



# The 100 Superstars of HR Outsourcing

IDENTIFIED FOR THE FIRST TIME: THE CHAMPIONS, THE GATEKEEPERS, THE WIZARDS, THE EGGHEADS, THE BIG FISH, AND OTHER LUMINARIES IN THE HR OUTSOURCING UNIVERSE.

In recent years, outsourcing has burst onto the American business scene with the power and brilliance of a “supernova.” Outsourcing activities are growing at the rate of more than 20% each year. Last year, the total volume of business process outsourcing, worldwide, topped hundreds of billions of dollars, with nearly 40% occurring here in the U.S., and nearly 60% falling within the parameters of the human resources department.

In business, as in the universe, a unique, stellar event such as outsourcing generates a constellation of activity, complete with “superstars” who have been energized by the outsourcing phenomenon, and who are setting the pace for acceptance, change, and growth. This year’s list of the superstars of HR Outsourcing introduces you to the names and achievements of the men and women who lead and define the HR Outsourcing movement.

As *HRO Today*’s CEO and Chairman, Harry Feinberg, explains: “This list is distilled from over 100 ‘Rolodexes’ maintained by HR industry observers and experts. Their recommendations come to you filtered through countless combined years of HR Outsourcing experience. While nearly 250 executives were nominated for the list, there were found to be

only 100 true superstars,” notes Feinberg.

In its early years, outsourcing was a courageous activity pursued by a few visionaries who understood their company’s tactical need to save money, stretch budgets, solve problems, gain expertise, or to make do when they couldn’t afford to add more managers and employees. As more business executives took the plunge into outsourcing, they discovered that their initial fears about losing control of vital parts of their business were unfounded.

In the last few years, outsourcing, particularly HR outsourcing, has begun moving toward a new, more sophisticated level that truly shapes the client company’s vision of its goals and its markets, and infuses it with innovative ideas from the best minds, both within and outside of the company.

This year’s 100 superstars were drawn from eleven impressive business categories (at right). Our superstars represent a diverse cross section of corporate America, running the gamut of small providers and buyer firms to *Fortune* 1000 companies such as General Motors, Kellogg Foods, Bank of America, BP Amoco, Amex, Lockheed, John Hancock, and AT&T.

The superstars list is also cross-referenced by the superstar’s last name. Additionally,

several of the nominees are profiled at length to spotlight their pioneering achievements in HR Outsourcing.

You can bet that, due to outsourcing’s burgeoning acceptance by American business, it will be extremely difficult to narrow down next year’s list of superstars to only 100 names.

*The Editors*

## Superstar Categories

1. The Champions: Outsourcing Buyers
2. The Finders: Staffing & Recruiting
3. The Opinion Leaders
4. Gatekeepers: Consultants, Lawyers
5. The Wizards: HR Technologies
6. Paymasters: Payroll, SUI, Benefits
7. The Eggheads: Analysts, Investors
8. The Big Fish: Enterprise HRO & BPO
9. The Specialists
10. The Health & Wealth Leaders
11. PEOs & ASOs

SUPERSTAR NAME	ORGANIZATION	TITLE	RATIONALE
<b>1 The Champions: HR Outsourcing Buyers</b>			
Beth Barrett	The Container Store	VP of Operations	Evolved from die-hard in-house HRIS & Payroll advocate to outsourced payroll/HRIS supporter
Governor Jeb Bush	State of Florida	Governor	His Florida First initiative sets the national pace for outsourcing innovation to improve govt.services
Mary Lou Cagle	Bank of America	SVP, Business Transformation	The poster child for new-style enterprise HR Outsourcing
Ken Davidson	Seagate	SVP HR	Set the standard for rigorous analysis of HRO vendor performance metrics
Ursula Fairbairn	American Express	EVP HR	A pioneer in domain-by-domain HR outsourcing in one of the largest global HR departments
Timothy Gardner	Credit Suisse Group	Managing Director	A pioneer in outsourcing multiple discrete transactional HR functions enterprise-wide
Mirian Graddick-Weir	AT&T	EVP HR	Innovated by having HRO provider provide career tracks for 400+ former AT&T HR professionals
Cynthia Henderson	Florida Dept.of Management Services	Secretary	Gave life to Gov. Bush's Florida First outsourcing initiative with a revolutionary enterprise HRO pact
Cydney Kilduff	Kellogg Foods	Director, Staffing and Diversity	Evolved from die-hard in-house recruiting advocate to pioneer in recruitment process outsourcing
Norman Maas	BASF	SVP HR	A leader in enterprise-wide HR Outsourcing since 1995
Brian McGrath	American Greetings	VP HR	Set standards for using technology as a driver to accelerate the scope and pace of HR Outsourcing
Ian Muir	Cable & Wireless	VP Group HR Policy (retired)	Architected unique shared-services partnership with HRO provider
Don Packham	BP Amoco	SVP HR North America	Outspoken advocate of high industry service standards for HRO providers
Page Palmer	John Hancock	SVP HR	Innovator in rigorous up-front analysis during HRO provider bidding process
Sherry Richards	Chevron Phillips	VP HR	Industry-leading commitment to outsourcing all HR transaction processing functions
John Steele	British Telecommunications (BT)	Global Director of HR (retired)	Proponent of HR Outsourcing as a way to pull together workforces of a global enterprise
Steven Stein	Knight Ridder	VP HR, Compensation & Benefits	A recognized leader among media company execs in using HRO to focus on core competencies
Ed Taft	Lockheed	SVP HR	Thought leader in matching business objectives with the promise of HR Outsourcing
Delle ZurSchmiede	General Motors	Head of GM Financial Shared Services	Established the gold standard in outsourcing transition planning and execution

### Beth Barrett: VP of Operations - The Container Store

"With the exception of occasionally using an agency to assist our advertising campaigns, we were, until about two years ago, something of a die-hard committed to doing everything through our own internal resources," explains Beth Barrett, VP of Operations for The Container Store, a 28-unit Dallas-based retailing chain. "We considered this necessary to maintain control of our organization and safeguard our processes." But business conditions and philosophies can change dramatically, when you least expect it. This was demonstrated all too clearly last year when the company was advised by its payroll software vendor that it was no longer going to support that product. "Suddenly, we knew we had to start looking fast for a replacement solution, and this was made more complicated because our information services department had reached a point where it might not be able to serve payroll and HR adequately while also taking on new merchandising projects. We had to give outsourcing serious consideration." A request for propos-



al was written, and Ultimate Software, of Weston, Florida, responded with the best solution. Its UltiPro HR and payroll management application, a hosted outsourcing model, offered in-house control with outsourced convenience. The UltiPro application has performed admirably since its installation. "Our sudden need to outsource showed us that we were a bit too idealistic in our determination to do it all in house," observes Barrett. "Sometimes pride will prevent you from doing what you must. In today's economy, this is foolish. You've got to focus on your core competencies." Will outsourcing take new directions within The Container Store? "Outsourcing makes a lot of sense for bringing in best practices to apply to administrative processes and procedures. But when outsourcing, you've got to be careful that it doesn't alter your corporate mission. Also, whenever we explore new outsourcing opportunities, we must be sure not to blur our identity. We have a very strong brand position to maintain."

## Glenn Davidson: Chairman - HR Outsourcing Association

Glenn Davidson knows his way around a brand. In his real job, he heads marketing and communications for Accenture HR Services, an Accenture solution unit that provides outsourced people management services to global enterprises. And in his volunteer role as Chairman of the newly founded HR Outsourcing Association, he believes that his mission is a variation on creation and management of the brand identity of the industry in which we all work: Human Resources Outsourcing. "The reason we created the HROA is to help ensure continued industry growth and strength by doing three things," Davidson says, "Educate the market on the benefits of HR Outsourcing, promote best practices among providers, and enhance the provider selection and management skills of strategic HR professionals." At Accenture HR Services, Glenn leads global strategic positioning initiatives from his New York base. His responsibilities include brand management, marketing, external and internal communications, and external relationship management. Glenn has an extraordinary vantage point at the heart of a global, brand-name, customer-focused outsourcing organization. "Without question, Accenture is an international brand-management success story," he says. His role at the global outsourcer, combined with his unique background in managing the brand identities of not-for-profit organizations, political campaigns, and private companies are strong components, he believes, of his ability to help achieve HROA's educational and brand missions. Prior to Accenture, Glenn was Senior Vice President of Sales and Marketing at Viatel, a provider of enterprise-focused telecommunications services in Europe and the builder-owner-operator of the continent's largest and most advanced fiber optic network. In 2000, Glenn won the World Communications Awards' highest honor for the brand campaign he conceived and executed for Viatel. The messages and images associated with his "No Borders. No Barriers. No Limits." campaign have since been adopted by other companies, both in and outside the telecommunications industry. When asked whether he minds that his



brand message has been borrowed heavily, Glenn responds with ironic humility: "Imitation is the highest form of flattery." In the nonprofit sector, Glenn served as Executive Vice President of the Computer & Communications Industry Association, an organization that promotes the policy and business interests of its member companies. As such, he was responsible for membership recruitment and retention; member services; day-to-day operations, including finance; and public policy research, analysis, and advocacy. In the political world, Glenn managed the brand for the Administration of Virginia Governor L. Douglas Wilder, as Chief of Staff, Communications Director and Press Secretary, and the Commonwealth's chief lobbyist in Washington, DC. Davidson also served as press secretary to the Governor during his brief campaign for the Democratic presidential nomination in 1992, as well as his campaign manager for his 1994 independent bid for the U.S. Senate. He was also Legislative Director to Congressman Ronald M. Mottl (D-OH) and was the Congressman's principal advisor on matters pending before the full House of Representatives as well as for the work—legislative drafting and oversight—associated with the Congressman's position on the House Energy and Commerce Committee. He has also produced and directed television and radio programs. Glenn holds a BA in International Relations from The American University and an MA in Science, Technology and Public Policy from George Washington University. He also currently serves on the U.S. Advisory Committee on Communications and Information Policy and is a Director of the Christian Children's Fund. He has also held the position of adjunct professor of journalism at the University of Richmond. "What we build during our lives," Glenn says, "is our personal brand. I am proud of the roles, however small, I have had in building some enduring organizational identities in the private and public sectors. My career goal is to make as large a contribution as possible to the process of creating strong, positive images for the organizations I support."

### SUPERSTAR NAME

### ORGANIZATION

### TITLE

### RATIONALE

## 2 The Finders: Staffing & Recruiting

SUPERSTAR NAME	ORGANIZATION	TITLE	RATIONALE
Barbara Beck	Manpower	EVP US & Canadian Operations	Mastermind of her company's major strategic push to become the HRO leader among staffing firms
Jim Citrin	Spencer Stuart	Managing Director	The most-media-friendly recruiter of all time, who recruited Gertsner of IBM and Semel of Yahoo!
Daniel J. Finnigan	HotJobs/Yahoo!	SVP & EVP & General Manager, HotJobs	Because HotJobs is Monster's real national brand-name online competitor
Cinda Hallman	Spherion	President & CEO	Architect of her firm's renewed focus on HR outsourcing
Stephen G. Harrison	Adecco	Group HR & President Career Services	Thought leader in career management outsourcing
Robert McNabb	KornFerry Futurestep Americas	President	Created a new flavor of recruitment outsourcing with KF's partnership with the Wall Street Journal
Scot Melland	Dice.com	CEO	Built online recruitment outsourcing empire from \$0 to \$100 million in revenue in 3 years
Max Messmer	Robert Half (parent of Accountemps)	CEO & Chairman	The master staffing salesman: Invented the "Bob from Accountemps" ads

SUPERSTAR NAME	ORGANIZATION	TITLE	RATIONALE
Bob Montgomery	Careerbuilder	Founder	Innovated by creating online recruitment outsourcing partnerships with metro newspapers
Barry Siegel	Bernard Hodes/RES (Recruiting Enhancement Services)	President	Invented "Recruitment process outsourcing"
Jeff Taylor	Monster.com	President	Monster is the big dog in online recruiting
Andy Wright	The New York Times	Group Dir. for Recruitment Advertising	Runs the largest regional web & print outsourced recruiting media property

### 3 The Opinion Leaders: Media, Associations, Academia & Government

Dr. James B. Bramson	American Dental Association	Executive Director	Innovated with the largest direct reimbursement program for dental benefits
Frank Casale	Outsourcing Institute	CEO	Owens a great web address:www.outsourcing.com
Michael Corbett	Michael Corbett & Asso.	Chairman	A leading advocate for outsourcing
Glenn Davidson	HR Outsourcing Association	Chairman	The visionary first Chairman of the nonprofit assn. dedicated to certifying HRO professional skills
Emily Stover DeRocco	US Department of Labor	Assistant Secretary for Employment & Training	Runs the best one-stop outsourced employer compliance training program
Dr. Robert Heneman	Ohio State University	Professor	The world's only third-generation HR professor; father of CPO certification
Kay Cole James	U.S. Office of Personnel Management	Director	Runs the largest HR department in the world, and is the largest buyer of HR Outsourcing
Ed Lawler	Cornell University	Professor & Dean of School of Industrial & Labor Relations	Has given more HR university-level diplomas to graduates than any other person alive
Dan Maddux	American Payroll Association	Executive Director	21,000 payroll professional members and 25 years in business speaks for itself
Susan Meisinger	SHRM	President & CEO	Runs the world's largest HR assn.and preaches that HR people focus on strategy, not administration
Mark Merritt	American Association of Health Plans	Senior VP	A marketing maven:hired Hollywood power agents William Morris to polish HMOs' tarnished image

## John Halvey: Partner – Millbank, Tweed, Hadley & McCloy

When we say that John Halvey wrote the book on Business Process Outsourcing (BPO), we mean it literally. Halvey's *Business Process Outsourcing, Process, Strategies and Contracts*, was published by Wiley in 2000. It runs 398 pages, looks like a university text book, and weighs about as much as one as well. Halvey and his coauthor, Barbara Melby, did a fine job of defining the scope of a BPO relationship. The book also includes a nifty floppy disk, jam-packed with documents that your lawyer would normally charge you a boatload to write. So the book is a good buy, even though it will set you back about forty bucks. In the portion of the book devoted to outsourcing human resources, Halvey writes, "While some companies opt to outsource the entire human resource process to one vendor, it is more common to identify particular functions within the human resource process for outsourcing to different vendors, largely because different vendors have different expertise within this area." In the text, much of which was actually written in 1999, he presages much of the meteoric growth in HRO that we now see. At the time, John was particularly bullish on the future of Web-based HRO services. This is to be expected, since John was then Executive Vice President of Safeguard Scientifics, Inc., a technology venture capital, operating, and holding company. While at Safeguard, John was the head of Software and eServices Group. For those of you who go out and buy the BPO book, it



should be no surprise that John emphasizes the importance of the role of a competent attorney to help in building successful outsourcing relationships. That's because John is now a dues-paying member of the bar. Today, he is a partner in the New York office of the international law firm of Millbank, Tweed, Hadley & McCloy and the founder of the Global Technology Transactions Group. His legal work includes business process outsourcing, electronic commerce, venture capital, technology joint ventures, strategic alliances, software licensing, and technology acquisitions and financing. Halvey has represented companies in many of the largest technology, telecommunications, and business-process-outsourcing transactions, including BellSouth, General Motors, DuPont, AT&T, Alcatel, Xerox, Boeing, Hughes, and the Commonwealth Bank of Australia. His work in this area has been the subject of articles in *Forbes*, *Information Week*, *Computer World* and *CIO Magazine*. In 1995 *Crain's* named John one of the 40 most successful people under 40 in New York City, calling him "Mr. Outsource." Other books by Halvey are: *Information Technology Outsourcing Transactions: Process, Strategies and Contracts*, published in March, 1996 by Wiley; *Data Processing Contracts*, published by Van Nostrand Reinhold in 1989, and *Computer Law and Related Transactions*, published in 1994 by The Michie Company. John is a graduate of Tufts University, Emory School of Business, and Emory School of Law.

### Jim Madden: CEO, Chairman, President – Exult

Imagine having the confidence to leave your secure job with a big outsourcing company (MCI/Systemhouse). The guts to just hand over your big corner office, secure salary, large staff, and huge client list, and risk it all to start something nobody had ever really done before: a pure-play enterprise-level HR outsourcing firm for the Global 100. Jim Madden knew he would have to raise a bunch of money. He knew that he would have to get gaggles of skeptical analysts to share his vision and think of HR BPO as an “investable theme.” He knew that eventually he would have to find a cadre of clients who were willing to commit to long-term contracts worth bucket-loads of money. Oh, and by the way, those clients would have to trust him to take care of their most precious assets: their workforces. Yes, it sounds stark raving mad. But Jim Madden is a true outsourcing visionary. Back in 1998, he took those big risks, confident that the future he saw was an absolute certainty. After all, earlier in the 1990s, Jim had set new standards in IT and business process outsourcing in his work at MCI, Booz, Allen & Hamilton, and Andersen Consulting. During the com-



pany’s early days, it was just Jim and his assistant in a room, chatting up analysts, calling for clients, and dialing for dollars. The challenge was large. But just to make sure the mission was big enough for him, he had to come up with a company name that put an exclamation point on it all. He called it Exult, as in, “to run around screaming with joy, even if others think you are stark raving mad.” In the ensuing few years, Jim built his vision. And HRO clients have flocked to join up. Exult has become the first pure-play HRO company serving the Global 100 with over \$3 billion in backlog contracts. He took Exult public. Current revenue is running over \$100 million per quarter, and the company is near a profit. His clients read like a Who’s Who of the big boys: BP/Amoco, International Paper, Bank of America, Tenneco, Prudential, to name a few. He has a staff of over 1,400. Jim, clearly one of the larger-than-life pioneers of HRO, is well on his way to making Exult one of the biggest ships in the pond. And on the stern of Jim’s big, beautiful sailboat are the words “Stark Raving Mad.”

SUPERSTAR NAME	ORGANIZATION	TITLE	RATIONALE
James Brian Quinn	Dartmouth College	Professor	Founding father of outsourcing
Joe Vales	Vales Consulting Group	Partner	Trendsetter and strategic consultant to the stars of HR Outsourcing and their VC/investor backers
Richard Wahlquist	American Staffing Association	President & CEO	The #1 advocate for the outsourced staffing category

#### 4 The Gatekeepers: Outsourcing Consultants & Lawyers

Peter Bendor-Samuel	Everest Consulting	CEO	Major promoter of outsourcing via his online publications
J. Ross Docksey	Sonnenschein, Nath & Rosenthal	Partner	A heavyweight in provider outsourcing law
John Halvey	Milbank Tweed Hadley & McCloy	Partner	Crain’s called him “Mr. Outsource” in 1995; literally wrote the book on BPO in 1999
Mark Hodges	TPI-Consulting	EVP	Visionary early advocate of the enterprise HRO model who helped identify all 20+ HRO domains
Dennis McGuire	TPI-Consulting	CEO	Brought analytical standards to sourcing RFP process
Julian Millstein & Tom Greble	Brown Raysman Millstein et al.	Partners	Turned “Outsourcing Law” into a real field of practice, starting with IT, and now BPO and HRO
Robert Zahler	Shaw Pittman	Partner	The outsourcing lawyer’s lawyer

#### 5 The Wizards: HR Technologies

Chuck Allen	HR-XML Consortium	Director	The brains behind creating data standards in HR, which makes him a key catalyst in HRO growth
William Canfield	TALX	CEO	Now owns what HRO customers want: multiple transaction outsourced services under one roof
Scott Sheer	Ultimate Software	CEO	Migrated his licenced HRIS solution to a hosted outsource solution
Tom Sinton	ProBusiness	CEO	Brought the PC into the payroll business, and helped make his company champion of payroll client service

#### 6 The Paymasters: Payroll & SUI & Benefits Administrators

Jeff Bizzack	ProBusiness	EVP Marketing	The industry champion in building customer-driven sales and client service organizations
Tom Golisano	Paychex	CEO	Outsources more payrolls for more small businesses than any other company

SUPERSTAR NAME	ORGANIZATION	TITLE	RATIONALE
Steve Hoffman	TALX UC Express	Managing Director	The heavyweight champion of outsourced SUI administration, handling one in three U.S. employees
George Stoeckert	ADP	President, Employer Services	A world-class payroll, benefits and HRIS outsourced product innovator

**7 The Eggheads: Analysts & Strategic Investors**

Monica Barron	AMR	Senior Analyst	The most well-traveled HR technology and HR Outsourcing analyst
John Clark	Welsh Carson Anderson Stowe	Partner	Big HRO backer; invested a bucketload in SHPS and \$200 million in Argus HR Partners
Mark Dzialga	General Atlantic Partners	Partner	Continues to invest the big bucks in private and public HRO companies
Dirk Godsby & Jack Andrews	JP Morgan Securities	Equity Research	Established the close connection between IT outsourcing and HR Outsourcing
James Macdonald	First Analysis	Managing Director	A leading outsourced HR service analyst whose firm has invested in pioneering outsourcing companies
Randy Mehl	Robert W. Baird	Director	The most-quoted investment analyst in HRO
Marc Pramuk	IDC	Senior Analyst-Outsourced Services	The most-quoted industry analyst in HRO; unwaivering focus on the confluence of IT outsourcing & HRO
Rebecca Scholl	Gartner Group	Senior Analyst	The most-quoted industry analyst in BPO; continues to define and refine the BPO market and its domains
Barry Wiegler	Sourcing Interests Group	Managing Director	The go-to guy for the Who's Who in the global 500 sourcing arena
Dave Williams	Corporate Executive Board	Practice Manager	Outstanding profiles of enterprise-level HRO firms

**8 The Big Fish: Enterprise HR Outsourcing & BPO**

Lynn Blodgett	ACS	President	Industry leader in sales and implementation skills for large HRO/BPO transaction contracts
---------------	-----	-----------	--

**Chris Mammoser: Head of U.S. Operations - Accenture HR Services**

Chris, a 17-year Accenture veteran, believes in practicing what he preaches. He evolved from in-house Director of Human Resources for Accenture's Global Financial Services unit to become head of North American operations for Accenture HR Services, which provides outsourced people management services for global enterprises. Accenture HR Services enables clients to concentrate on optimizing their core business activities while reducing their costs and achieving the greatest possible value from their assets, including their people. Mammoser launched his career with Accenture in 1985 as a consultant specializing in business process reengineering, supporting project activity as team lead for a number of manufacturing clients. Expanding his responsibilities to client general program management, Mammoser then became Director of Practice Management and oversaw Accenture's operations in Detroit, Michigan. Accountable for \$70 million in annual revenue with over 400 personnel, Mammoser managed all aspects of internal business operations—financial, accounting, technology, personnel, recruiting, and facilities. In September 1994, he developed a greater specialization in HR strategies and operations through his next assignment as Director of Human Resources for the Global Financial Services unit of Accenture. Supporting a unit of Accenture that generated nearly \$2.5 billion in annual revenue, Chris provided overall direction for HR operational activity and supervised a direct staff of 55 personnel. The scope of operations included recruitment, scheduling, performance/promotion, process manage-



ment, training activities, and HR policy implementation. When Accenture structured itself into competency and market structures, Mammoser moved into a broad global role directing all competency, service line, and market unit (industry) HR services. In this capacity, Mammoser managed a team of over 2,000 HR professionals. This role also introduced Mammoser to regular global management forums, with opportunities to address the Accenture leadership on matters of personnel practice and operations. With the next appointment as Partner responsible for Global HR Operations, Chris directed all geographic and industry deployed HR teams, nearly 3,000 HR professionals. In this role, Mammoser had overall responsibility for the Accenture HR Services delivery model and results. With oversight in defining the organization structures, process models, and underlying infrastructure including technology investments, he improved the effectiveness and cost of operations. Accenture's commercialization of this capability formed the genesis of Accenture HR Services, originally a joint venture—known as e-peopleserve—between British Telecommunications (BT) and Accenture. In his most recent assignment as Managing Partner for Accenture HR Services' operations in North America, Mammoser has responsibility for business development, client service delivery, and internal operations. He obtained a BA degree in 1983, graduating with Highest Honors from the University of Michigan. He continued to pursue graduate studies at the University of Michigan, obtaining an MBA degree in 1985.

## Bernie Reynolds: President – Aon Consulting HR Outsourcing Group

Bernie Reynolds has had a lot of practice explaining to companies why they should outsource HR. Perhaps that's why, when you meet Bernie, the word "articulate" comes to mind. Maybe he was that way from birth. "I'd have to ask my family about that, but I doubt it," he says. "Let's just say that I've had ample opportunity to learn from my mistakes." Whether from nature or nurture, Reynolds has mastered the art of speaking with crystal clarity about HRO. That's why, when the 100 Superstars committee met, it unanimously elected him to the 2002-2003 Superstars list for having "Unmatched ability to articulate the HRO value proposition." The practice has paid off. Bernie founded ASI Solutions, a talent solution provider, and took it public in 1997 at \$6 a share. Eventually, ASI was acquired by Aon for \$14 a share when it had 650 employees on staff. "And then, the real fun began," he says. "Although being an entrepreneur has its fine moments, it also has had its challenges," Reynolds recalls. "One of mine," he laughs, "was getting beat by (outsourcing seminar promoter) Michael Corbett for the Entrepreneur of the Year awards." Because of his longevity in the HRO world, Bernie has some historical perspective, which he agreed to share with us. He says that HRO firms, especially the enterprise-level HR outsourcers, come from one of five heritages: Type one are the technology outsource providers, classic examples of which would be ACS and IBM. Type two would be the payroll



providers, such as ProBusiness. Type three are the business process outsourcing (BPO) firms that started outsourcing one discrete process, such as EDS or CSC. Type four are general contractors who manage a significant number of subcontractor firms, an example of which would be Exult. And type five are the consulting and services firms, which describes his company, Aon Consulting. All have their strengths, he says. "But as a buyer," Reynolds reminds us, "it's important to remember where your provider's roots really are." For sourcing executives, he says, today's marketers of HRO services actually offer three classes of service: First, is the contract that involves only one type of function, such as background checking, online recruiting, state unemployment tax filing, or benefits claims processing. Second, is the pact that involves outsourcing of an entire function, such as health and welfare benefits procurement and administration or recruitment process outsourcing. The third is the relationship that involves an entire range of services and includes assumption of a bunch of your client's staff. AT&T's June 1, 2002 contract with Aon Consulting was an example of this third category. In that deal, about 400 former AT&T staffers are now on the Aon payroll to serve AT&T, and potentially to serve other clients. This arrangement has been called "coming to the other side of the desk." "But we prefer that the former AT&T folks see joining Aon as a great HR career opportunity," says Reynolds.

SUPERSTAR NAME	ORGANIZATION	TITLE	RATIONALE
Karen Bowman	Convergys	President	Innovator in selling HRO to large govt. customers
David Clinton	Accenture HR Services	Managing Partner	Convinced BT to allow him to buy back BT's stake so he could build a leading HRO brand
Brian Doyle	Hewitt Associates	Outsourcing Business Leader	Helped create the hottest HRO IPO of 2002
Dan Henderson	EDS BPO	President	Hard-to-beat overall knowledge in HR Outsourcing and shared services
Reed Keller	Argus HR Partners	CEO	Raised \$200 million from Welsh Carson Anderson Stowe to move beyond PWC's outsourcing practice
James Madden	Exult	CEO	Innovator in creating a company that embodies the promise of HRO for the global 100
Chris Mammoser	Accenture HR Services	Head of U.S. Operations	Unique ability to strike partnership-type HRO deals with global 500 customers
Anthony Martin	Mellon HR Solutions	EVP	HRO thought leader; "The Professor" has helped to guide his company into ever-bigger deal categories
Jude Metcalf	Mellon HR Solutions	President & CEO	Melded multiple companies into a global enterprise-level HRO leader
Bernie Reynolds	Aon Consulting HR Outsourcing Group	President	Unmatched ability to articulate the HR Outsourcing value proposition
Diane Shelgren	Spherion	SVP	Has seen more HR BPO business models at work than anyone else

## 9 The Specialists: HR & Benefits, Outplacement, Training & Development, Assessment

Deborah Besemer	Brass Ring	President & CEO	The most media-friendly employee development company head
Dr. Jac Fitz-enz	Saratoga Institute	Founder & Chairman	The father of HR benchmarking
China Gorman	Lee Hecht Harrison	COO	Helped make the leader in outplacement ops into an up-and-comer in mgt team development services
Joseph LoCicero	Buck Consulting	CEO	Architected the merger of Buck into Mellon HRS

SUPERSTAR NAME	ORGANIZATION	TITLE	RATIONALE
Jim Murphy	CitiStreet	President	Coined the phrase "total benefits outsourcing"
Ed Trolley	FranklinCovey Training Process Outsourcing	VP & GM	Inventor of "training process outsourcing"; wrote the book on running training like a business
Roger Vaughn	Aon Consulting	President, U.S. Employer Benefits	Market share leader in employee benefits consulting
William Winter	U.S. Investigations	President	Helped take the fed background checking powerhouse private and taking it commercial

**10 The Health & Wealth Leaders: Employee Health & Pension Benefits**

Daniel Amos	AFLAC	CEO	Created the most effective business brand symbol of the modern era: the AFLAC duck, nuff said
Tony Miller & Craig Swanson	Definity Health	Co-Founders	Innovators in outsourcing defined contribution and medical savings accounts
Roger Vileen	VSP/Vision Service Plan	CEO	Made vision insurance more accessible to more Americans than anyone else

**11 The Friends of Small Business: PEOs and ASOs**

Ed Cain	Mybenefitsource	CEO	Most successful ASO benefits admin model to date
Kevin Grauman	The Outsource Group	CEO	Number 1 on the 2002 Inc.Magazine 500 list
Barron Guss	Altres Global Business Services	CEO	Runs the best regional PEO from the most enviable CEO job location: Hawaii
Carlos Rodriguez	ADP Totalsource	President	ADP-ized Vincam into a superior large PEO
Steve Rosenthal	Checkpoint HR	CEO	Made a great bet: Bet the store on BPO and ASO
Bob Stevens	Advantius	CEO	Wisely changed his biz model from PEO to BPO
Tom Taylor	Epix	CEO	Helped build the largest privately-held professional employer outsourcer (PEO)

**Tom Sinton: CEO - ProBusiness**

HRO Today's "champion of payroll outsourcing client satisfaction," Tom Sinton of ProBusiness loves to tell what he calls, "the Kinko's story." Three days before Kinko's complex, multistate payroll was to go live, Kinko's national IT infrastructure went down. Tom took a deep breath as he remembered the moment. "It was a make-or-break situation. After all," he recalls, "both Kinko's and ProBusiness treat payroll as a life-critical function. People count on receiving their paychecks on time so they can feed their family and pay the bills. Paychecks can't be late, and they can't be wrong." Sinton, who built ProBusiness into the fourth-largest national outsourced payroll, benefits administration, and HR systems outsourcer and the only one operating on a fully PC-based system, reminded his team that ProBusiness' number-one value is client focus. He rallied his troops. The captain of the Kinko's SWAT team was Jeff Bizzack, the EVP credited with building the ProBusiness sales organization and selling clients on Sinton's vision. Jeff called on the organization and immediately marshaled the team to attack the situation. He chartered a Learjet and brought the entire Kinko's payroll team to ProBusiness' headquarters. The ProBusiness training center had been transformed to recreate Kinko's payroll environment and receive time-card and payroll data transmissions for Kinko's 25,000 full- and part-time workers from over 1,000 locations. From ProBusiness offices, the team was able to work together to process payroll over the weekend and



deliver paychecks on time on Monday. "Of course," added Sinton, "we had to go to the mall to buy the Kinko's folks clothes, because we picked them up so fast on Friday that they didn't have time to go home and pack." Sinton credits ProBusiness' "Centers of Excellence" organizational scorecard system with keeping service satisfaction high and client retention well over 90% over the course of the company's history. ProBusiness professionals are regularly graded on their competence in one of the company's three service areas: comprehensive outsourcing, payroll/HRMS, or payroll tax processing. Staff members' colleagues and clients participate in grading. Sinton acknowledges that some grades and values, such as "closeness to the client," are tough to quantify. But, Sinton says, "just because something is hard to measure doesn't mean it's impossible. We assign it a value and use it as a benchmark to inspire people to greater service levels. Helping clients through change is essentially what we do. Our clients are always changing, upsizing, downsizing, merging, acquiring, divesting, moving, growing." When asked how labor-intensive his company's heavy service orientation is, Sinton is proud to answer with a number: The average amount of time ProBusiness' senior executives spend working directly on client satisfaction initiatives is "easily over 75%." This reflects the DNA of the company, he says. "We have a very special group of employees who enthusiastically embrace service excellence."

## Delle ZurSchmiede: Head, GM Financial Shared Services – General Motors

When GM's outsourcer, Arthur Anderson, sent notice in mid-2001 that it was "changing strategic direction" and exiting the BPO business, Delle Zurschmiede knew what she needed to do: rebid the contract. As the former CFO of GM/Canada, Delle knew how to manage big bids. But this was a really big bid, even for a pro accustomed to dealing with numbers ending in lots of zeroes. To make things more pressure-packed, this deal was mission-critical: processing payroll for 400,000 GM employees, and employing 300 former staffers in Barcelona, Spain and 400 in Tampa. To paraphrase the NASA flight controller who was in charge of rescuing the Apollo 13 space capsule from space: Failure was not an option. So she went to bid. And the winner was Dallas-based Affiliated Computer Services, Inc. (ACS), a \$3 billion BPO and IT outsourcer. According to Delle, the transition team at ACS has "performed beautifully." Outsourcing to ACS, says Delle, has "provided three



added benefits that were unforeseen and we were happy to discover." One is that GM now has stronger internal controls, "because we documented absolutely everything prior to bidding, and now we have it all on a piece of paper." Two is that GM now has "more common practices in place companywide, which cuts costs." And three is that GM now has better retention of its intellectual capital, "which means that GM employees can now focus on strategically important initiatives rather than on transaction-processing." And what three snippets of wisdom would Delle give to future outsourcers? First, focus a lot of attention on communications to all stakeholders: internal transition staff, top management employees, vendors, and provider management. Second, make sure you understand every piece of the technology plan. And third, "Pay close personal attention to the process and players every day. Make it a daily personal habit. Do it yourself."

## HRO Today's 100 Superstars of HR Outsourcing

Allen, Chuck HR-XML Consortium	Corbett, Michael Michael Corbett & Assoc.	Henderson, Dan EDS BPO	Merritt, Mark Am. Assoc. of Health Plans	Sinton, Tom ProBusiness
Amos, Daniel AFLAC	Davidson, Glenn HR Outsourcing Association	Heneman, Robert - Doctor Ohio State University	Messmer, Max Robert Half	Steele, John British Telecommunications
Barrett, Beth The Container Store	Davidson, Ken Seagate	Hodges, Mark TPI-Consulting	Metcalfe, Jude Mellon HR Solutions	Stein, Steven Knight Ridder
Barron, Monica AMR	Docksey, J. Ross Sonnenschein, Nath et al.	Hoffman, Steve TALX UC Express	Miller, Tony & Swanson, Craig Definity Health	Stevens, Bob Advantius
Beck, Barbara Manpower	Doyle, Brian Hewitt Associates	Keller, Reed Argus HR Partners	Millstein, Julian & Greble, Tom Brown Raysman	Stoekert, George ADP
Bendor-Samuel, Peter Everest Consulting	Dzialga, Mark General Atlantic Partners	Kilduff, Cydney Kelllogg Foods	Montgomery, Bob Careerbuilder	Stover DeRocco, Emily U.S. Department of Labor
Besemer, Deborah Brass Ring	Fairbairn, Ursula American Express	Lawler, Ed Cornell University	Muir, Ian Cable & Wireless	Taft, Ed Lockheed
Bizzack, Jeff ProBusiness	Finnigan, Daniel, J. HotJobs/Yahoo!	LoCicero, Joseph Buck Consulting	Murphy, Jim CitiStreet	Taylor, Jeff Monster.com
Blodgett, Lynn ACS	Fitz-enz, Jac - Doctor Saratoga Institute	Maas, Norman BASF	Packham, Don BP Amoco	Taylor, Tom Epix
Bowman, Karen Convergys	Golisano, Tom Paychex	Macdonald, James First Analysis	Palmer, Page John Hancock	Trolley, Ed FranklinCovey
Bramson, James B - Doctor American Dental Association	Gardner, Timothy Credit Suisse Group	Madden, James Exult	Pramuk, Marc IDC	Vales, Joe Vales Consulting Group
Bush, Jeb - Governor State of Florida	Godsby, Dirk & Andrews, Jack JP Morgan Securities	Maddux, Dan American Payroll Association	Quinn, James Brian Dartmouth College	Vaughn, Roger Aon Consulting
Cagle, Mary Lou Bank of America	Gorman, China Lee Hecht Harrison	Mammoser, Chris Accenture HR Services	Reynolds, Bernie Aon Consulting HRO Group	Vileen, Roger VSP/Vision Service Plan
Cain, Ed Mybenefitsource	Graddick-Weir, Miriam AT&T	Martin, Anthony Mellon HR Solutions	Richards, Sherry Chevron Phillips	Wahlquist, Richard American Staffing Assoc.
Canfield, William TALX	Grauman, Kevin The Outsorce Group	McGrath, Brian American Greetings	Rodriguez, Carlos ADP Totalsource	Wiegler, Barry Sourcing Interests Group
Casale, Frank Outsourcing Institute	Guss, Barron Altres	McGuire, Dennis TPI-Consulting	Rosenthal, Steve Checkpoint HR	Williams, Dave Corporate Executive Board
Citrin, Jim Spencer Stuart	Hallman, Cinda Spherion	McNabb, Robert KornFerry Futurestep	Scholl, Rebecca Gartner Group	Winter, William U.S. Investigations
Clark, John; Welsh Carson Anderson Stowe	Halvey, John Milbank Tweed	Mehl, Randy Robert W. Baird	Sheer, Scott Ultimate Software	Wright, Andy The New York Times
Clinton, David Accenture HR Services	Harrison, Stephen G. Adecco	Meisinger, Susan SHRM	Shelgren, Diane Spherion	Zahler, Robert Shaw Pittman
Cole, James, Kay U.S. Office Personnel Mgt.	Henderson, Cynthia Fla. Dept. Mgt. Services	Melland, Scott Dice.com	Siegel, Barry RES	ZurSchmiede, Delle General Motors