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# Inside Outsourcing™



INTERVIEWED BY LARRY JANIS

Inside with:

**Lowell Williams, Global HR Practice Leader**

**EquaTerra, Inc**

EquaTerra sourcing advisors help clients achieve sustainable value in their IT and business processes. Our advisors average more than 20 years of industry experience and have supported over 2000 transformation and outsourcing projects across more than 60 countries. Supporting clients throughout the Americas, Europe, Middle East, Africa and Asia Pacific, we have deep functional knowledge in Finance and Accounting, HR, IT, Procurement and other critical business processes. EquaTerra helps clients achieve significant cost savings and process improvement with internal transformation, shared services and outsourcing solutions.



***LJ: For people who don't know you or the firm, would you describe your role and responsibilities?***

***LW:*** I have led and managed the HR Practice Group in EquaTerra since founding in 2003. Recently, I have taken on less of an operational role and is concentrating on strategy, thought leadership, overall client development, new product development and relationships with service providers. EquaTerra is a major services advisory firm with primary service lines in human resources, information technology, financial processes, procurement and governance services for clients. Almost six years old, EquaTerra has 284 advisors resident in 11 countries. It has advised on more than half of all comprehensive HR outsourcing transactions.

***LJ: What do you see as the necessities to be successful in HR BPO?***

***LW:*** It starts with clearly defining strategic outsourcing objectives, which requires far more rigor than many companies realize. Once that's accomplished, the second step is to adopt standardized industry approaches to handle day-to-day HR transactional processes like payroll and pensions, reserving costly customization for only those areas that truly differentiate the company. For most HR organizations, the most strategic use of their time and budget is in recruiting, training and developing talent. From an outsourcing perspective, that means top-notch recruiting and learning deployments to build business and leadership skills. Then we have to develop systems that enable us to inventory skills, track performance and construction compensation and benefits plans that reward outstanding results. A company's competitive edge will increasingly depend on how well HR aligns the organization's people and skills with the overall business strategy.

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FROM THE EDITOR

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**Inside Outsourcing's goal is to provide you with articles of interest and with a forum for the exchange of information in this rapidly evolving industry.**

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Today the race goes to the HR team that concentrates on human capital: finding the best, developing and training those people, empowering and developing those resources through coaching , deployments that build skills, performance guidance and skills inventory management and compensation and benefits that nurture and reward outstanding performance. We are challenged for funds and resources. Concentrate those limited budgets on what matters for the growth of the organization.

**LJ: What are the changes taking place in HR strategy and how do you see this emerging in the future?**

**LW:** Even with the current economic turmoil and the resulting erosion of 401k balances, over the next five years Baby Boomers will continue to move to part-time, flex time and reduced work schedules in numbers that are threatening to many companies. (At some companies, 40 percent of middle and senior managers are currently eligible for retirement under defined benefit pension plans, and those pension rights are not threatened by the current recession unless the company is on the brink of bankruptcy.) To ensure organizations have the talent they need, HR executives will have to source management talent from all over the world. While globalization increases the supply of candidates, successfully recruiting those managers is a difficult, complex and lengthy undertaking.

At the same time, HR executives must develop junior managers to seamlessly assume the roles of middle managers. This requires more effective assessment and training programs. In many areas of business processes, current job design and work flow are either poorly defined and documented, or worse, not documented at all. The apprenticeship periods for complex management jobs are typically two to three years, and the train is already leaving the station for those born in 1944-46.

In the next five years, recruiting, learning and work-flow design will be critical to ensure continued business success. Add economic dislocations to the mix, and HR faces truly challenging times.



*“ While globalization increases the supply of candidates, finding and landing those recruits has become more difficult, complex and lengthy.”*



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***LJ: What level of person is buying HR/BPO and what are their top concerns regarding HR/BPO services?***

***LW:*** HR buyers fairly frequently hold the top HR job. These business executives are already exhausted by trying to do more with less in HRIT, training and recruiting. Now, the recession is accelerating the push to adopt targeted HRO transactions to solve well-defined HR problems.

The market will continue to see comprehensive, global HRO transactions, but the focus will be on single-point solutions rather than comprehensive transactions involving six or more processes simultaneously. This trend will extend well into 2010.

Secondary buyers often include the CIO, who understands new systems and platforms are necessary and that there's no capital for a new \$1000-per-employee enterprise HR system. As a result, the CIO, in alliance with HR, is shopping for a service provider system where he can buy by the drink.

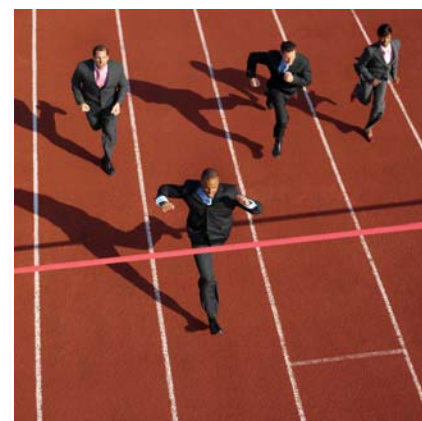
***LJ: How does EquaTerra differentiate itself in the Advisory marketplace?***

***LW:*** Our advisors are true industry experts. All EquaTerra's HR advisors:

- ◇ Have held responsibility for significant line HR functions and understand the effort it takes to deliver quality HR services day in and day out
- ◇ Have worked for HRO providers in strategic roles and understand service provider offerings, margins, service delivery centers, and process delivery from a globally integrated service model
- ◇ Have consulted with a variety of clients, all of whom have unique service and business cultures. These advisors have shown an ability to respond to those differences and develop fit-for-purpose services to match the clients' needs and distinctive business models

No other consultancy can match the number of people within their HR practice with these skills and levels of experience. As a result, we seldom work as staff augmentation except for short periods of transition.

***"The market will continue to see comprehensive, global HRO transactions"***



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**LJ: What has contributed to your individual success?**

**LW:** Like most of my colleagues in EquaTerra, I genuinely believe in the power of an organization's people. Karl Marx was not wrong in indicating that only three things drive any business: human capital, financial capital and equipment and physical assets. Today we tend to think more about technology than blast furnaces, but the enduring differentiator between most major brands is human creativity. I have worked significant years in a variety of industries – health care, mining, oil and gas, chemicals, information services and consulting. In all of those industries, the true differentiator between best-of-breed performance and being an “also ran” lie with the people who led the company.

As HR professionals, we should celebrate our ability to impact business through finding and developing the people who manage and operate an organization. Personally, I am thankful that I have had the ability to increase the productivity and efficiency of human capital management through HR outsourcing.



*“the true differentiator between best of breed performance and being an “also ran” was the women and men who led the company.”*

## Integrated Search Solutions Group

We are a retainer based executive search firm with over a decade of experience in successfully attracting top talent in the areas of Outsourcing (IT, BPO and BPM), Consulting (Strategy & Technology) and traditional corporate functions (CIO, CTO, CFO, etc). We have worked effectively with major corporations as well as venture capitalized start-ups. Executive recruiters typically pride themselves in their ability to recruit top executives, irrespective of the industry. Leaders tell us a different story; they value what we do because we understand their business.

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