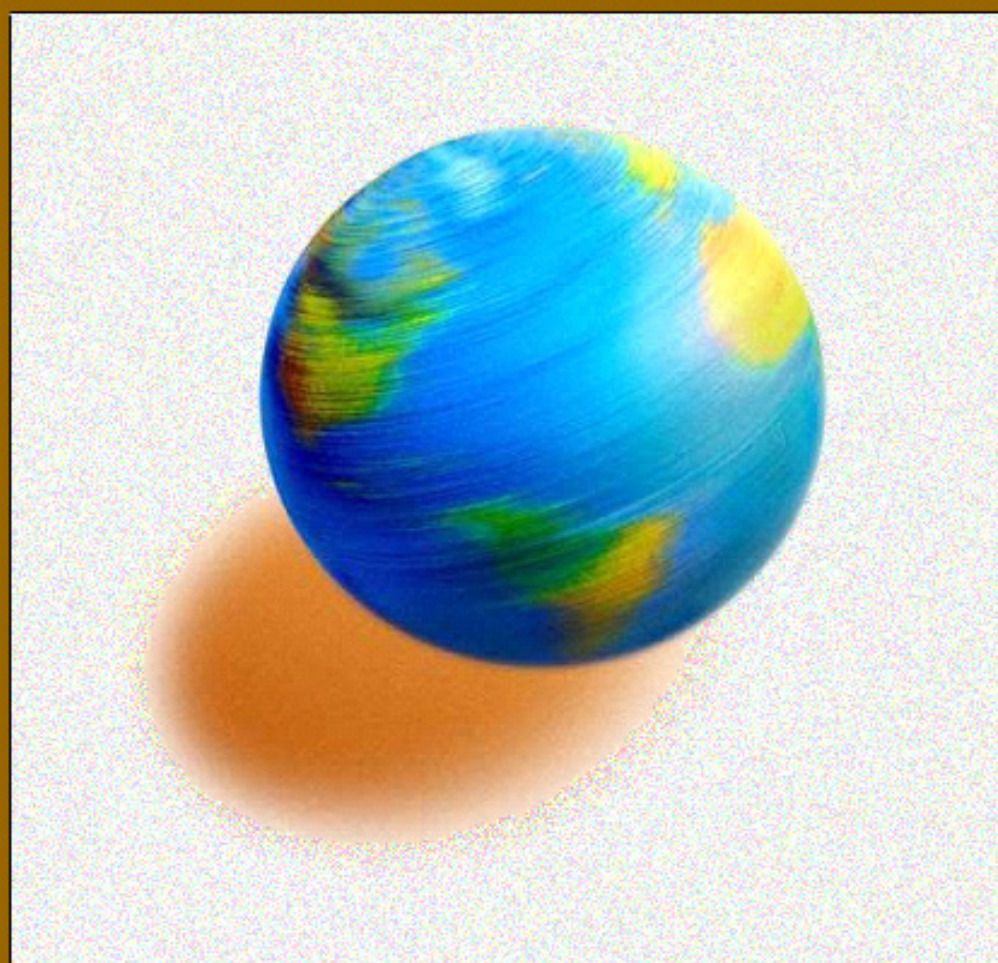


# The Black Book of Outsourcing

[www.TheBlackBookOfOutsourcing.com](http://www.TheBlackBookOfOutsourcing.com)

**Brown-Wilson Group, Inc.**

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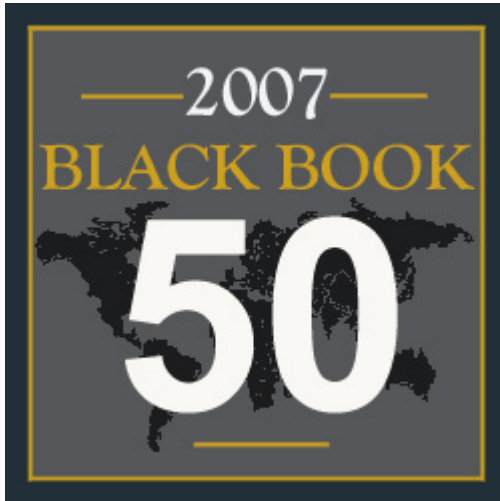


## STATE OF THE OUTSOURCING INDUSTRY

2007 Survey Results of Service Provider Buyers, Users & Analysts



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Brown-Wilson Group, through The Black Book of Outsourcing, maintains the business perspective that because the outsourcing marketplace is so complex and dynamic, the outsourcing industry is looking for the most valid and premium knowledge. BWG's answer to that need has been to provide continuous supplier data and research that helps buyer executives throughout their process-improvement lifecycle, investors in their due diligence processes, and vendors with a measurement standard set to improve customer services. This report has been developed for the global outsourcing industry with the single purpose to ensure the growth and success of initiatives by clients, users, prospective clients, analysts, venture capitalists and investors, media outlets and press, competitive vendors, subcontractors, service suppliers, supporters and advisors in the evolving outsourcing continuum.

BWG's Investment Philosophy: As a privately held company, Brown-Wilson Group believes that our customers are our primary constituency. A large percentage of every revenue dollar is reinvested back into our independent survey instruments and programs, including additional auditors and analysts, more industry coverage, and extensive unbiased research. Our steady growth over the past 6 years reflects our commitment to investing in our customers and the satisfaction process in the global outsourcing and offshoring industry exclusively.

# FOREWARD

**The Black Book of Outsourcing/Brown-Wilson Group annual study is recognized as the only industry standard for customer satisfaction in the global services industry.**

Because so many outsourcing contracts and relationships fail each year, it would appear as if contract breakdowns are an accurate reflection of the success rate of global services implementations. In an effort to separate unmet expectations and disappointing delivery quality from the inability to achieve cost savings, The Black Book 50 survey was developed in 2004 and widely accepted as the single industry measure of unbiased client satisfaction.

During Q1-Q2 2007, Brown-Wilson Group in coordination with its research effort, *THE BLACK BOOK OF OUTSOURCING*, conducted a web survey of over 117,000 invited outsourcing governance officers including CEOs, CFOs, Procurement and Purchasing Officers, CIOs, Human Resources Directors, Strategic Consultants, User Management and buyer decision makers. The focus of the survey is to draw out the outsourcing user experience concerning service providers globally.

## **Over 20,000 Outsourcing User Respondents**

The survey yielded over 22,070 responses, of which external auditors validated 18,272 ballots, roughly a 18.5% certified response rate. Compared with an average survey response rate of ten to fifteen percent, the *Black Book* survey response rate implies a high degree of confidence in the study results. Vendors have no choice to participate or opt out of the process and vendors are not included unless a client corroborates the relationship and project/initiative.

Survey invitations are issued annually by both USPS Mail and email to include the top "C" level officers of the Fortune 2000 and Inc. 500 corporations, as well as the institutional memberships of several industry and professional organizations, and the subscribers of specific media outlets and attendees to several industry events that Brown-Wilson Group and/or *The Black Book of Outsourcing* does not sponsor or affiliate. Many ballots are also received from global outsourcing customers who learned of the survey process by word-of-mouth, blogs, vendor directives, industry newsletters, advisors and related informal channels.

The annual *Black Book's* annual Top 50 Best Managed Global Outsourcing Vendor rankings demonstrate true client experience and identify, via scoring, the fifty best managed global outsourcing vendors as determined by service purchasers. The survey, in its fourth year, is known for its process objectivity, and is performed without the bias of application fees, judging panels, organizational support charges, sponsorship requirements, paid advertising, and vendor partiality.

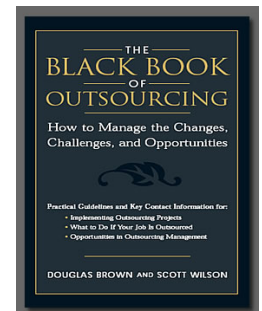
The independent nature of the survey garners the high number of participants, of which over 5,000 outsourcing client users have consistently participated since the inaugural appraisal. Until *The Black Book of Outsourcing* survey process was initiated, there were no industry standards for measuring customer satisfaction in the global services industry.

## **Improvements in 2007 Process**

Previously, some outsourcing vendors invested in annual pulse surveys to assess the voice of the customer in order to identify areas of dissatisfaction, an early warning system to suggest potential relationship problems. The comparative *Black Book* rankings added the unique ability for buyers to also use the same satisfaction data in comparing potential partners.

The *Black Book* survey also aims to help both customer and provider deal with the root cause of relationship issues through standard industry satisfaction measures, allowing the parties to isolate quantitative from qualitative aspects of delivery and more easily resolve problems.

In sum, the aggregate customer satisfaction measurement is critical to gauge the entire effectiveness of global services outsourcing implementation and execution. Based on concrete evidence provided through *The Black Book of Outsourcing*, the ability to measure whether outsourcing services clients are truly satisfied or unsatisfied will help serve our goal to keep advancing the industry.



## 2007: THE STATE OF THE EVOLVING OUTSOURCING INDUSTRY

Since the 1980's outsourcing has come in and out of vogue. Public sector agencies and corporations of all sizes and across all industries consider outsourcing as they continue to struggle and strive to maintain core enterprise competencies that support their business while minimizing the required investment in time, resources, capital and expertise.

In 2007, outsourcing is still commonly implemented in a cafeteria style. Organizations most often choose to outsource just certain aspects of their enterprise. Human resources recruitment, facilities and building services management, application hosting, IT network management and payroll are all elements of enterprises that are commonly outsourced today... in what some term multi-sourcing. Such as with information technology, some clients choose to multi-source which can include keeping some applications/infrastructure in-house and using one or more outsourcers to manage the remainder of their technology enterprise. 2007 is witnessing the progression away from multi-sourcing with scores of suppliers to focusing on fewer service providers to minimize sourcing points of contact. The portfolio management concept of outsourcing by lead suppliers is a valued solution to the veteran outsourcing client.

If the first generation of outsourcing was based on cheap labor and cost savings, and the second generation on getting better productivity, then the third generation we are entering is based on retrieving higher returns for clients as they deliver better value to their clients. But as the outsourcing industry heads in a new generation of expertise, it has become imperative for vendors to consider differentiating business models and identifying new opportunities. Vendors need to have a comprehensive range of services based on a strong industry focus. As this next generation of outsourcing evolves, industry and customer focus must assume more importance than presenting mere low-cost options to clients. Hence, it is important that the outsourcing vendors learn to adopt to a business model that the customer may seek and adapt business accordingly.

Given the advances of technology and the industry evolution to this model over the last twenty years outsourcing reception is on the rise once again. Today, organizations have an opportunity to achieve many of their strategic objectives through outsourcing. Further, if they outsource wisely, they can drive tangible business value across the board: driving the top and bottom lines, improving security and compliance, transforming business processes, development new revenues streams and increasing productivity.

As we get further into 2007, the next evolution of outsourcing is upon us. Clients are looking to global outsourcers and advisor consultants to provide operational excellence and to drive tangible business value. Client objectives more often include: global acceleration, uniform classes of services, access to continuous innovation, automation of security and compliance, and business process optimization through widespread innovation...not just faster and cheaper.

Since an enterprise is greater than the sum of its parts and business processes cross networks, systems and enterprises, interoperability is the key to achieving business objectives. Therefore, the infrastructure technologies that are designed to bring together the disparate components of the enterprise are critical at this point in the outsourcing evolutionary process.

Outsourcing vendors who focused on "cheaper and faster" experienced the wild growth swings of the recent few years but "better" and with "most innovative support" are changing the playing field for the next wave of outsourcing. However, business transformation, interoperability, support and change management are easier said than done. For an outsourced solution to be of optimal business value, it must shed the common complexities of integration and find interoperability alternatives to truly gain client satisfaction and increasing market share.

We are reaching the point in the evolution of outsourcing where the "faster and cheaper" and the "better and most innovative" are about to cross critical paths. Some companies, as you will see among the top ranked outsourcing suppliers, focused on strategically adapting to each client's growth rather than their own cookie cutter approach to producing the most for the masses.

The focus on client satisfaction in outsourcing has produced two distinct veins of vendors currently. Those which simmered among the mid pack of vendors while developing long term strategies with their clients - and now commanding the high praise of clients for the efforts...and those which once rocketed to the top of the survey because they saved their clients big money but are now rewarded on the lower road of satisfaction for putting their own company growth goals first.

2007 is also a major renewal year for significant outsourcing agreements. Relationship managers are under more pressure than ever before in the evolution of outsourcing to satisfy clients for the sake of both retaining customers and new business development.

The global outsourcing market, it is about a trillion dollars and analysts think it has the potential of becoming a 1.5 trillion dollar per year business very soon. Out of this one trillion dollar market:

4% to India  
3% to China, Philippines & SE Asia  
57% to United States  
36% to global locations excluding US, India and China/Southeast Asia

**Additionally, the year is notably marked with:**

- Overall industry growth approaching 30%
- Modest growth of 4% in terms of the total value of contracts awarded
- Despite the decline in the US market growth, Europe and Asia-Pacific are both still experiencing strong growth translating into the emergence of new locations offshore, nearshore and onshore
- The increasing shift in market activity in Europe particularly is becoming significantly important to the vendors
- A frenzy stage of vendor mergers and acquisitions cautions buyers into adding the possibility of supplier unions and takeovers mid process.
- A customer-imposed changing of the vendor guard forcing some old school Big 6 leaders to be replaced by a newly ruling set of global industry influencers
- With the newly crowned leader organizations come some new, hard-to-ignore vendor executives who are shaping outsourcing in unpredictable, innovative ways
- Significant organizational development is advancing the Latin and South American offshore alternatives to the short list of many prospective buyers
- Knowledge Process Outsourcing, often recognized as the "Analytics of BPO", is earning the most momentous and rapid client satisfaction among industry vendors
- A noted scaling up of capabilities by vendors is progressing to offer more horizontal solutions to more vertical industries
- After the savings rush, a major shift in client satisfaction focus from "cheaper and faster" to "better and more supportive innovations"

As the measurement of satisfaction among outsourcing vendors also evolves to meet the research designs of clients, prospective outsourcing buyers, government officials, media and press outlets, venture capitalists, investment analysts, private equity investors, Wall Street, corporate management and corporate staffing recruiters, we are honored to present the 2007 summarized opinions and assessment of over 20,000 global outsourcing users.

# THE BLACK BOOK TOP VENDORS RANKINGS

## What's Assessed

Survey respondents are queried about specific targets of high priority interest in order to answer, among others, the following questions:

- How satisfied are clients with their vendor choices?
- What are the measures of outsourcing client satisfaction beyond contractual success?
- What influences outsourcing client satisfaction beyond "faster and cheaper"?
- Who best influences the outsourcing vendor selection decision?
- How can prospective outsourcing buyers and investors match their unique needs to client experiences?
- What are outsourcing buyers looking for and value when choosing "better" as part of their business transformation strategy beyond faster and cheaper?
- What's valued by outsourcing clients in their vendors?
- What are outsourcing clients and prospective outsourcing buyers looking for next?
- How do outsourcing service suppliers stack up against each other and which are the very best at meeting the evolving and maturing client relationship demands reflective in true satisfaction measures?

Finally, survey respondents were validated via external audit with double ID entry requirements, both by email verifications and telephone follow-up to ensure corporate client responses and appropriateness of response source.

## Cross Tabulated Respondent Characteristics

Significant cross-tabulated results and characteristics from this year's response pool:

### 1. THEY ARE MORE EDUCATED ON OUTSOURCING PROCESSES INTERNALLY

Respondent, as an individual, is Educated to a qualified level of proficiency in outsourcing governance

Yes	82.4%
Not Yet, In Process	14.5%
No	3.1%

Typical resources you use or plan to use to enhance your outsourcing proficiency on an Individual basis

Use Outsourcing Books, Texts and Journals	97.1%
Use Web Resources, Blogs and Alerts	90.9%
OTJ and Employer-Sponsored Programs	22.5%
Received/Plan to Receive Outsourcing Conferences & Seminars	5.3%
Use/Plan to Use Subscription Web and Print Resources	5.1%
Use/Plan to Use Web Classes and Webinars	3.7%
Attended/Plan to Attend Outsourcing Governance Courses	1.5%

## Overall Organization Experience with Outsourcing and Offshoring

Strategic Initiatives In place But Not Well Orchestrated	29.4%
Outsourcing Decentralized	18.3%
Outsourcing Responsibility Managed by Purchasing	13.2%
Improving Outsourcing Programming and Governance On-Track	11.5%
Sophisticated Outsourcing Governance Structure	11.2%
Among Least Sophisticated Outsourcing Organizations	8.8%
Outsourcing Responsibilities Known but Loosely Defined/Assigned	4.7%
Other	2.9%

## II. THEY ARE MORE SATISFIED WITH THEIR OUTSOURCING GOVERNANCE AND RELATIONSHIP PROGRAMMING THAN IN THE PAST (Overall 22.0% More Satisfied than in previous year)

### Who's Most Satisfied With their Outsourcing Initiatives

US	80.1%
UK	73.0%
Japan	66.8%
Germany	65.2%
Denmark	60.9%
Norway	56.4%
Canada	52.6%
France	45.5%
Israel	43.9%
Australia	30.9%

## III. THEY ARE MORE SATISFIED WITH THEIR OUTSOURCING EXPERIENCES CLOSER TO HOME THAN OVERSEAS INITIATIVES

Nearshore Satisfaction	80.5%
Outsourcing Satisfaction	63.1%
Offshoring Satisfaction	23.6%

## IV. THEY EMPLOY MORE SOPHISTICATED BIDDING METHODS TO SELECT THEIR VENDOR

Far from cheaper and faster, buyers now use complex vendor selection processes including incorporating external research and satisfaction resources, and less likely to depend on strictly RFP responses and reference checks.

Use Research and Rankings in Strategic Outsourcing Planning	16.8%
Use Research and Rankings in RFI Long Lists	15.3%
Use Research and Rankings in RFP Process	13.4%
Use Research and Rankings in SLAs and Contract Negotiations	3.2%
Use Research and Rankings in Renegotiations	2.6%

**V. THEY JUDGE VENDOR CAPABILITIES AND EXPERIENCE AS THE MOST IMPORTANT SELECTION CRITERIA**

More important – Capabilities and Experience	73.5%
More important - Faster and Cheaper	20.3%
Neither More Important	6.2%

Finding: New and re-contracted outsourcing business initiatives are more likely to be awarded to vendors who manifest higher satisfaction scores, management direction , partnership tendencies and verifiable client references than those who have had hot growth due to simply cheaper offshore labor.

**VI. THEY MORE OFTEN GO THROUGH THE VENDOR SELECTION PROCESS ALONE BUT REGRET NOT USING A QUALIFIED CONSULTANT**

**Likely to Perform RFI , RFP and Vendor Selection processes**

With Internal Resources Only	89.2%
With Consultants	3.4%
Not Sure	7.4%

Finding: The increased availability of corporate intelligence and outsourcing experienced management is transferring an internal sense of competency at selecting vendors without advisors or consultants, utilizing self-empowering resource tools such as the Black Book client survey results; however, they are more likely to employ advisors and consultants in the implementation, transition and governance structuring of all deals, particularly information technology outsourcing, financial & accounting outsourcing, and complex BPO initiatives.

**VII. THEY ARE MORE LIKELY TO INCREASE USE OF CONSULTANTS AND ADVISORS FOR COMPLEX AND VERY SATISFIED WITH OUTCOMES**

**Likely to Seek External Resources on Future Sourcing Projects/Initiatives**

With Consultants/Advisors	63.4%
With Internal Resources Only	9.3%
Not Sure	27.3%

**Reliance of Outsourcing and Globalization Advisors/Consultants**

Advisor Likely to Have Improved Initiative	78.9%
Will Use Advisor Next Initiative	58.0%
Used Advisor on Most Initiatives	11.9%
No Need for Advisors if Educated	3.3%

**General Fulfillment with External Resources by Current Users**

Satisfied with Bench marker	95.4%
Satisfied with Advisor	83.8%
Satisfied with Globalization Consultants	82.3%
Satisfied with Legal Counsel	57.8%
Satisfied with Consulting Service Provider	17.5%

**VIII. THEY ARE STILL LIKELY TO SERIOUSLY CONSIDER THE GEOGRAPHIC LOCATION OF OUTSOURCING DELIVERY IN THEIR FINAL DECISION OF VENDORS.**

Showing a preference for onshore and near shore vendors, buyers with prospective expansion plans support the possibilities of emerging outsourcing locations that also fulfill social improvement considerations. Clients were asked to select three location preference (survey did not provide location options).

<b>Significant Corporate Interest Growing/ Likely to Offshore as Option to India</b>	<b>Definitely Consider for Right Project</b>
1. South Africa	87.3%
2. Malaysia	83.4%
3. Argentina	78.3%
4. Costa Rica	77.5%
5. China	42.3%
6. Brazil	31.1%
7. United Arab Emirates	20.3%
8. Philippines	20.2%
9. Jamaica & Caribbean	13.4%
10. Mexico	11.8%

**Preference on offshore locations, based on current and past experience, current clients recommended:**

<b>Most Likely to Offshore to</b>	<b>Definitely Consider/Select for Right Project</b>
1. India	73.5%
2. Canada	70.7%
3. UK & Ireland	65.2%
4. Philippines & Southeast Asia	25.6%
5. Germany	22.3%
6. Central & South America	22.1%
7. Russia & Eastern Europe	19.8%
8. Israel and Middle East	19.7%
9. Mexico	16.4%
10. Africa	8.0%

**IX. PARTICULAR INDUSTRIES ARE IN THE PROCESS OF ASSESSING MAJOR BUSINESS PROCESS SHIFTS TO OUTSOURCING MORE THAN OTHERS.**

**Industries that have the most aggressive strategic sourcing plans to expand initiatives in 2007-2008 include:**

<b>Industries/Sectors to Expand Outsourcing Initiatives</b>	<b>Percent Increasing Initiatives in next 12 months</b>
Investment Management	45.3%
Legal	41.2%
Healthcare Providers & Payers	38.0%
Banking, Capital, Financial	35.9%
Pharmaceutical/Biotech	33.6%
Government & Public Agencies	30.2%
Midmarket & Small Market	27.7%
News, Media & Entertainment	22.8%
Manufacturing	21.5%
Insurance	19.1%

**X. IN NEXT TWELVE MONTHS, OUTSOURCING INITIATIVES ESTIMATED TO EXPAND FASTEST ARE THOSE FUNCTIONS THAT SUPPORT RAPID ORGANIZATIONAL BUSINESS TRANSFORMATIONS:**

<b>Top Functions to Increase</b>	<b>Percent of All Current Outsourcing Buyers</b>
Research, Development, Innovation (KPO)	61.9%
Document Services (DPO)	48.3%
Legal Services (LPO)	47.8%
Logistics, Supply Chain, Procurement (SLO)	37.4%
Compliance, Finance Accounting (FAO)	23.4%
Lead Generation, Marketing & Sales (MSO)	18.6%
Back Office, General Admin (BPO)	18.3%
Technology (ITO)	18.0%
Engineering (ESO)	12.4%
Learning, Training, Recruitment & Human Resources (HRO)	9.7%

# The Measure of a Leader

Brown-Wilson Group required companies in the "Top 50 Best Managed Outsourcing Vendors" to have demonstrated consistent strength in four survey areas:

**Human capital performance**  
**C-Level commitment (formerly CEO Commitment)**  
**Corporate direction**  
**Leadership impact**

Each area is weighted for significance. In our assessment of outsourcing management, we have found that C-Level commitment is the most crucial area at this time in the industry's evolution. Without a strong team of champions at the top of a company, no "best managed" status or management improvement initiative can have long-term success. A total of 26 criteria are presented for client evaluation on their outsourcing vendors. In the 2006 survey, the questions were weighted to award more scoring emphasis to C-Level commitment, followed by human capital performance, corporate direction and leadership impact.

Additionally, throughout the survey, questions were designed/redesigned to measure satisfaction of clients, customers, users and buyers. In analysis of the data these outcomes were applied directly to the information provided by vendor company management. Vendor company rankings are based on the total score on a 100-point scale, based on responses strictly from client surveys. At least ten unique, verifiable client votes are required to be part of the top fifty rankings. The Brown-Wilson Group doesn't select or influence the rankings, and does not employ a paid or volunteering judge's panel on subjective criteria. All rankings are final subject to external auditors for the voting year.

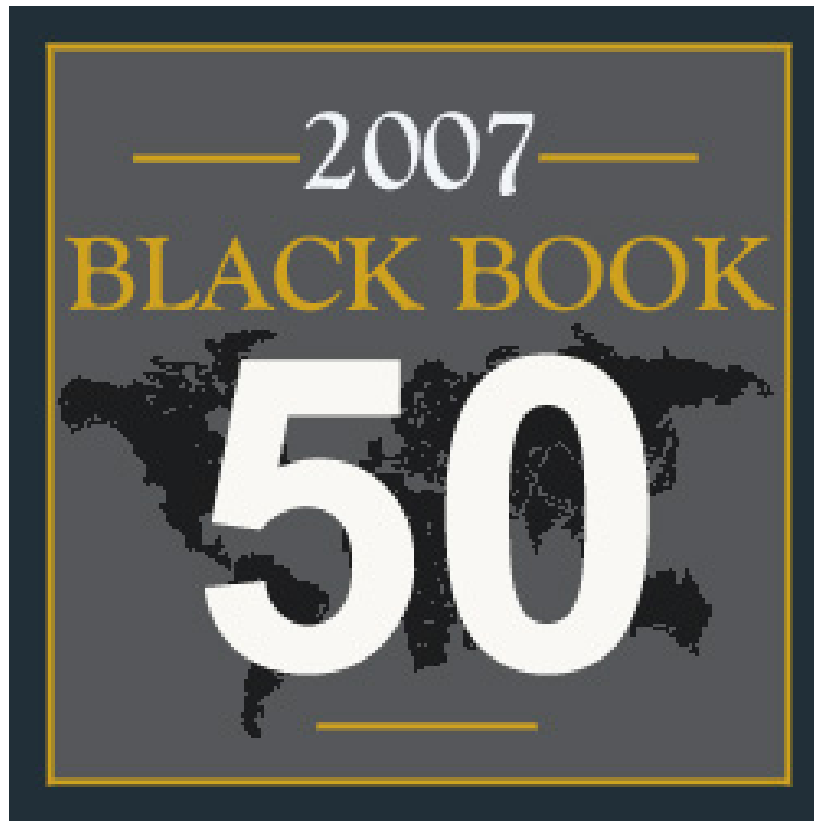
To view 26 criteria and indicators employed in the Black Book 50/Top 50 Best Managed Global Outsourcing Vendors

<http://www.theblackbookofoutsourcing.com/>

## Methodology: The Black Book Top 50

The survey for our "50 Best Managed Global Outsourcing Vendors" was distributed electronically to customers, employees, buyers, contractors and users worldwide in early 2007. In January surveys were sent to the nearly 17,000 outsourcing decision makers who participated and were verified in the 2006 survey process. In March 2007, over 102,000 additional invitations were sent to who individuals in corporations, businesses, organizations and government agencies who use, offer and are employed in outsourcing services. The survey link was also available on several websites. Survey participation was voluntary and anonymous. Survey entry codes were available only one time. The survey closed on April 30, 2007. The 26 criteria & indicators of vendor satisfaction are posed with a scoring basis of 0 to 10 (0 = deal breaking dissatisfaction) (10= overwhelming exceeded expectations) per criteria.

# The 2007 Black Book Top 50



## Key to Rankings by Criteria Groups

● - Top 10%

● - Top 25%

● - Top 33%

● - Top 50%

From The Pool of 1480 Qualified Global Outsourcing Vendors

2007	2006	2005	Company	C Level Commitment	Corporate Direction	Leadership Impact	Human Capital Performance	Comments
1	36	44	EDS Mphasis ExcellerateHRO	●	●	●	●	Industry observers, just 3 years ago, doubted EDS would survive cracking under the strain of giant projects. Late to the offshoring game, EDS had to catch up – and leaders set a plan to do so with a “client first” focus. Now, witness management expertise orchestrating a remarkable streamlined global IT powerhouse with sizable top line growth.. The momentum in landing new customers manifests the shift from survival mode to the leader strategically capitalizing on growth opportunities. The Mphasis BPO acquisition & strong revenue are icing on the cake. Excellerate HRO, EDS’ venture with Tower Perrin, is far exceeding the delivery expectations of Human Resources. EDS has been scouting for acquisitions in verticals such as government, healthcare and financial services and recent deals fall in line with that strategy, maximizing even more client efficiencies.
2	15	5	Capgemini	●	●	●	●	From client satisfaction scores, you wouldn’t know Capgemini is in a period of tremendous adjustment with acquisition integrations, global business growth, offshore ops strategies and major US market share advances. BPO, ERP and Infrastructure Management development initiatives are pleasing customers and elevating the company’s respect among competitors.
3	26	-	WNS Global	●	●	●	●	Going public in mid 2006, WNS masterfully executes an aggressive BPO strategy that gained record profitability plus awesome client satisfaction via fast ramp ups and key industry expansions including the strategic acquisition of Marketics KPO. With a collection of Industry veterans in senior management, even more can be expected.
4	1	22	ACS	●	●	●	●	Last year’s top ranked outsourcing vendor battled a year of managerial upheaval while the chairman offered to buy outstanding shares. It just goes to prove, the best run organizations can handle change and opportunities better than others. Clients maintained strong ties of loyalty and approval to ACS. ACS’s Bundled Outsourcing services, particularly in healthcare and human capital service lines emerged as the industry’s most superior programming.
5	2	19	Satyam Nipuna	●	●	●	●	Clients honor Satyam for having the most advanced innovation exchange. India’s 4 <sup>th</sup> largest IT supplier has set up a strategic South American HQ and development center. BPO arm Nipuna and Engineering Services outsourcing leverage mechanical, electronics, and IT solutions to rank among the best managed and admired outsourcing vendors globally for the third consecutive year. Rumors persist of an IBM takeover.
6	14	9	Convergys	●	●	●	●	CEO succession complete, the thought leader of Customer Care and HR outsourcing lines has the longstanding reputation of “super client” endorsements. Convergys extended well into new industries because it does things client-right. Employee Care division is deservedly first.
7	-	-	SAP	●	●	●	●	The tide rolls in CRM outsourcing and SAP emerged the client’s overwhelming on-demand choice. SAP clients appreciate enhanced system performance and service levels that management direct top-down. SAP’s scalability and best-in-class functionality along with the upcoming A1S product will take a bigger swipe at competition.
8	13	3	Hewlett Packard	●	●	●	●	The technology portfolio is golden and HP managed services customers feel the love still by this years survey results. Recent acquisition of intelligence vendor Knightsbridge should fill an HP void nicely. Outsourcing leadership changes promise to improve client relations so that HP product improvements and managed services can transform client business practices to their true potential on all players.
9	40	6	Wipro	●	●	●	●	Still fighting with the tenacity of a start-up, Wipro’s acquisitions are paying off and management is maximizing created synergies. The pioneer in forging a path for other vendors to follow, business transformation demands from clients will propel leader Wipro into a hugely successful 2008
10	5	25	Infosys	●	●	●	●	Infosys amazes clients, adding a billion top-line dollars year upon year and achieving consistently high client results. Embarking on a new generation of outsourcing with a new CEO, management’s goal is well within reach: to achieve Accenture bill rates while maintaining the renown Infosys offshore cost structure, quality & productivity.

2007	2006	2005	Company	C Level Commitment	Corporate Direction	Leadership Impact	Human Capital Performance	Comments
11	47	17	Unisys	●	●	●	●	Beleaguered for two years in turnaround restructuring, cutting one fifth of its workforce and migrating to a lower cost workforce overseas, Unisys has a strong outsourcing management team and has ramped up business innovation strategies poised to surpass slow poke competitors.
12	-	-	CIBER	●	●	●	●	A new team of proven management has loaded CIBER with this year's fastest rising outsourcing vendor on the survey. The commercial practice is bolstering a growing offshore initiative while the government and education units are driving further growth. The enthusiasm and momentum of leadership efforts greatly pleased IT clients to raise CIBER above many old guard outsourcing giants.
13	8	14	HCL Technologies	●	●	●	●	Outsourcing giant HCL grew profits but not client management admiration rates. Attention to potential acquisitions like Scandant's Cambridge & NIIT and aggressive expansion strategies through multiple industries was highlighted for diluting HCL's previously superior levels of customer services and delivery. A renewed focus on strengthening Indian operations keep clients hopeful to bigger and better from HCL very soon.
14	35	1	IBM Global	●	●	●	●	IBM needs to work its management magic with Indian BPO arm Daksh which continues to amass poor client satisfaction scores and large dollar contract cancellations for quality issues. IBM Global is punished as a group by BPO clients who voice dissatisfaction with Daksh. IBM-loyals say, given time, IBM will improve operations in the Indian acquisition and raise the ITO/BPO giant back to their rightful place as number one again this year.
15	30	-	Ness	●	●	●	●	Ness Technologies is praised for its flexible service models and thus scored best in innovative service delivery. As a leading multi-shore ITO, Ness provides clients with the control and IP protection of a captive center, while offering the best in cost savings and flexibility of outsourcing. Industrial and government sector clients enjoy the productive alliances and partnerships that Ness leaders have forged. Recent C-level management changes will infuse new thinking as well as establish a new global positioning status.
16	31	-	TeleTech	●	●	●	●	Once a call center company, TeleTech deeply broadened BPO services with stellar satisfaction levels. Longstanding clients credit opportunistic management for taking operations to the Philippines, South Africa & 15 other low cost countries.
17	19	11	Sutherland	●	●	●	●	Another IPO on the horizon, Sutherland has sustained a top twenty ranking for three consecutive years. One thing hasn't changed, the commitment to clients and a management team that focuses on high tech success stories. Executing a carefully crafted strategy, clients have come to expect results.
18	-	-	Fujitsu	●	●	●	●	This Japan-based firm has been at the forefront of IT development for 30 years and ranks as the world's third largest IT services with over half the Fortune 500 as clients. Yet, in large part, quietly and humbly escaped the global outsourcing honors spotlight...until now.
19	49	16	CSC	●	●	●	●	CSC focused on a potential sale in 2006 and rescued when it bought back \$2B in stock. The recent purchase of BPO Covansys brought CSC huge staffing entry into India and reinforced with large contract gains, bolstering client approval.
20	-	-	GrantThornton	●	●	●	●	Grant Thornton created one of the most appreciated Client Experience programs in the services industries rocketing GT to a place among the best outsourcing vendors on the globe.
21	43	-	Hexaware/ Caliber Point	●	●	●	●	Steady organic growth allowed the ITO/BPO to build systems with care so that when high growth opportunities expanded the ITO & BPO player from India to Mexico and Eastern Europe, high profits jacked up to deliver even more services.
22	42	31	ADP	●	●	●	●	Broadening their HR outsourcing offerings beyond simple payroll has positioned ADP as a perennial favorite for dependability and consistent leadership. ADP's expansion into HR and Financial services outsourcing is pleasing long time clients and prospects alike.
23	-	36	Atos Origin	●	●	●	●	Troubles in the UK unit were said to contribute to the considered sale of Atos assets. Focus now off a break-up, US biz dev and ITO expansion into more Europe markets is the goal. Clients scored Atos very high on the renewed direction.
24	-	-	Adventity	●	●	●	●	With the most dynamic growth, KPO vendor Adventity stands out as the market leader in the provision of Knowledge Process Outsourcing to the Financial Services Industry.
25	-	28	Syntel	●	●	●	●	In harmony with the evolved needs of ITO clients regardless of vendor, Syntel's mission is to create new opportunities for their clients by harnessing internal passion, talent, and innovation. That focus and priority is considerably different from their competition. Clients returned to highly endorse the Syntel focus on the benefits new delivery models can deliver, not on forcing work to offshore locations. Customers are wowed.

26	22	2	Accenture	○	●	●	●	In outsourcing, there is no avoiding 800 lb Accenture but clients report there's room for improvement. Illegal kickbacks schemes, contract cancellations over \$1B, threat of transferring 50% of US corporate jobs offshore, reorg's ...this Goliath just might be too busy with internal issues to see the hundreds of Davids aiming at taking it down hard. A lack in top-down management communications causes shifting cultures to worsen and challenge ongoing results particularly bad news for a most admired company. Tipping point reached, Accenture is now has a majority of employees in India.
27	7	33	Tata Consulting	●	●	●	●	Busting the \$4B mark, TCS is pushing into China after being crowned king of India outsourcing. Client feedback was not as spectacular last year but when the price is right, customers make allowances. So the case of TCS. A very diversified industry base will keep TCS growing.
28	10	48	Mellon SourceNet Solutions	●	●	●	●	Companies tired of paying their own bills hand off the job to Mellon SourceNet Solutions along with payroll and utility services. They've done it so well by client standards that this niche financial services outsourcer has three consecutive Top 50 showings & tops in AP.
29	17	-	EXL Service Inductis	●	●	●	●	Publicly traded EXL battles on for more BPO marketshare. Sister company Inductis provides Knowledge Process outsourcing and analytics with highly rated outcomes by customers. EXL slipped slightly in the rankings, perhaps a consequence of fast growth.
30	-	-	Fidelity National Financial	●	●	●	●	Fortune 500 outsourced services provider to financial institutions and the real estate industry, Fidelity has also been named the #1 banking technology provider and the #2 overall technology provider in the world by FinTech and clients. Fidelity is also a leading provider of outsourced claims management services to large corporate and public sector entities through its minority-owned subsidiary, Sedgwick CMS. Along with equity firm THL Partners, Fidelity agreed to buyout deeply troubled payroll-and-payment processing outsourcer Ceridian Corp. where clients expect FNF executives to work wonders.
31	18	32	i-Flex Equinox	●	●	●	○	The subprime mortgage market mess is a opportunity for this emerging financial and banking services BPO. Resolution of operational problems for clients with true business transformation practices provides relief and savings for weary bankers.
32	-	-	BT Global	●	●	●	○	BT's telecommunications divisions in over 170 countries are turf for their emerging technology outsourcing practice set the 2007 service standard having the highest global ITO scores for exceeding SLA requirements. Plus BT earned a stronger foothold in the US market.
33	-	-	Symphony Services	●	●	○	●	Top ranked in software engineering services, US based Symphony's management mandates superlative outcomes to exceed expectations and its implementation record is reflected in cross-industry clients' stellar fulfillment.
34	-	-	Neoris	●	●	●	○	One of the fastest growing IT vendors globally, Neoris, based in Miami serves the Latin American region and is converting prospective business in the US and Europe with clients praising IT capabilities and transformation approaches.
35	-	-	CitiStreet	●	●	●	●	Tapping into the strength of its powerful parents, Citigroup and State Street, the joint venture has made major inroads in the HRO benefits market since it was created in 2000 and customer's fulsome remarks pushed them into the top 50. "and advances in client satisfaction and proven results have pushed the #1 Global Benefits Administrator into the overall Top 50."
36	-	-	Lionbridge	●	●	●	●	Expert software testing is Lionbridge's claim to fame. Clients praise an extremely strong management team, rich in outsourcing experience and growth focus in BPO & HR with onshore, nearshore and offshore options.
37	-	-	TechMahindra	●	○	●	●	Survey newcomer TechMahindra partners with ICT and telecommunications giant BT to offer BPO and ITO services globally. An expanding client base offered exceptional satisfaction scores for another first time survey entry.
38	-	-	XChanging	●	●	●	●	"The Xchanging Way" defines the mindset and performance measurement approach that builds up the culture of continuous improvement appreciated by financial markets & commercial insurance industries. This pure-play BPO is tops with UK clients.
39	-	-	AT&T USi	●	●	●	●	AT&T is only second to IBM when it comes to market share for Hosting and outsourcing application management. Clients expressed their approval of management practices and services outcomes in their first survey entry.
40	-	-	DBA Engenharia de Sistemas	●	●	●	●	Brazil's top outsourcer made significant strides in 2006. A leadership team that emphasizes values, customer satisfaction, employee career paths and the advantages of operating in US time zones is providing meteoric opportunities.

2007	2006	2005	Company	C Level Commitment	Corporate Direction	Leadership Impact	Human Capital Performance	Comments
41	-	18	Caritor/Keane	☉	●	●	●	Serial Keane CEO dismissals & board exits shook clients, but a long history of producing trusted solutions has a legion of former clients betting that Caritor can help restore the mighty Keane organization. Through Keane, Cariton gained an immediate leap in branding and market positioning. The biggest challenge in the integration is the vast difference in cultures between the two companies.
42	4	43	Perot Systems eServ	☉	☉	●	●	Perot ranks well among clients in verticals such as manufacturing and government with top grades in applications and infrastructure outsourcing. However, Perot healthcare clients caused the overall drop in the ITO deep back down in the satisfaction ranks. Hope may be in the newly acquired eServ, an engineering services outsourcer who earns top marks and may be Perot's best kept secret.
43	3	21	Cognizant	☉	☉	●	●	Good news: Price competitive customers love Cognizant for saving them money. Wall Street loves Cognizant for delivering top performance. Internal infrastructure is maturing and sales are up over 60%. Bad news: Clients do not see the plans to deliver business transformation support on the horizon. Faster and cheaper is less of a driver for clients looking for vendor contributions to their revenue and development growth. Cognizant still has the opportunity to balance profits with client expectations
44	29	-	EPAM	●	●	☉	●	Responsiveness to client needs stands EPAM apart as the top ranking Russian outsourcing company. The choice of discerning IT offshore development buyers, EPAM's leaders employ a strong consultative approach in solving engagement issues to the high satisfaction of clients.
45	32	9	Oracle	☉	●	●	●	Oracle's on-demand customer satisfaction started sliding in 2005 and the Siebel acquisition added more problems for buyers trying to best leverage their relationships. New management has made headway into regrouping with a client focus, but for the current year, clients noticed the gaps and voiced their survey dissatisfaction. An impressive acquisition portfolio launches Oracle in a big way into PLM and need specific industry service lines that clients felt was lacking, while leveraging globalization in a big way.
46	9	34	Genpact	☉	☉	●	●	Operations are tight, systems matured and BPO offerings robust. India's largest BPO player is also one of the fastest growing ITO vendors as well. With an infusion of cash, this management team might be unstoppable if it wasn't for the distraction of the pending IPO. Clients remark that corporate service delivery( just last year voted the best in the industry) almost cost Genpact complete removal off the Black Book ranking this year. Many also predict it to be a telling sign of Genpact's shifting priorities after the company goes public and could cost them long loyal customers if the trend continues.
47	-	-	Mastek	●	●	☉	●	Mastering the complexities of ITO was just one of the industry "firsts" lead by Mastek. As an outsourcing trailblazer with over 25 years in the business, Mastek specializes in ITO & BPO to the financial marketplace. Rated #1 by Insurance vertical clients in large part for developing end-to-end mission-critical solutions.
48	37	13	Hewitt	☉	●	☉	●	Hewitt has assembled a dream senior management team with experience and assertion to take this HRO from arrogant queen bee to a hive of killers. Clients haven't been giving Hewitt the best delivery scores but there is renewed faith in this new group and the structure is in place to either explode or implode. There's too many upcoming HROs for Hewitt to relax now.
49	-	-	Integreon	●	●	☉	●	Innovative leadership is hard charging this firm, specializing in the Knowledge Process Outsourcing arena including document and legal services. Acquisitions broadened lines to financial and legal clients who rank Integreon tops in LPO.
50	6	45	Patni	☉	●	☉	●	The effects of attrition are hitting all Indian outsourcers hard, but 6 <sup>th</sup> largest ITO provider Patni had key management made it a top priority and stemmed the problem, avoiding client issues that plague competitors. On the contrary to such efforts, a rise up and a fall from the top ten was attributed to the bad attitudes and customer focus which developed internally when top investors exited and sale of the company looms despite CEO denials.

# Additional Findings

1. The Rise of KPO and specialized BPOs gaining instant client satisfaction with fast service provider results. **Integreon, EXLService's KPO division Inductis, Adventity** and eight other KPOs broke into the top hundred ranked vendors of the 2007 top managed vendors survey. The trend of adding a layer of analytics to the BPO functions and clients are thrilled with the increased value and productivity.

2 .The Fall in satisfaction scores by members of outsourcing's old guard. **Accenture, Perot Systems, TCS, Patni, Hewitt, Oracle,** IPO-pending **Genpact,** and **Cognizant.** Point taken: bigger is not always better in the eyes of clients when service wanes to internal growth problems, intra-company globalization issues, and maintaining formerly high profit margins. In some cases, clients remarked that with priority on profits and growth expectations, often come cavalier arrogance and this affected 2007 perspectives in related customer services.

**Yet, the clients of twenty-four global outsourcing vendors have scored their relationships and satisfaction high enough to maintain positions in the Black Book 50 for four consecutive years (2004-2007, Ranked by Average survey position per year)**

1	Capgemini
2	Hewlett Packard
3	Satyam
4	ACS
5	Convergys
6	HCL Tech
7	Sutherland
8	Infosys
9	IBM Global
10	Accenture
11	Wipro
12	Tata
13	Cognizant
14	Unisys
15	EDS
16	I-Flex/Equinox
17	CSC
18	Mellon SourceNet
19	Oracle
20	Genpact
21	Perot
22	ADP
23	Hewitt
24	Patni

3. The toughest grading from clients was directed at Call Centers and CRM outsourcing vendors. Research shows that contact center outsourcing vendors are struggling to adapt to industry-specific solutions for both new and established clients. Many companies are finding that offshoring contact center services is not a generic solution. It is now being understood that offshoring is one of many business models that may or may not suit individual firms.

Over the past two years, contact center giants **ClientLogic/SITEL**, **24/7 Customer**, **PeopleSupport**, **vCustomer**, and the recent IPO **eTelecare** had risen to the top ranks of the Top 50 vendors quickly, just to fall completely off as call center satisfaction scrutiny escalated in 2007. Only **Convergys** and **TeleTech**, which properly targeted industries with realistic and tailored programs and were able to accommodate cross-channel solutions succeeded at exceeding client expectations. Despite the hype surrounding offshore call centers, offshore customer service outsourcing only represents a tiny fraction of the market – about 3% of all offshoring initiatives.

4. Significant movements up and down the survey ranks. Some specific vendors have also been scored harshly and have failed to recover to the top ranks of the Top 50 through the years, while some vendors have recovered from shifts in client moods with significant approval changes.

<b>Largest Unrecovered Survey Falls 2004-2007</b>
Fiserv
eFunds
Ceridian
Xansa
Infocrossing
ICICI Onesource - FIRSTSOURCE
i-Gate
LASON
Intelligroup
LogicaCMG

**Which Vendors on 2006 Top 50 Best Managed Black Book list Failed to Have Their Clients Retain a consecutive 2007 High Ranking?**

Fiserv	Onesource - FIRSTSOURCE
Client Logic/SITEL	Outsource Partners International
RRDonnelley/OfficeTiger Astron	Datamatics
CGI	Xansa
24/7 Customer	Larsen & Toubro Infotech
Ceridian	Luxoft
Softek	eTelecare
PeopleSupport	SPi
IBA	vCustomer

**Highest Sustained Survey Improvements 2004-2007**

EDS

Capgemini

TeleTech

Atos Origin

WNS Global Services

Unisys

Cambridge Solutions

Hexaware/CaliberPoint

HindujaTMT

SPi

5. There is a Manifested Industry Need to Establish a Preferred Client Status to Uplift the Importance of Client Satisfaction. Vendors must manage relationships with multiple clients in a multitude of global locations. Long term clients, large clients and prospective buyers are now demanding a special status of relationship to ensure higher levels of attentiveness, increased levels of responsiveness and even penalty-associated SLAs. Clients state this is key to maintaining long term relationships, improving the likelihood of vendor improvement.

Not having preferred client programs is also where some of the outsourcing old guard slipped in the rankings this year. This change could improve their future rankings according to clients.

Clients who Consider Themselves a Preferred Client of Choice by their Vendor	4.6%
Satisfaction Level of Preferred Clients	92.6%
Clients Who Do Not Believe their Vendors have Established Preferred Client Programs	85.3%
Satisfaction Level of Clients	22.4%

6. Increased involvement by European outsourcing clients (survey participation up 326%)

Europe is said to be moving off the outsourcing fence after watching bolder competitor enterprises prove the outsourcing/offshoring concept. As European companies forge into the more mature opportunities to select from, nearshore European vendors seem to be an especially attractive option by current users.

<b>European Client Preferences for Nearshoring</b>	<b>Definitely Consider/Select for Right Project</b>
1. Poland	75.6%
2. Ireland	66.3%
3. Germany	64.5%
4. Russia	47.8%
5. Czech Republic	43.2%
6. North Africa	32.8%
7. Ukraine	27.8%
8. Malta	22.3%
9. Romania/Bulgaria	21.6%
10. Hungary	17.7%

7. Captive Centers are to Losing the Race Against Offshore BPOs

Corporate captives (major players include financial sector companies such as American Express, HSBC, JPMorgan, Lehmann Brothers, Goldman Sachs, Fidelity, Deutsch Bank, Countrywide, AXA and Reuters) versus third-party centers has long been a favorite topic of debate with analysts tracking the offshore outsourcing sector. But in 2007, the evidence points to a growing consensus that the third party model will emerge the winner in the long run. Captives also participated in the survey process to determine satisfaction of in-house vs. outsourced options, as well as determine potential trends in delivery models. Among captive center management surveyed, (1) Have Knowledge Captive Center is Investigating Sell Off or Outsourcing Operations to BPO (17.3%), and (2) Have Knowledge of Current Captive Exit Strategy (11.9%) Captive activity is still growing because of the demands from mid-sized businesses but many of the large captives' parent companies are debating spin-offs to cash out.

Of the estimated 750 BPO companies in India and Philippines, 65 percent are captive and 35 percent are third-party vendors. The balance to 50/50 is predicted within the next two years. One reason for MNCs to sell their captives is that there are several global outsourcing firms that can now easily handle their needs including data security and intellection property protection, so maintaining an in-house unit simply doesn't make financial sense. According to a subset of former captive centers survey management respondents, the scales are tilting to favor BPOs.

**What's Taking the Luster off Captives?**

1	Security Procedures Enhanced in favor of BPOs
2	Lost Senior leadership commitment to Captives
3	Securing Data is Less Complicated for BPOs
4	Not necessary to have Decision making authority contained within the organization
5	Ability of Third Parties to Handle Complex Process
6	Tighter management controls in BPOs
7	Complexities in Planning & Executing Captives
8	Less restrictive compliance and legislation
9	Ability of Vendors to contain Spiralling Costs
10	Less interest in Capturing margins that would otherwise go a third party service provider

**Why Move from Captive Centers to Third Party BPOs, according to management?**

1	BPO Proven abilities to protect intellectual property
2	Lack of Integration with General Corporate Operations
3	Not Core to Operations
4	Captives offshore ecosystems got too Big to Manage
5	Time Dedicated Searching for Locations
6	Unavailability of skilled manpower due to market stagnation
7	BPO Economies of Scale
8	Expensive Specialist Skills in Host Countries
9	High Attrition, Increasing Wages
10	Time Dedicated on Initiative Assessments & Project Management

Finding: As 2007 progresses, the captives are turning even more bitter as major players seek to abandon offshore employee outpost or selling off operations. Global organizations are recognizing that setting up a captive center offshore is not an end-point itself but just a stage in their strategic outsourcing evolution which is increasingly moving to secure BPOs.

8. Buyers are Evaluating Their Requirements First Before Declaring Offshore, Nearshore or Onshore Preferences

Profit-oriented corporate clients focus more on the requirements of the initiative and state they are less interested in location of service delivery. The more socially-conscious client leaders are still willing to state preferences regarding locations with their requirements.

Requirements Most Important Regardless of Location to Executive Buyers	28.3%
Requirements and Location of Delivery Both Important to Executive Buyers	44.2%

9. No China-Based Outsourcers Earned a position on the 2007 Top 50 Global Outsourcing ranks

China’s place in the evolution of technology outsourcing is yet to be defined. Even though China’s government is providing investment incentives and the infrastructure is expanding, China is still risky in terms of relationship-focused distribution channels, unpredictable business bankruptcies and required partnerships for a chance at regional success.

After a spectacular run of good fortune, India's IT outsourcing community is finding itself facing a looming challenge from a thriving Chinese economy. China threatens India as an option for the practice of shipping tech tasks offshore, just as American and UK companies saw jobs offshored to cut-rate Indian outsourcers. Top Indian ITO suppliers who have taken notice of the shift while confronting a fast wage inflation creep internally. Its forced some to begin setting up Chinese operation centers in an attempt to remain competitive.

China has an unparalleled wealth of highly skilled labor and solid infrastructure to place it atop most short lists for offshoring engagements. Based on recent client satisfaction outcomes, however, the majority of those outsourcing decision-makers will not rank China as their first choice for upcoming initiatives anytime soon. How big this trend of caution will be, however, remains unclear. Revenues are increasing for China’s technology providers but hardly touch a fraction of the huge global offshoring market share. Clients currently agree that too many barriers exist for China to take India’s place as offshoring destination of choice.

Last year’s Black Book Top 50 rankings included **Freeborders**, an information technology solutions supplier as the first China outsourcing firm to enter the ranks. However, Freeborders did not achieve the same high satisfaction scores to garner a second list appearance in 2007. Nor did any other firm from China make the Top 50 either this year. Some software & IT outsourcing vendors came close: **DarwinSuzoft, Achievo, Bleum, Neusoft, IT United, Objectiva,** and **Symbio Group** all have done well as reported by customers, but the level of client satisfaction has not been maintained over long periods as have other offshore suppliers.

Customer-provided grades in work quality and staff dedication are extremely high but clients complain of several crucial issues keeping China outsourcing vendors from receiving top satisfaction scores. On top of a fragmented market, China still lacks outsourcing management talent, along with problems with intellectual property protection, differences in culture, poor English language skills, and sparsely found project management expertise - especially in outsourcing. Having to tread carefully with these concerns is causing clients to reconsider these suppliers until more intrepid competitors substantiate successes in China.

**Are Current Satisfaction Challenges Affecting Your China-Based Outsourcing Initiatives?**

Yes	94.2%
No	5.7%

## How Are Challenges Affecting Your China Offshore Strategy

Will restrict all Initiatives for Next 12 Months to Monitor Improvements	83.3%
No restrictions for Next 12 Months	2.6%
Noted as many concerns and issues as any Offshore Location; Will Evaluate on Project-By-Project Basis/Wait and Watch	7.5%

### 10. Central and South American countries have made bounding improvements in outsourcing competitiveness and client satisfaction.

Outsourcing to India, China, southern and eastern Europe and South Africa is expected to grow exponentially over the next 10 years according to current clientele. But Latin America, above all regions, is expected to leverage its competitive advantages in high-growth areas of offshoring and possibly move ahead as the most attractive labor arbitrage alternative.

Latin America is obviously leveraging its competitive advantages in certain high-growth areas of offshore outsourcing and continues to be an attractive labor arbitrage alternative for US clients. Brazil, in particular, has vast potential, due to its large population, the innovative creativity of its engineers and government programs supporting the outsourcing industry. Other countries such as Chile and Uruguay have capitalized on their time zone advantages and back-office proficiencies by adding government incentives to attract outsourcing work.

One company south of the border, Mexico's **Softtek**, was the first Latin American country to enter the *Black Book* rankings but customer satisfaction didn't score so well this year. However other Central and South American outsourcing firms make their first appearance in 2007 with strong competitive results.

To the surprise of many, certain Central and South American service providers matured in customer focus at a faster pace than other entrenched offshore players from China, India and eastern Europe.

Should these Latin outsourcing companies beef up their marketing and sales in the U.S., they should compete very effectively in the long run. This year, Latin firms including growing **Neoris** (headquartered in Miami) **Politec** (Brazil) and **Globant** (Argentina) received the largest increases in customer satisfaction among regional competitors.

While Europe looks to India and Russia as its offshoring destinations of choice, Mexico has launched an initiative to promote itself to the US as a 'nearshoring' destination that's so close to home it's often within commuting distance. Mexico now boasts some extraordinary outsourcing niche providers including **Sinapsis Technologies**, **Sonda**, **Dextra**, **Sinersis**, and **Hildebrando** who all reported excellent client satisfaction scores.

As the Mexico's nearshore strategy matures, emergent companies like **Softtek** whose clientele noted a conflicting emphasis on internal growth against customer service in 2007, should experience approval recovery after the chaos of overwhelming demand catches up to internal capabilities. In the meantime, there are plenty of options for nearshore shoppers.

In the call center and CRM market, Costa Rica's **Occidental Business Services (OBS Americas)** ranked among the top suppliers, regardless of global location.

Globally, Brazil has the highest percentage increase in vendor satisfaction ranks overall, in great part to the tremendous vendor achievements of **DBA Engenharia**, **Itautec**, **Paradigma**, **Stefani**, **CPM**, **Tivit** and **Datasul**.

One major obstacle to becoming an offshore giant is the language differences according to the growing US clientele base. Although South American universities are graduating larger numbers of extremely qualified engineers, analysts and business managers, few are fluent in English. We expect this will also change quickly.

# The Global Influencers and Advisors

The most important issue reported by over 92% of all current outsourcing client respondents this year is for prospective buyers to have a strategic global sourcing strategy before embarking on a vendor search. An organization's outsourcing design should consider its own business strategy, how its competition is approaching outsourcing and what capabilities are or will be available from global service providers over the next one to three years. Current industry users also agree (94.8%) that most new buyer organizations do not have the internal staff, capabilities, research and insight to perform this in a timely or effective fashion as yet.

Sourcing advisory firms are a new breed of industry consultants and lawyers worldwide that advise customers on selecting outsourcing service providers and helping set and execute sourcing plans. Sourcing advisory firms negotiate outsourcing contracts ranging in value from millions to several billion dollars on behalf of their customers, and do so with the experience of knowing how much to pay and what is required to effectively match unique initiatives.

There have been several developments in the evolution of outsourcing and offshoring that almost require external assistance to navigate. For instance, most US companies have outsourced some portion of their business to lower costs and, over time, have achieved cost savings in the outsourced portion of the business. However, unless your efforts in outsourcing to lower costs are unusually superior to your competitors, you are not gaining much of sustainable strategic or economic advantage, since your competitors are outsourcing just like you are.

It was customary in the earlier stages of outsourcing and offshoring that advisors were used to assess readiness, write RFPs, select vendors, manage implementations and transitions and provide pricing insight.

Leading companies are now using global resources to drive new forms of revenue and grow their top line. Companies are realizing new forms of business value through their global sourcing partnerships by accelerating new product development, shortening time-to-market and finding successful entrées into new markets. Companies that are realizing these benefits from their global sourcing strategies are also creating new forms of value for their customers and sustainable competitive advantages. Still, most aren't prepared internally to make these decisions alone and those that do report regretting that choice.

To view 20 criteria and indicators employed in the Advisors rankings,  
<http://www.theblackbookofoutsourcing.com/>

**Full Service Outsourcing/Offshoring Advisors** have the staff, expertise and resources to deliver consulting advice on any and all stages of business initiatives. A typical full service client is often a company officer with a cross-enterprise view looking for help to drive sustainable outsourcing results across their organization.

In 2007, the Full Service Advisory consultants have experienced increased client interest in many of the historically knowledge-based, often industry-specific processes. As clients' outsourcing advisement needs have evolved with the tide of industry changes, these full service advisors are now assisting clients as they explore evolving areas such as clinical data trial management, market analytics, legal processes, complex supply chain programming, engineering services, pharma co vigilance, and research and development among new outsourcing programs. While these are not always direct revenue items, they are processes much closer to the revenue stream than say processes such as payroll, accounts payable, and data processing.

It is now commonplace for the clients of Full Service Outsourcing/ Offshoring Advisors to desire business transformation and the resulting improvements that often ensue. The outsourcing service provider community has matured and can be a strong business transformation partner and full service advisors have created their needed role. It should be noted, that while the term business transformation is sexy, it comes with a cost. Full Service Advisors work with clients to help them understand the cost/benefit of a full transformation and map them to their objectives to determine the appropriate depth of custom transformation.

**Equaterra**, the top ranking Full Service Outsourcing advisor in 2007 has earned the lead post position in great part to their well-defined outsourcing governance best practices which clients praise for reducing costs and managing what is likely a significant change initiative for their organization. Clients also commend **Equaterra's** outsourcing governance solutions and the employment of recognized industry leaders in all business support functions who quickly help clients sort through the complexity that exists in this dynamic market.

Full service advisors must be able to guide clients throughout the process, from the initial strategy through ongoing management to ensure they achieve their desired results. These are the best at delivering on that goal.

<b>FULL SERVICE OUTSOURCING &amp; OFFSHORING ADVISORS</b>
1. Equaterra
2. Morgan Chambers
3. NeolT
4. Everest
5. TPI
6. Pricewaterhouse Coopers
7. Alsbridge Consulting
8. Ovum Orbys
9. Stradling Global Sourcing
10. PA Consulting

## TOP ADVISORS BY INITIATIVE SPECIALIZATION

<b>ITO Advisors</b>	<b>HRO Advisors</b>	<b>FAO Advisors</b>	<b>BPO Advisors</b>
1. Equaterra	1. Buck Consultants/ACS	1. Pricewaterhouse Coopers	1. Morgan Chambers
2. Ramprate	2. Fidelity	2. Equaterra	2. NeoIT
3. PaceHarmon	3. Equaterra	3. Capco	3. TPI
4. BearingPoint	4. TowersPerrin	4. TPI	4. Equaterra
5. Diamond Consultants	5. RSM McGladrey	5. Deloitte	5. Alsbridge
6. Archstone Consulting	6. Everest Group	6. KPMG	6. Everest Group
7. TPI	7. Hager Strategic	7. Ernst & Young	7. PaceHarmon
8. Hitachi Consulting	8. Watson Wyatt	8. Compass	8. Ovum Orbys
9. Booz Allen Hamilton	9. Hay Group	9. Paystream Advisors	9. Quantum Plus
10.Threshold Partners	10.Mercer	10.Everest Group	10.Marakon Associates

## 2007 TOP ADVISORS BY SERVICE CATEGORY

### FULL SERVICE OVERALL OUTSOURCING/OFFSHORE ADVISORY EQUATERRA

#### ITO – Information Technology Outsourcing EQUATERRA

#### HRO – Human Resources Outsourcing BUCK CONSULTANTS/ACS

#### FAO – Finance & Accounting Outsourcing PRICEWATERHOUSE COOPERS

#### BPO – Business Process Outsourcing MORGAN CHAMBERS

**Boutique firms** support their clients with highly specialized outsourcing expertise. Boutique firms choose to focus on a smaller number of industries, outsourcing functions or methodologies. There are a couple of common misconceptions about boutique outsourcing advisory firms. One is that being a *boutique consulting firm* necessarily implies being a small firm. This is not the case. A boutique is determined not by size, but by focus. All this said, we should note that many outsourcing boutiques are indeed small, ranging from upwards of 200 employees down to a single consultant. Often, boutique consulting firms grow from the expertise and client relationships of one to five founding partners, and unless it sells a consistently large flow of work, the firm has no compelling reason to grow quickly. Also, smaller boutiques can deliver services at lower costs than the larger consultancies because a smaller firm requires less overhead and less extra "capacity" (i.e., consultants), so their services might seem more attractive to prospective clients than those of the more expensive full service outsourcing advisory firms.

BOUTIQUE OUTSOURCING ADVISORY FIRMS	SPECIALTIES
1. PaceHarmon	ITO, Supply Chain, BPO
2. Ramprate	ITO
3. NelsonHall	BPO Tracking
4. Archstone Consulting	ITO, Telecommunications
5. Global Equations	BPO, ITO
6. Backes Crocker	BPO, ITO
7. Tholons	Outsourcing Investment
8. Quantum Plus	ITO
9. ScottMadden	ITO, BPO
10.Argea	ITO, BPO, Midmarket

**Consulting Service Providers:** Some service suppliers also have separate divisions that provide consulting direction but most often refer business to their own service lines and outsourcing business units. For that reason, this category of advisors is separated from vendor agnostic consultants. To help their clients increase their scope of outsourcing, vendors have built outsourcing consulting divisions, or acquired them, a trend expected to continue.

<b>CONSULTING SERVICE PROVIDERS: TRANSFORMATIONAL OUTSOURCING</b>
1. Capgemini
2. Atos Origin
3. ACS
4. IBM Global
5. Deloitte
6. Fujitsu
7. Tata Consulting
8. Accenture
9. CSC
10. CGI

**Research and Data Services Firms:** Expert outsourcing research firms create business and technology strategies that meet short-term goals and position clients for long-term success. Top outsourcing data firms develop proprietary and advanced research, analytics, databases, templates, and toolkits covering all aspects of outsourcing to provide strategic intelligence, analysis and insight that assist clients in making important business decisions. Clients and prospective buyer companies and investors can make better outsourcing decisions regarding growth, adoption by buyers and suppliers, location determination, vendor selection, contractual terms, value creation and risks, globalization strategies, determination of best practices and choosing execution models...all from great data.

Globally, thousands of industry professionals utilize external outsourcing data research as an indispensable resource. Most markedly, research companies provide independent, insightful, and instantly applicable to your specific business challenges without employed a multitude of expert analysts in-house.

<b>OUTSOURCING RESEARCH DATA SERVICES</b>
1. Forrester
2. Everest
3. Gartner
4. McKinsey
5. IDC
6. Frost & Sullivan
7. AMR
8. Aberdeen
9. Yankee Group
10. Dimensions

**Benchmarking** has been used to define a broad list of comparison activities. In outsourcing, benchmarking most commonly refers to a project undertaken by an independent third-party to compare an outsourcing transaction to the broader marketplace for services (a Price Benchmark). Benchmarking may also refer to an internal comparison of the cost to deliver services to that of similar organizations (a Cost Benchmark), or a comparison of internal processes and how well they adhere to a standard such as ITIL (a Process Benchmark). Price Benchmarks are commonly used to compare pricing, services, SLA structures, and other aspects of an outsourcing transaction (or a potential transaction) to those of similarly structured transactions common in the open market.

Price Benchmarks are often a contractual requirement in IT and BPO outsourcing deals (known as Third Party Benchmarks). In addition, Price Benchmarks are used by clients to better understand proposals from vendors, to determine if renegotiations are warranted, or to understand market alternatives prior to adding scope or scale to an existing outsourcing agreement. Simply put, a Price Benchmark is analogous to a Real Estate appraisal, where market pricing is determined by an independent firm that researches similarly scoped outsourcing deals (as in "sales of similar homes") and makes adjustments for services differences between the various contracts being compared (whereas a realtor would adjust for number of bedrooms, bathrooms, acreage, a third-party benchmarking firm might adjust for scope, volume and services levels).

Benchmarking not only looks at pricing, but can also highlight structural and relationship issues which may cause friction between the parties. Benchmarking is a useful way to create meaningful comparisons for clients while ensuring that the contract will be flexible enough to evolve as client requirements change over time.

<b>OUTSOURCING BENCHMARKERS</b>
1. Nautilus/ProBenchmark
2. The Hackett Group
3. IDC
4. Equaterra
5. Compass
6. PA Consulting
7. Gartner
8. Maturity
9. Global Information Partners
10. PriceWaterhouse Coopers

**Law Firms & Legal Services for Outsourcing:**

Outsourcing contractual law has been at the forefront of global sourcing since the 1980s. or more extensive track record in IT outsourcing, business process outsourcing, business transformation outsourcing, technology transformation, off shore services or strategic services.

Outsourcing lawyers negotiate the full range of strategic sourcing transactions, helping clients shorten the sourcing cycle, speed the realization of benefits, and design lasting solutions that effectively support their strategic and operational objectives.

<b>OUTSOURCING &amp; OFFSHORING LEGAL ADVISORS</b>
1. Pillsbury Winthrop Shaw Pittman
2. Cooley Godward Kronish
3. Milbank, Tweed, Hadley & McCloy
4. Mayer, Brown, Rowe & Maw
5. Hughes & Luce
6. Morgan Lewis & Bockius
7. Thelen Reid Brown Raysman & Steiner
8. Alston & Bird
9. Baker & McKenzie
10. Kirkland & Ellis

**Corporate Globalization Consultants:** 2007 is the year when outsourcing clients and buyers/prospective buyers are commanding steps to implement strategic globalization plans. Still, over 83% of organizations with directives to plan and implement such strategies have yet to produce a plan and execute. Of the 17% who have successfully moved into corporate globalization, only 38% have utilized an advisory firm to move them into the process. To split the hair further, almost 95% recommend employing a top globalization advisor to best leverage knowledge and strategically organize for the competitive advantage fastest. Corporate globalization consulting firms should expect a busy year.

<b>Corporate Globalization Advisor Firms</b>
1. NeoIT
2. Boston Consulting Group
3. Proudfoot Consulting
4. Bain & Company
5. Navigant
6. IBM Global
7. Huron
8. Hitachi Consulting
9. McKinsey
10. Deloitte

# The Black Book Vendor Database 2007 Custom Reports

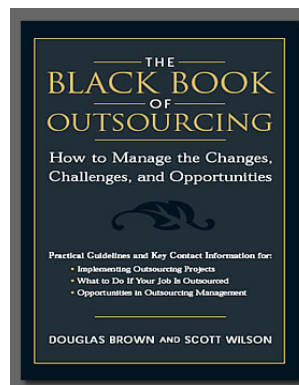
In 2006, the Black Book database of vendor satisfaction scores was accessed by outsourcing decision makers and buyers for multiple reasons outlined below.

- ▶ Web Searches: **228,000** Results Searches by Outsourcing Buyers (41% of Buyers in RFI stages)
- ▶ Full Vendor Management and Performance Outcome Detail Score & Ranking Reports requested by:
  - 715** MNC or Large Market Corporate Buyers (64% in Final RFP evaluations)
  - 406** Mid Market Corporate Buyers (92% in Final RFP evaluation)
  - 388** Media Reporters and Editors referencing vendors for articles/stories (88% pub rate)
  - 343** Current Outsourcing Clients investigating their present vendors & competitor options
  - 161** Investment Firm Analysts evaluating Outsourcing Vendor Management & Performance
  - 59** Venture Capital & Private Equity Firms in stages of outsourcing investor due diligence
  - 28** Outsourcing Advisory and Research Firms also influencing vendor selections
  - 11** International Legal Practices guiding Outsourcing Decisions
- ▶ Plus, **167** Competitor Outsourcing Vendors purchased custom reports for marketing and business development collaterals, which included rankings of over **1500** competitive service providers.

## TO VIEW & ORDER 2007 CUSTOM REPORTS

<http://TheBlackBookOfOutsourcing.com>

Under "Order Reports" Tab



# The Database & Custom Reporting

The Black Book database supports the decision making processes of over 1000 companies making outsourcing decisions and strategies. Rating criteria for the Black Book sublists can be found at <http://theblackbookofoutsourcing.com>

A set of 18 indicator questions is also provided following the management survey, to identify providers of operational excellence from the client perspective, using the same scoring basis but ranked according to incorporating each, any or as many as five fields of distinction (For example, the "Top Ten Finance & Accounting Outsourcing Vendors" could be determined for a general overview, or prospective buyers could narrow their vendor search by means of "Top Ten Small Market FAO Accounts Payable Administration in the UK Banking Industry delivered from India").

Custom report clients determine report structure and contents to meet their needs, whether prospective buyer, investor or competitive service provider.

## Report Fields to Choose From

As the 22,000+ balloting clients identify themselves by several qualifying characteristics, the robust database is rich with complex information to custom reporting needs.

### Category of Outsourcing

- Business Process Outsourcing
- Information Technology Outsourcing
- Finance & Accounting Outsourcing
- Human Resources Outsourcing
- Knowledge Process Outsourcing
- Facilities Management & Real Estate Outsourcing
- Call Center & CRM Outsourcing
- Legal Process Outsourcing
- Document Process Outsourcing
- Engineering Services Outsourcing
- Supply Chain, Logistics & Procurement Outsourcing
- Bundled Outsourcing

### Market Size by Employees

- Large Market (15,000 + FTEs)
- Middle Market (2,000 – 14,999 FTEs)
- Small Market (Less than 2,000 FTEs)

### Market Size by Annual Revenue

Large Market (\$1 Billion + Annual Revenue)

Middle Market (\$500M - \$1B Annual Revenue)

Small Market (Less than \$500M Annual Revenue)

### Industry

Main industries in which Outsourcing Initiative is Performed

(Inquire into **44** Industries such as Banking, Healthcare, Energy, Retail, Government etc)

### Function

Inquire into **588** functions

such as IT Applications Development, HR Benefits Administration, Payroll, Insurance Claim Processing)

### Geographies of Service Delivery

**65** Countries, also available by region

### Geographies of Buyer Location

**30** Countries, also available by region

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## **EXAMPLES**

### **2007 Report: Top Global Information Technology Outsourcing Vendors**

Link to Full Report: <http://TheBlackBookOfOutsourcing.com>

EDS is the only the top ITO vendor by satisfaction, it is also the fastest growing ITO globally. IBM Global, although the largest in market share actually had the slowest growth. Accenture was a consistent top ITO in past years of the Black Book survey, and although on the fast track of growth as well, produced a third straight year of declining management and operational satisfaction scores from clients, falling off the Top Ten vendor rankings.

<b>2007 TOP TEN GLOBAL ITO VENDORS</b>
1. EDS
2. Capgemini
3. Satyam
4. ACS
5. Hewlett Packard
6. Infosys
7. Unisys
8. CIBER
9. Ness Technologies
10. IBM Global

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#### **2007 Report: Top Full Service Finance & Accounting Services Outsourcing Vendors**

Link to Full Report: <http://TheBlackBookOfOutsourcing.com>

Knowledgeable followers of the multi-tower finance and accounting BPO market know that growth has been sustained by Fortune 1000 clientele. Current large market clients predict (34.2%) FAO initiatives to further expand into more and newer areas of their organizations. However, it's the middle market FAO clients that expressed an increase in outsourcing engagements which constructs one of the biggest expansions of all outsourcing processes in the next twelve months (89.3%).

<b>2007 TOP TEN GLOBAL FAO VENDORS</b>
1. Capgemini *
2. Hewlett Packard
3. WNS Global Services
4. Caliber Point/Hexaware
5. Mellon/SourceNet Solutions
6. XChanging
7. Outsource Partners International
8. KPMG
9. Accenture
10. Genpact

\* Third consecutive year as #1 FAO vendor

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## Report: Midmarket HRO

Link to Full Report: <http://www.platformone.com/pdfs/FPlatformOneMidMarket2006%20RANK1.pdf>

Analysts, vendors and buyers alike predict that small and medium-sized businesses (SMBs) will assume greater importance for outsourcing vendors of all sectors, industries and functions. Vendors searching for new markets to expand into are an ultimate priority for service providers as they explode in quantity, size and capabilities. Scaled-down IT, finance and accounting, HR, support services, and software-as-a-service are seen as the types of products vendors will develop for SMBs to meet meteoric demand.

2006 TOP TEN MIDMARKET HRO VENDORS
1. Platform One
2. TriNet
3. Advantec
4. Convergys
5. Checkpoint HR
6. Accenture HRO
7. HRXCEL
8. Ceridian
9. Gevity
10. ADP

The worldwide market for business process outsourcing HRO is expected to reach \$26 Billion in 2007, an increase of from \$23.5 Billion in 2005. But growth is starting to slow, in the large client markets over 15,000 employees. HRO Vendors typically leaders on the large market rankings are expected to make entry on the 2007 customer service satisfaction rankings as these vendors struggle with profitability and try to improve bottom-line results.

Payroll services and benefits administration services comprise the largest segment (almost three-quarters) of the total midmarket HR BPO market in 2007. The remainder of the market is made up of education and training, hiring and recruiting, and personnel administration services.

### Multiple Field Qualifier Reports

Custom Reports are generated by BWG lead analysts for individual and multiple report criteria to meet the needs of the client, for examples:

- Top Ten BPO Vendors, India
- Top Ten Small Market Payroll Vendors
- Top Ten HRO: Benefits Administration, Healthcare Industry
- Top Ten Outsourced Civil Engineering Vendors, Canada and US
- Top Ten ITQ: Application Development Vendors, Government Agencies under 2,000 employees
- Top Ten Insurance Industry BPO: Claims Administration
- Top Ten ITQ: Full Software Testing Vendors, China
- Top Ten FAO Accounts Payable Vendors, Midmarket Manufacturing Industry
- Top Ten Energy & Utilities BPOs, Billing and Collections Processes
- Top Ten Offshore Engineering Services Outsourcing Vendors

According to current outsourcing users, the next wave of outsourcing includes assessing all aspects of an organization's business activities to determine if and where there are opportunities to leverage outsourcers' capabilities, intellectual property, best practices, global infrastructure or geographic presence to access resources and capabilities around the globe.

Customers agree (84.2% rank as the key development for 2007) is outsourcing vendor directed business transformation for clients. Global executives who participated in the survey look to leverage vendor services to improve time-to-market, gain new business, standardize processes and significantly lower costs. Many plan to employ outsourcing advisors to guide them through the development to maximize client gain.

These new capabilities are helping buyer corporations operate core business processes and develop products better, faster in addition to lowering costs.

**As outsourcing is evolving, what are your support expectations from outsourcers in helping advance your organization beyond the basic cost-saving benefits of global sourcing?**

<b>Growing Client Support Expectations of Outsourcing Vendors</b>	<b>Likely to Expect from Vendor</b>
1. Quality Assurance	93.1%
2. Compliance	89.4%
3. Process Engineering	84.3%
4. Resource Management Best Practices	78.9%
5. New Product Development	72.3%
6. Strategy & Revenue Development	62.5%
7. Research, Design, Innovation	60.9%
8. Access Vendor Intellectual Property	37.3%
9. Legal Services & Risk Management	24.8%
10. Lead Generation and Direct Sales	16.8%

Concentrated development of buyer organization governance structures (Chief Sourcing Officers in particular) is critical to ushering the next wave of outsourcing.

**Customers (69.9%) advise that this lack of synchronized coordination and governance in their own organization is preventing them from maximizing the benefits of outsourcing.** This missing link (lack of coordinated governance) is critical in ensuring customer satisfaction and prevents/causes potential buyers to hesitate to entrusting an outsourcing provider who will have primary responsibilities for:

1. Processes that will affect core business (88.3%)
2. Processes that directly impact top line growth (85.0%)
3. Process of core and new product development (59.2%)
4. Customer interactions (14.5%)
5. Employee interactions (12.7%)

Lastly, outsourcing buyers who have developed organizational-wide sourcing strategies (as opposed to department-by-department specific sourcing plans) will be the first to ride the latest wave. More support for orchestrated sourcing leadership, current clients attest that to achieve the next wave of outsourcing and maximize the new benefits of business transformation, an organization-wide sourcing plan is mandatory.

Clients who operate with decentralized department strategies do not report the elevated satisfaction of those who have approached initiatives from a hub of champion coordination.

Have organizational-wide Outsourcing strategy	8.8%
Overall Customer Satisfaction	87.6%
Have Department-by-Department Outsourcing strategy	96.3%
Overall Customer Satisfaction	22.1%

## Who Responds by Title

Chief Technology Officer/CIO	15.0%
Outsourcing Governance Staff	12.8%
Chief Sourcing Officer	11.8%
Chief Procurement Officer	10.4%
Chief Financial Officer	8.9%
Chief Operating Officer	8.2%
Middle Management	7.9%
President/Chief Executive Officer	5.7%
Purchasing Staff	5.6%
Vice President	3.4%
Specialist/Consultant	3.2%
Other	2.5%
Relationship Management	2.2%
Shared Services Director	1.5%
Marketing/Sales Director	0.9%

## What is your company's primary industry?

Business Services	12.8%
Banking	9.9%
High Technology & Electronics	8.5%
Insurance	8.2%
Government	6.9%
Consumer Packaged Goods	6.5%
Telecommunications	6.2%
Healthcare	5.9%
Manufacturing	5.2%
Financial Services & Capital Markets	3.9%
Retail	3.6%
Hospitality & Leisure	2.9%
Other	2.5%
Automotive	2.4%
Utilities	2.3%
Pharmaceuticals	2.3%
Energy	1.5%
Construction	1.4%
Transportation & Logistics	1.4%
Media & Entertainment	1.2%
Education	1.0%
Travel	0.9%
Life Sciences & Biotech	0.8%
Aerospace & Defense	0.6%
Agriculture	0.5%
Real Estate	0.5%
Chemicals	0.4%

**Which of the following best describes your company's annual revenue (\$US)?**

\$25 Billion +	1.9%
\$ 5 Billion to \$25 Billion	13.3%
\$ 2 Billion to \$ 5 Billion	26.3%
\$ 500 Million to \$ 2 Billion	25.0%
\$ 100 Million to \$ 500 Million	15.1%
\$ 25 Million to \$ 100 Million	16.7%
Less than \$ 25 Million	1.7%

**In which regions does your company have operations? (Does not add up to 100% due to multiple location options)**

United States	95.8%
Europe	22.7%
Asia/Pacific Region	20.4%
Canada	10.6%
South America	7.0%
Other	5.9%
Middle East	3.2%
Africa	1.1%

**If your organization is outsourcing or is considering outsourcing, what type of outsourcing model are you using?**

Onshore and Offshore	70.3%
Onshore, Offshore and Nearshore	13.6%
Onshore Only	7.8%
Onshore and Nearshore	5.2%
Offshore Only	1.7%
Nearshore Only	1.4%

**In the Vendor Selection process, based on experience and current satisfaction level with outsourcing vendors, rank the top three (3) which will drive your next initiative decision making processes.**

1	Business Transformation Processes	67.3%
2	Relationship Mgmt, Preferred Vendor Programming	66.2%
3	Security Capabilities	65.9%
4	References, Reputation and Known Client Experiences	63.9%
5	Managerial Stability and Leadership Competence	61.0%
6	Strategy, Creativity and Innovation Contribution	59.0%
7	Leadership Commitment to Outsourcing	55.4%
8	Quality and Process Expertise	53.3%
9	Cultural Fit	49.8%
10	Time to Deliver Goals & Objectives	47.7%
11	Industry Knowledge and Experience	42.1%
12	Financial Stability	38.5%
13	Pricing and Economic Proposition	34.6%
14	Change Management and Flexibility	25.3%
15	End-to-End Process Capabilities	23.4%
16	Technology Platform	17.3%
17	Globalization and Delivery Location Options	11.2%
18	Market Size Experience	10.0%
19	Cross Industry & Bundled Functionalities	8.9%
20	Faster and Cheaper	8.6%

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Brown-Wilson Group & The Black Book of Outsourcing are the premier global provider of outsourcing market intelligence and data services. BWG professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. Information is provided as the results of annual industry surveys of clients & users.