



From ITO to BPO: The Need for Benefits-Based Contracting

Reaping the Rewards of Business Process Outsourcing.

A Strategy Guide from The Outsourcing Institute

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THE OUTSOURCING INSTITUTE

Gateway to the Outsourcing Marketplace

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SUMMARY

Business Process Outsourcing (BPO) is not new, but for a while most corporations have been happy to observe the market from the sidelines. Now, current and future business trends mandate that every company have a BPO strategy. Cost savings are now a permanent part of the corporate landscape: as competition in a global environment inexorably increases, the need for ever-greater competitiveness, efficiency and productivity becomes more urgent. IT Outsourcing (ITO) has been effective at reducing IT operational costs, but ITO impact has been limited to controlling (and sometimes reducing) IT spend. After a decade of ITO, most of the low-hanging IT cost savings have been harvested, so the question arises, “Where is the next wave of cost savings and productivity improvements going to come from?” The answer is BPO, which offers a greater level of both cost savings and productivity improvements - for the *corporate operating budget*.

WHAT ORGANIZATIONS WILL LEARN FROM THIS GUIDE:

<i>Outsourcing Buyers</i>	<i>Outsourcing Service Providers</i>	<i>Outsourcing Facilitators and Industry Observers</i>
<ul style="list-style-type: none">• Why BPO is an absolutely critical component of staying competitive in today's economy• The similarities and differences between ITO and BPO, both tactically and strategically• How to apply best practices, avoid common failures, and finally reap the much-hyped rewards of BPO• How to enter the market as a service provider	<ul style="list-style-type: none">• How ITO providers can make the shift to BPO• How process knowledge vendors can make the shift to outsourcing• How to deliver the productivity improvements and cost savings clients are looking for while maintaining profit margins	<ul style="list-style-type: none">• The unique dynamics of BPO• Why BPO is the inevitable future of today's market• How to monetize the BPO trend



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ABOUT THE AUTHOR:

Graham Kemp was born and educated at Oxford, England, is fluent in French, Italian and Spanish and has given speeches in those languages. He was formerly the Chairman, CEO and founder of G2R Inc., which he sold to The Gartner Group, the world's largest provider of research in January of 1999. Prior to that, Mr. Kemp was Market Planning Manager for General Electric (in GE's New York headquarters and in Phoenix, their IT HQ) Worldwide Market Planning Manager for Honeywell (in Paris, France) Manager of European Marketing and Sales for Planning Research Corporation (in London, England) and Vice President responsible for Consulting and Custom Research with INPUT (in California).

Mr. Kemp has 43 years of experience in the Information Technology and Services Industries worldwide, including twelve years in Europe, and has performed consulting assignments for many Fortune 100 corporations and most of the leading players in the IT industry including AT&T, Ameritech, Andersen Consulting, Apple Computer, Amdahl, Bechtel, Bell Atlantic, Boeing, Canada Post, CSC, Digital, Deloitte & Touche, Dupont, EDS, General Dynamics, IBM, Japan Information Services Association, Japan Technology Transfer, Lockheed Martin, McDonnell Douglas, Oracle, NCR, NEC, NIT, Nynex, San Diego County, Shell, TSC, Perot Systems, Service Merchandise, Sun Micro, Tandem and many others and has been instrumental in helping establish Systems Integration and ITO partnerships between US vendors.

As a leading authority on the IT/Business Consulting, Systems Integration, IT Outsourcing and Business Process Outsourcing markets, Mr. Kemp has participated in Outsourcing selection committees, and has directed and personally conducted large research programs over the past twenty years. He has presented his findings at numerous Industry forums and is regularly scheduled as a keynote speaker in the U.S. and abroad, including Canada, France, the United Kingdom and Japan.

ABOUT THE OUTSOURCING INSTITUTE

The Outsourcing Institute (OI) is a neutral professional association dedicated to assisting organizations with all forms of outsourcing. Founded in 1993, OI has become the go-to source for outsourcing assistance, and the world's leading executive network for outsourcing professionals with more than 50,000 members. OI's mission is to advance the knowledge and skills of its membership. OI's core business comprises a broad range of targeted events, publications, and consulting services. For more information, or to become a member, visit www.outsourcing.com.

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