

May 3, 2006

# Inside Outsourcing™



## Inside with: Bryan Doyle

President, Hewitt Associates' HR outsourcing business

Larry Janis' interview  
with:

**Bryan Doyle**

President  
Hewitt Associates'  
HR outsourcing business

With more than 60 years of experience, Hewitt Associates (NYSE:HEW) is the world's foremost provider of human resources outsourcing and consulting services. The company consults with more than 2,400 organizations and administers human resources, health care, payroll and retirement programs on behalf of more than 350 companies to millions of employees and retirees worldwide. Located in 35 countries, Hewitt employs approximately 22,000 associates.

**LJ:** *You acquired Exult a little over a year ago, how has that impacted Hewitt?*

**BD:** There is strong evidence that the fundamentals of outsourcing are very attractive to our clients, and the market is looking for a comprehensive solution delivered by a credible organization. Our merger created the largest and most prominent full-service HR outsourcing and consulting firm. Today we serve more than 800,000 end users from 30 client organizations, in addition to 20 million benefits end users from more than 350 benefits outsourcing clients, and more than 2,400 HR consulting clients. Hewitt has made tremendous progress over the last year in achieving consistent service delivery, global expansion and an integrated delivery model. We won about 50% of the deals in our target market over the last 18 months.

Hewitt has the most comprehensive, flexible client solution in the marketplace. This meets the significant and often complex needs of large multinational clients. Our breadth of services delivers a fully integrated experience for clients, their managers, and their employees around the world.

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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**LJ:** *As a result of the acquisition what are Hewitt's competitive advantages in the industry?*

**BD:** Our business is not about being a provider of stand-alone HR Outsourcing and HR Consulting services; it's about delivering solutions to help our clients generate powerful business results while solving their most complex challenges. Our advantage is a total HR approach—integrating our deep understanding of client needs, 60-plus years of HR expertise, and knowledge of how HR works, with the most comprehensive range of HR services available to deliver results that are unsurpassed. The value of our solutions is quantifiable—in terms of capabilities, predictability, scalability, technology exposure, cost reduction, and positive impact on business results.

**LJ:** *How is the global HR/BPO outsourcing model evolving?*

**BD:** There are many aspects to consider when creating the optimal solution for our large, often global, clients. In addition to meeting clients HR objectives and requirements, finding the “right” solution requires considering and balancing a number of factors including:



- Level of risk/disruption to the ongoing operation
- Cost and complexity to implement
- Ability to deliver visible and tangible “wins” to the organization in a reasonable timeframe
- Competing high priority initiatives outside of HR which demand HR and manager time and attention
- The level of change the culture can/is willing to absorb
- Alignment with global IT strategies
- Attainment of operational efficiencies and associated savings

# Hewitt

We understand that clients value and require us to bring an understanding of HR transformation, HR process rationalization and specifically how HR services are delivered at large complex organizations. This will ultimately create the results that clients expect to achieve.

**LJ:** *How does offshore outsourcing emerge as part of your service offerings? Is it just labor arbitrage or are there intrinsic values?*

**BD:** Like many leading global companies, Hewitt Associates executes a global sourcing strategy. First, to clarify some terminology, we use *outsourcing* to refer to a company hiring a best-in-class provider to perform work activities that are not core to their business. *(continues next page)*



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We use *global sourcing* to refer to a company deciding where, within its global operations; it will perform certain work activities. Hewitt implemented a global sourcing strategy for two key reasons:

- To develop cost efficiencies that will enable the firm to maintain our industry-leading position, remain competitive and experience continued growth.
- In response to our clients' requests to maximize cost saving opportunities. Our clients are leveraging the cost advantages of global sourcing and they expect their business partners to do the same.

Hewitt has market-leading experience in globally sourcing HRO services and is firmly committed to global sourcing as a key strategic business enabler. Hewitt is a global organization serving global organizations. We need a global workforce so that we can serve our clients where they do business around the world.

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

**BD:** Ultimately, the key buyer of HR/BPO services is the senior most HR executive. However, with something this complex there are multiple decision makers, including executives in Financial, Procurement, IS and within the company's business lines.

Hewitt research indicates that buyers have concerns about losing control of key processes, employee reactions, and building the business case for HR BPO. We've found that organizations are driven to outsource for a variety of reasons, including: gaining access to outside expertise, improving service quality, a desire to focus on the core business, and the opportunity to realize cost savings.

Ultimately, though, we see that nearly 90% of those who have outsourced say they are satisfied or very satisfied with their current HR outsourcing arrangement. Our research confirms that HR outsourcing provides organizations with access to better expertise, better customer service, lower costs, and greater value.



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## Integrated Search Solutions Group



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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**LJ:** *What innovations are these buyers looking for in a service provider and how will Hewitt address them?*

**BD:** While we are proud of having pioneered the HR BPO space, we realize that success leads to competition. We continue to search for and invest in new ways to add value to current and prospective clients in order to maintain our leadership position in this market. We believe that Hewitt possesses key characteristics and capabilities that clearly distinguish us from our competition.

Unlike many of our competitors, we have deliberately avoided the "one size fits all" solution approach and, instead, have opted to adapt our model to incorporate the right solutions for every client. This approach delivers the greatest value to our clients in the shortest possible time frame.

Hewitt has built its service delivery model to deliver an integrated, end to end service experience to client employees.

Hewitt's HR BPO services have the potential to create meaningful savings for clients.

Our success proves that we possess the ability to offer solutions for complex organizations on a scale that none of our competitors can match.

*"In the business world, the rearview mirror is always clearer than the windshield"*

*Warren Buffett*