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Inside Outsourcing™



Inside with: Richard Crespin Global Executive Director, HROA

Larry Janis' interview with: Richard Crespin HROA

The Human Resources Outsourcing Association (HROA), is the only professional membership association committed to promoting the advancement of human resources transformation in complex organizations. The mission of the HROA is to support the human resource outsourcing industry (HRO) through education, advocacy and the promotion of best practices. As a membership organization, we provide online and offline networking, best practices and independent commentary on the evolution of HR transformation.

LJ: *Share with me an overview of the HROA and its goals.*

RC: Helping HR Transform is what the HROA is all about. Our goal is to empower organizations interested in transforming the HR function with the knowledge and tools they need to succeed through our research, education, online and offline networking, and information portals. We are the only forum bringing together buyers, sellers, advisors, and all other people actively engaged in improving the way HR delivers value to all stakeholder communities.

For 2007 we will focus on:

Expanding Buyer Member Value. This is our biggest focus. We're adding new programs that will enhance transparency throughout the industry and help buyers of HRO services be better buyers and more effective managers. Two examples of our new programs include the HROA Benchmark and HROA Training Series. The first will provide buyer members with the data they need to make more informed purchasing decisions. The second will help participants become more effective managers of the HR transformation process from strategy through implementation and contract administration.

Exceptional Events. We've built an exceptional reputation for the best programs on HR transformation, including HRO World Europe. We've also helped create the highlight of the HRO industry's year: the HROA Awards Gala. We're investing in these programs to make sure they remain educational, engaging, informative, and fun. We're also happy to report that our partnership with the HRO World Conferences in the US continues to improve and expand. In 2007 look for us to bring several new programs to the US and Europe, including the HROA Training Series which will focus on teaching the specific skills practitioners need to lead successful HR transformation.

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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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Global Executive Director, HROA

Outstanding Content. The HROA Benchmark will form the bedrock of our continued commitment to providing the best content whether generated by the HROA or shared from our partner-members, including EquaTerra, the Everest Research institute, Nelson Hall, and TPI, among others.

Special Interest Groups. We know that HRO is not the same for everyone. Some people are more interested in say, recruitment, while others want to know what's going on for mid-market companies. To that end, we continue to expand the RPO Alliance, a special interest group within the HROA for providers and buyers of recruitment process outsourcing services. Right now RPO is the fastest growing segment of the HR BPO industry and one of the RPO Alliance has really taken off. In 2007 the RPO Alliance will expand to include regional chapters. Right now we've heard strong interest in forming an HRO Buyers Forum. We're looking at establishing a Forum early in 2007. We will also add new special interest groups based on member input.

We also continue to expand our special member pricing programs, bringing discounts and other member-only benefits to our members, including discounts on:

Attendance and sponsorship at all the HRO World Conferences and SharedXpertise events and programs

Research and other services from our partner-members

Subscriptions and advertising in *HRO Today* and *HR Executive* magazines

Two programs I'd like to especially focus on:

HROA Training Series. This program will teach the skills HR executives need to lead successful HR transformations. We've mapped out the specific concepts, tools, and lessons leaders need to strategize, plan, execute, and manage large scale HR transformations. Our experts structured that information into digestible ½ day to full day, hands-on, interactive workshops, and recruited the best minds with the most front-line experience in the industry to teach the sessions. Any HR executive contemplating, in the midst of, or managing a major HR transformation should attend. We're happy to announce that our first US Training Series will include a set of pre-conference interactive workshops at HRO World in New York.

HROA Benchmark. In cooperation with TPI we've launched the first truly comprehensive benchmarking program to measure the costs, service, and quality across large scale HRO. TPI has been managing a similar program for its clients for years and has now opened up this program to all HROA members with a 100% money back satisfaction guarantee (no questions, no fine print). This program requires only limited effort (under 40 hours historically) and will produce hard data on the actual costs, service levels, pricing methods, and contractual best practices.

2007 will be the biggest year of expansion and value yet for the HROA. In addition to these global goals, we will continue our expansion in the US and Europe and added an Asia Chapter in late 2006. This means the HROA will continue to be the best source for information and insight on global HR transformation.

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Inside with: Richard Crespin

Global Executive Director, HROA

LJ: How does the HROA differentiate itself from the other HR Associations?

RC: The HROA is the *only* association exclusively focused on the transformation of HR. Other organizations play vital and important roles as professional societies for their members. Our membership, however, consists of the best companies and organizations interested in sharing their expertise with each other about how to transform HR.

For our members, transformation means the fundamental rethinking of HR and its place in creating value within the organization. Transformation does *not* mean a better, faster, cheaper version of the current state. Transformation means envisioning a new future state that takes into account, but is not bound by, the current state. We help our members through their individual transformation journeys putting them in touch with their peers and other experts so they can share the hard data and the hard lessons.

The HROA helps its members transform HR.

LJ: What is the percentage of vendors versus buyers?

Currently, the HROA has a membership of 40% buyers, 30% providers, 20% advisors, and 10% other practitioners. Our biggest growth segment is in buyer membership. We proudly count among our members the very best companies providing, advising, and consulting on HR transformation as well as some of the best brand names in the world. Our members include some of the highest performing large and mid-sized companies in the world. We now have the largest concentration of HR executives from Global 1000 companies looking to transform the HR function.

We've added new programs, new events, and new benefits for our buyer members, including the HROA Benchmark. Through this program, in cooperation with TPI, HROA buyer members will be able to compare data on true HRO costs (including contract fees, pass through expenses, and change orders), pricing methods, and service levels with the 300 other HRO contracts in the database.

This program is up and running now and taking new applications for participation. We expect to announce results in the first quarter of next year and present findings in April, in conjunction with HRO World New York. Thanks to TPI, we can offer participants a 100% money back satisfaction guarantee (no fine print, no questions asked). Companies interested in participating should contact me directly.



LJ: Does the HROA have a global reach?

RC: We do. The HROA has chapters in the Americas, Europe, and Asia. Our largest membership is in the US followed by Europe with our fastest growing membership in Asia, specifically India and China.

LJ: What is your view of the development of HR BPO as an industry?

RC: The war for talent is back. A Richard Day Research HR Leadership Study in 2005 indicated that 81% of respondents among major U.S. businesses ranked managing “human capital costs” among their top 3 issues. That coupled with the retiring U.S. baby boomers, lower birth rates in developed countries, and the increasing mobility of “knowledge workers” are all combining to increase the pressure on corporate executives to attract and retain the very best. *(continues on next page)*



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HR BPO has led the way in the entire BPO industry, and HR BPO will lead the way in winning the war for talent. Speed, flexibility, results. These are the elements of any winning strategy. How quickly can a company identify their needs and fill those needs? How flexibly can they source, deploy, and retain talent? How well does that talent translate into bottom line results? HR BPO is a significant tool in the arsenal that is transforming how HR can support the business. Increasingly, though, HR BPO will transform itself into integrated talent sourcing. Outsourcing is a contractual method to achieve an end: the improvement of the function. The end desired result is a more integrated, more focused, more aligned process for identifying, acquiring, and retaining talent. Buyers will increasingly demand a greater level of integration not only between and among HR processes but among all business processes, including F&A, Procurement, Facilities, Sales, Customer Service, etc. Providers who understand how to make this happen will flourish... those who do not will languish.

LJ: *You speak to many buyers of Outsourcing, what is the "biggest headache" in managing service providers?*

RC: Pricing and results transparency. Are they paying a good price for the services they are getting, and are those services up to industry benchmarks? That's why the HROA is launching the HROA Benchmark, a comprehensive program to compare contract costs, service level agreements and results. Our buyer members demand the ability to compare across processes and providers, and our provider members increasingly understand and are willing to help them develop fair, balanced, informed comparisons.

LJ: *You speak to many Outsourcing Providers, what is the "biggest headache" in dealing with the buyers?*

RC: Change Management. Buyers regularly mis-set, mismanage, and misalign internal expectations, setting the provider, and the initiative, up for failure. The better a buyer can set the expectations of the entire organization and help the provider manage to those expectations, the more successful the agreement will be for all parties.

LJ: *What is the next step for the HROA?*

RC: Our #1 focus is on delivering exceptional value to our buyer members. To that end, we are currently engaged in three major programs:

Buyer-Membership Mentoring & New Membership Drive. Our existing buyer and provider members recognize the value for new HRO buyers learning from the lessons of earlier successes and stumbling s . To that end, we've introduced a new program under which new buyer members can network directly with their peers who have been engaged in HR BPO for some time. Some of our provider members, like Accenture, Convergys, and Hewitt, have volunteered to underwrite free memberships for new HRO buyers so they can participate in this program



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Integrated Search Solutions Group



We are a fourteen-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.

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HROA Training Series. The HR BPO industry is long on theory, but short on practical information. How do you actually do the things that you hear about at conferences, like develop business cases, communication plans, and risk mitigation strategies? We've put together a faculty composed of some of the most recognized experts in this industry – with the scars of having been there and done that – to teach specific capabilities across the entire HR transformation lifecycle, from strategy and conceptualization through to implementation and management. The first classes are being conducted this quarter in Europe, and will begin in the 1st quarter of next year in the U.S., including pre-conference workshops at HRO World in New York.

The HROA Benchmark. As I mentioned, our buyer members need transparency. As the only unbiased, independent source, the HROA is uniquely positioned to help them get the kind of data they need. In November we launched an integrated benchmarking program in cooperation with TPI to assess contract pricing and service delivery. Participants will be able to compare themselves against the other 300 companies in the database with a 100% money back satisfaction guarantee.



***“ People rarely succeed unless they have fun in what they are doing.”
- Andrew Carnegie***