

June 3, 2005

Inside Outsourcing™



Inside with: Jay Rising

President, National Account Services, ADP

Special points of interest:

Larry Janis' interview
with:

Jay Rising

**President, National
Account Services, ADP**

ADP National Account Services designs advanced, flexible solutions, to match the needs of large employers and meet the challenges of a changing environment. When you outsource with ADP, you gain access to the knowledge base of a proven leader in Human Resources, Benefits, and Payroll. ADP's solution-oriented approach lets you concentrate on your core strategic initiatives, confident in the knowledge that you'll be empowered with best-in-class outsourcing

LJ: What are the most common misconceptions regarding BPO?

JR: The most common misconception is that BPO is a "one-size-fits-all" model. This has led companies to believe that all solutions are essentially the same in what they offer. Often, they believe that when a company enters a BPO relationship, it must turnover its staff and administration of all the functions to the BPO provider.

However, this is not the case. There are different BPO models, many of which allow companies to choose the services they need. BPO models that offer flexibility allow companies to maintain a level of control and set a Service Level Agreement (SLA) with the BPO provider that suites them.

Additionally, there needs to be a greater understanding that HR BPO is still evolving and that this has been impacted by the considerable level of ongoing industry consolidation. As a result, no one has the one, single "silver bullet" approach to BPO. There are numerous factors in play in any customer engagement, and many of these are unique to the customer. Therefore, it is important to closely examine models available from different providers to understand what degree of flexibility they offer, how they can provide value, both in the near- and long-term, and how this will be measured.

LJ: What are the changes taking place in BPO strategy and how do you see this evolving in the future?

As the demand for services continues to increase, customers are looking for more service depth as they develop their BPO strategies. The current focus is on integration, technology, and expanded breadth of services - which are connected. Customers are also looking for integration across functions and geographies. In addition, there is increased demand for services that combine technology with domain expertise, delivered via a single channel across a range of HR functions.

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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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Furthermore, companies are no longer looking at BPO as a turn-key tactic but as a starting point in a development process. They are realizing that BPO is a solution that can change over time depending on their current and future needs.

LJ: What is your view of the competitive landscape in the HR BPO Outsourcing space?

JR: The competitive landscape is becoming more crowded as technology is opening the door for more providers to offer services. This has been offset somewhat by industry consolidation, but it appears that new players will continue to surface. This is very encouraging for all parties involved because there is also more recognition of the market and its potential.

In addition, since there are many players in the field there are many different service models being introduced. This is helping to create a larger buyers' market. Companies are realizing that BPO is no longer only for larger organizations, but is becoming an option for small and mid-sized companies. This alone has the potential to influence the future BPO market and the players, as the market size continues to expand.



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Automatic Data Processing, Inc.

LJ: Does having an offshore/global presence benefit your abilities to be competitive in the BPO space?

JR: A global presence is a definite advantage for a provider in the BPO space. Companies are looking for providers with a global footprint that can be maximized to meet their needs as they expand across geographies. For ADP, having this footprint enables us to evolve solutions that address the varying needs of multinational organizations by delivering local domain expertise. In addition, our customers can implement core processes that cross over functions and geographies.

A global presence also allows us to provide our multinational clients with operational scale to support their functions.



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ADP is a single-source provider in 26 countries, and offers multinational clients a choice of models for outsourcing. Customers can take advantage of our regional offerings based on local best-of-breed solutions executed by dedicated ADP staff around the globe, or ADP's GlobalView solution, which delivers our domain and service expertise off of SAP's HCM platform. It offers employers one global SLA with consistent reporting, processes, and standards, an integrated view of data, and pre-configured templates for each country of operation.

LJ: How does ADP differentiate itself in the HR BPO marketplace?

JR: As an industry leader with 550,000 clients worldwide, ADP, a single source provider, offers the widest range of HR, payroll and benefit administration solutions at unparalleled service levels. Our Comprehensive Outsourcing Services (COS), a full-service HR Business Process Outsourcing solution, provides our clients with unparalleled flexibility through administered services scaled to meet their evolving needs. ADP's domain expertise, ability to deliver world-class service through best practices, proprietary technology and cost-effective solutions enable us to offer our clients a low risk, high value partnership.

Additionally, our existing client base gives us the ability to demonstrate how we have been successful across numerous industries and geographies, and for companies of all sizes. This has led to an increased awareness of our depth of experience in providing a wide range of outsourced services. Our clients and prospects recognize that our systems and services are designed using best practices and domain expertise. Being able to showcase these results has provided ADP with proof of our ability to deliver.



LJ: What new innovations/services are your clients asking for?

JR: Clients are looking to add more HR functions to the BPO model – ideally from a single-source provider. In particular, we are hearing requests to include recruitment modules, expanded employee self-service options, enhanced reporting capabilities, and tools for performance management and workforce optimization. There is also increased demand for integration and central databases that service all organizational functions and geographies. Clients understand that such additional functionality creates more operational efficiency and higher levels of service to their employees

At the same time, clients are continually looking to us to prove and provide cost savings, as well as methods to provide short- and long-term evidence to help them justify their investment in HR BPO solutions. Finally, with increased globalization and technology, clients want a service provider that can help with compliance support. As a HR BPO service provider, ADP's compliance expertise keeps companies up-to-date on today's complex regulations.



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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I had contacted you recently on behalf of my son, Jonathan. He was recently diagnosed with Crohn's disease and immediately began to fundraise to find a cure. The following is a speech he gave at a talent show/fundraiser.

"Hi, I am Jonathan Janis. In September, I was diagnosed with Crohn's Disease. It is an inflammatory disease.

Though it is not contagious, it can happen to anyone.

Today, in America, over one million people have Crohn's. Please buy a bracelet to support finding a cure.

Thank you!"

The bands are \$2.50 each (\$.50 for shipping) ; bags of 10 are \$21.00 (\$1.00 for shipping). Please make your check out to the Crohn's and Colitis Foundation of America and mail it to Jonathan Janis, ISSG, 33 Main Street, Washington, NY 11050. We are trying to get the contributions to the CCFA by the end of the month. Both Jonathan and I would like to thank you in advance for your support.

Sincerely,

Larry Janis



"We make a living by what we get, we make a life by what we give"...

Sir Winston Churchill
