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Inside Outsourcing ™



INTERVIEWED BY LARRY JANIS

Inside with:

Chris Rittenmeyer, Vice President ExcellerateHRO

ExcellerateHRO is the jointly owned HR outsourcing business of EDS and Towers Perrin. The company was created when EDS combined its technology and HR business process expertise with Towers Perrin's benefits administration and HR domain expertise. This combination uniquely positions ExcellerateHRO to help our clients align their HR agenda and delivery model with their business objectives, thereby helping them to optimize their investment in human resource processes and programs.



FROM THE EDITOR

LJ: Our readers may not be familiar with ExcellerateHRO Outsourcing Services. Would you give us an overview of the company?

CR: ExcellerateHRO was created in 2005 as the jointly owned HRO business of EDS and Towers Perrin. The innovative solutions we develop as a result of combining EDS' outsourcing experience and Towers Perrin's HR domain expertise enable our clients to achieve their HR goals and maximize business results.

ExcellerateHRO is a full-service HR outsourcing company offering a flexible portfolio of HR services on a global basis to mid-size and large organizations. We go to market via three lines of business: Benefits Administration services to include co-sourced and fully outsourced solutions: broad HR outsourcing services to include Payroll, Workforce Administration and Talent Management administration services; and Domestic Relocation and Global Assignment services. We serve more than 400 clients in 14 countries on five continents. We interact with more than 34 million participants across our service offerings.

Our value as an organization lies in our ability to help companies deliver the highest-quality HR services, drive operational and cost efficiencies, enhance workforce performance, mitigate data privacy and security risks, and deliver bottom-line results that support our clients' growth goals. 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: What are the biggest challenges you face in growing a benefits administration outsourcing practice globally?

CR: One of the biggest challenges is managing administrative complexity across global benefit plans. Regulatory environments are different country-by-country, so clients' plans must be designed to meet specific needs in each location. Because the requirements in each country are different, we must be able to leverage our enterprise best practices and administrative platforms while delivering compliant solutions for the countries we serve.

As a result, we're selective about the markets we serve and then grow our business to scale in each market. Today, we have a strong Benefits Administration service footprint in the United States, Canada, the United Kingdom, the Netherlands and France. We also serve select markets in Latin America.

"Because the requirements in each country are different, we must be able to leverage our enterprise best practices"

LJ: Are your clients' expectations on the advantages/expectations of benefits outsourcing changing?

CR: Clients' expectations continue to be high as one would think in a mature benefits administration industry. Many clients are renewing their contracts for the second or third time, and over the years have become very knowledgeable about how to align contracts with their organizational strategy, cost structure and quality programs.

Clients want to ensure that their benefit administration solutions are cost-efficient, complaint and deliver consistent quality service for participants and the plan sponsor. Today, we see more clients dissatisfied with the service they are receiving from their outsourced provider. The competitive nature of our business is forcing many legacy providers to reduce people, process and technology costs; which in turn is having a negative impact on service delivery. At ExcellerateHRO, our benefits administration services revolve around three core principals: First, deliver a lower "Total Cost of Ownership" by leveraging our new state of the art benefits administration technology platform; second, drive higher levels of participant and plan sponsor satisfaction via a balanced service delivery model that leverages user-friendly, integrated self-service applications and knowledgeable, well-trained customer service representatives; and third, provide reliable, complaint, secure solutions that ensure "low risk" and "low noise" for benefit plan sponsors.



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BRIDGING
BUSINESS
AND TECHNOLOGY

LJ: How are clients' expectations changing around the broader BPO play?

CR: The broader HR business process outsourcing market is growing more slowly than was expected a few years ago. Buyers that in the past were interested in striking big multi-process deals now are contracting for only two or three processes.

The HRO market today is focused more on immediate cost savings rather than seeking transformational solutions that drive a lower cost of ownership over time. As a result, ExcellerateHRO and other providers are modifying their go-to-market strategies to be more service and region specific to meet client needs.

LJ: How have existing and potential clients reacted to the HP acquisition?

CR: The reaction from existing and prospective clients has been very positive. The combination of HP and EDS brings them a trusted, global ally to manage their most critical business needs. Our world-class talent, increased scale and global reach allow us to take on their most complex business problems. Culturally, both companies share strong commitments to service excellence, quality and innovation which is at the core of everything we do.

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BRIDGING BUSINESS

LJ: Are the third-party advisory firms involved in the transactions? What value do they add to you as the provider of outsourcing services?

CR: Yes, third parties are involved, especially in our larger transactions. Buying organizations typically need help navigating the provider community through competitive service assessments, capability assessments and other assessments tied to multi-year HR services contracts.

In addition, third parties help buyers with critically important business case pro formas, governance models and change management tools.

Third parties bring a level of buyer commitment to the provider market. Companies typically follow through with their outsourcing transactions when they have gone to the expense of using a third party to help facilitate the process.

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Integrated Search Solutions Group

We are a retainer based executive search firm with over a decade of experience in successfully attracting top talent in the areas of Outsourcing (IT, BPO and BPM), Consulting (Strategy & Technology) and traditional corporate functions (CIO, CTO, CFO, etc). We have worked effectively with major corporations as well as venture capitalized start-ups. Executive recruiters typically pride themselves in their ability to recruit top executives, irrespective of the industry. Leaders tell us a different story; they value what we do because we understand their business.

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