

HfS Research
Collaborative Sourcing Intelligence

Insight. Advice. Benchmarking.

THE SERVICES SAVANTS! THE PRESENT AND THE FUTURE OF GLOBAL SERVICES

Phil Fersht, Chief Executive Officer, HfS Research



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Overview:

- Over 17 years' business experience in the global outsourcing and shared services industry across US, Europe and Asia
- An acknowledged industry advisor, strategist, author, speaker, practitioner and blogger
- Advised on 100s of global IT & BPO engagements

Previous Experience:

- Practice Head for IT Services & BPO Practice, AMR Research (Gartner Inc)
- BPO Marketplace Leader at Deloitte Consulting
- Vice President for Everest Group, leading research and consulting teams based in the US and India.
- Prior career:
 - *Regional Director, IDC Asia/Pacific*
 - *Program Manager, European IT Markets Services, IDC Europe*

Education:

- BS with Honors in European Business & Technology from Coventry University, United Kingdom
- Diplôme Universitaire de Technologie in Business & Technology from the University of Grenoble, France



HfS Research is a leading analyst authority and knowledge community for the global services industry

- HfS educates and facilitates discussion among the world's largest knowledge community of services professionals, currently comprising 120,000 subscribers. *17,000 LinkedIn Group members; leading blog and research portal in the services industry*
- The largest web and social media presence in the sourcing industry:
- A major following from the buy-side: *40% of readership comes from sourcing buyers*
- We leverage our vast community of sourcing professionals to deliver rapid insights on global sourcing industry trends & developments: *Surveyed over 15,000 organizations in 2011-12 on their sourcing intentions and dynamics*



HfS Research

Collaborative sourcing intelligence

HfSResearch.com



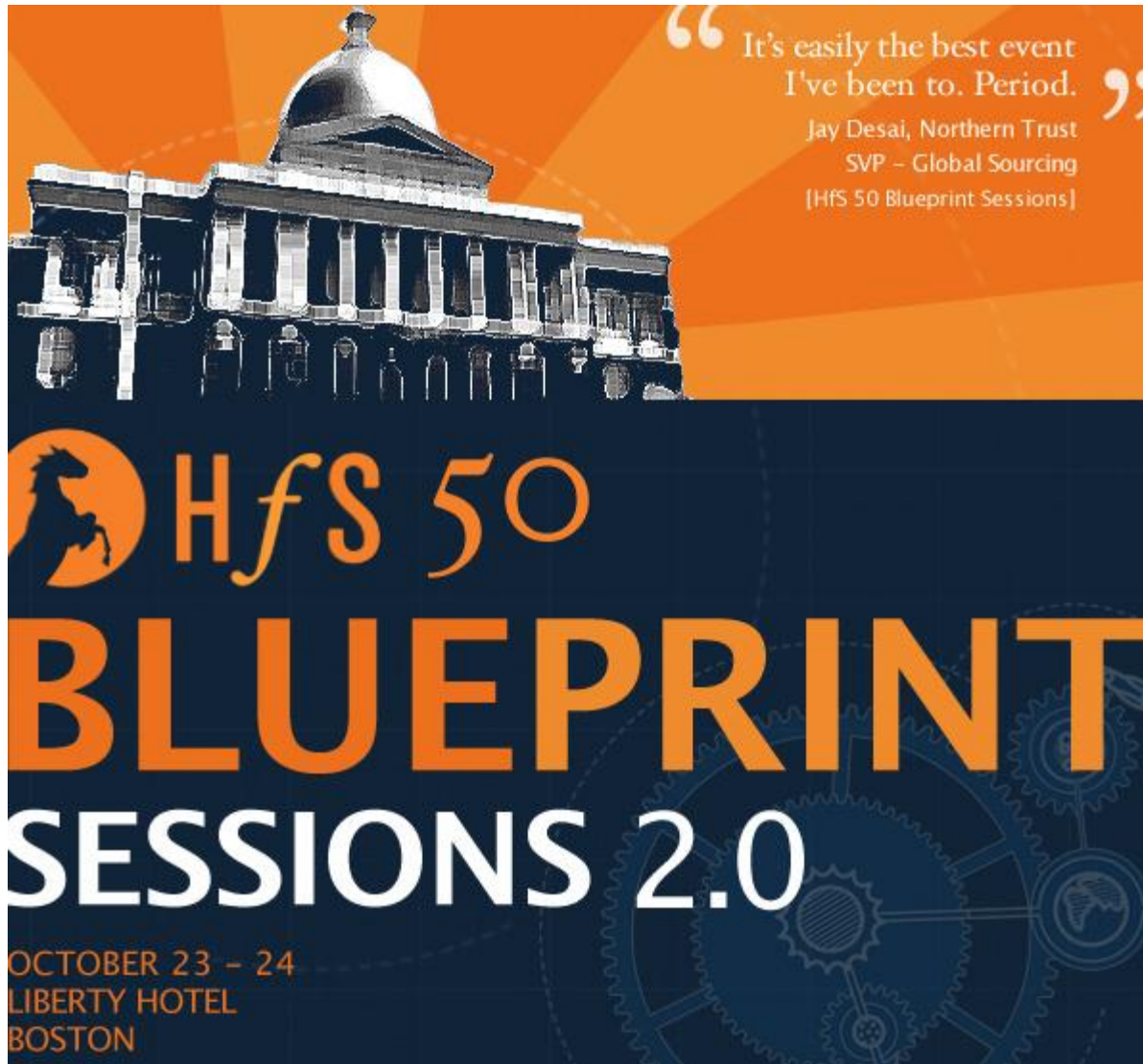
The 2012 HfS Research Team




20 analysts based across
North America, Europe,
India and Australia



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“It’s easily the best event I’ve been to. Period.”
Jay Desai, Northern Trust
SVP – Global Sourcing
[HfS 50 Blueprint Sessions]

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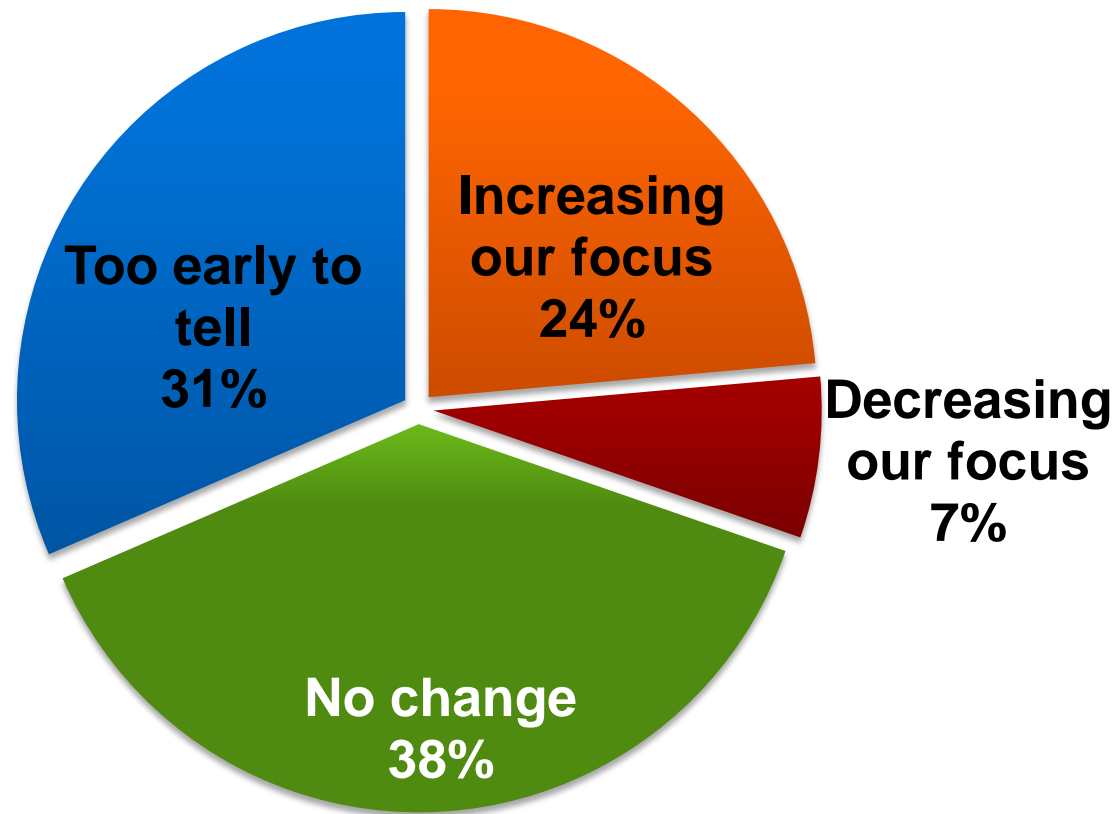
Meet the Services Savants



Cliff Justice	Phil Fersht	Peter Bendor-Samuel	Charles Aird	Peter Lowes	Ben Trowbridge
					
					

Why are buyers being tentative with making outsourcing decisions?

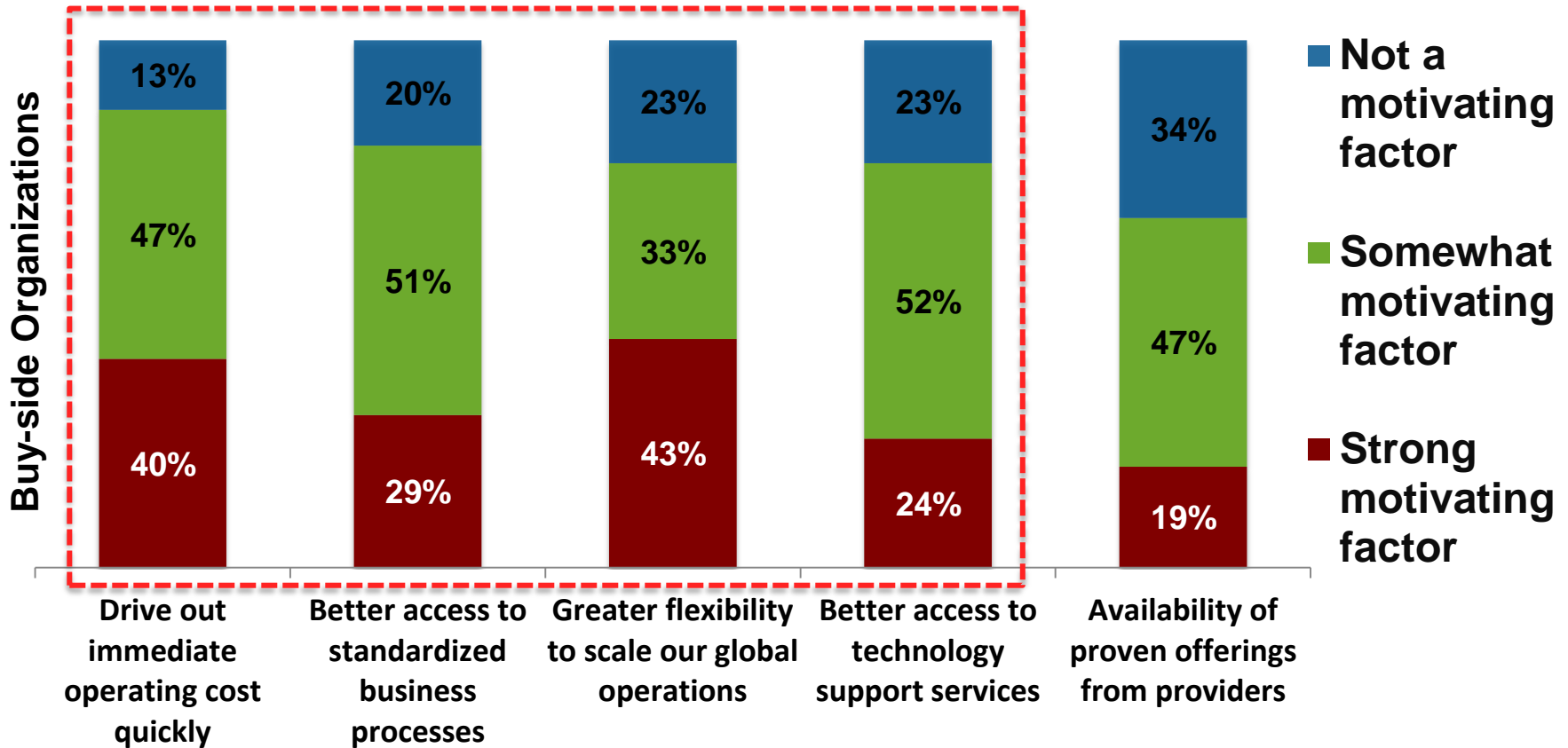
Q. Overall, is the prospect of a "Double Dip" Recession currently increasing / decreasing your organization's current focus on outsourcing?



Source: HfS Research
Sample: 157 Buy-side Organizations

Is it really all about cost, or are buyers getting more sophisticated?

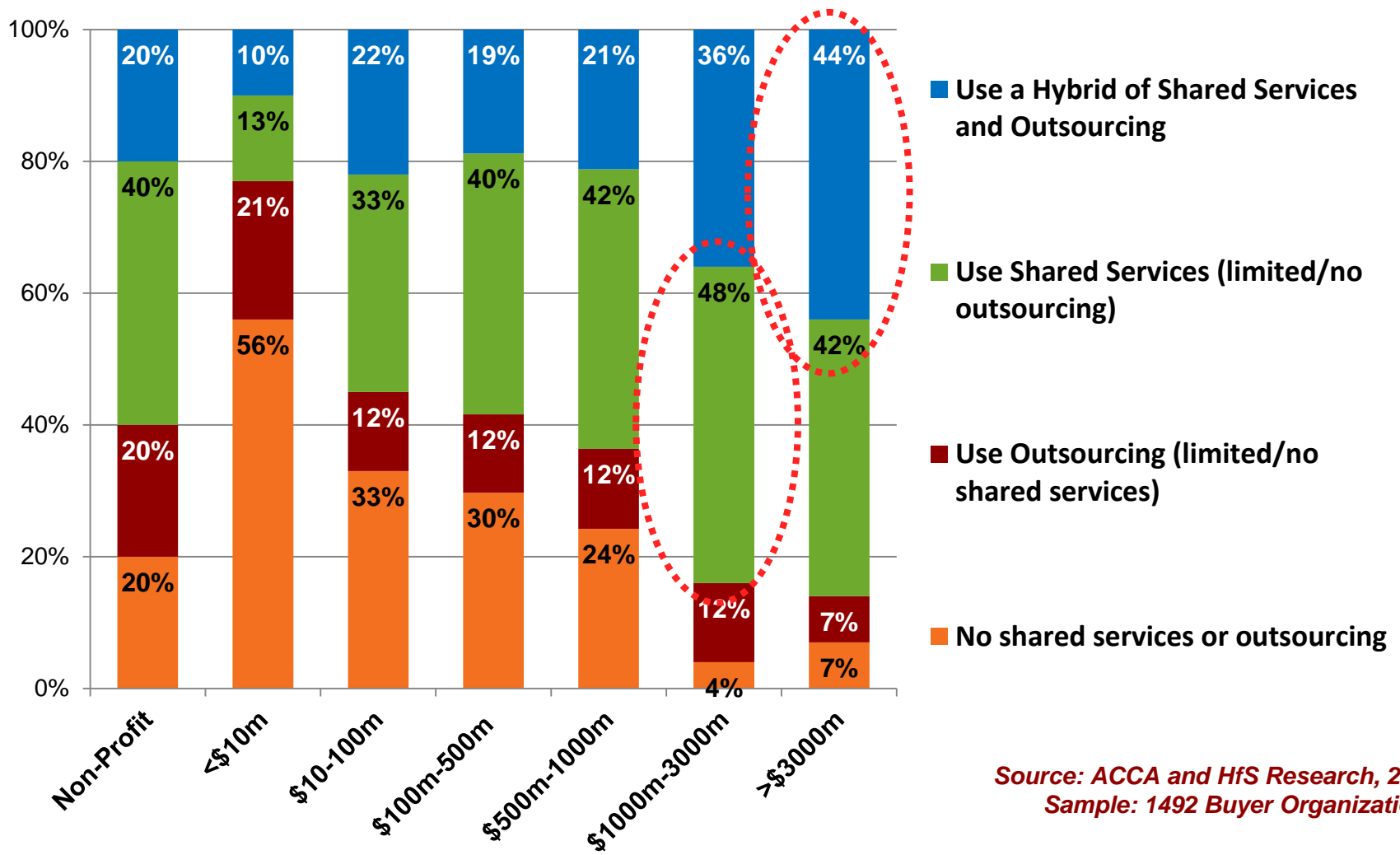
To what extent are the following factors **MOTIVATING** your organization to outsource in this current economy?



Source: HfS Research
Sample: 157 Buy-side Organizations



What's the dominant sourcing model today, and how will this evolve in the future?

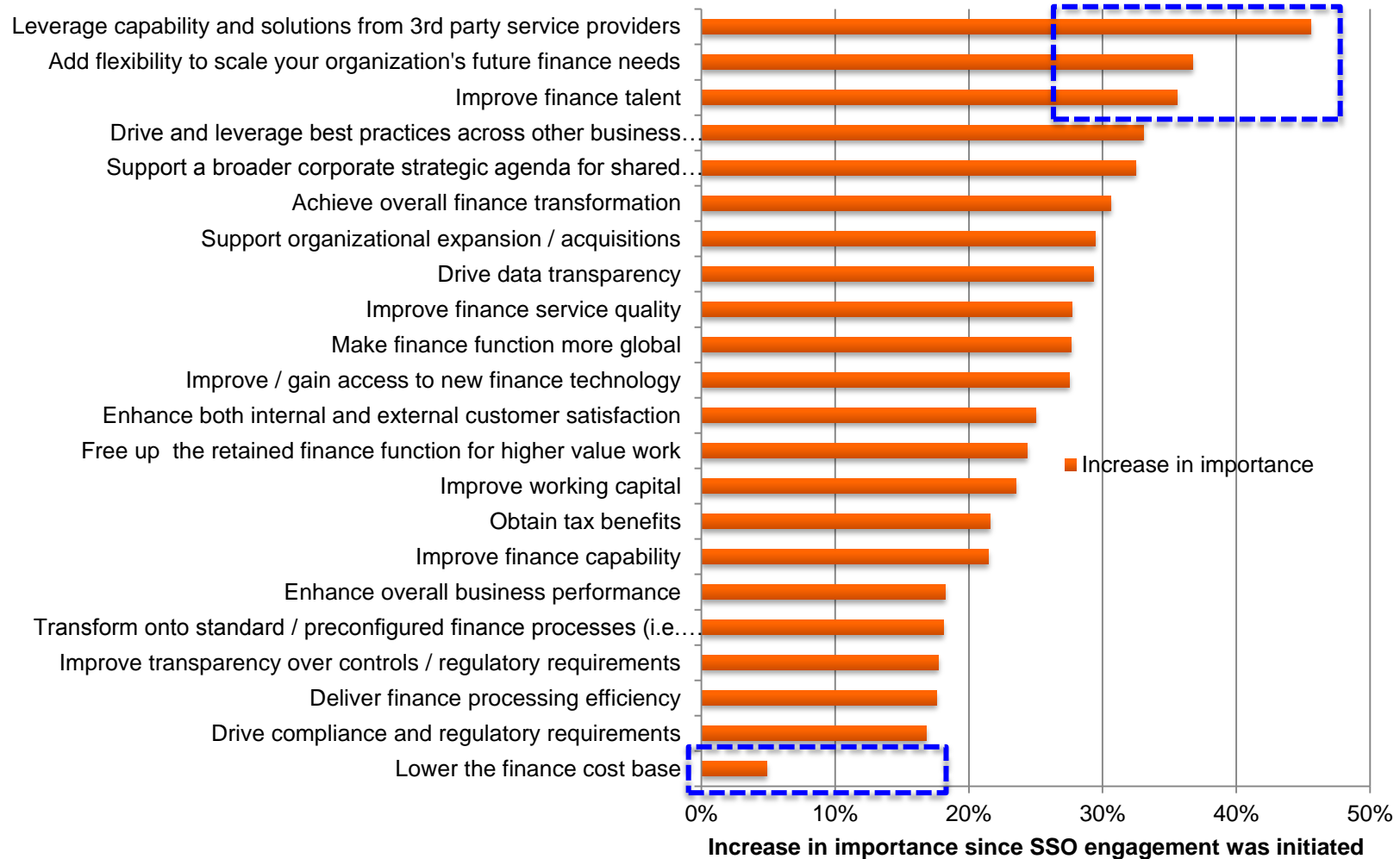


Source: ACCA and HfS Research, 2012
 Sample: 1492 Buyer Organizations

Which of the following delivery frameworks best describes how your finance function currently operates?



Why have business objectives changed since SSO engagements were initiated?

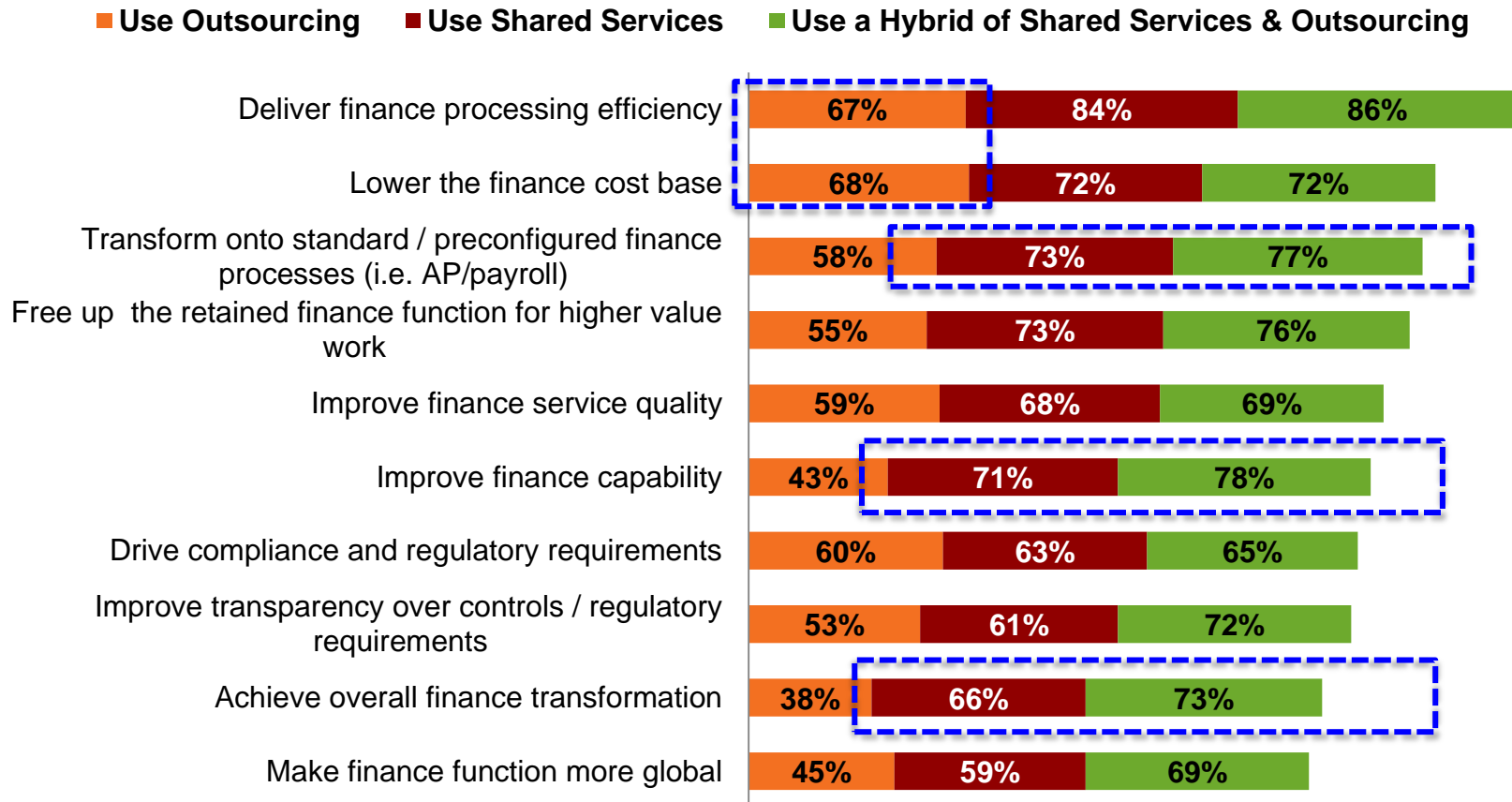


Q. Please rate how important the objective was at the initial deployment of finance shared services and/or outsourcing compared with how important it is today (Answers = Extremely important and important)

Source: HfS Research & ACCA, 2012
Sample: 436 Senior Finance Executives

Why are business objectives so different across delivery frameworks?

For each of the following business objectives, please rate their importance with regards to your finance shared services and/or outsourcing initiative today (Revs > \$500m)

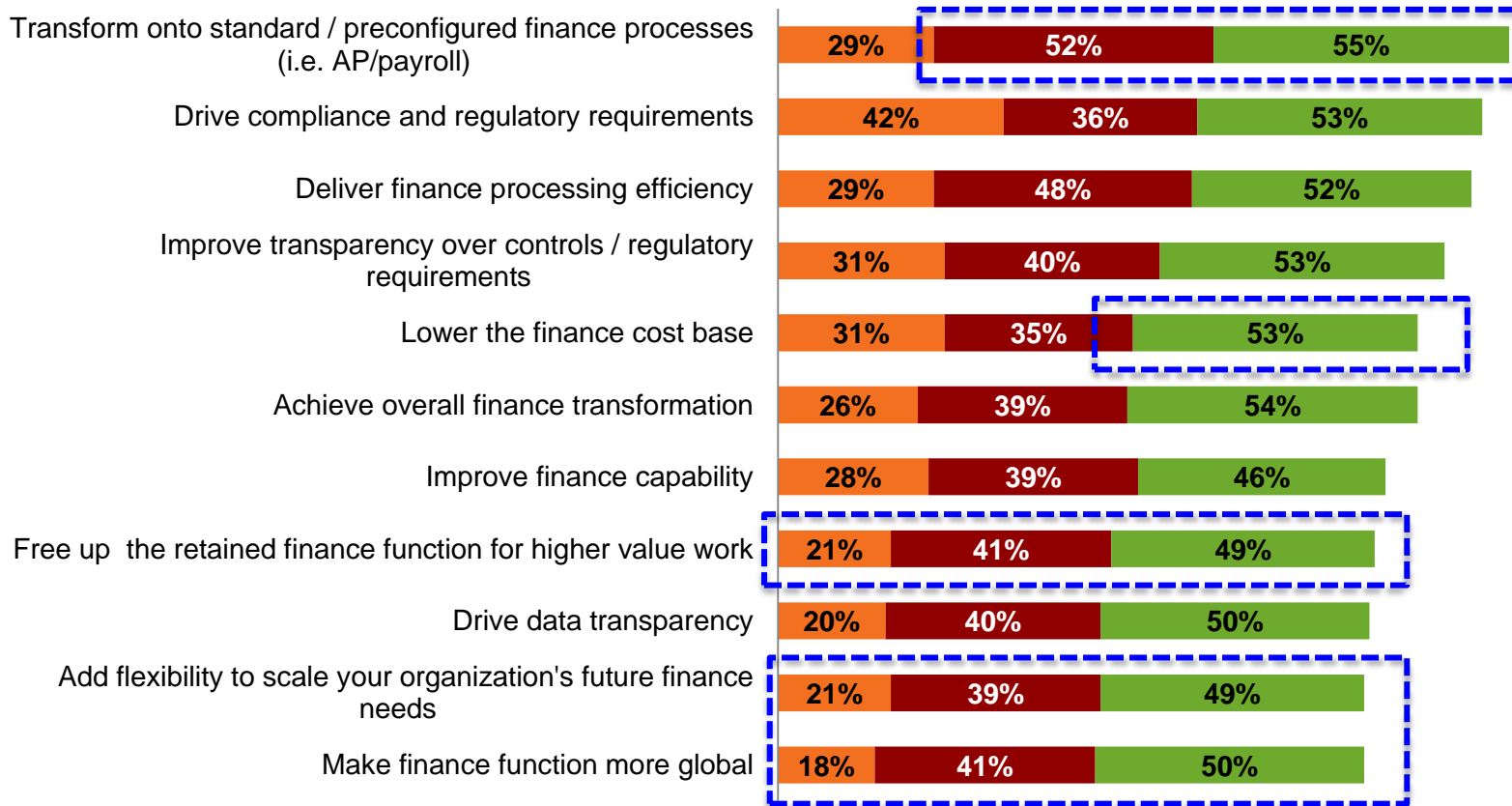


Source: HfS Research and ACCA, 2012
Sample: 682 Organizations > \$500m

Are Global Business Services a reality, or is it really just hybrid Shared Services and Outsourcing?

How effective have your current finance shared services/outsourcing initiatives been for achieving the following business benefits to date (“Very effective” & “Effective”)?

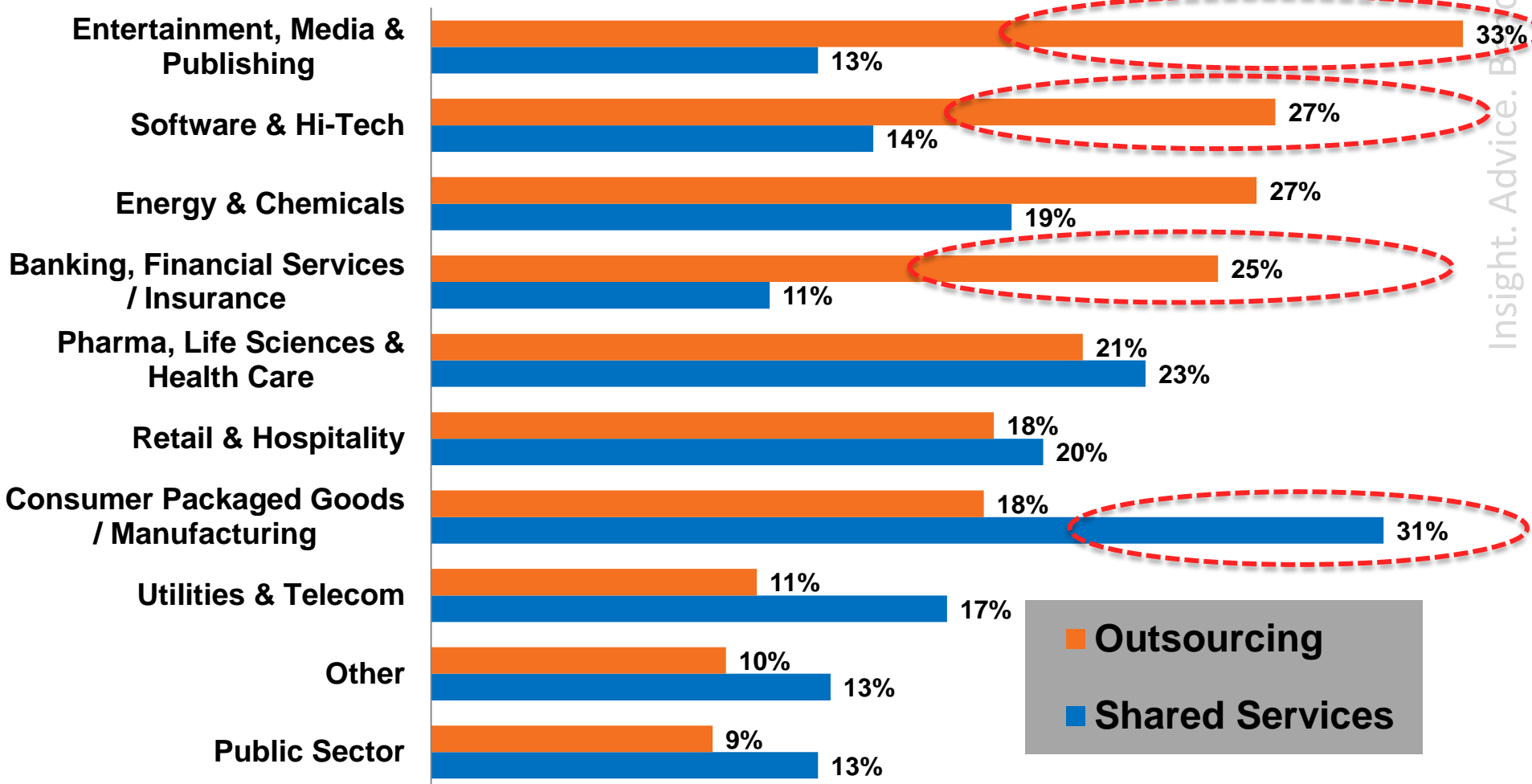
■ Use Outsourcing
 ■ Use Shared Services
 ■ Use a Hybrid of Shared Services & Outsourcing



Source: HfS Research and ACCA, 2012
Sample: 682 Organizations > \$500m

Is it industries going through *secular change* that are more focused on increasing outsourcing than shared services?

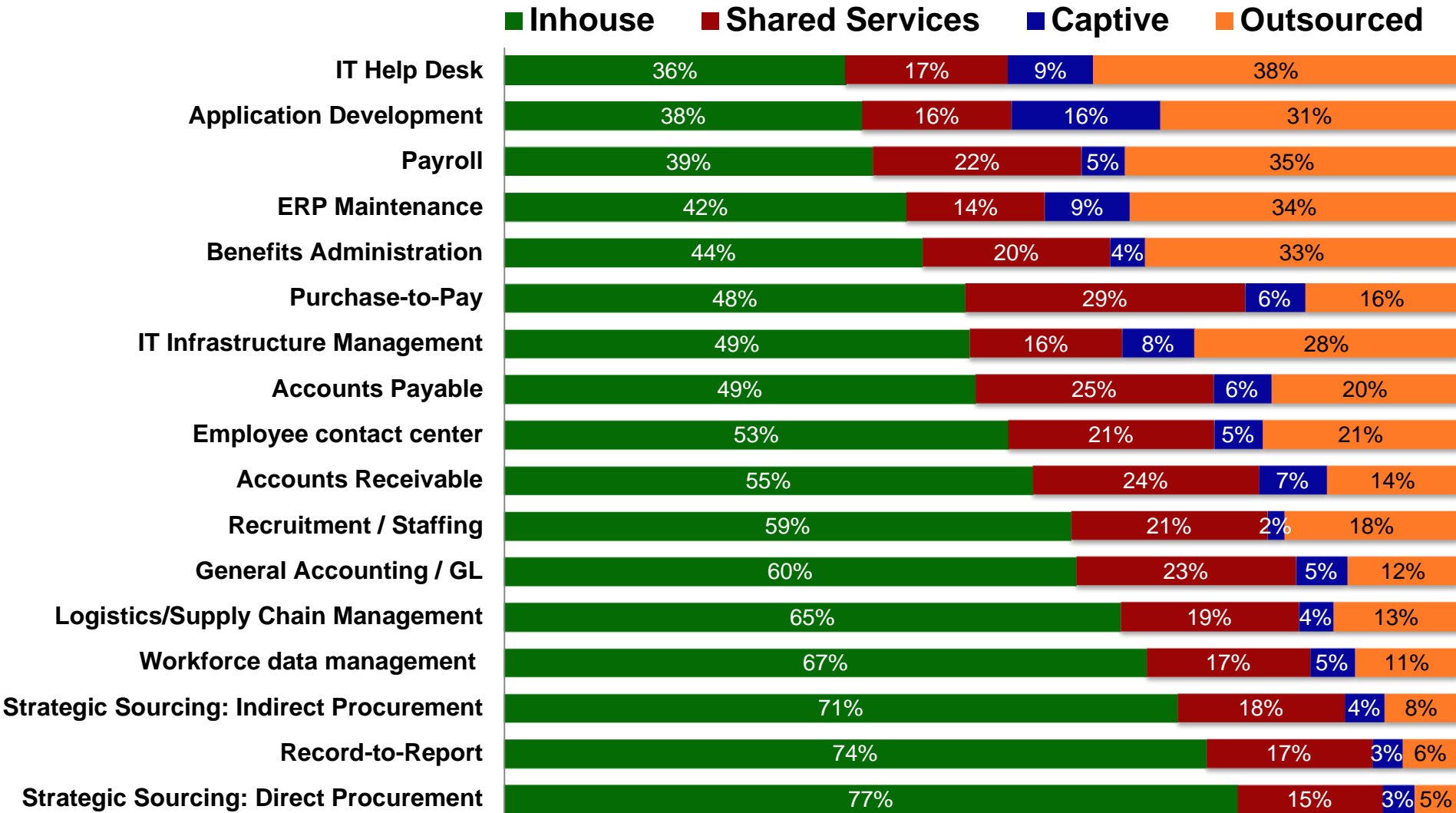
Significantly increasing Shared Services and Outsourcing over next three years



Source: HfS Research and the London School of Economics Outsourcing Unit, 2011
Sample: 247 Buyers of Outsourcing Services (all more than \$1bn in annual revenues)

Is there still a huge amount of potential for sourcing extension?

What is your primary sourcing model for managing the following IT & business processes?

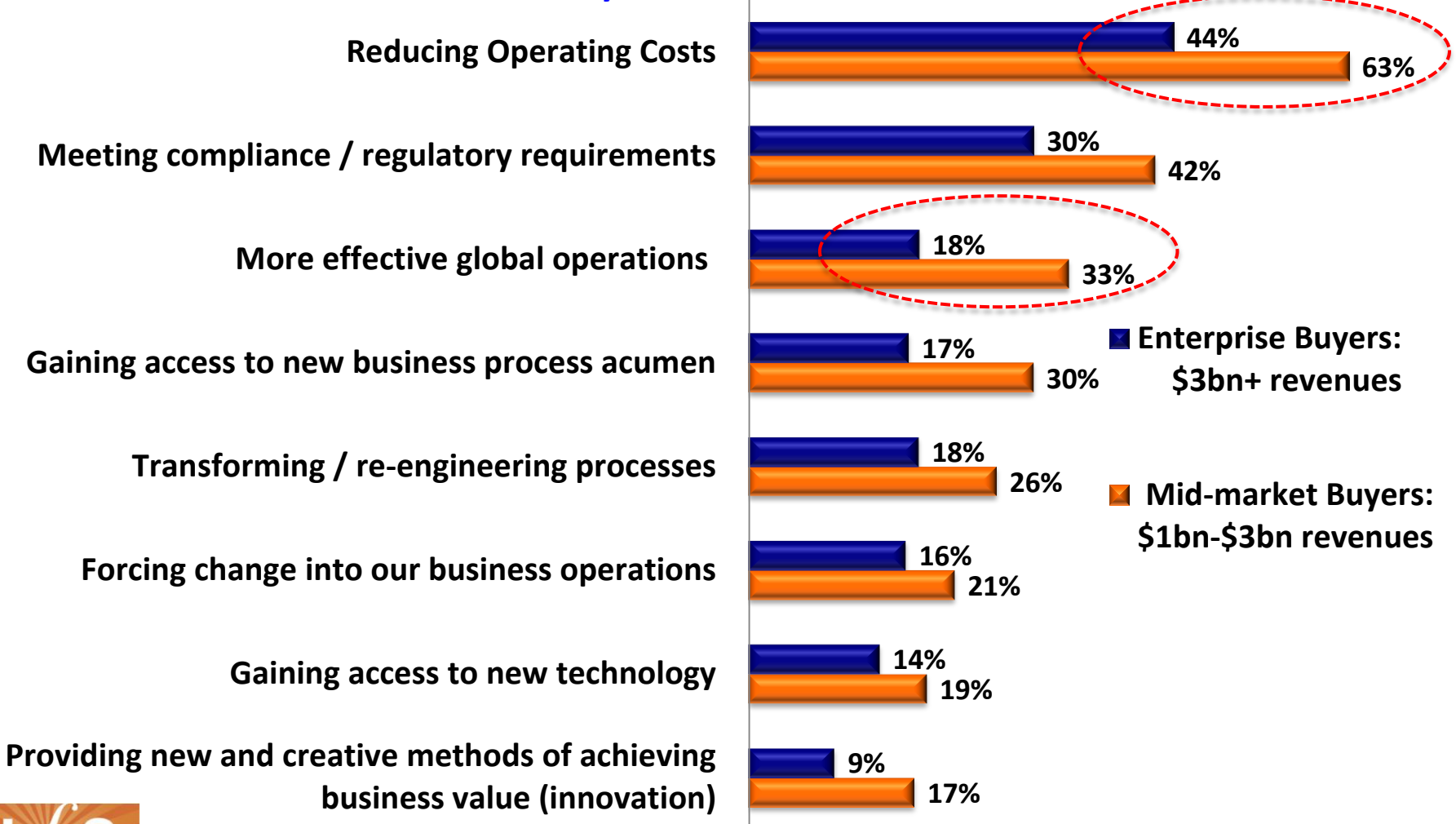


Source: HfS Research and the London School of Economics Outsourcing Unit, 2011
Sample: 347 Buy-side Organizations



Gradual or dramatic change – is it just best to rip off the Band-Aid?

How effective have your current outsourcing initiatives been for achieving the following business benefits to-date? Answer = Very Effective



Source: HfS Research and the London School of Economics Outsourcing Unit, 2011

Sample: 277 Buyers of Outsourcing Services

Why do providers underestimate the importance buyers place on change management, governance and culture

- Attributes of providers that buyers (with significant influence) view as critical
- Attributes providers think buyers view as critical

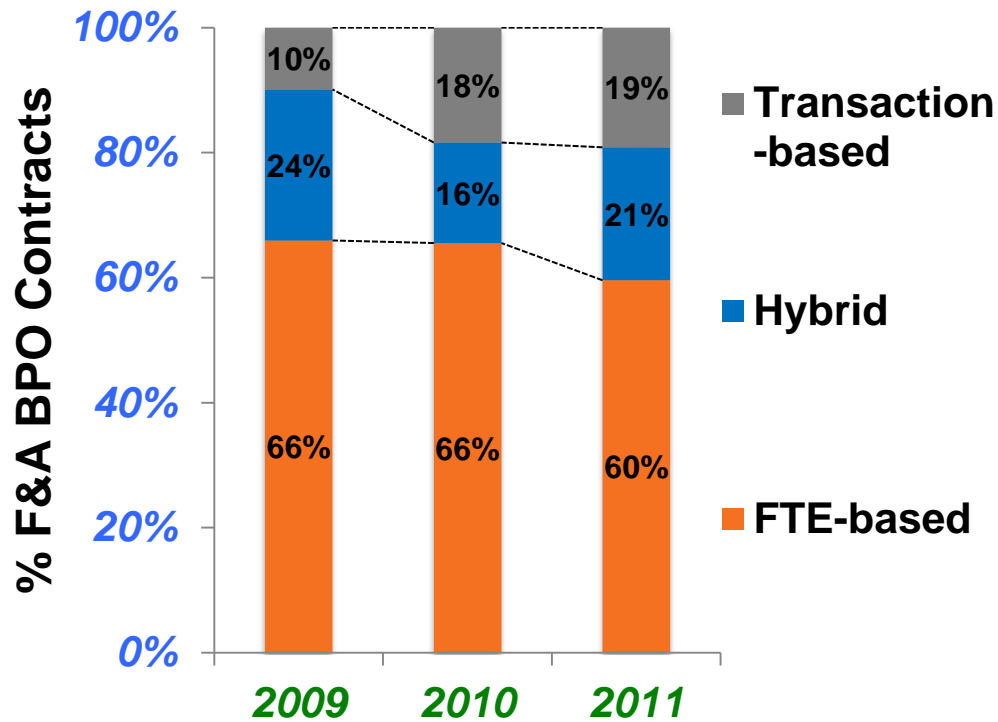


Source: HfS Research and the London School of Economics Outsourcing Unit, 2011
 Sample: 347 Outsourcing Buyers and 544 Outsourcing Suppliers

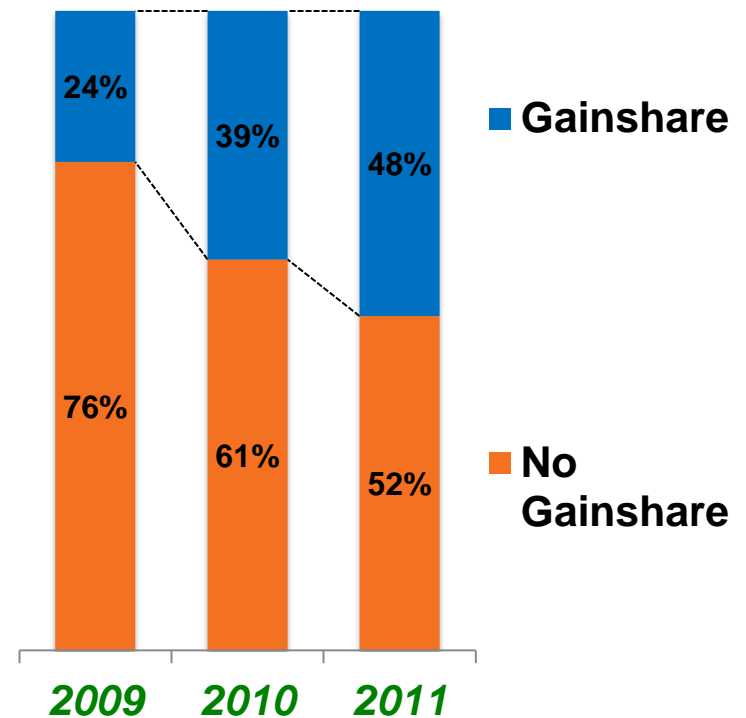


Are providers with “skin in the game” taking the lead?

Type of Pricing Deployed



F&A BPO Contracts with Gainshare incentives



Source: HfS Research, 2012

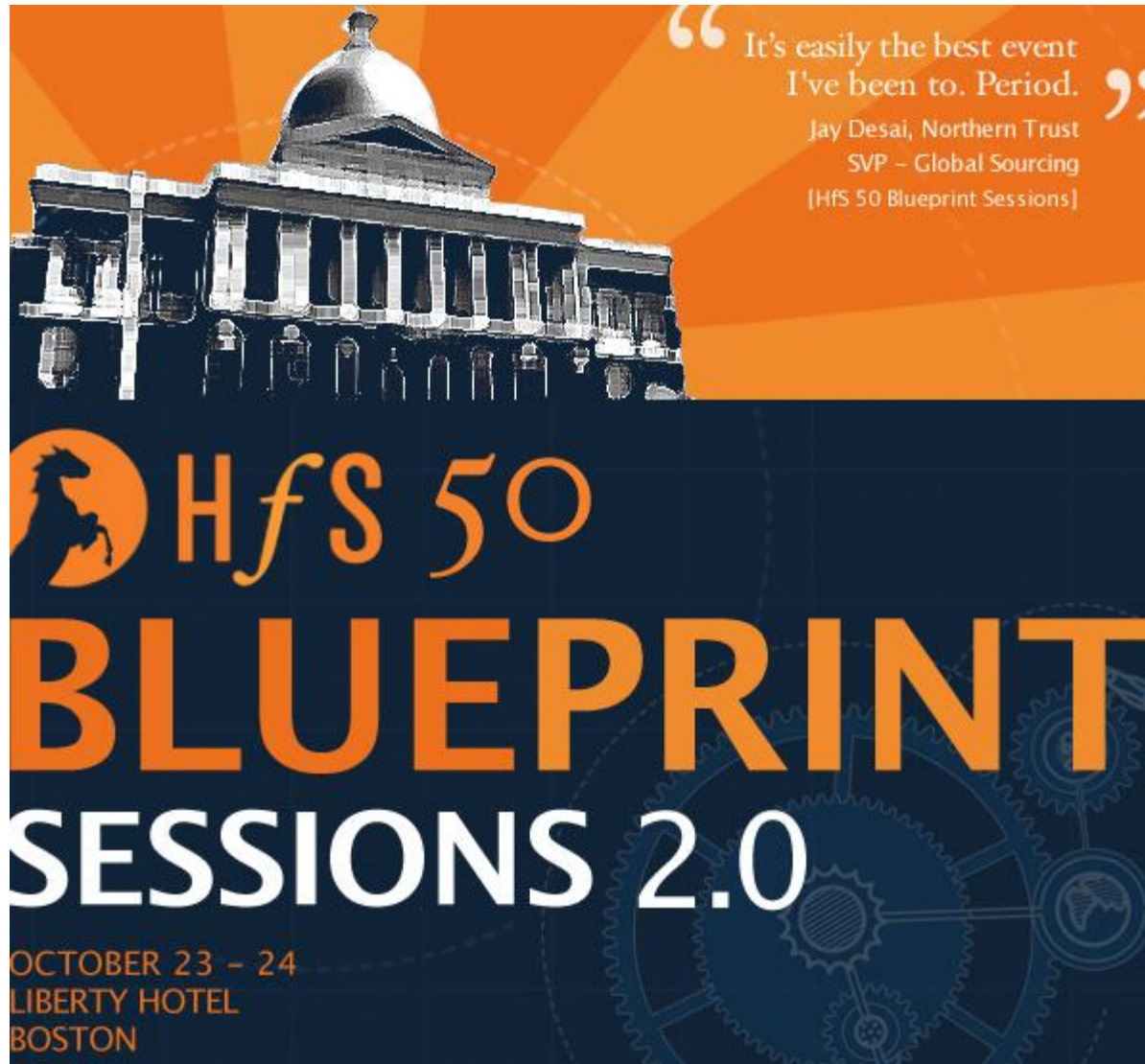
Sample size: All current multi-scope F&A BPO contracts (includes 2 or more core F&A processes bundled)




Any questions?



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