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# Inside Outsourcing™



## Inside with: Jeff Bizzack CEO, Savista

### Special points of interest:

Larry Janis' interview  
with:

**Jeff Bizzack**  
**CEO, Savista**

Savista is the leading outsourcing firm specializing exclusively in delivering finance/accounting, human resources, and information technology solutions to mid-market companies in such key industry verticals as restaurants, hospitality, and entertainment.

Founded in 1998 and based in Wichita, Kansas, Savista has grown rapidly to over 400 client service professionals, serving over 115 clients representing 40 well known restaurant brands. Major clients include Applebee's, Church's, Domino's, Hardee's, Houlihan's, KFC, McDonald's, Mazzio's, Pizza Hut, Ruby's Diners, Taco Bell, and other multi-unit restaurant chains. The firm is also a leading developer of advanced point-of-sale software technology. Savista services over 6,000 restaurants in 55 countries around the world.

In addition to its Center of Excellence in Wichita, Savista has client service and software development centers in Rosemont, Illinois and Sao Paulo, Brazil. The firm is owned by Accel-KKR, a private investment firm founded by Accel Partners and Kohlberg Kravis Roberts & Co., and Savista management.

### **LJ: What is your view of the competitive landscape in BPO?**

**JB:** Competition is fierce among the leading BPO service providers for the larger contracts – but I would like to speak for the mid-market which is where we play and which we think is the most under-served segment of the BPO marketplace in North America. Outsourcing in the mid-market has enormous potential and is poised for strong growth in the next several years, with hundreds of service providers and thousands of corporations that are prospects for outsourcing certain back-office operations. But it is a highly fragmented market that is largely untapped, and no single provider has a dominant position or market share in any area.

We define the mid-market as those companies with revenues from \$50 million up to about \$1 billion annually, which is just below the Fortune 1000 largest public corporations. The mid-market represents many new business opportunities for Savista, because the back-office is what entrepreneurial companies outsource the most, and where all the action and growth are. Finance & Accounting and Human Resources are the two business processes outsourced most frequently to external service providers – and taken together, they represent more than half of all mid-market outsourcing. Without question, this plays to our firm's sweet spot as an integrated F&A and HR/Benefits services provider to mid-market companies.

### From the Editor.

Welcome to our current  
issue!

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.



## Inside with: Jeff Bizzack

### CEO, Savista

#### LJ: What are the most common misconceptions about BPO?

**JB:** Mid-market companies not yet outsourcing have the mistaken idea that they will lose their management control over the business processes being outsourced. This perception of 'loss-of-control' is the main inhibitor or barrier to outsourcing, as many surveys show. But the fact of the matter is that most companies gain greater management control over all aspects of their operations through outsourcing. Let me explain why, because it's important to understand that outsourcing actually improves control over performance, accountability, and results.

Mid-market company owners will always retain control over strategic planning, policy setting, and other corporate management functions; that's a given for any outsourcing program. What they will outsource are the more labor-intensive, transaction processing functions that account for about 75% of back-office operating costs. This is where the real savings can be achieved, especially with the new management practices and controls the service provider puts in place to guarantee cost savings and even higher levels and quality of service.

So when we take over a client's transaction processing, we work side-by-side with the owners and managers to conduct a thorough review of their back-office operations. We analyze and document the business processes and related functions and tasks, as well as the operating policies/procedures, work flows, information flows, internal controls, and baseline costs. With this information, we then develop a comprehensive and detailed service plan to upgrade and streamline the processing with best practices, advanced technologies, accounting and process controls, performance metrics, and reporting – all of which measurably improve management control while also mitigating risk.



#### LJ: What are the biggest challenges facing outsourcers?

**JB:** For mid-market companies, the service provider's first major challenge is to demonstrate the business case for outsourcing to the owners and managers, especially if they have little or no experience with outsourcing. Basically, we need to build the case

that proves outsourcing is an economically viable alternative to the company's current in-house operation. To do this, we develop a compelling value proposition that is customized to their particular management needs and requirements. Our value proposition outlines the economic benefits of outsourcing and quantifies the annual savings which are typically in the range of 25% to 40% of the company's back-office operating costs. The value proposition also specifies the many other strategic, operational, technological, and human resources benefits of the outsourcing program that we design for the company.

Another big challenge for service providers is making a smooth and orderly transition of the new client's people, processes, and technology to the providers' organization. Savista has managed more than 115 new client transitions in recent years, and has developed a highly structured transition approach and methodology that provides for business continuity, uninterrupted service to users, seamless hand-offs of various functions and tasks, and risk avoidance and mitigation. The HR transition is most critical, and we provide training and orientation for client personnel who will be interfacing with our firm, in terms of knowledge transfer, service continuity, project work plans, best practices, and new technologies. We also prepare operating and accounting manuals with definitive policies, procedures, and guidelines for more cost-effective management.



**Inside with: Jeff Bizzack**  
**CEO, Savista**

**LJ: What are the top five reasons a firm should outsource?**

**JB:** Based on Savista’s client experience, as well as industry surveys we have participated in, I would say the five top reasons for outsourcing are as follows:

*Reduce and control costs.* Many mid-market companies need to conserve capital to grow the business rather than build costly infrastructure. They can use outsourcing to reduce capital investments and operating expenses; to deliver economies of scale and processing efficiencies; and to take costs out of managing the business processes.

*Focus on the core business.* Business owners and management can spend more of their valuable time, energy, and resources on building the core business, instead of running the back-office. They can draw on their service provider for ideas and insights on improving revenue and profit growth, expanding the business, moving opportunistically, and gaining competitive advantage in the marketplace.

*Improve level/quality of service.* Business owners and management need to stay close to their employees and customers. They want a service provider that will meet, and even exceed, the current level and quality of service to internal users and external customers. A good outsourcer puts greater emphasis on service excellence and client satisfaction.

*Access advanced technologies.* Mid-market companies are often running on aging legacy computer systems and software which need to be replaced or upgraded. Outsourcing gives them access to advanced information technologies without having to make substantial new investments that they may not be able to afford or even cost-justify.

*Access specialized expertise.* Many mid-market companies do not have the breadth and depth of resources that larger companies do. But with outsourcing, they can have access to the specialized industry, process, or domain expertise of an external service provider; also access world-class best practices in areas like finance/accounting and human resources.

**LJ: What role does technology play in the success of a BPO offering?**

**JB:** Today’s information technology is the engine that powers the entire BPO industry and is critical to the success of every BPO offering. As computers continue to replace labor-intensive manual activities, especially for transaction processing, BPO service providers will continue to thrive as they provide companies with greater economies of scale and processing efficiencies than the companies could achieve on their own.

There’s a direct linkage between technology and outsourcing. First, computers and data centers run all of the software applications that support the business processes in every company, whether the processes are managed internally or externally. Second, the Internet, electronic networks, and telecommunications are connecting corporate buyers and service providers in innovative ways that make outsourcing an even more viable way of doing business.

Savista is working with several partners to leverage these technology trends to build more advanced outsourcing solutions for the restaurant and hospitality industries. We use IBM’s major service delivery center in Boulder, Colorado to provide on-demand computing power and security to host our web-based client applications. Also, we selected the SSA Global software company for its sophisticated enterprise suite of financial management and human capital management applications to deliver more integrated solutions for managing the back-office.



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## Integrated Search Solutions Group



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

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## Inside with: Jeff Bizzack, CEO, Savista

### LJ: What has made Savista successful?

**JB:** We attribute our firm's leadership in the mid-market to our great professional team and this combination of factors:

First and foremost, we know the mid-market and key verticals like the restaurant industry; this is our core competency, as many of our people have held management, finance, accounting, and human resources positions at leading mid-market companies.

We offer our mid-market clients a robust value proposition that provides a full range of economic, strategic, operational, technology, and human resources benefits that are tailored to each company's special business needs and requirements.

We provide our mid-market clients with a full-service package of fully integrated F&A and HR/Benefits outsourcing services – plus the convenience of one-stop shopping for all of their back-office management needs.

We work closely with mid-market business owners and entrepreneurs as trusted business advisors providing our perspectives and insights on strategic planning, revenue and profit growth, and industry best practices.

We also work closely with client management to deliver high-tech/high-touch solutions, and we serve as a true business partner and extension of their management team.

We're flexible in developing the best solutions for each client's special requirements, and we provide on-demand services scaled to meet their changing business needs.

Our professionals are truly dedicated to service excellence which we build into all aspects of our recruiting, training, services, processes, technologies, and client communications.

Finally, we're partnering with leading technology providers like IBM, SSA Global, and others to build the best outsourcing solutions for mid-market companies.

***"If we don't succeed, we run the risk of failure."***

**Dan Quayle**