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Inside Outsourcing™



Inside with: Michael F. Corbett

Executive Director of The International Association of Outsourcing Professionals (IAOP)

Larry Janis'
interview with:
Michael F. Corbett
IAOP

The International Association of Outsourcing Professionals (IAOP) is a global membership-based organization shaping the future of outsourcing as a management practice, as a profession, and as an industry. Its members are line and staff, executives and managers, with the vision and expertise it takes to design, implement, and manage their company's global corporate ecosystem. This new breed of outsourcing professional enhances their company's success and their own careers by taking advantage of a wide-array of association services including networking, research, training, and certification.

LJ: You have been involved in the outsourcing industry since 1988 what changes have you seen occur on the buy and sell side?

MC: Both sides have becoming increasingly sophisticated in the way they, conceptualize, plan and execute outsourcing deals. Sellers are faster to identify functions suitable for outsourcing and have led the way in creating benchmarks and best practices which then become competitive criteria.

Buyers are drinking less and less of the Kool-Aid and are demanding strong business cases, more direct ROI assessments and more enforceable service level agreements. Buyers are also skeptical of the claim that the more you outsource, the more you win. Multi-tower deals are much, much harder to sell both from a business rationale and change management perspective.

LJ: You speak with many buyers of outsourcing services, are their expectations of an outsourcing deal changing?

MC: Yes. They have less of a desire to lift and shift and are playing a stronger role in the strategic application of outsourcing. Buyers also expect to have deeper management oversight in outsourcing deals and to hold providers' feet to the fire in terms of both SLAs and business outcomes.

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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.



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It's no longer okay to meet the average handle times or hit the internal metrics and miss the bigger business impact. Also as firms gain the immediate cost benefits of outsourcing, they begin to wonder what other and continuing impact outsourcing has on their process efficiencies and on their downrange business options.

LJ: *How do you see BPO evolving as a business model?*

MC: Despite the quantity and size of deals we are just beginning to hit the mainstream adopter phase in the lifecycle of BPO. BPO is a strategy and tactical move that makes sense for many businesses. We will see BPO offerings morph to suit the needs and the budgets in growing mid-market. I suspect someone will provide a suite of BPO offerings -- based on scale and standardization -- that will offer outsourced services with SLA guarantees even to the SMB market.

The early adopters and the savviest global players will custom design multi-tower BPO relationships and operating structures that are so integrated into the guts of enterprises that they become almost indistinguishable. Eventually every leading global company will find the balance between core, in-house functions and outsourced BPO functions that give it maximum agility to compete in evolving markets.



LJ: *Is Global Outsourcing changing?*

MC: Yes and no. The basic principles and promises are the same. The methods of implementation, the deal structures, the number and scope of applications and the race for the most efficient labor markets changes almost every day.

The demand for seasoned outsourcing managers, best practices and hard facts and figures about how to successfully implement this strategy is exploding. There is a growing awareness that outsourcing has grown primarily by trial and error. In fact, there are many who are quick to point out the limitations and failures of outsourcing deals. But

as outsourcing matures as a business strategy, companies want to leverage common experience, sidestep obvious mistakes, identify successful tactics, devise apples-to-apples measurements, codify ethical standards and call out best practices.



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LJ: *You have been running conferences for a long time, how has the content changed over the years and what new directions will you be taking future forums?*

MC: We're in the process of finalizing the program for the 10th anniversary edition of the industry's premier executive forum slated for February 19-21, 2007 at the Hyatt Regency in Lake Las Vegas, NV. Speakers, topics and session tracks will concentrate around the theme "Winning in the Global Knowledge Space." The idea is that winning means finding the best ideas, innovations and people and deploying them to achieve business outcomes through the skillful application of outsourcing. It is much less about accepting the basic premise behind outsourcing or striking a deal than it is about carefully constructing an inter-related series of business processes that create significant recurring value for the enterprise.

LJ: *You recently started the International Association of Outsourcing Professionals (IAOP) what are its goals and what has been the marketplace reaction?*

MC: The job of IAOP is to be the instrument for pulling together the collective wisdom of buyers, practitioners and advisors and to create programs for career development, peer-to-peer interaction, certification, research and professional recognition. We also aim to raise the awareness and visibility of outsourcing as a profession.

We have created the industry's first professional certification program to set the standard for senior professionals and to recognize the advanced skill sets of those leading outsourcing projects. The combination of work performance, master classes, case studies and individual insights will become a font of wisdom for sharing practical information and for training others.

To facilitate peer-to-peer interaction, professional education, research and the sharing of best practices in locations as diverse as Chicago and Shanghai, we are activating local IAOP chapters. The fact that many professionals in the field are reaching out to us to lead these efforts evidences a hunger for understanding, mutual recognition and professional development. We expect that chapters will not only grow geographically, but will form around industry interests and around functional specialties as well. *(continued on next page)*



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We are a thirteen-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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We have also gathered substantial amounts of data and published the first annual IAOP Global Outsourcing 100 which has been widely received within the outsourcing community and has generated significant global press and professional attention.

Next up is more educational and career development programming, better utilization and more robust resources in The Outsourcing Knowledge Center, IAOP's repository of information and opinion on all aspects of outsourcing and a continuing push to establish outsourcing as a profession.

Adecco Appoints Michael Beygelman as Head of Business Development

MELVILLE, N.Y.--(BUSINESS WIRE)--July 25, 2006--Leading workforce solutions provider Adecco Group North America has named Michael Beygelman to the post of senior vice president of business development. In this role, Beygelman will plan and execute innovative service delivery methods for Adecco businesses, with a focus on the company's direct-hire and recruitment process outsourcing delivery models. He is also charged with cultivating new distribution channels and forming strategic alliances to increase sales of Adecco products and services.

"Michael's background as an influential thought leader and adviser to numerous HR executives on human resource outsourcing will be a tremendous asset in helping us craft new service offerings for current and future clients," said Ray Roe, president of Adecco. Beygelman was most recently the executive director of the HR Outsourcing Association, where he ran all operating activities. He was instrumental in promoting the education and the advancement of best practices in the HR outsourcing industry and, during his tenure, spearheaded the launch of the organization's Certified Professional Outsourcing curriculum and oversaw the launch of the Recruitment Process Outsourcing Alliance. He was named an HRO Superstar by HRO Today magazine in 2005.

"People are just as happy as they make up their minds to be."

Abraham Lincoln