

June 10.....

Inside Outsourcing™



INTERVIEWED BY LARRY JANIS

Inside with:

Rakesh Sangani, Partner, Proservartner

Proservartner is a social enterprise business consultancy that partners with organizations to provide independent advice, discovery, guidance and implementation support. Our brand is excellence and our value is our people. We hire capable talent, we have significant investments in training, and we ensure that “excellence” is delivered to all our clients – we are even willing to risk revenues based on achievement of excellent outcomes!

"We are unique in having a social conscience in our industry, we have both a corporate and social objective:

Our Corporate Objective is to be the consultancy of choice for strategic advice, solution architecture, transitions and transformations in our chosen markets.

Our Social Objective is to improve the lives of children in poverty areas through the provision of sustainable education and welfare.

We deliver results in Outsourcing, Offshoring, Shared Services and Transformation of Corporate Services.

We deliver on these areas utilizing experienced, qualified and passionate program managers with experience across Lean and Six Sigma

LJ: *Our readers may not know your firm, Proservartner, please share with us an overview of your firm, its services and differentiators*

RS: Sure Larry. Proservartner is a niche multi-service provider in shared services, outsourcing, offshoring and transformation. We are headquartered in Europe, and provide specialist services for the largest Global 500, FTSE 100, and Partnership firms across industries. Our approach is collaborative and we partner in all of our engagements. We are prepared to share the risks of projects, work closely with clients considering their own budgetary needs and shoulder the burden of delivery.

Our services span research, advisory & acquisitions and delivery:

- **Research:** Proservartner provide tailored research solutions that support clients in the markets in which they operate, whether it is an assessment of the Japanese market, a survey around a particular focus area or just support in developing a white paper, Proservartner provide solutions that not only operate in the market, but help shape shared services and outsourcing.



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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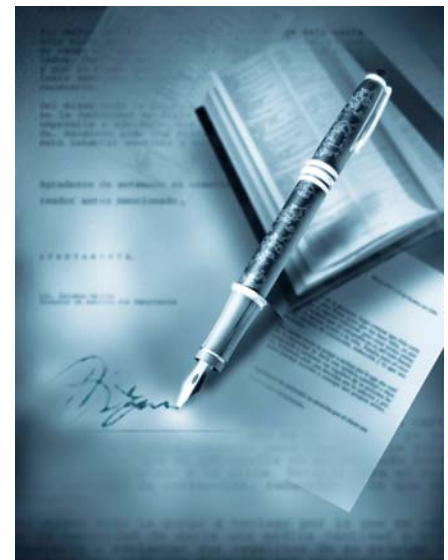
- **Advisory & Acquisitions:** Proservartner provide the range of shared services and BPO advisory capabilities including: Strategy Development & Assessment, Sourcing & Transaction Delivery, Transition Implementation and Remediation Services. For all of these capabilities we provide functional expertise in Finance, HR, Facilities Management, Procurement and IT. In addition, we provide specific acquisition support activity working with shared services centers (or small-medium sized BPO providers) looking to divest with the right provider; and for BPO providers looking to acquire.
- **Delivery:** We run our delivery arm with one motto: "We should only be remunerated based on the benefit we bring". This drives our teams to demonstrate real benefit that is quantifiable and measurable. Our people are focused on partnering with clients to deliver on the objectives of the project or program, and are well qualified to do so - being Prince 2 or MSP qualified with Lean Six Sigma skills.

The final part of your questions was around what differentiates Proservartner, and I could talk for hours about this point. But to summarize, what differentiates us is six key things embedded in our culture:

- **Social Responsibility:** We are a *social enterprise* with objectives each year to meet our social aims. Each year, we provide up to 100% of our profits to social causes focused on the development of education and welfare frameworks in poverty stricken areas.
- **Client Value Creation:** On every engagement, we focus on improving our clients' business performance, creating long-term mutually beneficial relationships and delivering execution excellence. To date, we are very proud to have not lost a client and ensure a high quality service to enable repeat business.
- **Best People:** Proservartner do not just want good people but we aim to attract, develop and retain the best talent for our business, stretching our people and developing a positive "can do" attitude.
- **Having fun:** Proservartner people, are people with passion, we enjoy spending time with one another, whether at work or outside the office. We aim not only to build good working relationships but also friendships both internally across our teams and externally with our clients.
- **Deliver on our promises:** We say what we mean and mean what we say. If our people make a promise then we guarantee that we will deliver on that promise, and if necessary move heaven and earth to do so.

But the most important differentiator for me is that at Proservartner we take a "no bullshit" approach. We not only provide analysis, recommendations and advice but we also deliver on what we assessed, recommended or advised. We measure our value on our client successes, and as they continue to succeed we will continue to support them.

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LJ: *You have been in the Outsourcing Industry for several years in different capacities. What changes have you seen in the industry?*

RS: When I started in the BPO industry we focused very much on Finance & Accounting outsourcing with new models being offered to buyers and providers making good margins. The risk appetite was low, and the bid cycles to select a provider often lasted 12-18 months. Buyers were not savvy in managing their providers, and providers often struggled to give the buyer exactly what they were looking for. BPO was not proven and often would only be considered once the client had already outsourced their IT function.

There has been significant changes in the industry over the years. In general terms: the industry is more mature with F&A outsourcing being increasingly commoditized leading to a less profitable engagements for providers (not necessarily a bad thing), and pressure to pull costs out of the BPO contracts sooner rather than later; multi tower deals have become more popular with buyers reviewing their HR, Finance, Procurement and other functions in parallel; the perceived risk is lower for buyers and providers in entering these agreements; and BPO can now enter the beginning of the outsourcing discussion and is being looked at more strategically then ever before.

- Buyers are more savvy then ever before, testing models such as joint ventures and driving contracts where risk and reward is shared with providers, even when the risk is not always fully understood. The appetite for entering into these models is increasing, given that BPO is now a proven model and the perceived risk is lower. In recent years, there has been a movement towards buyers increasing scope to include the more complex end of business processes that are intense in knowledge and can be specialized in nature.

- Providers are more and more experienced, and now able to have a largely common model for the core BPO processes. Lean six sigma and process excellence techniques have become me too, with providers able to transform the outsourced functions to deliver the same level of service (if not improved) with less resources. Providers are also using technology better, creating management dashboards, workflow solutions, ERP add-ons and platform models for buyers entering into outsourcing.

LJ: *As an advisor to companies, how have the buyers of outsourcing services changed?*

RS: We believe that the market is changing, and coupled with the global economic recession, buyers have become more demanding. Buyers now assess (and rightly so) the real "value" that they receive from advisors. There has been an increase in demand for models that better link the results delivered by advisors to the outputs and outcomes delivered in the project or program. We welcome this as this is the model with which Proservartner operate, where focus is on the outputs and outcomes and a guarantee provided on success.

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In addition, buyers are asking what next. Achieving cost reduction is a good start, but providers are now challenged to do more and go further. A key development is that the buyer community wants to see more innovation and transformation from their providers. The game is not just about doing the same cheaper, but now its about transforming the function to deliver significant benefit to the business, an example of this is a recent client of ours, who wanted their provider to not just talk about how cheaply and effectively they could run Finance Outsourcing Services but to talk about transforming the working capital cycle of the organization and demonstrate improvement to their revenue days!

LJ: What are the top five responsibilities in initiating/managing a successful outsourced relationship?

RS: For a buyer to initiate and manage a successful outsourced relationship, they must:

- Clearly understand their own requirements: A key responsibility for the buyer is at a high level, knowing what they want to do and why. Having this understanding before engaging with advisors and providers will enable the buyer to understand better the options available, where they require support and what they want from their Third Party relationships.
- Ensure selection strategy is aligned to corporate and functional strategy: It is important that the provider is selected based on the corporate strategy of the company, and what you plan to achieve in the function. This alignment enables stability in the relationship and contract and mitigates the risk that the "right" provider for BPO is the wrong provider for the company based on the culture, expertise and broader capability of the provider.
- Manage the internal perception and buy in: In today's industry there is plenty of support on the tangible documents produced in an outsourcing bid, like an Invitation to Tender (ITT), a Response for Proposal (RFP), and a Best and Final Offer (BAFO). However, there is not as much support in how to manage the internal stakeholders. In my experiences, I have seen great shared service centers have poor reputations (and vice versa) leading attrition at all levels, further change to "fix" the problem and a waste of resources. Get this right, and the benefit will be clear!
- Create a partnering relationship: Coming out of the negotiating table, and thinking "great, I managed to drive the provider down to a very aggressive price" is never a great way to start a relationship. The bid process is like courting to find the right wife (or husband), and the focus must be on mutual benefit and the development of a partnership rather than a supplier relationship. This will make it much easier to manage the relationship in the long term, with pragmatic solutions sought by both parties, rather than constant review and reference to the clause in the contract!
- Focus SLAs on customer satisfaction and outcomes: When entering into any relationship, it is key to ensure that you are both focusing on the same

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things, and what is important to one party is important to another. The outsourcing relationship is no different, and the key here is to focus on the outcomes that the buyer is looking for, including customer satisfaction, improved productivity, cycle time and better performance. This will enable the provider to make decisions aligned to the same goals and deliver the outcomes that are desired.

LJ: What makes you successful?

RS: As an individual, a passion for what I do, a focus to exceed client expectations, and great people around me.

For Proservartner as a company, it is actually the same. We have embedded a culture where we have passionate and driven people, that actually enjoy providing high quality work (I know it sounds crazy!), who have great technical skills and qualifications and work as a team.

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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