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Guest CEO Editorial


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Advisory • Investments • Research



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James M. Donovan co-founded ADEC in 1998. Mr. Donovan brings extensive BPO & PEO experience, and is a noted authority on Global Business Economics. Formerly Vice President of Daiwa American Securities of New York and Lehman Investments in Hong Kong/London, he currently holds chair positions on Assets and Infrastructure Partners and Woodstock Exports. James is renowned for his international business insights and his 25 years of Investment Banking experience.

About ADEC Group

Dedicated to making a difference in the world, the company's 5,000 people reach out from 14 offices around the globe to build strong stakeholder relationships and provide solutions that work.

Founded in 1998, The ADEC Group has grown to become a leading Market Provider in Content BPO with specific domain expertise in helping businesses develop process, manage, and analyze information more effectively across their organizations, translating its core competencies into domain specific solutions.



While firms are increasingly offshoring front office functions such as customer service and back office functions such as IT and business processes, we also find that companies continue to reduce their costs by offshoring to geographies with talented, lower cost labor pools.

While cost-savings remain the most common reason for companies to outsource, strategic aspects play an increasing role today. In order to maintain control while preserving business agility, clients required partners with proven track records to help them succeed in today's economy.

Customers look for reliable providers with stable technological and business environments to help achieve their defined goals, increase business agility, and attain technology transformation and total cost of ownership savings. This also helps to develop governance and standard processes by implementing global service level agreements, and to facilitate the consolidation an international supply chain model.

To find outsourcing Partners customers typically retain the help of external consulting firms to help navigate the complexities of outsourcing, with the goal of managing globally but delivering locally.

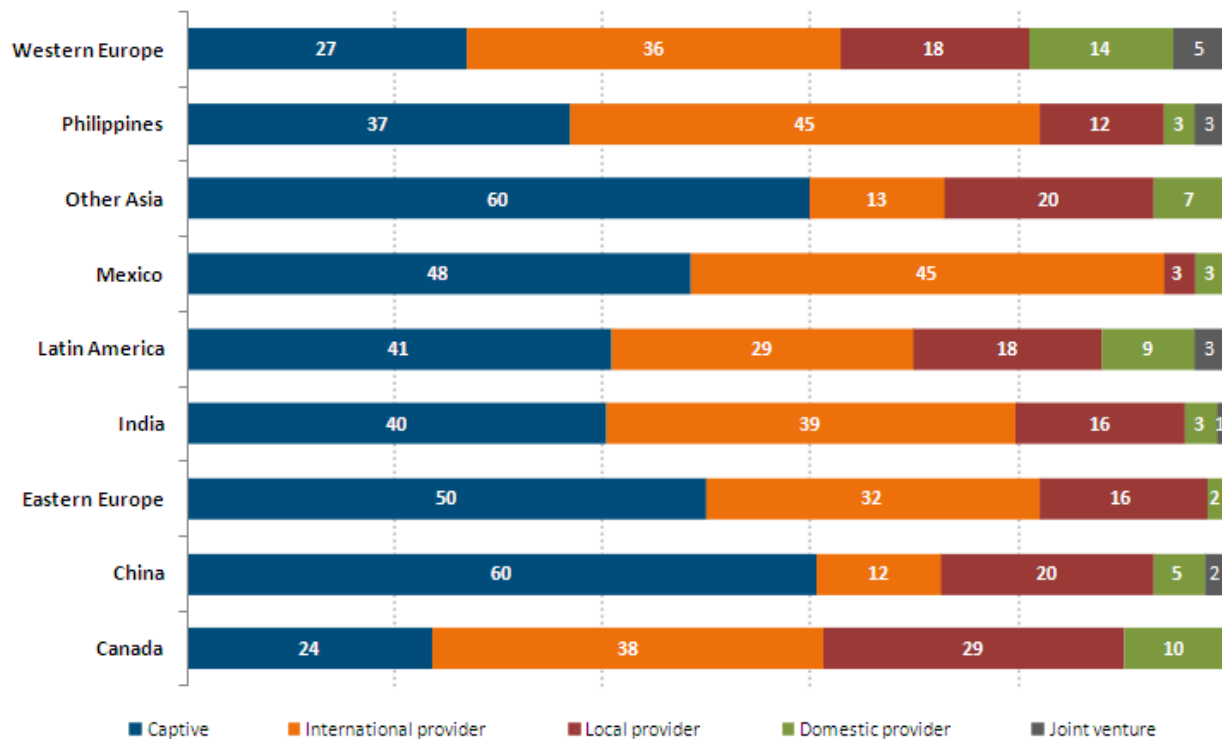
The Economic Impacts of Outsourcing

New forms of outsourcing relationships continue to develop. Companies are increasingly looking for partners to share risks and financial liability as well as create new business opportunities. While cost is the primary motivation for firms to pursue offshoring locations, recent research suggests that firms may achieve both cost and quality benefits through outsourcing.

The Asia Pacific region continues to draw the bulk of demand from Global companies with countries such as India and the Philippines exporting billions in IT and BPO services. China is more becoming a viable outsource destination promising to stimulate cash flow in today's economy, with a highly talented labor pools and increased multi-lingual capabilities.

Current Trends

Historically Asian countries have offered companies a captive delivery model...



...ADEC now sees many of those captive centers being acquired by service providers and run as managed service models for those same companies, effectively reducing the total cost of ownership.

The Partnership Model

Key dimensions of a long-term customer / service provider relationship are:

- **An evolving partnership:** This is characterized by trust and mutual well-being. These are complemented with discipline and an expectation of continuous development.
- **The relationship is perpetual:** There is no predefined conclusion as long as it remains mutually agreeable and beneficial. Both parties have to work to develop the partnership. Should one side fail to deliver on its promise or commitment, the nature of the relationship can change.
- **Deep understanding of one another's business:** Both companies commit to understanding each other to ensure the relationship produces the desired results. There is a significant exchange of information, knowledge and energy.

- **Investment with specific intent:** Joint investments are based on mutually beneficial business outcomes. The knowledge and experience of both companies working together creates solutions that are beyond the grasp of either working independently.
 - **Active performance management and improvement:** Simple, effective systems are used to continuously reassess targets and monitor performance.
 - **Immediate joint action is taken when variances occur:** Where an opportunity to improve is identified, both companies commit their best resources to new solutions or processes.
 - **Change is an objective, not a problem:** Both companies continuously look for opportunities to make change in the pursuit of excellence. The relationship is highly flexible and adaptable; and there is an overall desire to exploit new developments to their fullest.
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Summary

Companies realize that there are an abundance of cases in which outsourcing or offshoring are the best business strategies. Outsourcing can be a competitive strategy, as well as a cost-cutting one. With the US dollar's increase in value, it continues to be economically viable do the work offshore.
