with Molson Breweries in 2005, the beer giant is looking for fresh ways to run its back office. “The longer we work together as one company rather than as a series of $2 billion companies, the more opportunities we see to take a hard look at outsourcing,” says Wolf. “We’ve got more landscape, a bigger cost base, more activity, more people around whom we can optimize our processes, and a greater degree of freedom to pursue change. The constant question we ask is, ‘What can we do better as one $6 billion-plus company that we can’t or couldn’t have done as a collection of $2 billion companies?’” Wolf says Molson Coors seeks to be one of, if not the best, brand builders in the global beer business. Going up against what he calls “big, tough, very able competitors,” he says, requires the company to free up as much cash as possible to invest in its brands. “Outsourcing has to be a consideration,” he says. “You can’t look at what other good, bigger, more experienced companies have done [with outsourcing] and ignore it as an alternative.”

Some companies look at growth as an opportunity to do more—to hire ever-greater numbers of people with ever-greater levels of expertise in an ever-widening range of disciplines. The small company with a controller trades up to a CFO. The computer tech guy gets superseded by an IT manager who eventually reports to a CIO. Support staff is hired, empires expanded.

JLG Industries, Inc., a $1.7 billion manufacturer of excavators and access equipment (such as aerial work platforms and telescopic material handlers), takes a different view. Headquartered in McConnellsburg, Pennsylvania, it sees its growth as an opportunity to shift non-core activities to outside vendors so that it can keep its attention focused on supplying and servicing its customers.

“We were basically a $100 million company in the early 1990s and have grown into a nearly $2 billion organization,” observes James Woodward, JLG’s executive vice president and chief financial officer. “With that increase in size has come an increase in complexity and an increase in the sheer volume of transactions we’re processing every day. We used to do quite a few things ourselves, and still do, but those transaction-intensive areas are where we now think that, rather than continuing to add legions of clerks, we need to start outsourcing, and improving our processes so that we can automate them as much as possible.”

JLG already outsources its internal audit function, management of its stock option program, and significant portions of its employee benefits administration. In January, it turned domestic payroll processing over to an outside vendor, and the company is now proceeding with payroll for international locations. Now, it’s assessing the opportunity for outsourcing its IT infrastructure management, a step it may take in conjunction with replacing its ERP system.

“Outsourcing has to be a consideration,” he says. “You can’t look at what other good, bigger, more experienced companies have done [with outsourcing] and ignore it as an alternative.”

The goal in each case, Woodward says, is to achieve a higher degree of accuracy and increased speed of execution at a cost equal to or lower than what it would cost to do the job in-house. Its outsourcing of the internal audit function has been a particularly successful undertaking, he notes. “Being a relatively small company, our internal audit staff previously was made up of a director plus one person. Now, by having that work done by a Big Four accounting firm, we get the right people with the right skills anywhere in the world we need them, at a cost that does not exceed the cost of our old two-person team. Plus, we get the benefit of having an advisor to help with special projects or do research for us on GAAP issues. Especially in today’s environment, with the demands for complying with Section 404 of the Sarbanes-Oxley Act, this has proven to be invaluable.”

In evaluating which business processes are eligible for outsourcing, JLG divides its activities into three layers. The bottom layer consists of those that are independent of the company’s industry, such as paying employees or suppliers or filing tax returns—things for which customers won’t pay extra just because JLG might do them inefficiently. “Those are the activities we view as primary candidates for handling either through shared-service centers or outsourcing,” Woodward says.

The next layer consists of activities JLG considers industry-dependent, such as equipment financing for customers, that differentiate the construction-equipment business from, say, oil and gas exploration or banking. “These processes allow us to participate in our chosen markets, but they don’t
Still other companies are taking a new look at outsourcing as a way to offload liabilities inherent in business processes outside their core area of expertise. At $5.4 billion Hormel Foods Corp., for example, executive vice president and CFO Michael McCoy notes that increasingly strict patient confidentiality laws brought about by the Health Insurance Portability and Accountability Act of 1996 helped convince his company to outsource its medical-bill-paying processes. “We are self-insured,” McCoy says, referring to the company’s health insurance program, “and with the HIPAA requirements and other privacy legislation, we made a decision that we needed to put that liability and responsibility outside our organization.”

Of course, wishing to reap new benefits from outsourcing and actually doing so are different matters. In the next chapter, we’ll look at some of the mistakes finance executives say their companies have made in the past when outsourcing back-office business processes, and what the survey data says about where outsourcing has failed. This discussion sets the stage for an examination of how businesses can realize the full promise that outsourcing offers.

differentiate us from our competitors,” Woodward notes, “and again, our customers won’t pay us any more if we do them inefficiently. We view these as secondary targets for outsourcing, and have already moved some to outside vendors. For example, we have eleven different financial institutions that we deal with to provide equipment financing to our customers.”

The last layer of activities, Woodward says, are those that do differentiate JLG from its competitors. “In this top layer are things we’ll never outsource—this is where we want to spend the majority of our time and resources;” he says. “Our call center is one that falls into that category, as do certain IT activities related to the features we provide on our equipment, such as on-board electronics.”

While many companies have turned to outsourcers to run their customer call centers, Woodward says that just wouldn’t work for JLG. “We have a very, very high-end business model,” he explains. “We have a premium product and a premium price, and one of the reasons we’re able to maintain this position is because of what we offer in the way of after-sales service and support. When our customers call us, they expect to get somebody who knows a lot about our equipment. So we view that as a core activity.”

Despite the opportunities presented by outsourcing, JLG does not see it as the ultimate solution to every high-volume business process. For example, Woodward notes that JLG could handle its accounts payable function through shared-service centers, as it does now, or by outsourcing it in low-cost locales. However, rather than outsourcing what they do today, Woodward would rather focus on introducing a pay-on-receipt system in which vendors don’t even send invoices or statements. Instead, receipt of goods would automatically trigger payment to the vendor based on predetermined contract prices. It’s a system that Woodward’s previous employer used, and one that JLG is investigating.

“That same concept is also driving our decision to outsource some of our logistics,” Woodward says. “For example, when we analyzed our accounts payable activities we found that 25 percent of all invoices we process are very low-dollar freight invoices. We can eliminate 25 percent of our transaction volume just by outsourcing logistics rather than accounts payable. In addition, we also realize the benefit of a robust rate negotiation and audit system, which the third-party provides.”

This year alone, Woodward says, he hopes to be able to pare the number of JLG employees assigned to accounts payable from seventeen to seven by automating more aspects of their work and outsourcing logistics. That won’t reduce the company’s overall payroll, he notes, since the company is growing, but it will allow it to deploy those people in other, more strategic capacities.

In fact, Woodward says, that should be the end result of all the company’s outsourcing activities. “When it comes to those industry-independent activities—and that includes much of the IT function—I’ve told our team that not only will our customers not pay us more for how well we do them, but the best we can hope for from them is indifference. Because no matter how good you are, people expect that when they walk into a room and flip the switch, the lights come on. So these are the things we have to find a way to do as quickly and efficiently as possible. Outsourcing can be part of the solution. We’re a modest user of it now, but we would like to be more aggressive.”
A Painful Past: Why Outsourcing Sometimes Didn’t Work

When Freescale Semiconductor, Inc. was spun off from Motorola in 2004, it took with it more than 20,000 employees and the parent company’s microchip business. But it also inherited an outsourcing contract with a vendor that had been managing its IT infrastructure to disappointing effect. How bad was it? Suffice to say that Freescale’s chairman and CEO, Michael Mayer, often couldn’t get access to his own E-mail.

Freescale and its vendor ultimately straightened out their problems, but not without an extraordinary effort by both parties that included personnel changes and, perhaps most importantly, the establishment of credible metrics and performance targets for which the vendor would be held accountable.

While survey data indicates that a majority of finance executives who have experience with business process outsourcing have found it useful in controlling costs, too many have had experiences like Freescale’s. Nearly a third of survey respondents say outsourcing has fallen short of their expectations, either in terms of the end-user experience or the introduction of process quality improvements. Roughly a quarter of the respondents have been disappointed with both the near-term and long-term cost savings, and the speed with which vendors handle their back-office processes. Where outsourcing has failed so badly that the customer has terminated the relationship, the most common reasons cited, beyond the generic “low-quality performance from vendor,” are the lack of cost savings, dissatisfaction with the vendor’s processes, an unwillingness by the vendor to meet the client’s changing needs, and a lack of sustained innovation on the part of the vendor.

Amid this uneven performance, finance executives are probably right to place some of the blame for poor performance on their own companies, given that relatively few of them consistently follow best-practice policies either in selecting or managing their outsourcing vendors. For example, only 33 percent of survey respondents say their companies use a structured, well-documented process for selecting and managing vendors. Less than 20 percent always bother to “define, document, capture, and report operational and financial performance metrics” or to use a formal governance process to oversee their outsourcing relationship. And less than 10 percent say they always audit their vendors, or build incentives or penalties into their service contracts.
With such lax management, it’s little wonder that outsourcing initiatives have often been disappointing. “There have been periods of time over the last ten years where we’ve been dissatisfied with what we’ve been getting, either because it was costing too much or we didn’t feel we were getting the best bang for the buck,” concedes a senior finance executive from a manufacturing company who asked not to be named in this report. “But I think the reason was not so much the service provider as it was us needing to adjust our expectations, manage change, and not try to create an outsourcing arrangement that was all things for all people.” Because this manufacturer didn’t have standard processes around the globe, the source explains, it was difficult for its vendors to perform optimally. “The more you try to differentiate services by business unit or by country or by whatever, the more it begins to cost,” he says. “You can’t have a buffet or cafeteria-style of services, particularly for something that is not really differentiable. Accounts payable is accounts payable. Invoicing is invoicing. Sometimes, I think, we failed to realize that the maximum benefit comes from standardization,” he concludes. Lesson learned.

To be fair, not every troubled outsourcing exercise can be blamed on the customer. In some cases, vendors just fell down on the job. One executive recalls an instance a few years ago, for example, in which his company decided to outsource a group of its HR functions, including benefits administration and payroll, to a vendor in India. “We’d gone through all the work of identifying key parameters for the project, including the questions and answers the call center would have to deal with, how to manage the costs, how to do the accounting, that sort of thing,” he recalls. “Yet once we got into the relationship, we found that the outsourcing vendor wasn’t following our guidance. Call response times were extremely poor, and when users tried to do things online, the system didn’t work the way it was supposed to. Some of the benefit payouts employees were supposed to be receiving were incorrect. We had to terminate the relationship. We brought the work back in-house.”

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**Outsourcing relationship management is uneven**

How often does your company use the following management practices in selecting vendors and managing relationships?

- **View provider as “business partner”**
- **Define and document all metrics for vendor performance**
- **Capture and report operating and financial metrics on vendor performance**
- **Visit outsourcing vendors’ work sites**
- **Capture and report qualitative reaction to vendors’ performance**
- **Consolidate work with a few strategic vendors**
- **Impose penalties for poor performance**
- **Use formal governance process for outsourcing relationship**
- **Conduct formal audit of vendors’ process and performance**
- **Include incentives for excellent performance**
- **Revise performance objectives during contract term**
- **Engage consultants to help evaluate and negotiate with vendors**
- **Allow/encourage company managers to join vendors’ team**
- **Divide work among several outsourcing vendors**

(Percentage of respondents saying “always” or “often”)
In the annals of troubled outsourcing adventures, Kennametal’s effort to outsource its domestic accounts-payable processes rates at least an honorable mention. “It was pretty miserable at first,” says CFO Catherine Smith, who wasn’t around for the initial implementation of the outsourcing contract but learned all about it after joining the company in April 2005. “The issue wasn’t the vendor we chose or the software, but rather the way the changeover was managed with our suppliers,” she explains. “It was so bad that a few critical vendors literally threatened to shut down some of our plants; they weren’t going to ship to us because they weren’t getting paid.”

Rather than ditch the effort, Kennametal worked with its vendor to address the problems raised by its suppliers. “We stuck with them, they stuck with us, and we got most of our suppliers on board,” Smith says. “Today, our vendor handles 96 percent of our domestic accounts-payable activity electronically, with no manual intervention. I think that is on the high end of what most companies have been able to accomplish, and I also think we have a world-class domestic accounts-payable outsourcing program now. In addition, we have reduced our costs significantly, driving them down from something like $4.30 per invoice to $2.25 per invoice. And we’ve got a goal now of getting it down to $0.81 per invoice.”

Kennametal also outsources its standard domestic, accounts-receivable collections efforts, and is piloting an outsourcing arrangement for its international A/P activities. Smith says the company is interested in doing more. “We’re setting up a new company in India to handle our infrastructure management,” she says, “which technically means we’ll be outsourcing to ourselves for that activity. Eventually that subsidiary will probably be doing some IT application development for us, too. And at some point, we’ll probably consider outsourcing some of our shared-service functions there as well.”

Why so aggressive? Anything less, she suggests, could put the company at a competitive disadvantage.

Beyond worrying about where they outsource and whether the service will be satisfactory, companies in the past have had to worry about whether the whole exercise will convey economic advantages over the long term. Achieving sustainable cost savings has been a particularly aggravating problem, and one that finance executives portray as an inherent, though perhaps not unsolvable, hazard of outsourcing. The problem, says American Crystal Sugar’s Talley, boils down to a company being “held captive” by a third party. “What may seem like fairly significant cost savings up front may disappear once the vendor gets you locked in,” he warns, “particularly if they’re doing a good job. They know you don’t want to go through the trouble of switching to another vendor, and so they raise their rates. You end up not saving nearly as much money as you may have anticipated.”

“I think over time you lose control over your outsourcer because you lose the ability to take the work back in-house,” agrees Terry McClain, senior vice president and CFO of Valmont Industries, Inc., a $1.1 billion manufacturer of industrial products based in Omaha, Nebraska. “That leaves you subject to price changes. The only remedy is to do a lot of work managing your outsourcer, because if they become inefficient, your costs go up.” By contrast, McClain notes that over the short term, outsourcing almost always produces cost savings. “It’s cheaper in the beginning,” he says, “because people are bidding for your business and trying to entice you.”
Karen Roscher has seen what a failing outsourcing relationship looks like. She’s seen what it takes to turn one around. And she knows that outsourcing vendors alone seldom bear all the blame for a deal gone wrong.

Roscher is vice president of finance and controller for Freescale Semiconductor, Inc., the $5.8 billion microchip manufacturer spun off from Motorola in 2004. When it went solo, Freescale took along its share of an 18-month-old contract Motorola had inked with a third-party vendor to manage IT infrastructure. It didn’t take long for that decision to look questionable.

“When we were part of Motorola, they were the ones managing the relationship,” Roscher recalls. “So we had to pick that up at the same time we were asking the vendor to replace network connections around the world and do a lot of other things to make the transition work. There were plenty of opportunities for the wheels to come off.”

And they did. “Our IT system was going down and going down hard,” she remembers, “and staying down longer than it was supposed to. We weren’t having problems with our production systems, though. We were getting nailed time and time again by failing E-mail servers—the sort of thing that can drive your CEO crazy.”

These problems convinced Roscher and senior IT managers to go back to the negotiating table with their outsourcing vendor. Once there, she says, they told the vendor things weren’t going to continue as they were, “because we’re not going to be in here every week explaining to our CEO why he’s not getting the desktop support you promised.”

On the other hand, the team also had to convince Freescale chairman and CEO Michel Mayer that firing the outsourcing vendor probably wasn’t the simple solution it might have seemed. “We had to back off and say, ‘Wait a minute, there are some things that they’re not doing right, but there are some things we’re doing wrong on our side, too, and it won’t get better just because we change our outsourcing vendor,’” Roscher says. “We felt like there was enough blame to go around on both sides, and that given how long it takes to replace your infrastructure, we ought to at least take a shot at improving the partnership.”

To do that, Freescale and its vendor created a new team with participation from both companies and high-level management oversight. Mayer himself attended some of the status meetings. Changes were made in both organizations, and, most importantly, the two sides agreed on specific performance metrics for which the vendor would be held accountable at the risk of financial penalty. That sort of structured oversight had not been part of the original relationship. In hindsight, Roscher believes it was a nearly fatal flaw.

She says, “I think we went into the deal a little naively, thinking, ‘Well, you sign the contract, you hand it over, and the world is wonderful.’ We didn’t do a good job of overseeing the relationship or having metrics that really meant something in terms of what was important to our company. Nor were we measuring them or holding the vendor accountable. In fact, when you look back on it, the metrics with which we were going to measure the vendor in the original contract amounted to, ‘Well, we’ll decide those later.’ Those decisions were never made, and what’s worse, there were so many proposed metrics that focus was lost on what was really important.”

With performance targets now in place and Freescale holding its vendor accountable for meeting them, Roscher says the outsourcing arrangement is running much more smoothly. “I wouldn’t say we’re all the way there yet,” she says, “but it’s a lot better.”
Many executives have great concern with the prospect of outsourcing work to offshore locations. Uncertainty about security, vendor stability, and other cultures may well contribute to the negative views held by executives on the prospect of working with offshore vendors in Europe, India, China, and elsewhere in Asia. In our survey, approximately 30 percent of respondents say they have a negative view of outsourcing to India, China, and other countries in Asia. Their favorite outsourcing venues, by contrast, are the United States, with 71 percent of respondents having a positive view of it, and Canada, with 49 percent. India, despite its high negative ratings, also ranks as the third favorite locale, suggesting an uneven experience by survey respondents. “India has done an excellent job of proving itself,” says Fidelity National’s Charania, whose experience outsourcing there has been concentrated on IT processes. “Why reinvent the wheel?”

Part of the problem with India, for people who haven’t had such good experiences, may be tied to its own explosive growth as an outsourcing center. “Companies I’ve worked with in Malaysia or the Philippines have tended to know their limits,” says one executive who spent 16 of the past 30 years working in Asia. “They have stopped growth in particular call centers or other environments before they got too big and unwieldy. My experience in India has been the reverse; vendors there only seem to get larger, and as they get larger, they become more and more difficult to deal with. I’ve found service quality issues as they’ve gotten bigger.”

But according to survey respondents, those who’ve worked with overseas outsourcing vendors have a more favorable view of their work than do their peers who have no experience with these countries. In every case, respondents who’ve outsourced to a given country have a higher positive rating (and a lower negative rating) of these locations.

Figure 4.

Those who’ve worked with overseas vendors have a more favorable view of outsourcing to culturally and geographically distant locations

Do you have a negative or positive view of outsourcing work to the following countries/regions?

- United States—Have outsourced
- United States—Have not outsourced
- Canada—Have
- Canada—Have not
- India—Have
- India—Have not
- Western Europe—Have
- Western Europe—Have not
- China—Have
- China—Have not
- Eastern Europe—Have
- Eastern Europe—Have not
- Elsewhere in Asia—Have
- Elsewhere in Asia—Have not
According to survey respondents, those who’ve worked with offshore outsourcing vendors have a more favorable view of their work than do their peers who have no experience with these countries.

While carefully crafted contracts and aggressive management can hold down the cost of outsourcing, focusing too much on costs can shortchange outsourcing customers, too. “If cost is the only reason you’re outsourcing, you’re probably going to make a mistake,” says one executive. “You’re going to shortcut the process. Many outsourcers are still paid by the hour for discrete work or extra work, and things do change over time. Processes change. Laws change. So the vendor may do whatever it is you want, but still not provide you with the best-benefit, lowest-cost option.”

He speaks from experience. When the Sarbanes-Oxley Act added new requirements for public companies to document their internal controls, he says, it prompted a lot of new work for the company and its outsourcers. “Each change became a separate billable event in the eyes of the vendors,” he recalls. “We didn’t always get, in the end, the vendor coming to us and saying, ‘Here’s the best way to do this.’ We got the answer for each particular step that we brought them.”

Fortunately, past mistakes offer clues for achieving better performance in the future. In the next section, we’ll look at ways companies eager to take better advantage of outsourcing can do so effectively, drawing on the example of companies that have enjoyed successes of their own.
What Satisfied Outsourcers Can Teach Us

If outsourcing can be so difficult, why are so many finance executives interested in turning over a greater percentage of their back-office business processes to third-party vendors? The answer, of course, is that when appropriate care is taken to find the right vendor and properly manage the relationship, real benefits follow. Among survey respondents who had formed opinions on the business benefit their companies had received from outsourcing, 74 percent say it has enabled them to focus more attention on core business activities. Nearly as many—70 percent—say outsourcing had made it easier or less costly to comply with regulatory demands, and 71 percent say outsourcing generates near-term cost savings.

Even in those areas where outsourcing produces the lowest satisfaction ratings—call centers and customer service, IT infrastructure management and IT applications management—the numbers are heartening: 65 percent or more of outsourcers say their vendors have met or exceeded their expectations for this work. More encouragingly, 80 percent or more of respondents who outsource HR benefits administration, compensation, or payroll activities are satisfied with the performance of their vendors. In all such endeavors, a bit of patience can be a virtue. Not only do 59 percent of outsourcers report sustainable cost savings, but 52 percent say additional business benefits appear occasionally after the initial implementation, and 8 percent say such surprises appear often.

Finance executives interviewed for this article also say their companies enjoy a wide range of benefits as a result of outsourcing. At The Grocers Supply Co., Inc.—a privately held $2.5 billion grocery wholesaler in Houston, Texas—outsourcing the hosting of its financial software to a third-party vendor has eliminated upgrade headaches. “When an upgrade becomes available, we leave on Friday, come in on Monday, and it’s already in,” says CFO Mike Castleberry. At Freescale Semiconductor and other companies studied for this report, the administration of HR benefits runs more smoothly. At American Crystal Sugar, an employment agency has reduced the problems the company once had in finding enough seasonal workers to help it bring in the sugar-beet harvest each year, lessening the risk of multi-million-dollar crop losses. Valmont Industries, like many global enterprises, finds that outsourcing its tax compliance activities in offshore locations is cheaper than doing such tasks themselves and is the only way to effectively manage many small locations with the minimum staffing requirements.

Finance executives see business benefits beyond cost savings from outsourcing initiatives

| Benefit Area                              | Percentage of Respondents
|-------------------------------------------|-----------------------------|
| Ability to refocus attention on matters that are core to the business | 90%
| Near-term cost savings                   | 85%
| Easier or less costly regulatory compliance | 80%
| Process speed                            | 75%
| Lower risk to business performance       | 65%
| Process quality improvement              | 60%
| Sustained cost improvement               | 55%
| Better end-user/employee experience      | 50%

(Percentage of respondents who say outsourcing has “met” or “exceeded” their expectations, normalized for those who say it is “too soon to tell” about their performance)
Finance executives say an outsourcing venture’s outcome depends to a large degree on the due diligence and oversight the customer puts into the relationship.

Why have these companies enjoyed success? Time and again, finance executives say an outsourcing venture’s outcome depends to a large degree on the due diligence and oversight the customer puts into the relationship. “During the course of any outsourcing process, you’re going to find a couple of folks out there who are pretty darn good at what they do,” says Molson Coors’ Wolf. “What you’ve got to make sure you do, in the course of crafting the contract, is make sure the outsourcer, now that they’ve got your money, doesn’t switch to autopilot and give you watered-down service. There have to be metrics. There have to be performance standards. There has to be a whole process for how you incentivize and reward great performance, and how you dock and hold accountable less-than-acceptable performance. And you have to remember that no matter how large a company or organization you’re engaging, it’s made up of people with feelings and ideas. If you don’t reward the things they’ve done well, they’re not going to bring you their new ideas, which would be counterproductive for you.”

The survey data backs up this sentiment, revealing that companies that most often see their outsourcing expectations met—in terms of cost savings, process quality improvements, and the opportunity to spend more time on core business activities—are those that most often follow best-practice policies like those described by Wolf.
Specifically, the data suggests these practices can help companies enjoy better outsourcing results:

**Visit the vendor’s site.** It’s hard to imagine that companies would even think of spending big money—IT outsourcing for a Fortune 500 firm can easily run to tens of millions of dollars annually—without getting a first-hand look at the provider’s operations. Yet incredibly, many do. A surprising 7 percent of survey respondents say they never visit vendor sites; 40 percent say they only do so “sometimes.” Bad idea. Among companies that are most satisfied with their outsourcing experiences, a little more than half, on average, “always” or “often” make site visits. By comparison, only about 40 percent of other survey respondents do so. Hormel’s McCoy says his company not only visits vendor sites during the search process, but also the sites of some of their customers. Such excursions can be invaluable in assessing a vendor’s staffing capabilities and workplace culture in ways that no sales presentation can duplicate.

**Define and document all metrics for vendor performance, and then capture and report them.** Deciding which factors you’ll measure and how to do so helps both you and your outsourcing vendor understand what’s important in your relationship. If you don’t keep track of how many times an invoice is paid improperly, for example, your accounts payable vendor isn’t likely to focus on the issue either. According to our survey, companies reporting the highest levels of satisfaction with outsourcing define, capture, and report financial and operating metrics more routinely than other companies in the survey. Kennametal, which has had both positive and negative experiences with outsourcing, now pays strict attention to what it measures. “We have defined, documented metrics that usually center on quality, accuracy, timeliness, and cost,” says Smith. “And we check them every month.” Neglect this chore, adds Molson Coors’ Wolf, “and you’re probably going to fail before you start.”

**Capture and report qualitative reaction to vendor performance.** Even outsourcing ventures that meet expectations on a quantitative basis won’t be a complete success—and may not yield every possible benefit for your company—if your employees aren’t happy with them. It’s easy to imagine such a scenario. A vendor providing, say, employee benefits administration, might nail every quantitative metric for performance, but routinely provide surly call-center service to your employees and their dependents. “It’s important to stay in touch with users and make sure they are being satisfied,” says Grocers Supply’s Castleberry. The company farms out hosting of its financial management software as well as management of its health insurance claims and 401(k) program. “We want to know if our users feel their needs are being met and that things are being done timely as promised, not just delivered on budget.”

**Conduct formal audits of the vendor’s processes and performance.** For some companies, auditing an outsourcing vendor reflects a simple commitment to good management. For others, it’s a requirement of good corporate governance. Section 404 of the Sarbanes-Oxley Act requires that companies document and attest to the effectiveness of their internal controls. When they outsource business processes that could affect their financial reports, they must either evaluate the internal controls of their vendors or obtain a “Statement on Auditing Standards No. 70” service auditor’s report from them. “We’ve had to be involved in the SAS 70 evaluations and in looking at all that documentation from our vendors,” notes Hormel’s McCoy. In the current governance environment, he warns, “you can’t miss a beat in this area. You have to go with somebody that has proven technology and proven reliability, and has passed with flying colors their own internal control reviews.” Similarly, JLG Industries not only dispatches its internal auditors to evaluate vendors prior to hiring them, but sends its auditors back after the contract is underway to make sure the operation is running smoothly.
Allow or encourage company managers to join the vendor’s team. Many companies find that the closer their personnel are to the outsourcing vendor, the better the outsourcing experience proves to be. Putting representatives of your own company on a customer-vendor team that monitors outsourcing activities is one way to make this happen. Fidelity National Financial goes a step further; it has taken an ownership stake in its outsourcing vendor.

Include incentives for excellent performance—and impose penalties for poor performance. Like employees, vendors who are given an incentive to provide excellent service are more likely to provide it than those who aren’t given any inducements. While some employers insist that a chance to renew their contract is all the incentive any vendor should need—and losing a contract penalty enough—Molson Coors’ Wolf prefers to see incentives and penalties written into vendor contracts. “We try to emphasize the incentives more than the penalties, but if you’re writing a good contract, you’ve got to have them in there, too,” he says. “At the very least, you want to protect your company by having an out-clause if the outsourcer really falls down on the job.”

Be willing to revise performance objectives during the contract term. Some outsourcing contracts run for years. Over extended periods of time, circumstances can change dramatically. Companies willing to adapt to change—and adjust the performance objectives they’ve set for their outsourcing vendors accordingly—are generally happier with their outsourced activities than those who lack such flexibility. More than 30 percent of survey respondents who are happy with the cost savings they get from outsourcing, for example, make mid-term revisions to their contracts; only 20 percent of other survey respondents do so.

Figure 7.

<table>
<thead>
<tr>
<th>Companies happiest with outsourcing are more likely to employ best practices</th>
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<tr>
<td>View provider as “business partner”</td>
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<tr>
<td>Capture and report operating and financial metrics on vendor performance</td>
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<td>Define and document all metrics for vendor performance</td>
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<td>Visit outsourcing vendors’ work sites</td>
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<td>Capture and report qualitative reaction to vendors’ performance</td>
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<tr>
<td>Consolidate work with a few strategic vendors</td>
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<tr>
<td>Impose penalties for poor performance</td>
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<tr>
<td>Include incentives for excellent performance</td>
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<tr>
<td>Use formal governance process for outsourcing relationship</td>
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<td>Conduct formal audit of vendors’ process and performance</td>
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<td>Revise performance objectives during contract term</td>
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<td>Engage consultants to help evaluate and negotiate with vendors</td>
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<tr>
<td>Allow/encourage company managers to join vendors’ team</td>
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<td>Divide work among several outsourcing vendors</td>
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(Percentage of respondents who employ these best practices)
**Consolidate work with a few strategic vendors.**
Most finance executives surveyed or interviewed for this report prefer the convenience of working with a single vendor where possible. Working with one vendor is “just a little easier to manage and control,” says Castleberry. “Also, if I’m a more important customer to one vendor, I’m going to have a little more clout with that vendor.” Survey data indicates that companies that consolidate their business processes with a few key outsourcers are more satisfied with their results than their counterparts who don’t consolidate. Also, 66 percent of survey respondents agree it is easier and less costly to outsource a single process to a single vendor rather than several. A manufacturing executive notes one possible exception, however. “If you’re talking about outsourcing a process in a single country, I generally prefer to go to one provider,” he says. “If you’re talking about multiple geographies, I’d probably want two providers because I’ve rarely seen a provider who is proficient across all geographies. Many say they are, but when I watch their execution, they are spotty. They may be very good in three or four geographies, mediocre in a couple of others, and just lousy in some others.”

**Use a formal governance process for outsourcing.**
Crafting and overseeing a successful outsourcing contract is, as this long list of best practices suggests, a formidable job. Creating a formal process for governance is the only way to be sure all the pieces are being addressed. Among survey respondents satisfied with their outsourcing experiences, 35 percent say they always or usually employ a formal governance process. Among the rest of the respondents, only 26 percent do so. “Done well,” summarizes Wolf from Molson Coors, “this is hard work.”
Conclusion

Despite mixed attitudes about the value of outsourcing at a theoretical level, the vast majority of finance executives are intrigued by the possibility of handing over more of their own back-office business processes to third-party vendors. Data from this CFO Research survey on business process outsourcing offers a compelling explanation for their interest. Depending upon the process in question, anywhere from 65 percent to 83 percent of survey respondents who outsource now say their vendors have met or exceeded their expectations. Finance executives at other firms want the opportunity to enjoy similar outcomes.

“I think the key benefit most people seek is lower cost, but I think they’re also looking for access to higher skills and capabilities from people who specialize in a process, rather than having to maintain that competency within the company,” says one finance executive. “Companies just can’t afford the old approach of trying to do everything themselves, not with the pace of change in technology.”

“Cost is one benefit of outsourcing,” agrees Freescale’s Roscher. “The other, to the extent you can find a global solution, is that you get a consistent process worldwide. It’s much easier to manage a process or function when you’ve got everybody doing it the same way. And then, when you come up with improvements, everybody benefits.” Companies that outsource back-office business processes, Roscher adds, should expect to be working with vendors who, because it’s their core business, are on the leading edge of whatever process they’re handling. “They should be bringing you ideas for how to reduce your costs in these areas, and manage the process more efficiently,” she says. “Companies that can find the right partners can shave that much more off their costs, and manage their processes better than they could on their own.”

Wolf from Molson Coors agrees. “You have to make sure you’re linking up with people who are students of the game, constantly spending time and money on R&D to figure out how to get better at what they do,” he says. “Otherwise, you’re just locking into somebody who’s going to be mediocre. You can keep it in-house and be mediocre.”

What will actually prompt companies to move forward with outsourcing more of their back-office processes? Most survey respondents say it will be developments within their own organizations. For example, while 79 percent of the respondents say more stability and maturity in the outsourcing vendor community might prompt them to outsource more work, an equal number say they are likely to proceed once they have been able to standardize or commoditize their business processes. After that, all of the catalysts they say would drive them to outsource more point to internal developments: a need to control costs, a scarcity of well-qualified employees, a desire to focus more of their attention on their core activities.

Whenever they make the move, most finance executives seem to know the undertaking will include some hard work. “We have had some great successes, but they were very painful in the beginning,” says Kennametal’s Smith, echoing a common sentiment. “That’s where the risk of outsourcing lies; it can create quite a bit of disruption in your business, just like there can be with a major IT implementation. As with any change, you need to manage through it.”

Of course, the overwhelming message from finance executives with outsourcing experience is that careful oversight is the key to outsourcing successfully. That means carefully vetting potential vendors, developing clear performance metrics and targets for which vendors will be held accountable, and monitoring not only the quantitative performance of vendors but also the reaction of end users who are directly dependent on the vendors’ work.
Done well, outsourcing can reward companies by reducing their costs, giving them access to expertise they may not be able to afford or find in-house, and freeing them to devote more of their time to their core business activities. It is that promise which has finance executives looking to outsource more of their back-office processes in the years ahead.

When Outsourcing Doesn’t Make Sense
Business process outsourcing can be an effective tool for cutting costs and gaining access to the expertise of an outside vendor, but it isn’t right for every company all the time. Finance executives are in near-unanimous agreement that outsourcing seldom, if ever, makes sense for core business processes companies rely upon to distinguish themselves from their competitors. Nor does it make sense if the customer won’t be rewarded with either lower costs or better service versus an in-house model, which world-class performers insist can be the case. “Look at something like accounts payable,” posits Karen Roscher from Freescale Semiconductor. “If you’re already running an ERP system and using best-in-class processes, all that’s really left to give outsourcing an advantage is the payroll differential, assuming your outsourcer is located in a low-cost location. And since you’re already using best-in-class processes, you’re not talking about a lot of people that you push out of the process. Plus, you’ve now got to have a higher-level person become involved with overseeing the relationship itself. It’s not obvious to me that outsourcing can provide a benefit under those types of circumstances. That’s the analysis companies need to make.”

It can happen. Eliot Protsch is senior executive vice president and chief financial officer for Alliant Energy Corp., a $3.3 billion electric utility headquartered in Madison, Wisconsin, which was created in 1998 by a three-way merger between WPL Holdings, IES Industries, and Interstate Power. At that time, one of the three companies was in the midst of a 10-year contract under which its IT infrastructure was managed by a third party. When the contract came up for renewal, Alliant chose to consolidate its IT infrastructure management under the systems being run by one of the other merger partners. Protsch says, “Our studies concluded it was the best way to optimize our synergies and utilize the significant IT investments that the merged companies had made.”

The question, of course, is how many companies truly operate their back-office processes at a world-class level. For those that don’t—or those that need help in reaching it—outsourcing remains a viable option.

Who Makes the Call?
Who makes the decision at your company about whether to outsource a given business process? Data from the latest CFO Research survey suggests it ought to be the CFO, as they tend to experience better results than those who let others make the call. For example, in four main outsourcing success categories—near-term cost savings, sustained cost savings, the opportunity to refocus on core processes, and process quality improvement—the companies that most often had their expectations met identified the CFO as the primary driver of the outsourcing decision. By contrast, those that didn’t have their expectations met allowed the executive team as a whole to make those decisions most often in three of those four success categories. Similarly, companies that did not terminate any outsourcing contracts in the past two years were more likely to have been companies that let the CFO make the outsourcing decision. All this suggests that CFOs have a special expertise in assessing the outsourcing question that more companies would do well to tap. There’s plenty of room for change. According to the survey, the CFO drives the outsourcing decision at only about one-third of companies today. At another 30 percent of companies, the executive management team as a whole drives the decision, while at 12 percent of companies the CEO makes the call. Nearly 22 percent of respondents say business unit managers sometimes make decisions about outsourcing business processes that fall within their purview.
Outsourcing: A Catalyst for Growth and Innovations

Outsourcing is not for everyone. But, as this study shows, companies should seriously consider outsourcing to remain competitive.

Why? As one executive told CFO Research Services, outsourcing has become a ticket to the game of business. Companies are using outsourcing to reduce costs and refocus resources, fund innovation, support growth initiatives, and improve profitability. In short, outsourcing helps companies to achieve competitive advantage in our fast-changing economy.

Businesses must understand that—whether or not they outsource—a competitor very likely will.

Outsourcing Delivers Promised Benefits

Outsourcing Delivers Promised Benefits

Outsourcing delivers promised benefits in a variety of ways:

- In merger and acquisitions, outsourcing enables companies to speed consolidation, eliminate technological barriers, and streamline operations.
- Outsourcing supports organic growth by providing a scalable back-office that can rapidly adapt to meet demand.
- Outsourcing can free up cash and other resources in an accelerated manner with less risk that can be reinvested in driving growth and innovation in core areas of the business such as new product development.

Outsourcing can also provide a competitive advantage when the outsourcing provider helps revamp business processes and introduces automation and best practices. For example, Capgemini helped a major U.S. utility decrease its operating costs by 30 percent through outsourcing, resulting in a $150 million benefit to the company’s bottom line. Customer service improved, financial systems and collections captured more revenues, and the utility was able to reallocate resources to pay down debt and improve operations.

Capgemini is the global leader in developing closer, more effective, trust-based outsourcing relationships that deliver better, faster, and sustainable results.

Successful Outsourcing Requires Disciplined Management

Successful Outsourcing Requires Disciplined Management

The study shows the best results from outsourcing occur when companies carefully manage both the outsourcing process and their relationship with the outsourcing vendor.

In managing supplier relationships, discipline is critical and must begin with standardization. The survey results show that the most successful outsourcing projects are those in which the companies and their outsourcing vendors work closely first to define all metrics for the vendors’ performance—and then to regularly monitor and report them.

Service level agreements (SLAs) are also essential in managing relationships, survey respondents said. After performance metrics have been clearly defined, it is imperative that companies set minimum performance targets. In fact, two out of three executives surveyed who were most pleased with the results of outsourcing said they always or often use SLAs.

The survey also shows that governance is crucial component of relationship management. Outsourcing projects are typically very complex, with myriad issues that must constantly be monitored. And without a formal governance process built into the relationship, things will inevitably fall through the cracks.
Outsourcing Approach Is Not Determined on Cost Alone

Too often, companies have selected outsourcing suppliers because they promised a lower cost than their competitors offered. And, frequently, companies have regretted those decisions.

As the survey shows, a number of failed outsourcing initiatives have focused too much on reducing costs and too little on helping companies achieve their real business objectives. Clearly, some regions offer significant cost advantages, but the key to success is balancing cost against skills and business requirements. As respondents to the survey indicated, executives want options. While low costs are available from outsourcing destinations such as India, many American companies continue to assign most of their outsourcing projects to workers in the United States.

Recognizing the need to balance business needs and cost, Capgemini, has created a service delivery model we call Rightshore™. With Rightshore™, outsourcing services are delivered from one or more locations, depending on which combination will best help companies meet specific business goals.

Rightshore™ provides Capgemini’s clients with the global options they need to achieve their business goals. Unlike some outsourcing vendors, Capgemini has no particular bias for one outsourcing destination over another. In fact, to meet the needs of our clients, we often coordinate activities in multiple destinations to deliver the precise combination of benefits they seek.

Choosing the Right Partner Makes the Difference

This survey demonstrates that the benefits of outsourcing are real and significant. And, as executives around the world tell Capgemini, outsourcing fuels growth and innovation, drives down costs, improves business processes, streamlines operations, and helps organizations become more competitive in many ways.

To realize these and the many other benefits that outsourcing can deliver, companies must choose an outsourcing partner with a solid track record of both delivery success and a collaborative approach to working with clients.

Capgemini is exactly that partner. Why? Because we offer:

- **Industrialized global delivery**: We bring together teams of the most skilled, multidisciplinary professionals in the outsourcing industry whenever and wherever our clients need them. Leveraging proven assets—our business process outsourcing acumen, our IT outsourcing expertise, and our depth and breadth of consulting experience—our global delivery approach enables our clients to meet their business goals rapidly and successfully.

- **World-class transition**: When companies choose Capgemini to manage the outsourcing of their processes and services, we’re committed to make the transition rapid, yet seamless. Capgemini has successfully transitioned the largest and most complex business operations in the world.

- **Deep industry insight**: Capgemini understands our clients’ businesses because we have vast experience in their industries. With this deep industry insight, we’re able to help clients identify—and meet—their most important business challenges.

- **Unmatched collaboration**: To resolve unforeseen issues, our solutions are delivered through proactive coalitions with clients, alliances, and other service providers. This commitment to mutual success assures benefits are realized rapidly with minimum risk.

Managing an outsourcing initiative is challenging. Doing so with the wrong partner is nearly impossible. Capgemini is the leader in developing closer, more effective, trust-based outsourcing relationships.

If you’d like to discuss how Capgemini can help your company achieve better, faster, more sustainable results through outsourcing, please call or E-mail Lisa Boughner at +1-312-451-8338 or lisa.boughner@Capgemini.com.