Mastering high-performance BPO

Keys to the Kingdom

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What does the journey to high-performance look like?

As the business process outsourcing (BPO) market matures, clients are expecting BPO outcomes beyond cost savings and meeting service level agreements. Next-generation BPO clients want their service partners to transform their back offices, to enable the client’s shifting business directions, and to deliver business outcomes that were not initially expected.
We call relationships that are achieving these exceptional results “high-performing” BPO relationships. Based on an Everest Group quantitative research study, our recent sample surveys, an extensive research review, and case study research on more than 20 client-provider relationships, we identified the best practices that distinguish high-performing BPO relationships from “typical” BPO relationships. These practices include seeking value beyond cost reduction, adopting a partnership-based approach, managing change during the transition and beyond, emphasizing the benefits of technology, managing the end-to-end process, contextualizing data through domain expertise and analytics, resolving conflicts fairly, and prioritizing and incenting innovation.

The practices describe the destination, but many clients ask, “What does the journey to high-performance look like?” In the cases we studied, best practices around establishing a relationship typically happened first. These practices include seeking value beyond cost, adopting a partnership attitude, managing the transition, and solving inevitable service issues together. After relationships stabilized—meaning that service levels are steady and good—best practices like end-to-end performance management, unleashing the power of analytics, and focusing on innovations that improve the client’s business outcomes, happened next in high-performing relationships. Some best practices are continually injected into a relationship, like deploying different technologies. And finally, one best practice—resolving conflicts fairly—will be invoked only if a circumstance severely affects the commercial interests of one of the parties. Most importantly, we found that many BPO relationships that are currently “high performing” struggled with performance initially, so it is never too late to consider best practices associated with high-performance.

To illustrate a typical journey to high-performance, we present the case findings from the EMC-Accenture relationship for finance and accounting services. Initially, as often happens, service performance was uneven during the transition, but as the VP of Global Business Services (GBS) said, “We understand that transitions can be bumpy [so] if a threshold isn’t achieved or an SLA isn’t met, we’re not accusatory—rather we seek to address the root cause issues which are often related to training, procedural documentation and/or communication gaps.” In about two years, performance became great—cost savings were delivered, service levels became green, and the client was highly satisfied. But the partners didn’t stop at great operational performance; they are seeking to adopt more high-performance practices like applying business analytics and more formally incenting innovation. The VP of GBS summarized the value of the BPO relationship as follows: “Our BPO partner has performed very well. Put simply—they execute. We have found that if we set the bar high, they do all that they can to jump over it. In addition to providing transactional services that exceed SLAs, they help us to think strategically about running our business.”

As this case illustrates, high-performing relationships are not problem-free. Rather, the lesson in the EMC case—and indeed all high-performers we’ve studied—is that the partners collaborate extremely well to resolve problems as they arise. To understand EMC’s journey to high-performance in BPO relationships, we begin with some background.
EMC Aims to Create Global Business Services

In the 20 years we have been studying global outsourcing, clients and providers have expressed some persistent challenges about the outsourcing industry. One of these challenges is: “How can clients and providers reinvigorate long-standing arrangements to reclaim high performance?”

EMC, a multinational company based in Hopkinton, Massachusetts, sells data storage products and services used to build web-based computing systems. EMC was founded in 1979 by Richard Egan, Roger Marino, and an unidentified third person (presumably with a last name that starts with a C). In 2011, EMC earned over $20 billion in revenues and almost $2 billion in profits.

The BPO story begins in 2008 when EMC decided to create a global shared services organization—since changed to Global Business Services (GBS)—and sought a BPO partner to help with that enormous transformation. At that time, EMC sought to further develop their service centers in Ireland, India, Egypt, and Brazil into Centers of Excellence. Initially, global shared services spanned 400 Full Time Equivalents (FTEs) across EMC, of which 100 were Accenture employees. By the end of 2012, GBS has grown to ~1,500 FTEs, of which about 300 are Accenture employees.

The initial contract between EMC and Accenture was signed in 2008 for a duration of seven years. The initial contract size, measured by Full Time Equivalents (FTEs), was about 140 people. The initial scope spanned five service areas; however, three became the focus of the initial transition efforts: Global Revenue Operations (GRO), Project Accounting Services (PAS) and Accounts Payable (AP). GRO services processed EMC sales orders and assure that those orders can be recorded as valid revenue. PAS comprises activities that support the EMC services organizations, e.g., project set up, budget updates, and invoicing. AP services included accounts payable, transaction processing, and travel and expense reporting. Accenture initially provided these services from their delivery center in Manila. Since the initial agreement, EMC and Accenture have continued to evolve the agreement and the corresponding scope of services (and locations) to align with EMC’s shared services vision and strategic imperatives.

Thus far, EMC has realized about 30% savings as a result of GBS and the BPO relationship with Accenture. Savings have been driven by labor arbitrage and 5% yearly productivity increases. The service levels are green. Beyond cost savings and operational excellence, Accenture helps enable EMC’s strategic outcomes, like quickly integrating acquired firms by leveraging GBS offerings. EMC’s Vice President (VP) of GBS explains, “We are very acquisitive as a company and having formal order-to-cash, procure-to-pay and record-to-report processes within GBS has absolutely helped us integrate companies into EMC more effectively. Accenture has an ability to respond to predicted volume increases that result from new acquisitions quickly. Acquisition integration plans often prioritize expense management controls. Accenture has helped us address this requirement with an ability to on-board supplemental resources upon request.”

Our research on the EMC-Accenture relationship identified ten practices that are driving great performance. These practices are:

Practice 1: Seek value beyond cost reduction
Practice 2: Adopt a partnership-based approach
Practice 3: Manage change during the transition and beyond
Practice 4: Solve issues together, do not assign blame
Practice 5: Resolve conflicts fairly
Practice 6: Treat provider employees as part of the team
Practice 7: Emphasize benefits of technology
Practice 8: Don’t settle for “green” service level performance
Practice 9: Put a value creation team in charge of analytics
Practice 10: Formally incent innovation

EMC enmeshed practices 1 and 2 into the fabric of their BPO relationship even before sending out an RFP. Once they engaged the BPO provider, EMC and Accenture implemented practices 3 through 7 during the transition and stabilization periods. As the relationship matures, the partners have launched practices 8 through 10.
Key practices
Practice 1: Seek value beyond cost reduction

The Everest Group’s BPO survey found that best-in-class BPO relationships consider cost benefits to be table-stakes and instead focus on achieving more strategic benefits like getting products on store shelves faster, speeding product testing, increasing customer satisfaction, or resolving customer issues better and faster. Clients include these business benefits in the business case, setting the tone for attracting the right provider.

In 2008, EMC was not looking for a BPO vendor to merely reduce costs, but rather for a partner that could help them realize the global shared services vision quicker. According to the VP of GBS, “First and foremost, we wanted a partner who could get us there faster. We had yet to establish as fully as we have now our own Centers of Excellence based in low cost regions outside of US [in India, Egypt, and Ireland] at that time. To achieve benefits quickly, establishing an outsourcing arrangement was a strategy that just got us there quicker.”

EMC sent out a Request for Proposal and received responses from several global and Indian-based providers. After analysing the responses and interviewing the short-list, EMC selected Accenture. Accenture was the best fit for EMC’s top three objectives. The VP of GBS explains, “Having an ability to execute was probably the number one decision factor, and then having a good working relationship with the company was probably number two. Number three was cost, both initial and over the long-term life of the agreement.”

In addition to meeting the selection criteria, EMC trusted that Accenture would be a collaborative partner based on prior successful relationships in the information technology (IT) and consulting spaces. For example, Accenture had previously helped EMC implement a global enterprise architecture that yielded great business results like reducing product design changes from 25 to 10 days and getting a new part created in minutes instead of three days.
Practice 2: Adopt a partnership-based approach

All research sources identified compellingly the importance of the “partnership view”, in which a client regards the provider as a strategic partner rather than as an opportunistic vendor, as a distinguishing contributor to high-performance.

From our comprehensive review of all academic research findings, the partnership view was one of the most important relationship governance factors that determined BPO outcomes. From the Everest survey, 85% of the client respondents from high-performing BPO relationships consider the service provider to be a strategic partner compared to 41% of the client respondents from typical BPO relationships. Our interviews with client and provider teams revealed how the partnership view works in practice. In high-performing BPO relationships, the client executives deeply hold and proselytise for the partnership view.

The EMC executives in charge of the BPO relationship indeed view Accenture as their strategic partner. The VP of GBS describes the relationship thusly: “Accenture is a key partner for EMC on both the go to market side as well as on the service side….our partner is helping us to be a higher performing organization.” According to Accenture’s Outsourcing Account Delivery Manager (OADM), the partnership view is very evident: “The agreement may say that we are a BPO provider, but there really is a sense of partnership and collaboration throughout the entire organization. Accenture is part of the GBS fabric; this includes ongoing collaboration and transparency across the organization from both a tactical and strategic perspective.”

The partnership view manifests itself in partnership behaviors—such as solving issues together and resolving conflicts fairly—that result in high BPO performance from both client and provider perspectives.
Practice 3: Manage change during the transition and beyond

The Everest Group’s BPO survey found that best-in-class performers drive strong transformational and change management capability. Our case research confirms that high-performing BPO clients communicate clearly and frequently to their business users, recruit the client’s best people for transition and project teams, and react quickly as issues emerge.

At EMC, the scale of moving to global business services involved several transitions, and the partners quickly learned from early mistakes. One challenge early in the EMC-Accenture relationship was alignment on service performance reporting. The partners worked together to lock down reporting protocols, put reporting structures in place, and posted reports on a regular schedule and in a format that made sense to EMC’s managers. Subsequent transitions went much smoother: “In the first phase, it took a really long time to get baselines. In subsequent phases we piggybacked on what we already had and used that as a proxy to accelerate the overall cycle,” said the VP of GBS. She now commends Accenture’s change management capability, “We’ve now done two other large scale transitions with Accenture since the inception of our partnership. I would say that we have learned along the way and now not only follow Accenture’s formal methodology and approach to the onboarding of work but truly leverage the defined gates for pass/stop evaluations throughout. We have found that Accenture’s level of documentation is good and their knowledge transfer approach of on-site training followed by reverse knowledge transfer really works.”
Practice 4: Solve issues together, do not assign blame

An issue is a circumstance which interrupts performance, and can include service lapses, project delays, or difficult people. Issues are common and occur in any service, regardless of sourcing option. In high-performing BPO relationships, partners seek to resolve issues together, not to assign blame.

This behavior is certainly evident at EMC. The OADM explains, “The relationship we have with EMC is one of ‘being in the trenches’ together. If there is an issue or concern, everyone knows we won’t run from it, but will instead roll up our sleeves and address it together.”

The start-up issues at the Chinese service center provide strong evidence of the collaborative approach to solving issues. During the initial transition, multiple upstream challenges were encountered that eventually led to a downstream uptick in attrition (the staff turnover rate was extremely high and unanticipated), resulting in below-target initial performance and an extended stabilization period. The OADM explains the collaborative view of the issues the joint team faced, “The root cause of the challenges was shared across the organization - it just wasn’t Accenture, or GBS, or GBS’ customers, it was elements of all three.” EMC and Accenture worked together to solve each issue. To ease the pain of high turnover resulting from upstream knowledge transfer processes, for example, the partners worked together to redesign the entire process, including an increased focus on redesigned language specific training materials. As the partners worked through issues, the service delivery center became stable and service level measures went green.
Practice 5: Resolve Conflicts Fairly

We define a conflict as any circumstance that severely and adversely affects the commercial interests of one of the parties. Pricing and scope of services are two common sources of conflict. Across all our case studies, we found three common approaches to resolving conflicts: aggressive, balanced, and collaborative.

Aggressive conflict resolution approaches are characterized by a party’s aggressive defence of their own commercial interests, without consideration of the effect on the other party’s commercial interests. This approach leads to weakened or even severed relationships. Balanced conflict resolution approaches are characterized by partners who seek to balance out wins and losses over the life of the BPO relationship. Collaborative conflict resolution approaches are characterized by close partnerships through which parties listen to the commercial and political implications of each side, seek the win-win on each issue, and then present a united front to sell the resolution to their perspective organizations. The most common outcome is that conflicts are resolved with the partnership strengthened.

During the early years of the EMC-Accenture contract, an adverse commercial situation became evident when the parties realized that the shared services business case wasn’t delivering expected savings. Part of the underlying issue was the initial ‘deal shape’ with Accenture. To address the situation, EMC and Accenture reopened the agreement and revised key elements to mitigate the situation in a manner that left both parties comfortable.

The initial contract was priced using different rate cards for different types and complexities of work. After the initial transition and stabilization period it was determined that EMC’s business case was not being met in part due to the rate card pricing/staffing mechanism. Considering this, EMC asked to renegotiate the pricing mechanism. Accenture agreed to a flat rate card in exchange for a longer contract and an increased scope of work. The resulting structure enabled EMC to deliver the targeted business case, while Accenture was able to keep its commercial interests intact. Accenture’s OADM explains, “When the contract was reopened, it was a challenging situation however, both parties felt we landed on a revised agreement that met our mutual interests and ultimately strengthened the relationship.”
Practice 6: Treat provider employees as part of the team

In the context of BPO, clients from high-performing BPO relationships view and treat the provider as part of their team, compared to clients from troubled BPO relationships that view and treat the provider more as a vendor.

Clients from high-performing relationships more frequently integrate the provider meaningfully into the client’s organization, invite providers to key meetings, include the provider in end-to-end process performance (not just SLA management), and are more transparent about their business objectives. They also treat the provider’s remotely located staff as part of the global delivery team by collaborating virtually and physically with them. Effective client leaders visit remotely located provider staff once or twice a year even after the relationship has stabilized.

At EMC, about 50 EMC managers and retained team members have visited Accenture’s delivery centers in the Philippines and China. Accenture’s remotely located employees are clearly viewed and treated as part of the GBS team. The VP of GBS, “We don’t treat them like a vendor. They are extensions of our team. We know the names of their staff. We treat them like they are ours. I think that’s been great.” Accenture’s OADM corroborates that EMC views his staff as part of GBS: “There is a true sense of what we call ‘One EMC’. So, our teams are viewed as their teams. The people who are in charge operationally from the retained EMC perspective on a day-to-day basis, they truly believe the team in the Philippines and China are part of their staff. It is not a ‘you are my service provider, I will keep pushing you until I get what I want.’ There is a true sense of caring for the individuals as well as this shared sense of what it takes to get the job done.” The only downside to this close teaming is that it can restrict a service provider’s ability to transfer human resources.

As a consequence of being treated as part of the GBS team, Accenture’s remotely located employees have demonstrated their strong commitment to EMC. For example, early on in the relationship when a severe typhoon hit the Philippines, most people in metro Manila could not get to work, but the majority of Accenture’s EMC support team still showed up and supported a successful end of quarter cycle. The perception of “One EMC” was further strengthened as the OADM explains: “There is a sense of ‘do whatever you have to do to get the job done’. The teams in our centers have demonstrated that they are willing to do that. When the typhoon hit a couple of years ago, there was zero impact on EMC business and that was at the end of the quarter. There is a tremendous amount of respect of what our teams will do to keep the business running. That mentality is a shared mentality with the onshore team, and it’s gone a very long way to extend that feeling of One EMC.”
Practice 7: Emphasize benefits of technology

The Everest Group’s BPO survey found that best-in-class BPO relationships leverage technology for business outcomes. Across our case studies, we found clients commending their BPO provider’s deployment of technology to enable lower costs, better service, and tighter controls. Common technologies included self-service portals, automation, business analytics tools, forecasting tools, workflow tools, cloud-computing, and governance tools. Tools are implemented throughout the life of a BPO relationship.

Technology is clearly an important enabler of operational success for the EMC-Accenture relationship. The contract requires that Accenture will keep (Accenture-provided) technology current within one version of Accenture’s most recent technology release. Accenture’s OADM provides an example: “Within accounts payable we have a workflow tool that is continuing to evolve. Since Go Live, there have been point releases. Now there is a new major release that is coming up. When we take advantage of that major release, we will be able to streamline EMC’s receipt of their vendor invoices, which will reduce and possibly eliminate the current physical scanning dependency. Quite rapidly, we can deliver an in-year business case.”

The team estimates this will reduce their annual scanning related charges by six figures, and during the life of the contract could drive a cost-to-serve reduction in excess of $1M. According to the VP of GBS, “Accenture has a great dashboard that we can access “live” to view performance against our SLAs for the current quarter and over time. From running a business within a business perspective, that level of automation and transparency is great. The workflow tool is sound and has been very helpful to us particularly on the procure-to-pay side.”

Additionally, Accenture continues to identify opportunities and take steps to deploy complementary toolsets to drive increased value (e.g. efficiencies, controls, etc) within the environment. Accenture’s OADM notes, “as part of our value creation agenda, we continually review our portfolio of enabling technology assets, (for example our Planning and Control tool) to determine applicability within the EMC environment. If we believe there’s a compelling fit, we work closely with our EMC peers to confirm our thinking and evaluate how best to move forward.”
Practice 8: Don’t settle for “green” service level performance

In our case study research, we found that excellence in service level delivery is a characteristic of high-performing BPO relationships. But partners in relationships that sustain high performance over the long-term do not stop there; “Green” indicators on service level performance reports are not the end-game.

In high-performing BPO relationships, the provider doesn’t just care that its services levels are “green”, but that it is driving the right behaviors that matter most to business clients. They constantly ask, “What’s next?”

On the EMC-Accenture deal, there are about 100 service areas measured and reported upon each month. About 14 critical process indicators (CPIs) are tied to potential credits if service level agreements are missed, but client and provider participants affirmed that service levels are very high. In some instances, EMC no longer feels the need to randomly check certain services.

Overall, the client describes the performance as outstanding: “The performance from each service area team has been high. For the past couple of years, performance from our Manila-based staff has been north of 99 percent with rare exception.” The OADM adds, “Our SLAs are consistently green. From the CPI perspective, in the last year, we missed either four or five out of about 170; performance is now literally an afterthought. It starts to open up a different dialog with the customer of: What’s next? What else can we provide? What other additional value can we bring back to EMC now because the performance is so high?”
Practice 9: Put a Value Creation Team in charge of analytics

The Everest Group’s BPO survey found that best-in-class BPO relationships leverage the combined process and industry expertise of the service provider. In high-performing relationships we studied, the provider applies their domain expertise to launch rigorous analytics processes that measure the right key process indicators, deploy tools and techniques to measure and report on KPIs and deploy algorithms, models, and sophisticated statistics to identify weaknesses and opportunities. Then, the partners redesign processes to deliver measurable business outcomes.

In many BPO relationships, business analytics ambitions get stalled because operational people are too busy with daily activities. The real push for analytics typically happens after the relationship stabilizes. By first quarter of 2012, EMC and Accenture were ready to turn their attention to analytics. At that time, the client said, “What we are looking for now, and where I think Accenture has a broad perspective given their extensive customer base, is in the spend analytics space. They have a fair amount of knowledge of our AP/T&E payment processes and data. As such, they are well positioned to offer a perspective on areas where we can improve cycle times, and discount achievement metrics with changes to process, policy and/or technology settings/enhancements. I would be very open to their suggestions.”

Accenture responded in 2012 by helping EMC build a business analytics capability to evolve their focus from day-to-day operational performance toward business outcomes. Accenture unleashed the power of analytics by establishing a Value Creation Team devoted to using analytics to improve the client’s business performance. Importantly, the Value Creation Team is separate from the operations staff to promote a “healthy tension” between the groups. Even more importantly, EMC and Accenture have wrapped a joint governance structure around the Value Creation Team. The OADM explains the importance of joint governance, “A Value Creation Team cannot be a provider working in a box. The client has to jointly govern them so that we prioritize opportunities, choose which ones to deploy, and sign off on the business value to be delivered.”

Additionally, Accenture is investing in an underlying technology to improve access and visibility of the key indicators of business performance. This combination of people, process and technology focused on driving outcomes is changing the conversation at senior levels within the relationship. According to Accenture’s OADM, “Instead of talking only about service levels, we now talk about key business outcomes and what additional value we can bring to the table; our teams are focused on elevating their games in this area. We’ve infused that mindset across our locations and are gaining momentum in this space.”
Practice 10: Formally incent innovation

Many BPO relationships are still priced based on resource inputs, such as pricing per Full Time Equivalent (FTE). Clients like the simplicity and predictability of FTE pricing, but they also realize that input-based pricing discourages the provider from implementing innovations that would reduce the number of FTEs because the provider’s revenues would decrease.

Across our case studies, we assessed how clients incent BPO providers to focus on innovations. Many BPO clients necessitate innovation by mandating productivity improvement requirements in the contract that require the BPO provider to improve the client’s productivity, most typically by four to five percent per year. Both clients and providers in our study also identified innovation days and gainsharing at the project level as the most effective incentives for innovation. The threat of competition (according to providers) and special governance for innovation (according to clients) were also reported to incent innovation effectively.

Initially, the EMC-Accenture contract did not have specific innovation clauses like required productivity improvement clauses. The main driver of innovation came from Accenture’s desire to please the client and to grow the relationship by continuing to add value to EMC. The QADM explained: “In our FTE-based deal shape, EMC receives the benefit of productivity gains as our teams are able to ‘do more with less’. This means that as EMC’s volumes increase as a result of business growth our headcount grows at a slower pace based on efficiencies the centers have delivered.” As the GBS organization communicates ‘value delivered’ back to key EMC stakeholders, these efficiencies are then part of the overall story.

However, when EMC and Accenture expanded the scope of the agreement in 2012 to include India-based services, the partners did move beyond ‘good faith’ efforts to formalize a mandatory productivity improvement clause. EMC requested the clause and Accenture obliged willingly because they were already delivering annual productivity savings. After a transition period, Accenture is now contractually obligated to deliver a double digit productivity improvement over a four-year period. The bigger lesson, again, for other clients, is that it is never too late to implement practices that lead to high-performance.
Conclusion

BPO is a people business, and the aforementioned best practices only happen because of strong client and provider leadership. Leaders establish strategic direction, align incentives, motivate and inspire people, and deliver dramatic change. Leaders are clearly different from “managers” who merely plan, budget, staff, and control.

Across our high-performing BPO case studies, we found a pair of extraordinary people leading the relationship—one leader from the client organization and a counterpart from the provider organization. The leaders are both strong as individuals; both leaders are experienced, capable, and have high levels of credibility, clout, and power within their own organizations. Effective leadership pairs enjoy working together, which some research participants described as “chemistry”.

The individual leaders at EMC and Accenture are both experienced and respected leaders. The VP of GBS is a long-time EMC employee. She previously bought IT services from Accenture where she orchestrated the IT services among business units, the IT function and Accenture. She was promoted into the position of VP of GBS from IT based on her performance record and the value of her long-standing relationships with EMC customers. Accenture’s OADM had previously done consulting work for EMC, so he understood EMC’s unique business needs, such as the importance of EMC’s end of quarter and the business processes that are critical for success. In addition to being strong as individuals, the VP of GBS and Accenture’s OADM value and respect one another. The VP of EMC said of Accenture’s OADM, “Our Accenture account manager sits on my staff, he goes to my staff meetings, he goes to my off-sites, he contributes to our strategic plan, he is a very valuable member of my team.” Accenture’s OADM also speaks highly of the VP of GBS. He also further asserts that there are close relationships among all the leaders up and down the chain of command. He said: “The relationship between EMC and Accenture is an important one, across several dimensions—for example as customers of each other, as partner in the marketplace, etc. This importance is reflected in the strong relationships we have in the BPO program and throughout the account. For the BPO program this includes the Vice President of GBS and her leadership team, and extends upwards through the shared services governance model. Across this spectrum, we strive to increase the strategic relevance of our services and grow the relationships across multiple dimensions inside and outside the four walls of the two companies.”

The EMC/Accenture BPO relationship is following a path to high performance that is typical among our cases. The partners have deployed best practices over time, with the most advanced practices like Value Creation Teams to drive analytics coming later once initial objectives have been met and the service is well established. So what practices might be next? Client participants across our research have increasingly told us that the next best practice they want to see is the provider sharing metrics and practices across all their clients. The idea would be that the provider reports the client’s KPI as well as the anonymized KPIs across all the provider’s accounts, and in cases where a KPI is below best-of-breed, the client and provider would jointly develop an innovation project to improve the client’s KPI. We see evidence that this “raising the bar” phenomenon is already happening at selected high-performing relationships.
About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 261,000 people serving clients in more than 120 countries. 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 high-performance businesses and governments. The company generated net revenues of US$27.9 billion for the fiscal year ended Aug. 31, 2012. Its home page is www.accenture.com.

References

1 The BPO survey was conducted by The Everest Group with support from Accenture in late 2011 and is reported in Accenture (2012) Achieving High Performance in BPO, Accenture, London. The survey identified 20 percent of respondents as “best-in-class” scoring strongly on at least three must-have attributes, and in the top quartile on seven additional attributes. A further 20 percent were potential “best-in-class” performers meeting one or other of these two criteria; 60 percent were “normal” BPO performers meeting neither criteria. Note that “normal” here covers a wide spectrum of performance from normal to poor. The research found that levels of performance were independent of industry, geography, size of deal, tenure of BPO relationship and business function outsourced. “Best-in-class” performance was twice as frequent when two functions were outsourced as a bundle (as opposed to one function or three or more functions).

2 We conducted interviews with BPO clients and providers from October 2011 to August 2012. The interviews were typically 45-60 minutes in length and used a pre-designed questionnaire aimed at eliciting performance outcomes and effective and unsuccessful practices. The sample was drawn from across sectors and countries, with outsourcing deals ranging in size from small to very large. Nearly 50% could be identified as high-performers.


5 Lacity et al. (2011) op. cit.