

Straight from the Source By Denise Doig

| Company | Number of Advisors | Areas of Specialty | Industries of Specialty | Average Client Size |
|---|---|---|---|---|
| Baker & McKenzie | 100 attorneys dedicated to outsourcing | Services range from traditional ITO, to BPO deals, to cutting-edge strategic partnerships | Provide counsel across all industry sectors, including financial services, pharmaceuticals, and retail | On the supplier side, client base ranges from small start-ups to the very largest of IT multinationals |
| Bierce & Kenerson, P.C. | 5 | HRO, ITO, international business regulation, privacy law, IT-enabled BPO, call centers, and customer relationship management | Financial services, industrial, commercial, non-profit, government, and telecom | Clients with revenues in \$200 million to \$1.4 billion range |
| Brown Raysman Millstein Felder & Steiner LLP | 70 outsourcing and HR attorneys | All areas of outsourcing, including HRO, ITO, F&A, procurement, telecom, and specific staffing industry expertise | All aspects of commercial and government sectors | Mid-market to large, including multinationals with international scope |
| EquaTerra | 150 | HR, IT, procurement, F&A, and customer relationship management | Utility and energy, manufacturing, pharmaceutical, consumer products, financial services, and public sector | Large |
| Everest Group | 75 | HRO, FAO, ITO, procurement, offshore, healthcare, and manufacturing | MDR, finance and insurance, energy, and healthcare | <i>Fortune</i> 1000 and/or clients with revenues greater than \$1 billion |
| Freedom Companies/PEO Brokers Group | 2 | HRO, compliance, and unemployment management | Work with a variety of industries | Size varies; 20 clients |
| Gartner | 475 general analysts | Research and consulting services for ITO, offshore resources, and BPO providing advice and project management support across the four stages of sourcing | IT and public sector | Broad range of client sizes; 10,000 clients |
| Mayer, Brown, Rowe & Maw LLP | 50 attorneys dedicated to outsourcing practice | ITO, BPO, and HRO—benefits administration, employee compensation, hiring and staffing, employee data management, payroll, counseling, travel and expenses, relocation, and all other similar employee functions | Clients from many industry sectors | Transactions range from routine out-tasking arrangements to global multi-billion dollar outsourcing deals, with clients of all sizes ranging from small to large companies |
| Michael F. Corbett & Associates, Ltd. | NA | Management education and research firm dedicated to advancing outsourcing as a powerful management discipline | NA | NA |
| Milbank, Tweed, Hadley & McCloy LLP | 43 | ITO, HRO, procurement, FAO, and general BPO | All industries (except government and non-profit) | Large - <i>Fortune</i> 1000 |
| Morgan, Lewis & Bockius LLP | 250 attorneys (Labor, Employment, and Benefits); 20 attorneys (Global Outsourcing Group) | Full range of outsourcing capabilities—ITO, BPO, HRO, FAO, and shared and managed services | Pharmaceuticals and life sciences, financial services, energy, manufacturing | Large (<i>Fortune</i> 500) to mid-market (<i>Russell</i> 2000) |
| neoIT | 50 (United States, India, and the Philippines) | ITO, HRO, FAO, call center, and BPO | Banking and financial services, insurance, healthcare, telecom, retail, utilities, oil and gas, logistics, and entertainment | Global 2000 |
| PA Consulting Group | 200 | HRO, FAO, and ITO | All industry sectors | Large clients—ranging from 20,000 to 120,000 employees |
| Pillsbury Winthrop Shaw Pittman LLP (Pillsbury Global Sourcing Practice Group) | 70 attorneys and 15 consultants, working full-time on sourcing engagements, plus an additional 15 part-time professionals | ITO and BPO—HR, F&A, procurement and logistics, supply chain, call center and various processing transactions (credit card, health and insurance claims, check processing, etc.) | Financial services, health and pharmaceutical, manufacturing, telecommunications, retail, energy and other utilities, travel and hospitality, and government | For ITO or BPO clients, small transactions have a total contract value (TCV) <\$100 million; mid-sized TCV is between \$100 million and \$700 million; and large TCV >\$700 million |
| Sonnenschein Nath & Rosenthal LLP | Total of 700 advisors; 100 for HR services | Legal services in connection with domestic, cross-border, and global procurement; ITO; and BPO contracts. | Represent service providers in HRO transactions, and customers in virtually every industry | Clients range in size—small, \$0 to \$250 million; mid-market, \$250 million to \$2 billion; and large cap, >\$2 billion |
| Technology & Business Integrators (TBI) | 15 | ITO and BPO | Cross industry | Large |
| TPI, Inc. | 290 | Strategy, assessments, change management, IT, HR, F&A, customer relationship management, procurement, sourcing management, and offshoring | Energy, financial services, healthcare, pharmaceuticals, manufacturing, media and entertainment, restaurants and retail, telecommunications, transportation, and travel and hospitality | Global 1000 organizations with annual revenues of \$2 billion or more |

Before undertaking any outsourcing deal, buyers should take the necessary steps to find out how the process works. Whether talking to advisors to better understand the market, hiring sourcing consultants for assistance in selecting a provider, or retaining legal counsel, potential clients are looking to work with the best of the best. We contacted the top HRO advisory firms to find out what makes them stand out in this ever growing field.

| Average Length of Time From Source to Close of Contract | Dedicated Research Facility | Publishing Products/ Web Portals | Tips for Clients Looking to Outsource |
|--|--|--|---|
| Involved at the RFP stage; generally 8 weeks to negotiate a contract for an average contract length of 5 years | No | Outsourcing LegalBytes, a monthly digest of outsourcing news, trends, and legal updates; periodic white papers; and the Global E-Law Alert | <ol style="list-style-type: none"> 1. Have your privacy house in order, or at least have a plan 2. SAS 70 has little specific meaning... so specify what you expect 3. All things must pass... so specify effective exit mechanisms 4. Build a good foundation of trust |
| No average | No | www.outsourcing-law.com | <ol style="list-style-type: none"> 1. Read Bierce and Kenerson's "Truth in Outsourcing" white paper 2. Understand what you are trying to optimize, this will avoid internal conflicts, delays, needless costs, and disappointments 3. Consider a smaller law firm that has demonstrated expertise |
| 3 months to one year, depending on various factors | No | Monthly column in <i>New York Law Journal</i> on computer law, which often includes outsourcing topics | <ol style="list-style-type: none"> 1. Keep your objectives front and center throughout the negotiation 2. Allow providers to bid their strengths by encouraging flexibility and creativity 3. Understand the provider's real commitment to the business |
| 2-5 months | EquaTerra Research | HRO Network | <ol style="list-style-type: none"> 1. Speak to a cross-section of companies with varying lengths of contracts that have walked the path you are considering 2. Consider using professionals familiar with the complexities involved in outsourcing (outside counsel, advisors, research, etc.) 3. Begin evaluating the skills, tools, and recommended processes to manage an outsourcing relationship |
| 5-7 months | Everest Research Institute (www.everestresearchinstitute.com) | www.outsourcing-center.com | <ol style="list-style-type: none"> 1. Focus on solution design (versus margin) 2. Build strong governance mechanisms 3. Change management is critical |
| 30 days | Partners with SHRM, NAPEQ, APA, and various others on research | Freedom Companies is published within U.S. Legal Forms Web site, www.freedom-companies.net/Forms.htm | <ol style="list-style-type: none"> 1. Ask for references 2. Clearly define needs and expectations 3. Service turnaround requirements |
| NA | Yes | Reports and white papers | NA |
| NA | No | Outsourcing Primer, "Outsourcing: Maximizing Value and Avoiding Pitfalls" | NA |
| NA | NA | Firmbuilder.com; seminars | NA |
| 6 months | Expansive library of transactions and industry research | Members of our group have published books and articles, and lecture regularly | <ol style="list-style-type: none"> 1. Use quality advisors 2. Spend time to achieve internal alignment 3. Budget appropriately |
| 6-9 months | No | www.morganlewis.com/go/outsourcing | <ol style="list-style-type: none"> 1. Ensure collaborative and consistent coordination among the customer business team (including consultants and counsel), and identify the key individuals from specific subject areas and the key internal stakeholders and sponsors early in the process. 2. Define and monitor compliance and scope, measure performance, establish financial case, and perform due diligence 3. Ensure a clear and supported RFP, evaluation, and negotiation process |
| 15 weeks | Global Knowledge group performs custom market intelligence for Global 2000 clients | www.theoffshore100.com, The Offshore Knowledge Center Web site, <i>The Offshore Nation</i> , and <i>The Services Globalization Handbook</i> | <ol style="list-style-type: none"> 1. Clearly define your outsourcing objectives and ensure that they align with your overall company objectives 2. Conduct a detailed portfolio assessment and use the results for a three to five year outsourcing roadmap 3. Ensure executive sponsorship and assign a team to lead the outsourcing effort |
| 6-9 months | No | Annual ITO survey; Publications— <i>The Offshoring Wave</i> , <i>Offshoring Staff and Support Functions</i> , <i>Integrated HR Outsourcing</i> , and <i>Creating Value from HR Outsourcing</i> | <ol style="list-style-type: none"> 1. Successful outsourcing requires you to transform the retained organization 2. An effective and capable service management organization is critical to managing the vendor relationship 3. Think of outsourcing as a long-term relationship premised on mutual benefit |
| 9-12 months; 1-2 months contract negotiation | Developed MOSAIC framework and VALUECHAIN method that facilitates interactions between customers and service providers at each stage of the sourcing process | No | <ol style="list-style-type: none"> 1. Identify your objectives and refine them throughout the sourcing process; ensure the scope and structure of your outsourcing relationship is aligned with your objectives 2. Identify and structure sourcing relationships that deliver value—not only cost savings, but other benefits 3. Develop a relationship between customer and provider based on trust, designed to produce performance by each party that is in the joint interests of the relationship |
| 4 months | No dedicated facility, but all advisors conduct extensive research | Publish Sonnenschein eAlerts, sent electronically to subscribers and available online (www.sonnenschein.com) | <ol style="list-style-type: none"> 1. Partnering—decide whether you are looking for a vendor or a partner, while partnering enables the parties to stretch the upside, procurement allows the customer to control the downside 2 Communicate—avoid any process that impedes dialog 3. Sustainable Delivery—beware the provider that assumes unlimited exposure to uncontrollable risk, that provider is mortgaging its future to win your business today, and may well be gone tomorrow |
| 3 months | No | www.tbicentral.com, white papers | <ol style="list-style-type: none"> 1. Utilize an independent third party 2. Secure significant buy-in from staff 3. Don't do half-measures |
| 4-6 months based on the scope and complexity | TPI Market Services | TPI Index, <i>Journal of Sourcing Leadership</i> , The Exchange newsletter, Sourcing Leadership Exchange Web site, and white papers and position papers | <ol style="list-style-type: none"> 1. Leverage objective, expert advisors 2. Take a holistic view 3. Post-transaction management is as important as a well-developed contract |