

Outsourcing

The Campbell chronicles: an exclusive interview by Phil Fersht



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This article originally appeared in June 2009 on Phil Fersht's *Horses for Sources*, official LinkedIn Group. To see Phil's blog, go to www.fersht.typepad.com

Phil: We've been through a tremendous development in the world of both ITO and BPO over the last decade. What, in your opinion, has worked, and what hasn't?

Kevin: No matter how far this industry evolves, the common denominator for success is a business case that works for the customer: a good business case backed by a solid solution that delivers. And each deal has to be good for both the provider and customer, so if you are an outsourcing buyer and the price seems too good to be true, you will likely live to regret it. Providers need to be disciplined in bidding and know when to walk away from an opportunity. Often times, service providers are known more by the deals they walk away from than the ones they do. "Getting better"

over time is also critical. The customer has to be a wise buyer of outsourcing services and the provider needs to become more productive during the life of the deal. Lastly, something I don't see enough of is the focus on defect-free delivery. ITO and BPO both run most efficiently and effectively when they are free of operational errors and defects. And providers must not forget to eliminate any variation in the quality of their services nor lose sight of the impact it has on their client's business as while SLAs might be green, the client won't be happy.

Phil: We're clearly at an inflection point in the industry as the fog lifts from this Great Recession. Do you see companies approaching outsourcing any differently? And which areas of outsourcing do you see developing in the near/long term?

Kevin: Today's economic environment presents a great opportunity for outsourcing to accelerate in the marketplace. Outsourcing is fueled by change and one thing companies can't do today is just stand still; they need to adapt and do things differently. And I'm not talking about incremental change—it is big, fundamental change, both from a business model perspective and the use of emerging technologies such as cloud computing and Software-as-a-Service (SaaS). Particular industries which will likely embrace such change include banking, insurance, healthcare and most of the direct-to-consumer businesses like retail and telecom. And the whole mindset toward outsourcing will evolve as the challenge that comes with the

word "Outsourcing" is the prefix "out". In the future, we'll see companies creating new capabilities or new markets and they will just make sourcing decisions based on which provider can deliver the relevant services and it won't be considered as sending something "out".

Phil: What is your definition of innovation within outsourcing and are we really seeing it in today's engagements?

Kevin: Innovation is doing something that stretches the boundaries of what has been done before or does it in a much less-costly way. For example, it could be a simple application of technology to a people-oriented solution. It might be collecting data and presenting it in a meaningful way so people can act, or it could be identifying a way to drive cost out of a business process or using BPO in a new functional area.



Kevin Campbell is responsible for the Accenture \$9.27 billion outsourcing business, which provides application, infrastructure, business process and bundled services to more than 650 clients globally. He leads a team of more than 85,000 professionals charged with developing and delivering differentiated, innovative and operationally excellent services to clients seeking outsourcing solutions to help them achieve high performance. Accenture's outsourcing business provides cross-industry and industry-specific services delivered leveraging our global delivery network of more than 50 centers.



Phil Fersht is an acknowledged and well-recognized industry analyst, practitioner and advisor across Business Process Outsourcing (BPO) and IT services worldwide. He currently serves as Research Director for leading analyst firm, AMR Research, where he studies business process and IT outsourcing issues for the company's buy-side clients. You can visit his blog "Horses for Sources" at www.fersht.typepad.com for all issues outsourcing, offshoring, shared services and globalization.

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