

September 27, 2006

Inside Outsourcing™



Inside with: Robert Gunn, Partner, The Accompli Group

Larry Janis'
interview with:
Robert Gunn

**The Accompli
Group**

Accompli is an advisory firm helping institutions to:

- Design and complete significant organizational change initiatives *and*
- Sustain competitive advantage via change leadership capability

Their professionals have worked in virtually every major business function, across industries, in the U.S., Europe, and Asia. Integrating multiple disciplines, these executives, consultants, coaches and trainers bring unique perspective to three principal domains:

Change (for an enterprise, business, function)

Teams (structures, processes and group dynamics)

Executive Leadership Development (resources for transitioning from manager to leader)

LJ: Early in your career you were in consulting and shared services prior to joining the Exult team, what was your role in shaping the direction of the firm?

RG: Gunn Partners' contribution began in a series of conversations with Michael Cline, the partner from General Atlantic, who foresaw the opportunity to create a business process outsourcing company focused on Human Resources. We helped validate his view of client needs, the service delivery model, underlying economics, and, of course, the list of clients to which this offering might appeal.

Our firm helped define the contract and implementation plan for the first client, BP. We also shared our process and shared service expertise in building the early operating centers. My role was to introduce Exult to the follow on clients – International Paper, Bank of America, Prudential Insurance and help structure those agreements. As a member of the Executive Committee I also helped clarify and resolve some of the issues that came with our early success.

(continues on next page)

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: Robert Gunn, Partner, The Accompli Group

LJ: What is your view of the Exult/Hewitt merger and current business model?

RG: Well positioned for success in the mid-term; facing challenges in the near term. Hewitt's strengths are its deep client relationships, HR subject matter and process knowledge, long experience in fulfilling client expectations, commanding market share, and the quality of their people. These attributes lead to sustained success over time.

What they may have underestimated is the transition to being a public company – the equity markets raise the stakes in terms of executive clarity, focus, and decision speed. Professional service firms organized as partnerships, like Hewitt until 2004, operate with consensus decision making, grant partners considerable freedom to act, and tend to be process, not outcome, biased. These governance elements are not well suited for the public investor.



The other gap is getting their own business model tuned to provide multi-process outsourcing services using client platforms, not proprietary systems. By organizing internally to emphasize the technology platform, they should be able to gain more traction on process improvement while considerably simplifying service delivery.

ACCOMPLISM
VISIONS REALIZEDSM

Russ Fradin is a terrific choice as the incoming CEO. Thank goodness the board wrote-down the value of contracts sold in 2005 and restructured organizationally -- that is giving him a pretty clear field to return the company to greatness. Since he 'grew up' at one of the premier management consulting firms, McKinsey, he has a deep knowledge about that side of the business – one that should cause the consultants to breathe a sigh of relief that their interests will be in 'good hands' at the top.

Finally I would offer that one piece of the puzzle is to shift their propensity for high-touch customer service in what seems to be an inherently higher cost delivery model with the ultimate efficiency and superior customer experience that would come from a deeper commitment to true operational excellence in the Six Sigma mindset.

That is far easier to say than do, but of all the HR BPO providers HEW has a cadre of people and leaders to pull it off.

LJ: What do you see as the next innovation/direction change in HRO?

RG: Boy, that is a tough one. My bottom line is that HRO needs stability more than it needs creativity. The service delivery and operational models are understood and are what clients want; so the test is for the providers to deliver on these promises, consistently. The first firm that is able to achieve high customer satisfaction scores will distinguish itself from the pack and be positioned to win in the long run. (continues on next page)



Inside with: Robert Gunn, Partner, The Accompli Group

Part of the equation is to price at levels that provide enough profit to invest in customer satisfaction and service quality. It takes real courage not to give away those last few margin points at the very end of the negotiation. But the fact is that the very best, blue chip clients will pay for superior service provided their leaders see employees as pivotal to their own business results. Firm, but gentle reminders throughout the contracting phase and a direct line to the C-suite, will help get an answer that provides the best value equation for both the provider and client over the life of the contract.

Perhaps the client and provider need to make a commitment to each other earlier in the process by agreeing to “guide” the sourcing advisors towards their mutual interests and not allow them to just drive for the best deal today. After all, the average sourcing advisor has far less stake in the long run success of the deal; they mostly just want to get it done.

LJ: Your consulting firm helps several members of the Global 500 improve their overall effectiveness through facilitating changes in organizational change, improving communications and developing/enhancing their leadership abilities. Would a similar approach benefit Outsourcing Providers?

RG: Surely; our tag is “changing the way leaders lead change”. BPO firms face two challenges in this respect: creating an internal mindset of being comfortable always “working in the unknown” and building a culture that embraces continuous change; and, being a role model or guide for client executives as to help them lead the change necessary in every BPO contract.

LJ: If your firm was hired by a CEO of an Outsourcing Provider, what preliminary advice would you give them?

Focus on accelerating the development of leadership capabilities for account and operational positions; teach everyone the importance of the human dimension – those intangible skills that support rapport, listening, insight, focus, collaboration, simplicity, courage, and presence; create a team based organizational design; & work the coal face – that is engage personally, directly, and frequently with the front line).



LJ: In one of your presentations, you present the concept that successful change requires an artful blend of management and leadership. What is the blend of skills that has made you successful?

RG: When I founded Gunn Partners I hit a wall within the first six months (the proximate event was a split from Greg Hackett who had been a co-founder and went on to do all the benchmarking under the Hackett brand name). During the days leading up to the split I kept having a glimmer that I was missing something fundamental, but for the life of me could not figure out what it was. I simply knew that the outcome would have been or could have been different if my leadership capacities were more developed. (continues on next page)



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.

Office Locations:

New York
Florida
London
Belgium

Phone: 516-767-3030

email: janis@issg.net

www.issg.net

Members of: HROA, SBPOA, BPOAdvisory Board

Inside with: Robert Gunn, Partner, The Accompli Group

As I look back with 20/20 hindsight, I had completely missed the point that leading others is not merely a question of one's experience or knowledge, in the end it is only a question of one's depth of self awareness. By understanding my own human functioning I have come to lead and guide others with more grace, foresight, and wisdom – not all the time as I am still fallible and as prone to bonehead mistakes as the next person. But at least now I understand that all of us create our own reality from the inside – that knowledge permits me a level of freedom and purposefulness, of effortless control, that I did not understand.

Turns out that my journey is not all that unusual; as we climb the ladder of responsibility we need to shift our mental gears from habitual, experiential, or analytic reasoning to greater reliance on reflection, connection, and presence. In other words the transitions from managing to leading and then leading to guiding hinge on one's own appreciation and understanding of his or her human functioning.



What has kept me in the game is the personal growth the leading affords – in one sense it is being on the “High Wire”, in another it presents countless chances to whittle away the parts of my personality that are not the essence of “me” in the same way that the marble sculptor “merely chips away everything that is not”.

“What was the best thing before sliced bread? ”

George Carlin