



Spend Matters™

COMPASS SERIES

2010 — Expecting More From Procurement BPO

Trapped by Procurement BPO? How to Pull Your Organization Out of the Mire

How Procurement BPO Really Works (Versus How it Should)



HfS Research
Collaborative sourcing intelligence

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Spend Matters™

Edited and with Additional Commentary
by Jason Busch

We've been holding our collective breaths since about 2005, waiting for a barrage of giant Procurement BPO deals to clutter the analysts' quarterly listings. Yet when it comes to larger BPO outfits in particular, big engagements are still few and far between, with only a few definitive new contracts announced each year, most often focused on direct spend or sometimes pseudo-Procurement engagements pretending that accounts payable can be spun as a "Procurement outsourcing" gig.

For multi-scope engagements, companies usually outsource some portion of the procure-to-pay cycle, but all too often it's the least valuable aspect of the Procurement organization (see **Exhibit 1** and **Exhibit 2**). However, standalone outsourcing deals for non-core categories in Procurement continue to be the exception and not the norm for two simple reasons: Procurement organizations have critical internal customer- and vendor-facing responsibilities and the standard labor arbitrage outsourcing arrangement simply doesn't maximize the savings created by the organization—it may, in fact, detract.

There's hope, though. What's clear from our analysis is that deep category and process expertise on behalf of the provider often combined with enabling solution capability—or at least the ability to act as a data steward for relevant sourcing, spend and supplier information and apps—is what separates strong procurement BPO engagements from the rest. That, and a healthy dose of skepticism and a "show-me" approach from the client at the outset, which leads to significant hands-on involvement not only in "train-the-trainer"-type initiatives, but also change management and continued collaboration with a BPO partner.

Exhibit 1: Strategic Sourcing and P2P Processes Included in Multi-Scope BPO Engagements (Source: HfS Research, 2011)

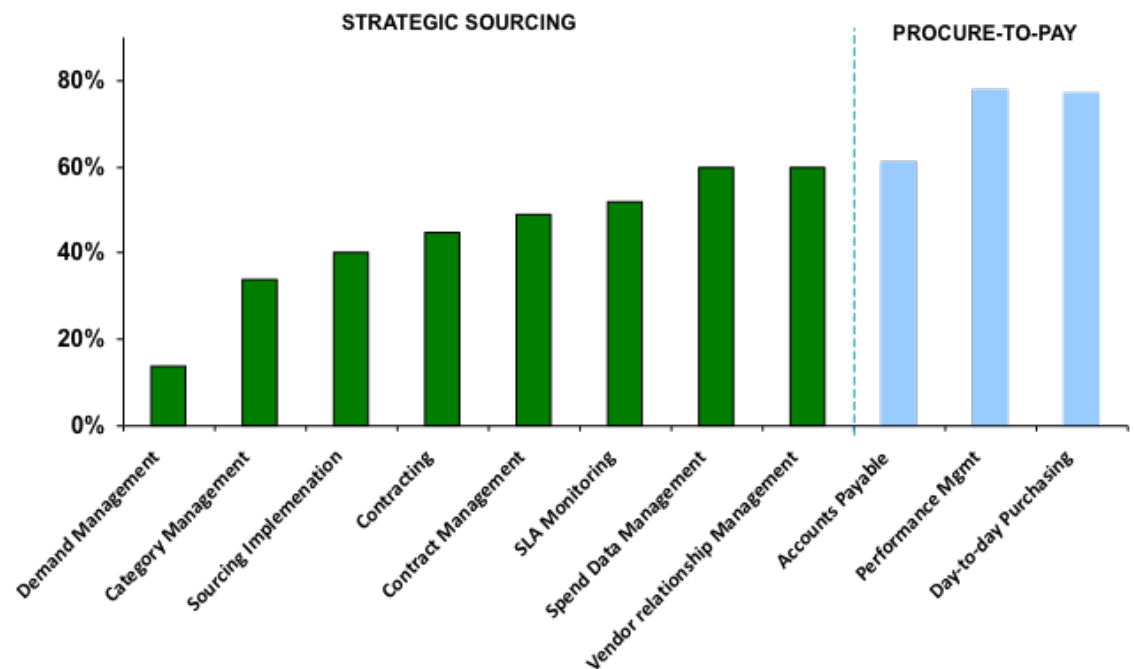
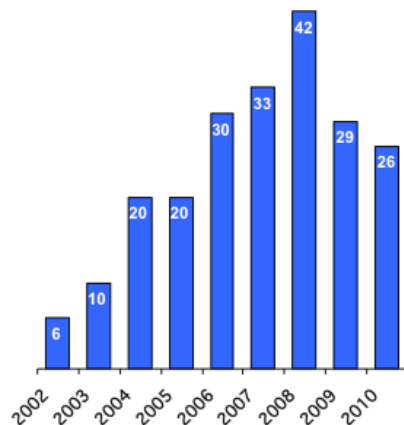


Exhibit 2: New Multi-process Procurement BPO Engagements signed per year (Source: HfS Research, 2010)



It's a market myth that Procurement is an easy-peasy function to source. After all, carving out a corporately centralized process with some imposition of rules and hopefully a few tools should be a piece of cake to convey to a third party, right? Not exactly. Procurement BPO presents a minefield of challenges right from the start. And only the few who have been brave enough to implement it across the enterprise are much the wiser. Here are the traps that every CPO should think about when considering implementation.

At Initial Design

On the surface, Procurement seems like an absolute dream function to source—and outsource. After all, stakeholders can easily grasp the fact that aggregating buying power across the organization to get better pricing on pencils and airfare is the right thing to do. For many categories of spend and general P2P processes and automation for non-direct goods and services, it is generally considered non-invasive or non-core, especially if the scope encompasses indirect spend. Moreover, in the event finance and accounting has “already been sourced,” so to speak, the so-called adjacencies linking to the accounts payable process make it seem like a logical next sourcing step.

But Procurement BPO can trap CPOs right at the outset of the sourcing process (not to mention CFOs that sometimes take the initiative to find a partner to handle their spend). The business case will not fly on lowering the cost of transactions—you can do that with a purchase-to-pay (P2P) system from Ariba, Coupa, SAP, Oracle or many others combined with an internal shared service organization. Rather, it's driven by the ability to identify opportunities to reduce spend through consumption and cost. So understanding what drives—and derails—the business case is imperative.

Creating winners—and losers

One of Procurement BPO's dirty little secrets is that in a multi-national organization, there are always winners and losers. Harmonizing Procurement processes, service levels and technologies across the globe means that more evolved countries may miss out, taking a step backwards when it comes to BPO implementation. And if the rules hold, these evolved players will run the territories with the greatest spend.

At best, local Procurement leaders (and their customers) will grudgingly buy in to the fact that harmonization and standardization is ultimately for the corporate good. At worst, these

organizations will balk at scrapping years of investment in technology and processes and regress.

During business case development, a full analysis of winners and losers—by platform, service level, rules, performance levels, and organizations—should be used to gauge where the noise will come from, and where the justification to opt out will most likely crop up. Without the ability to include the bulk of corporate spend into the scope, the business case will be difficult to achieve.

Spend off limits

Because of the nature of global corporate relationships today, some of the largest categories of spend are sometimes off limits. Think banking relationships where customers are also vendors, or joint venture structures where the vendor relationship is superseded by the business imperative. In the enthusiasm—or rush—to develop a compelling business case, these business relationships either escape notice, or are considered to be breakable. Ignore them at your own peril—getting in the way of a customer relationship in the name of Procurement BPO is not the best way to initiate the outsourcing process. Legal, marketing and other spend areas that may appear to have a tight security perimeter and fence around them can actually be great areas to start, building executive buy-in for higher complexity areas with large potential returns.

Most favored nation status/ability to innovate Procurement BPO business cases are highly dependent upon the assumption that the majority of spend is managed under contracts that are easily conveyed to the provider. Yet a deeper dive may indicate that a corporation has contractual most favored nation status. This may preclude a further price reduction through provider leverage, the terms are held confidentially, or the contract cannot be novated to alternates other than through a change of corporate control. These clauses throw a spanner in the works; if they are not assessed during the design phase, they can sharply curtail business case benefits.

Localized nature of spend

Sometimes the largest categories of spend—say facilities—have such localized vendors that there is limited opportunity for cost reduction by implementing Procurement BPO across the enterprise. Savvy CPOs assess the ability to aggregate spend by category by taking a quick read of the supplier market for major expenditures as part of the business case process. There's nothing worse than moving down the outsourcing path only to find that projected reductions in spend are not attainable.

Organization's ability to impose policy

One of the dirty little secrets of Procurement BPO is that the organization's ability to craft and impose effective purchasing policy is imperative. While a provider can deliver unit cost reduction by sourcing more effectively and nip at the price of transaction processing, the ultimate driver of cost is the ability to control and curtail consumption. CPOs who believe their organizations are unwilling to adopt more stringent Procurement policies doom their outsourcing endeavor from day one. If executive management is not willing to staunchly endorse or start defining exceptions (think high-flying investment bankers who think they are always entitled to fly on private jets or first vs. business class internationally), obtaining benefits from Procurement BPO is a fairy story.

During Sourcing

The immaturity of Procurement BPO presents some special challenges during the sourcing process. There's an understandable tension between the internal team and the provider, and so much of the potential scope duplicates the processes that Procurement teams believe that they should control, or have developed deep competencies, such as category management. So the fundamental question about Procurement BPO rears its head—why are we sourcing our own competency? A bit ironic of a thought, isn't it, but one absolutely critical to consider.

Further complications arise in the fact that Procurement teams will be bound and determined to apply any and all rigor to this particular sourcing process due to self-interest and as an example to the rest of the organization. This can result in an inordinate level of scrutiny, or the inclusion of tests and tasks that may be counterproductive and add both time and cost.

Nature of the supplier community

The landscape adds further complexity to the Procurement BPO process. Unlike ITO or finance and accounting outsourcing, the size of the market is limited to a very few credible BPO providers. Second, Procurement BPO still operates very much like a kit of parts. Unlike other functions, there is a higher degree of disaggregation with a plethora of category sourcing, process, spend analytics, and technology providers that all independently attack the market. The good news is that buyers can mix and match vendors to suit their particular needs. The bad news is that the sourcing process becomes more complex and may result in a higher level of governance post transaction. As a result, it's harder to affect the equivalent of a sourcing plug-and-play.

Real skill from the provider/category depth

Procurement BPO is the one outsourcing candidate function that requires deep domain expertise to create business value; process expertise will not carry the day. Not all providers have uniform capabilities in each category of spend, especially when the scope is multinational. Assessing the vendor's depth requires an inordinate level of diligence on the part of the Procurement team and should be a priority. The fact that a vendor has a methodology that they hired a strategy consultancy to develop for them means nothing when it comes to what they can actually implement in practice outside of a walled-off assessment or pilot.

"Utility" is an aspiration, not a current state

For years, Procurement BPO providers have tabled the concept of a cross-industry utility, which has reared its head in the guise of buying verticals by industry or attempts at platform-based BPO that have not aggressively caught on. While good Procurement practice is generally agnostic to industry, spend category, given rules, policies, procedures, culture, business relationships, and other factors, it's often hard to adopt a utility offering.

One-sized GUI does not fit all

If the vendor is aggressively pushing a standard GUI, there may be trouble afoot. While portals have certainly become more user-friendly recently, it's often difficult to adopt an off-the-shelf approach. The GUI is the face to the internal customer, and the Procurement team must absolutely assure that it is usable and effective within the context of their particular organization. Note, GUI is not just technology—it's the purchasing/buying face to the entire organization, essentially serving as a virtual (online) and physical (human) touch point.

At Transition

Transitioning Procurement scope to a vendor is no cakewalk. First, unlike sourcing other functions, there are many moving parts inherent in the scope—strategic, administrative, process, and customer care. Second, stakeholders are ‘sold’ during the transition phase. If Procurement BPO is made overly complex or burdensome to the business, the noise levels will rise to a resounding roar with little tolerance for forgiveness at stabilization. The first time a vendor cuts off mission-critical service due to a late payment, or a cost creator neglects to move an approval along to the payables team, outright guerilla warfare can ensue. What are some of the other traps that characterize Procurement BPO during transition?

Crafting deployment to suit the needs of the vendor as opposed to the organization Vendors are driven by business cases, too. And the typical Procurement BPO vendor needs to get its hands on as much spend and transaction volume as early as possible in the course of transition to make the numbers work; ergo transitioning large geographies or spend categories early. But depending upon the maturity of the Procurement organization country by country, delivering the greatest potential for the vendor may be counterproductive for the buyer. Starting in smaller, less advanced geographies (from a process and/or technology standpoint) can be a good way to pilot the change and build acceptance over time.

Juggling large and multiple constituencies with conflicting needs and/or wants

Procurement BPO is the sourcing equivalent of “piggy in the middle.” No other process is so sandwiched between an array of stakeholders—executives who want cost out, business lines that want service/material yesterday, multiple exceptions, vendors that often are responsive at a pace prior to the Facebook era, providers that are highly dependent upon and business case that is not solely based on the number of transactions, and employees that chafe at the imposition of new or restricted catalogs. Investing in change management to effectively manage stakeholders with at-odds requirements during transition is critical to Procurement BPO success.

Depending highly on cooperation from a few key internal customers

Internal customers represent at least as many shades as the rainbow, yet the bulk of change programs focuses on communicating the change to the masses rather than where the rubber meets the road—the all-important business line administrator cum cost-creator. As in other business processes, Procurement outsourcing can’t succeed as a “black box” initiative. Success comes as a result of being able to ensure coordination both upstream and downstream of the scope. Delineating workflow end-to-end beyond the tasks under the control of the Procurement department is critical. In other words, the answer alone isn’t what counts—it’s the proof and the path to get there.

Demanding a high level of personalized training

Many transition programs heavily rely on computer-based training (CBT) to help key stakeholders navigate the intricacies of new policies and procedures. While CBT is a cost-effective tool to train the masses on new policies and procedures, cost creators rarely have the time or inclination to sit down at a laptop and trip through hypothetical processes, how to navigate the GUI of a brand new Procurement portal, or understand workflow. Working one-on-one with the constituents that matter, or providing concierge service during the critical first days of cutover can change the success equation.

During Steady State

The collective sigh of relief emanating from CPOs post-BPO transition is usually deafening. Yet the hard work begins after the new Procurement world order is bedded in. Some of the typical traps include:

Gumption to enforce the rules

Nothing is more critical to Procurement BPO success than the organization's dedication to enforcing policies even-handedly, making exceptions or amendments only when the rules run counter to common sense or when business imperatives force a volt face. Many a Procurement BPO deal has been sub-optimized by the faulty conviction that it's up to the outsourcing vendor to play the bad guy for enforcement. The outsourcer only follows the playbook given to him by the client; it's inappropriate to set the vendor up for failure by forcing them to become the symbol of organizational tissue rejection to the imposition of new rules. Effective communications—and change management—are key to ensuring that stakeholders understand (and accept!) the reasoning behind levying any new consumption policy.

Year/Year savings elusive

Procurement outsourcing benefits are never charted in a straight diagonal line, yet program sponsors tend to forget that demand and the relative movement of categories has implications for the benefit equation. However, when it comes to steady state, Procurement departments often forget that business case drivers are variable, and that promises or inferences made to corporate management or business line leaders in the heat of the outsourcing sale cannot always be met.

Implications of the “offshore” effect

Face it, if customer service functions—tracking purchase orders, checking on the status of a bill—are moved offshore by the provider, it's a fair bet that the service desk is going to be blamed for all of the problems in the new outsourced model. For many stakeholders, the poor folks located in India or wherever unwittingly become the poster children for all that's not working—or more accurately, believed to be not working. Ensuring that stakeholders have a clear escalation path to resolve issues can mitigate some of the resistance being heaped on the hapless provider.

Gain-share woes

Gain-sharing looks awfully good as a business proposition during the sourcing process, yet when you ante up the cash according to whatever formula was agreed at negotiation, it's awfully hard to forgo a piece of the pie, even when it is contractually obligated. Asking for skin in the game is a great strategy to encourage vendor performance, but when it's time to write a check, any issue attendant to the quality of customer service, the ability to meet other service levels, or the effects of organizational tissue rejection make it hard to pick up a pen. Savvy CPOs separate other governance issues from the line of sight around gain-sharing, and ensure that alignment of the greatest impetus to outsource Procurement—saving money—stays in place. There's nothing that degrades a Procurement sourcing relationship faster than refusing to pay a gain-share deal that's clear-cut.

Not all Procurement BPO deals have been or will be subject to some of these traps, but given their relative immaturity, and the particular characteristics of the Procurement function, it's a pretty fair bet that CPOs will encounter at least two or three. The trick for successful Procurement outsourcing is to know where in the life cycle they are likely to occur, and navigate around them.

Key Takeaways

HfS Research and Spend Matters take the strategic view that an outsourcing decision should look beyond simple labor arbitrage benefits. Instead, it should maximize the rate of return and ROI of the outsourced process.

There are several key takeaways for CPOs looking to create similar outcomes:

- Do more in change management before and after the outsourcing. In hindsight, nearly all BPO adopters have said they should have done more.
- You wouldn't select a fabulous viola player to teach you guitar; process experience (metaphorically knowing a "string instrument" in this example) matters little compared with deep domain knowledge from the provider.
- Think about all of the stages of the BPO process both discretely and as one—from initial sourcing and strategy development to transition, steady state, and ongoing vendor management, each stage brings critical nuance and importance in getting the most from relationships and avoiding potentially costly missteps
- Almost every organization purchases a standard suite of products and services such as office supplies, copiers, and desktop software. When outsourcing, smart CPOs should structure their Procurement organizations strategically, allocating development of these low priority categories to an external sourcing specialist. In certain cases, the best outsourcing providers will often act like group purchasing organizations (GPOs) and aggregate spend for multiple clients to negotiate lower rates in cases where aggregation can yield the best results (which is sometimes—but not always—the case). Assuming your organization has already effectively sourced these categories, you should be able to improve your rates by at least 2-5%. If you never sourced these categories well, you could be looking at 10% or greater rate reductions. Even if your volumes are extremely high, the savviest CPOs will understand the advantages their additional buying volumes bring to the collective outsourcing clientele, and use that as leverage in negotiations. At the same time, specification/SKU rationalization and better demand management and planning can further reduce costs in a BPO buying context.
- In tactical purchasing that requires Procurement decision-making, external organizations can execute simple category strategies that include checking in-house inventories before authoring POs (printers, PCs); handling lease returns, extensions, and refreshes (copiers and hardware); obtaining quotes from preferred (and even multiple) suppliers; and sourcing low dollar purchase requirements.
- Certain complex categories require specialist knowledge, and CPOs should be careful to avoid hiring category specialists in certain areas. For example, telecommunications and print strategic sourcing requires extremely complex RFX templates and complicated savings calculations. While CPOs should never abdicate leadership of these projects to the outsourcing provider because these types of opportunities can help develop their senior staff and strong customer rapport, allocating valuable resources to certain complex (but non-strategic) categories is not warranted. CPOs should leverage external experts to bring category-specific processes, technologies, and contract negotiation expertise, especially when these categories do not require sourcing with great frequency. A growing number of Procurement outsourcing providers are providing these specialty services either directly or through relationships with third-party category sourcing specialists. Alternatively or from a supplemental perspective, technology (e.g., telecom expense management tools) can provide additional firepower to tackle complex categories.
- Leveraging low-cost, high-quality analytically skilled labor from Procurement outsourcing providers for specific deliverables in the strategic sourcing process can also be valuable. For

example, almost every strategic sourcing project begins by analyzing current contracts and spend history. Leveraging an outsourcer to provide this analysis frees up internal staff for more strategic activities. For certain deliverables, such as marketplace analyses and SOW template development, Procurement outsourcing providers should have a sufficient base of clients that they can leverage recent deliverables for your staff's use. For buyers leveraging outsourcing organizations with global scale, the ability to get local market trends and inside information is often impressive.

While it is extremely easy to evaluate outsourcing based on its cost reduction benefits, CPOs would be wise to aggregate the category savings opportunities provided by leveraging a mix of external organizations—not just in the categories and business units a CPO supports today, but also in new categories and additional business-unit spend the capability of an experienced outsourcing provider can provide. CPOs would also be wise to ensure the total Procurement ROI (cost of internal staff, the outsourcing provider, and any system-related costs) provides a high rate of return based on a realistic business case.

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About the authors

Phil Fersht

Phil Fersht is Founder, Chief Executive Officer and Research Director of HfS Research, the leading global research analyst organization covering global sourcing strategies. He was named “IIAR Analyst of the Year 2010” by the Institute of Industry Analyst Relations (IIAR). This is the most coveted global award for industry analysts in technology and services. His specialist coverage areas include finance, HR and supply chain BPO, and he also focuses on industry-specific issues and the convergence of BPO, SaaS and Cloud in a business utility context.

He is an acclaimed industry analyst, practitioner, advisor and strategist across Business Process Outsourcing and IT services worldwide, having worked extensively in Europe, North America and Asia. During this time, he has advised on more than 100 major outsourcing and offshoring engagements and consults regularly with senior operations and IT executives on their global sourcing strategies. At HfS Research, Phil directs and contributes to the firm's research and social media strategy, in addition to administering the global finance operations. During his career, Phil has worked at AMR Research (Gartner Group), leading the firm's BPO and ITO practice. Previously, he served as market leader for Deloitte Consulting's BPO Advisory Services, where he led numerous outsourcing and offshoring advisory engagements with Fortune 500 enterprises. He also worked for outsourcing advisor Everest Group leading the company's BPO research practice. Phil began his career at IDC across its European and Asia/Pacific operations.

Phil is a frequent author and speaker on IT services, Finance, HR and Procurement Business Process Outsourcing trends and issues. He was named both an “FAO” and “HRO Superstar” by FAOToday and HROToday Magazines for 2005, 2006, 2007, 2008, 2009 and 2010 and was featured as the cover story for the December 2006 issue of FAOToday as one of the outsourcing industry's most prominent advisors. He was also nominated for “Advisor of the Year” at the FAOSummit 2008. He speaks regularly at industry conferences, which have included The Conference Board, NASSCOM, IDC Directions, the Sourcing Interests Group, the Shared Services & Outsourcing Network and the Council of Supply Chain Management Professionals. He is also a regular columnist for several industry publications, including Global

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Phil received a Bachelor of Science, with Honors in European Business & Technology from Coventry University, United Kingdom and a Diplôme Universitaire de Technologie in Business & Technology from the University of Grenoble, France.

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Deborah Kops

Deborah Kops is Research Fellow for HfS Research, and leads her own practice in sourcing change management entitled SourcingChange (www.sourcingchange.com). Deborah recently left one of those high-powered corporate jobs to focus on the challenges of change for outsourcing and shared services to establish the only industry resource dedicated to change management. HfS Research is now the first analyst firm to recognize the implications of change management on sourcing success by collaborating with Deborah, who regularly contributes her analysis and insights for HfS subscribers and research clients.

Deborah acknowledges that she learned about the challenges of sourcing change management the hard way—by failing. As a result, she is able to deliver results in situations where change is required and the rules must be rewritten, focusing on elimination of barriers to adoption, and helping stakeholders acquire new skills to effectively adopt, embrace and expand new business models such as outsourcing.

With experience as a corporate managing director, consulting partner and provider, Deborah has a unique perspective on the major challenge to outsourcing and shared services implementation—effectively and sustainably changing the way people work in light of the myriad implications of sourcing—new relationships, different cultures, enhanced technologies, different delivery locations, new cost structure, changed workflows, focus on the customer, increased quality, introduction of commercial structures, and other considerations. As a client, Deborah had end-to-end responsibility for global sourcing implementation at two financial institutions. At a global investment bank, she served as the transformation leader for a market-first global procure-to-pay outsourcing implementation, and set up an enterprise-wide “smartsourcing” initiative. For a top-seven US bank, now part of Bank of America, she managed and sourced administrative processes, increasing customer satisfaction of the all-important retail banking division.

Formerly an executive with one of the largest offshore business process outsourcing (BPO) companies, and a founding partner of PricewaterhouseCoopers’ pioneering outsourcing line of business, Deborah saw the implications of change management issues from the provider perspective firsthand. And, as an advisor, she has honed consulting and communication techniques that help clients institutionalize change leadership, working with major corporations in North America, Europe and Asia.

Deborah is a prolific writer who currently writes columns on change management for SSON Network and Outsourcing Today. She is an occasional columnist for Global Services and is a contributor to the Human Resources Business Review (a journal of the Human Resources Outsourcing Association), Business Trends Quarterly, and the European Outsourcing Review. Deborah has presented at industry forums sponsored by such organizations as Deloitte, the Financial Times, Corporate Research Foundation, SSON, Das Shared Services Internationale/ Management Circle, The Conference Board, HROA, and Global Services. She has delivered

workshops at institutions such as University of Pennsylvania Wharton School of Business, Carnegie-Mellon University, and Lancaster University School of Management.

Deborah is probably the only graduate architect in the sourcing world. Late nights at the drawing board earned her a bachelor's degree at the University of Illinois and a master's from Virginia Tech. After six years of hard graft in the design world, she thought there were better ways to make a living.

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Jason Busch

Jason Busch is passionate about how companies, governments and individuals manage, spend and save money. While his forte is writing and speaking about procurement, politics and economic issues, Jason has significant firsthand experience creating and launching new products and solutions in the supply chain and sourcing sectors. Throughout his career, he's also helped hundreds of companies save money through strategic sourcing and related initiatives, including finding the right technologies to kick their organizations into overdrive.

Jason's main focus at the moment is building Spend Matters, Spend Matters UK/Europe and MetalMiner into the world's top procurement, supply chain and commodity management resources. Launched in the fall of 2004, Spend Matters was the industry's first blog, but has since grown into the largest media and research site in the sector and the anchor property of a portfolio of sites. At Spend Matters, Jason personally covers a range of technology research areas including services procurement, P2P systems, supplier management / supply risk management, strategic sourcing and commodity management. Jason also serves as Managing Director of Azul Partners, a holding company with ownership interest in Spend Matters and other portfolio sites and organizations.

In previous lives before spending five-years at FreeMarkets in a range of corporate development, marketing and line roles, Jason was a management consultant and merchant banking analyst. He's also been a part-time journalist and columnist throughout most of his academic and professional career and has authored thousands of articles and whitepapers.

Jason holds both an MA in history and an undergraduate degree from the University of Pennsylvania. Jason is married to fellow author and sourcing expert, Lisa Reisman. They have three sons and live in Chicago. Jason is an avid runner and can often be found training on Chicago's lakefront when he's not behind the screen of his Macbook or spending time with his family.

About HfS Research

HfS Research (www.HfSResearch.com) is the foremost research analyst firm and social networking community, focused on helping enterprises make complex decisions with their business process operations, IT outsourcing and shared services strategies. It has the largest audience and regular following in today's global sourcing industry.

With 50,000 subscribers, HfS Research provides the most impactful and frequently visited global collaborative community platform in the global services industry, providing rapid and insightful commentary, analysis and debate of enterprise outsourcing and shared services dynamics. The organization is unique in the fact that it integrates personable social networking with market research and expert advisory services.

The HfS Research mission is to provide a unique environment for collective research, opinion, experience and knowledge across the global outsourcing industry to help enterprises explore new performance thresholds. Led by industry expert Phil Fersht, the HfS Research team is a multi-disciplinary group of analysts across North America, Europe and Asia/Pacific regions, with deep domain knowledge in business process outsourcing, information technology services and cloud business services.

Launched in 2007, HfS Research's acclaimed blog Horses for Sources has more than 120,000 monthly visitors across the global outsourcing industry, and is widely recognized as the leading destination for collective insight, research and open debate of industry issues and developments. The HfS LinkedIn community, The BPO and Offshoring Best Practices Forum, is thriving with over 12,000 industry professionals sharing views and information daily. You can access information about HfS at HfSResearch.com and on Twitter at www.twitter.com/horses4sources.

To learn more about HfS Research, please email research@HfSResearch.com.

About Spend Matters

Founded in 2004, Spend Matters (www.spendmatters.com) started out as a single media site, but has grown into something much larger. While maintaining its roots and editorial values, Spend Matters, along with new properties MetalMiner and Spend Matters UK, has become a global content community dedicated to examining Spend Management issues including procurement, sourcing, contract management, spend analysis and visibility, category management, low-cost country sourcing, supply chain, lean and other related areas. Spend Matters and related properties represent a virtual gathering place for senior business executives (and their suppliers) making multi-million dollar global spend/sales decisions and looking to research and learn more about strategies and potential solutions for their procurement and supply chain challenges.

Among portfolio properties, Spend Matters and MetalMiner are, consistently the highest trafficked individual media sites in the procurement/supply chain and metals/direct materials worlds.