

Ranking The Top Enterprise HRO Providers

WHO DO YOU GO TO WHEN YOU NEED A STRAIGHT-UP OPINION ABOUT WHO ARE THE TOP ENTERPRISE PROVIDERS? HINT: THE CUSTOMER IS ALWAYS RIGHT. BY HRO TODAY STAFF

One of the most important decisions any HR leader has to make in his or her organization's transformation effort is who will serve as its partner through this journey? Selecting an enterprise HRO provider is never easy; it takes thorough due diligence, months if not years of vetting, and sometimes faith in the vendor to deliver the goods.

In *HRO Today's* first ranking of enterprise HRO providers—a select group that has proven its capabilities through a number of global signings over the years—we set out to determine who has the best customer service in the business and the deepest playbook. In past years, we simply listed these providers but stayed away from what seemed to be a very arbitrary exercise on our part to rank them.

Despite the maturity of the enterprise market, many buyers remain unsure about who is a good fit for their culture, and they still look to peers for recommendations and best practices. That got us thinking: Why not ask the buyers themselves? Who knows better than the pioneers who blazed the first trail?

The indices used to rank the providers are the result of a multi-step process. The editorial staff of *HRO Today* identified 13 service providers to be surveyed, and they were asked to solicit their customers to participate in the survey. In addition, utilizing our own database, we identified additional buyers to take part in the survey, as well as solicited

members of the HR BPO Buyers Group and the HROA. Respondents were asked about services provided, scope and scale of services, and the quality and level of satisfaction with providers.

Buyers provided their e-mail addresses for verification, but their responses have been kept in strictest confidence. The information contained in the surveys was loaded into the *HRO Today* database and analyzed to determine scores for each provider for whom we had a statistically significant sample. For this survey, we received sufficient information to index the providers based on feedback from 72 verified customers. The individual rankings were determined based on point assignments and weighting of questions and a predetermined algorithm that calculates the overall score based on breadth of service, size of programs offered, and quality of services.

This algorithm varies by HR outsourcing line of business but produces an overall index for each. The rankings and the weighting are determined statistically, and all the feedback is from customers. The ratings system is brought to you by *HRO Today* but results are not influenced by our opinion. We only provide a methodology and do not claim that it is the only ratings program available.

When the final numbers were tallied, we discovered only 10 vendors could provide enough statistically significant data to be

ranked. Three of the original 13 vendors—Wipro, TCS, and Infosys—were excluded as a result. This may be because these relative newcomers are just now getting a foothold in the marketplace and lack the track records that more established providers boast.

What the numbers also revealed is that buyers overall are satisfied with their outsourcing service provider, regardless of which one. Among the top 10, scores were within hairs of each other. This confirms several perceptions about the marketplace. All of the enterprise HRO providers are competently resourced, and in terms of quality of service, they are closely matched. In fact, a glance at the quality ranking showed that only four percentage points separated first-place Accenture from 10th-place ADP.

In the end, however, Accenture received the highest marks from its customers, placing first in the quality and size of program categories. IBM, fresh off its win of Bristol-Myers Squibb, placed at the top in the category of breadth of service.

Even if you're not shopping for a provider, we hope our survey can offer up some insights into how customers feel about the current crop of vendors. Remember, each vendor has demonstrated proven competency in service delivery, so it might just come down to pricing and cultural fit. As always, we are invite your thoughts. Enjoy the reading.

TOP ENTERPRISE HRO PROVIDERS

OVERALL RANKINGS

	BREADTH OF SERVICE	SIZE OF PROGRAMS	QUALITY OF SERVICE	OVERALL INDEX
ACCENTURE	71.05	9.95	81.89	302.70
EXCELLERATE HRO	68.85	9.58	80.54	295.76
NORTHGATE	67.55	9.92	81.39	295.67
IBM	71.11	9.94	78.23	295.11
FIDELITY	67.75	9.39	80.99	294.64
ACS	68.39	9.90	79.56	293.24
CONVERGYS	69.72	9.72	78.00	292.04
HEWITT ASSOCIATES	66.67	9.89	78.91	288.94
CERIDIAN	64.89	8.91	78.80	284.70
ADP	62.72	8.64	77.54	278.10

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Rank Company

URL

1 ACCENTUREwww.accenture.com

Accenture is a global management consulting, technology services, and outsourcing company. Offering broad capabilities across all industries and business functions, it employs 178,000 in 49 countries. The company generated net revenues of \$19.7 billion for the fiscal year ended Aug. 31, 2007. Accenture serves global enterprises, as well as a growing list of mid-market HR organizations through its Accenture BPO Services, Solutions for the Middle Market. It is one of only two HRO service providers that has won a contract worth \$1 billion, having secured Unilever as a customer in 2006.

Key Clients in 2007: BT, Best Buy, Caja Madrid, Kimberly Clark, O2, Sandvik, Telecom Italia, Thomas Cook, Unilever, and Victorian State Government.

Outsourced Services Provided:

- Talent Management Services
 - Recruitment
 - Performance and Progression
 - Learning
 - Compensation
- Employee Services
 - Employee Life Cycle Management
 - Benefits
 - Payroll
- Efficiency-Enablement Services
 - Vendor and Supplier Management
 - Multichannel Customer Service
 - Service Wrapper (Operations and Service Management, Account Management, Application/Infrastructure Management)
- Strategic Alignment Services
 - Business Interlock Services
 - Information Management Services (Reporting and Analytics)

Regions Served: Global.

Most Important Metrics: Increased visibility and control of total HR cost; improved workforce performance and productivity; improved customer satisfaction; and enhanced business performance. **HRO**

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