

April 10.....

Inside Outsourcing™



INTERVIEWED BY LARRY JANIS

Inside with:

Jeff Osborne, Chief Operating Officer – Business Process Outsourcing, Accenture

Accenture is a global management consulting, technology services and outsourcing company. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become highperformance businesses and governments. With approximately 181,000 people serving clients in more than 120 countries.



LJ: *As the Group COO of Accenture's BPO business, what are your responsibilities?*

JO: My overall charter as Chief Operating Officer is to continuously improve the operational effectiveness of our BPO business and ultimately to make sure we meet our revenue and profit objectives. To this end, I have responsibility for the delivery team and work with the account teams and functions to ensure we achieve our operational objectives. I am focused on furthering our industrialization agenda and ensuring that operational discipline is driven from leadership all the way down to our accounts.

Through our Global Delivery Network, Accenture has a well-established global delivery footprint with BPO centers around the world. Leveraging our network, it is my responsibility to ensure that we deliver on our service performance commitments and deliver continuous improvement to our clients, our centers are fully integrated, our cost to serve is at the right level, and we continue to drive the industrialization of our services.

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FROM THE EDITOR

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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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The bottom line is that I am focused on ensuring all the elements of our business run smoothly, whether that is how we operate in terms of governance, leverage new and proven methodologies, or apply our operational excellence principles.

LJ: Given the current economic environment, do you see companies approaching outsourcing any differently? Please elaborate

JO: During the economic downturn we have been staying close to clients to understand how we can best support their needs. From what we're seeing, their most important priorities for today, and for their future growth, include: cost management; cash management; driving growth and managing talent. And outsourcing remains a key business model to address those priorities.

Our message is simple: outsourcing can help. Outsourcing can help companies both capture cash and then keep it. Outsourcing can help them improve their operational efficiency and cost base so that they are well positioned for growth. Outsourcing can help them ensure they have the right talent to enable their businesses to prepare for an upturn and seize potential growth opportunities.

For example, F&A and procurement BPO are good places to start to "find" or access cash. Starting with and leveraging profit recovery audits and analytics, a client can then add procurement BPO to look at the management of various categories of spend such as IT or travel spend and very quickly re-negotiate contracts so that they are getting lower prices for the goods and services and optimized payment terms.

Then after that they can look at efficiencies in their back office operations that again will drive further cost savings to the bottom line. Outsourcing can help drive down the days sales outstanding helping clients recover sometimes large close cycles from many days down to one, which is all about improving cash flow and generating cost savings.

So how do companies keep the cash? With procurement and finance and accounting processes working a lot more smoothly, clients make purchases based on a set contract for which good terms were hopefully negotiated, a purchase order is created and all of a client's spend is driven against that PO/contract. The client realizes maximized volumes and transparency of spend allowing optimized discounts and payment terms. That, along with making sure that the process is run as efficiently as possible, continuing to stay focused on reducing the monthly close cycle, and reducing the days sales outstanding is how outsourcing can help ensure that once clients do have the cash, they spend it in a manner that is efficient for the company.

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LJ: Are there geographic regions and/or vertical industry segments that seem to be moving forward faster than others?

JO: While economic times remain unsettled, we continue to see demand for business process outsourcing across the board. Asia Pacific shows good potential across all industries. While the companies tend to be smaller and the contract sizes aren't going to be as large, Asia Pacific is underdeveloped in terms of BPO and holds a sizeable opportunity. In Europe we continue to see strong demand across all industry groups – and in particular products and consumer goods. From recent outsourcing industry meetings I have attended, there appears to be a consensus that North America is positioned for a rapid recovery and we are seeing that in demand from all industries and in particular the communications and high tech sector.

LJ: Which service offerings in outsourcing/BPO will become or remain the leading segments of Accenture's business model?

JO: We continue to see demand for BPO in general – particularly in finance and accounting and procurement BPO -- and also across our industry and custom portfolio where we deliver customized BPO solutions for our clients that are tailored to their individual cost management and operational needs. And as companies are looking to position themselves for the future they are looking at HR BPO and learning BPO to recruit and re-skill their workforces for the new economy. We are also seeing companies explore outsourcing multiple business processes as part of a "bundle" to improve their back office efficiency.

Looking to the future, we see are seeing interest in our newer horizontal BPO offerings such as supply chain and engineering BPO. For example, we recently signed a five year supply chain BPO contract with a healthcare company to help cut their service part supply chain costs and deliver an improved customer experience and we are working with an engineering company to help transform their operational functions through a bundled outsourcing arrangement which includes engineering, finance, and procurement outsourcing BPO services. This client has outsourced these functions to help reduce their overall costs (in the range of 30 to 40 percent) as well as to enable them to adapt products quickly to realize opportunities in emerging markets and ultimately expand their business.



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Accenture’s industry-specific BPO solutions tap into the sweet spot of our business, residing at the intersection of our industry and business process expertise and service delivery and client engagement models. For example, by outsourcing end-to-end Medicare services, a leading health-care provider was able to launch a new product to market in roughly 18 months compared to the 30-plus months it would have taken using in-house capabilities.

“Our ability to not only cut cost but to add value and deliver tangible business outcomes for our clients.”

LJ: How would you define Accenture’s competitive advantage in the outsourcing/BPO marketplace?

JO: I would describe Accenture’s competitive advantage as the following:

- ⇒ **Global reach** and a breadth of outsourcing capability both in terms of our cross-industry and industry-specific offering portfolio and also our global delivery network
- ⇒ Our ability to not only cut cost but to **add value** and deliver tangible business outcomes for our clients.
- ⇒ **Proven experience** in working with complex organizations and providing bundled outsourcing services across multiple business functions. Our industry knowledge, proven capabilities and demonstrated results mean we are high quality and low risk.
- ⇒ Our portfolio of clients is second to none. We have **strong client references** that are geography and industry specific. It’s our client references that make the largest impact when we are talking to prospective clients.



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LJ: What has enabled you to be successful?

JO: During my career, I have been very fortunate to work with and for a number of colleagues who have demonstrated exceptional leadership and “people” skills. Through these experiences, I have seen that leadership acumen is *the* critical element to success, and I’ve developed a leadership philosophy based on four elements.

Lead with passion. I head a team of more than 30,000 people around the world -- and a team’s energy, excitement, motivation and pride in what it does must come from its leader.

Experience Matters. Over the years, I’ve consciously tried to build a portfolio of experiences that can be drawn upon when facing new responsibilities. These leadership experiences, as opposed to title, accolades and even specific subject matter knowledge, have enabled me to be successful in different business environments.

Always be true to yourself. Know who you are and stay true to who you are as a leader. More often than not, when someone’s “inside” and “outside” don’t align, it leads to stress and undermines your ability to be an effective leader.

Do not compromise boundaries and balance. While you can give 150-percent to your profession, stay balanced and make sure that you also make time for whatever it is in life that re-energizes you. It is important to recognize that your profession is what you do but not who you are.

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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