



Prospectus



OUTSOURCING PERFORMANCE 2012

DNA of outsourcing success
Tenth edition

GIARTE





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Outsourcing Performance

Research population

	2006	2007	2008	2009	2010	2011
Number of respondents	250	274	275	306	354	403
Number of companies	221	240	242	277	292	306
Number of unique relations	535	550	674	646	584	705
Contract value*	2,1	3,0	3,5	4,4	3,1	5,8

* Estimated value in study (based on annual contract value, in billion euros)

What is Outsourcing Performance?

Outsourcing Performance is the study which Giarte conducts every year among the top-500 organisations in the Netherlands which outsource (part of) their IT to service providers. This year will be the tenth edition. In these ten years, the study has evolved into an independent indicator for measuring satisfaction in outsourcing relationships. Over 700 relations were researched in the previous edition of the study.

The study entails much more than just collecting data; hundreds of talks and interviews are used for the analysis that we provide for service providers and other parties in the market. As basis for the research Giarte utilises her closed community of sourcing executives. This community is served through the new website www.outsourcingperformance.nl, a website that features profiles of all major service providers, market data and uses various social media.

Outsourcing Performance offers insight into the structure of the client group, identifies commercial opportunities within this group, and compares the outcomes with the whole market. Last year 20 service providers used the outcomes as a barometer for their outsourcing activities. Each year Giarte charts developments across the whole market. Both substantive and commercial aspects receive attention. These insights are used by service providers in business development sessions, management discussions and strategy meetings. They also act as input for market research, competition analysis and internal improvement programmes.

This prospectus presents the options for participating in Outsourcing Performance.

This prospectus is available for download via www.giarte.com
A Dutch-language version of this prospectus is available via www.giarte.nl

A special theme for 2012: the DNA of outsourcing success

The occasional stories about insourcing in the media underline that bringing back IT inhouse is a possible scenario. Our study shows that insourcing on a large scale is not the preferred option for most organisations. Selective insourcing can be a legitimate move, but activities like application management and operational HR are likely to be outsourced. Besides, insourcing is not really necessary: the number of superfans – clients who most certainly will recommend their service provider – doubled in our 2011 study. An increasing number of organisations were able to transform their troubled relationships into productive relationships. Outsourcing is becoming more and more successful.

Hence the theme for this year's edition is 'DNA of outsourcing success'. What makes that clients become fans? Which competencies create true power in governance structures? And what are major missteps in managing relationships? With the help of many cases, we would like to describe how to grow successful relations within outsourcing environments.

A preview of the sourcing year 2012

In this dynamic market, it is important to keep an eye on major developments. Below, we describe the moves we see in the three domains that we research in Outsourcing Performance.

Service providers who offer End User Management (EUM) should prepare for the perfect storm. In our previous study 60 percent of the respondents indicated that new ways of working will impact their outsourcing contracts in the upcoming years. Trends like Bring Your Own (BYO), virtual desktop infrastructure, social media for the enterprise and cloud computing will converge into new services. Companies expect service providers to change their service portfolios accordingly.

Life-cycle management becomes more important in the domain Application Management (AM). The biggest threat for most companies is an oversized application portfolio. Renewal and disposal of applications go hand in hand. The virtualisation of applications will result in an even thinner line between infrastructure and application management. And performance management will change: KPIs will become more business oriented and used to manage multisourcing environments.

The increasing dependency on flawless operating IT changes a lot for Infrastructure Management (IM). Datacenters and networks are the beating heart of IT within organisations. Applications and data are less and less stored on local computers. In consolidated and virtualised environments the performance of the infrastructure can make or break the user experience. SLAs will change accordingly: agreements on non-functional parameters will be replaced by agreements that focus on responsibilities to guarantee business continuity.

Outsourcing Performance: the annual reality check

The unique characteristic of Outsourcing Performance is the combination of quantitative and qualitative feedback for service providers. Giarte's research methodology consists of gathering information through an online survey, followed by interviews in order to interpret the results accurately. This way, a unique and complete picture emerges of each service provider's position in the market.

Each service provider that participates in the study receives the results in various forms:

1. Individual presentations

Giarte presents the individual outcomes of the research to each service provider. Based on the figures and interviews, Giarte takes the circumstances within the client group in consideration and provides an update of the latest market trends. Presentations are a good way approach to offer people a view from the outside world. Giarte also gives feedback, which clients themselves are not likely to give easily. This feedback may not always be cheerful, but is very valuable in maintaining relationships and initiating internal improvements.

2. Workshops

A workshop focuses on a specific problem. For instance, on a particular client segment such as the government, a good strategy for extending existing contracts, or the optimisation of client contacts within the service provision. Giarte uses the study's findings to translate the challenges into starting points for practical solutions.

3. Report

The results are set out in a clear report. Each year Giarte considers which form is most suitable. The report is available in both hard copy and digital form. This report is in English.

4. Outsourcing Performance yearbook

Participants in the study also support the Outsourcing Performance yearbook. Each year Giarte publishes the results in a handy format for the demand side of the market. Over the years this publication has grown into a much-consulted reference for IT sourcing executives. For service providers the yearbook is an excellent way to inform business and service managers of the latest trends in sourcing.

5. Profile on outsourcingperformance.nl

Each researched service provider has its own profile on the new website. The objective research data is supplemented with social media features like tweets. The site offers different opportunities to support marketing, such as the publication of white papers, client cases and announcements of events.

What gets a service provider reported on?

Service providers gain a unique overview of their own performance and business opportunities at clients. The study also presents an overview of the entire market, so that providers can compare their performances and opportunities with those of their competitors. For many years now, the results have acted as a 'mirror' for directors and outsourcing managers of service providers.

The study reflects the views of decision makers: the respondents are sourcing executives on the client side who have an impact on contract extension and/or increase in the share-of-wallet. Furthermore, respondents give Giarte their unfiltered opinions of their own sourcing strategies and their relationships with service providers.

A service provider's complete market profile is composed of the following elements:

→ **Satisfaction and willingness to recommend**

Satisfaction in the domains Application Management (AM), Infrastructure Management (IM) and End User Management (EUM); we also ask to what extent a client will recommend their service provider;

→ **Commercial opportunities in the market**

The likelihood that existing contracts will be extended (reletting), the likelihood that the service provider will expand its services within the client base (share-of-wallet), and general growth of outsourcing among all participating client organisations;

→ **Market developments**

Trends in the area of sourcing which are important to a service provider's go-to-market strategy.

Depending on the latest insights, the research approach may be changed. Giarte reserves the right to change its methods, even after the publication of this prospectus.

What is new in 2012?

1. BPO

The Business Process Outsourcing (BPO) market is still in its infancy. The many different kinds of BPO services also make it difficult to create rankings based on comparable services. However, for the first time it will be possible to measure the satisfaction of BPO relations and include these clients in the Outsourcing Recommendation Index. Depending on the number of evaluations, a separate report will be provided. Service providers who would like to include their BPO-relations are ought to deliver a separate list of contact persons during the contract review. These persons will be questioned with a different survey. *Including BPO relations is only possible for service providers who buy the Excellence version of the study (see page 10/12).*

2. Executive marketing support

Each service provider has its own profile on the website outsourcingperformance.nl, this profile offers several possibilities to improve the positioning of outsourcing services. It is possible to include white papers and client cases and service provider can communicate their news through RSS-feeds. Depending on the version of the study, an option is offered to announce outsourcing related events. To guarantee quality, Giarte will check all messages before publishing.

3. Transformation of KPIs in outsourcing

A wrong governance structure is one of the major factors hindering the success of outsourcing. The indicators used to measure the performance lead to confusion and will harm rather than help the relationship. Based on many cases, the knowledge on the right use of KPIs is increasing. This subtheme will be featured prominently in 2012.

Planning 2012

December 2011/ January/ February 2012	Preparation and invitation of research group in collaboration with service providers by means of the contract review
March/April	Perform online research
May/June	Data-processing, analysis and production reporting
July	Publication of results to service providers
August/September	In-depth interviews and presentations at service providers
October	Publication of results to respondents

The report will be delivered in the first week of July. The yearbook Outsourcing Performance 2013 will be released at the **Outsourcing Performance Day** – exclusively organised for respondents of the study – in October.

Contract review

In preparation of the study, Giarte performs a contract review with service providers to gain an accurate image of the client group. Giarte provides an overview of contracts to the service provider for completion and correction. Cooperation is completely voluntary and is separate from participation in the study.

Experience has shown a thorough contract review generally provides an advantage for the service provider: with a complete list Giarte can help to ensure that satisfied clients, in particular, are also involved in the study. Furthermore, an accurate review prevents that contracts which are (just) ended will be included.

Service providers in the study

The following 37 service providers will be researched in the study:

- | | |
|--------------------------|-----------------------------|
| ▲ Accenture | ● ISDC |
| ● ASP4all | ● Kender Thijssen |
| ▲ Atos Origin | ▲ KPN |
| ■ AT&T | ● Levig |
| ▲ BT | ▲ Logica |
| ■ Bull | ■ Mahindra Satyam |
| ▲ Capgemini | ■ Nobel |
| ▲ Centric | ■ Orange Business Services |
| ■ Ciber | ▲ Ordina |
| ● Cognizant | ▲ Schuberg Philis |
| ■ CSC | ▲ Simac |
| ■ Ctac | ▲ Sogeti |
| ▲ Fujitsu | ■ Tata Consultancy Services |
| ● HCL Technologies | ● Triodor |
| ▲ HP Enterprise Services | ▲ T-Systems |
| ▲ IBM | ■ Valid |
| ▲ Imtech ICT | ■ Verizon |
| ● Infosys | ■ Wipro |
| ■ Inter Access | |

- ▲ Service provider with a score in the Outsourcing Recommendation Index 2011
- Service provider included in the study (less than 15 evaluations)
- Service provider with insufficient evaluations in 2011

Each respondent has the possibility to add one service provider who is not mentioned by name and assess that provider in the study.

Last year respondents provided information of 62 different service providers. Only service providers with more than **seven** evaluations will receive a place in the study report. For the indication of satisfaction levels, a lower limit of seven evaluations is also set per domain. Each supplier who is included in the research outcomes will receive a brief description in the Outsourcing Performance yearbook. Last year 21 providers received sufficient evaluations to be given a specific mention in the report.

For the Outsourcing Recommendation Index, Giarte uses a lower limit of **fifteen** evaluations. Only service providers who achieve this number will be included in this index and get a detailed profile in the yearbook.

Participation in the research

Outsourcing Performance is a study that cannot be compared easily to other market research. The goal of Giarte is not only to publish a report but to really improve current relationships in the market. That is why we invest heavily in knitting the right networks in the client and vendor communities: to understand the market needs to define potential improvements and other related actions. IT outsourcing is still a young market, and the underlying technologies are constantly shifting opportunities and expectations.

Giarte translates expectations, opinions, satisfaction and willingness to recommend into a clear client image. Our research is not derived from consultancy work, and we do not use the quantitative results of our research in commissions. Giarte cannot be hired as an adviser on selection procedures. Therefore we protect our objective position, and we remain a trustful partner for both the supply and the demand side of the market.

Within outsourcing it is impossible to string small short-term successes together into a strong chain. For each service provider, then, participation in Outsourcing Performance represents an investment in building long term relationships.

Depending on the extent of ambitions, there are several ways for a service provider to participate in Outsourcing Performance. We explain the various options in the column on the right page and on the following pages.

Variants of the study

The study has three variants: Basic, Insight and Excellence. Each variant differs in the reporting and presentation of the results. A custom program can be developed if these options are not sufficient.

Basic

The Basic variant is suitable for service providers with a limited presence in the Netherlands, with regard to outsourcing. Purchasing this variant provides participants an insight into their own scores plus a general update of market developments, performances of individual service providers and commercial possibilities in the market. The report contains all the basics for getting a good view of the Dutch market and to understand growth opportunities.

This package is only intended for service providers who did not receive a score in the Outsourcing Recommendation Index in the past 2 years.

Insight

The Insight variant is intended for all service providers with a minimal of ten clients, who need a detailed insight into the commercial possibilities in the Dutch market. They gain insight into ‘the story behind the figures’, amongst other things taken from a number of interviews with clients. Outsourcing Performance functions as a comprehensive reality check and provides sharpness and clarification of developments on the client side.

Excellence

The Excellence variant of the study is available for service providers with high ambitions. Conducting interviews that are specially designed for the specific situation of the service provider, Giarte investigates where they rank on the executive radar within the client group. These in-depth discussions with CIOs and members of the board of directors provide the service provider with unique and unfiltered feedback for growth opportunities and the development of relationships within their own client group. Only the Excellence version offers the possibility to research BPO-relationships and include these results in the Outsourcing Recommendation Index. BPO-relations will be questioned separately.

Basic

This version of the research is suitable for service providers who would like to gain insight into their own performance but do not (yet) have ten clients in the Netherlands for result-oriented outsourcing. Purchasing this variant provides participants with insight into their own scores plus a general update of market developments, performances of individual service providers and commercial possibilities in the market. The reporting contains all the basics to obtain a good view of the Dutch market.

Basic is also suitable for service providers who do not reach the lower limit of clients but who want to invest in an update of their market knowledge for their account management and to integrate the the research results into their growth plans. In an active presentation Giarte looks at the best approach to achieve growth, based on the latest client and market insights.

Deliverables

- Research report (for internal distribution only)
 - 10 printed copies
 - Digital as PDF
- Yearbook Outsourcing Performance 2013
 - 50 printed copies
- Presentation
 - Internal presentation for a selected group
 - The worksheets are provided digitally
- Basic marketing support via the website (see page 13)

Insight

The Insight variant is intended for all service providers with ten or more clients who need a comprehensive insight into the commercial possibilities in the Dutch market. They gain insight into ‘the story behind the figures’, taken from a number of interviews with clients. Outsourcing Performance functions as a ‘second opinion’ and provides sharpness and clarification of developments on the client side.

As well as all the information that we provide as part of the Basic variant, Insight customers also receive a detailed analysis per branch and contract value, plus an extra management presentation in which client issues, action points and a market overview are set out for each provider.

Deliverables

- Extended research report (for internal distribution only)
 - 15 printed copies
 - Digital as PDF
- Detailed information in digital format
- Yearbook Outsourcing Performance 2013
 - 150 printed copies
- Presentations
 - Two internal presentations for various select groups
 - The worksheets are provided digitally
- Extended marketing support via the website (see page 13)

Excellence

The Excellence variant of the study is available for service providers with high ambitions. Per service provider customized interviews are conducted. Giarte investigates their rank on the executive radar within the client group. These in-depth discussions, with CIOs and board members, will provide a service provider with unique and unfiltered feedback for growth opportunities and the development of relationships within their own client group.

The results of this qualitative analysis, in addition to the figures from the research, are an objective reflection for internal business plans. Within Excellence there are sufficient opportunities to look in more detail at the most important client-specific questions that we can only answer with adequate qualitative research. The Excellence variant also shows the results intensively to the right people. This enables Giarte to explain all the details, together with the strategic considerations which are important for the coming year, in an interactive session. Excellence also offers the opportunity to include BPO-clients in the study and weigh them in the Outsourcing Recommendation Index.

Deliverables

- Excellence research report (for internal distribution only)
 - 15 printed copies
 - Digital as PDF
- Detailed information in digital form
- In-depth interviews with clients
- Possibility to research satisfaction with BPO clients
- Yearbook Outsourcing Performance 2013
 - 200 printed copies
 - Entitlement to order additional copies
- Presentations
 - Two internal presentations for select groups
 - The worksheets are provided digitally
- Commercial clinic by Giarte
 - Hands-on meeting for selected group which looks at do's and don'ts, internal professionalisation and dealing with market trends
- Extended marketing support via website (see page 13)

Pricing and additional programs

The price per option is as follows:

- Basic € 12.500
- Insight € 22.500
- Excellence € 32.500

These prices are valid only during preregistration until **January 1st 2012**. After this period the following prices are used: *Basic* € 14.500,-, *Insight* € 24.500,- en *Excellence* € 35.500,-.

All prices exclude VAT.

Billing

With preregistration, the full amount will be invoiced upon commencement of the agreement. This invoice has a payment term of a maximum of 30 days.

Tailored programs

Some service providers have requirements and wishes which we cannot accommodate within the standard versions of the research. That is why Giarte can also develop tailored programmes surrounding the Outsourcing Performance study. Examples include identifying the clients' view on different levels within client organisations, exploring market propositions among prospects, supporting internal business development and/or communication strategy activities.

Giarte always prepares a specific proposal and a quotation for such tailored programmes. Factors affecting the price include the size of the client group, the desired outcomes, and the size of the target group within the service provider itself.

So that you can make optimum use of Outsourcing Performance, we recommend that you contact Giarte well in time.

Marketing support per variant

The website www.outsourcingperformance.nl was launched in October 2011. This site serves decision makers and influencers in outsourcing. Giarte publishes articles and research data on the website, together with social media features. The website is an important source of information for clients searching for new service provider. Therefore a major part of the website features the profiles of service providers. A profile can include the following pieces of information:

- General data (number of employees and financial data)
- The names and LinkedIn profiles of the leadership team in the Netherlands
- The most important Twitter and RSS feeds
- Data on Outsourcing Performance results
- A description of performance in the Outsourcing Performance study
- News announcements concerning outsourcing
- Links to external client cases and publications/white papers
- Link to events
- Including events in the agenda and monthly newsletter

The options depend on the chosen package. The table below shows the options per variant.

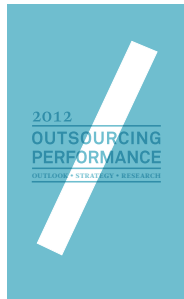
	No participation	Basic	Insight	Excellence
General data	x	x	x	x
Results OP study *	x	x	x	x
Description performance in Outsourcing Performance study*	x	x	x	x
Names and LinkedIn-profiles	max 1	max 2	max 2	max 5
Twitter feeds		max 1	max 2	max 4
Selection of news on service provider	x	x	x	x
RSS feeds		max 1	max 2	max 4
Links to external client cases		1	2	5
Links to external white papers and or publications		2	3	5
Outsourcing events in agenda		x	x	x
Outsourcing events in Outsourcing Performance newsletter				max 2 per year

*if enough evaluations are available

Yearbook Outsourcing Performance 2013

The results of the study will be published in the sixth edition of the yearbook. This book includes the most specific information available about the Dutch market, described in clear language. Each year, the book is a must-read for all CIOs, sourcing executives and consultants.

Giarte is aware of the impact that such a publication can have on the conduct of organisations that are negotiating for contract extensions or are involved in a vendor selection. Therefore a minimum of 15 contracts is used before extensive reporting is done. Booklet entries are completely separate from participation in the study. Giarte employs absolute objectivity in the texts that it publishes. Each provider with a minimum of 15 evaluations is given a profile in the booklet. Service providers who have fewer contracts, but who are included in the vendor reporting are given a brief mention in the booklet.



Market communication

Giarte treats information, data and results with extreme care.

Respondents receive feedback about their own service provider(s) to a limited extent, depending on the level to which the organisation contributes data.

As well as general results, five aspects from individual service providers are communicated in public articles, research notes and possible articles from the press:

- The Outsourcing Recommendation Index, including qualitative explanation and the size of the three recommendation groups for the service providers with more than 15 contracts in the study
- The names of the service providers that are number one, two and three in the Application Management, Infrastructure Management and End User Management domains (only if we have more than ten domain evaluations in the benchmark for each of these parties)
- The market penetration of various service providers
- The market perception of the position of service providers
- Chances of extending current and gaining new orders for service providers.

Full disclosure of all results to clients is presented at a closed meeting (Outsourcing Performance Day), exclusively for the researched organisations. For end users there is also the possibility to gain an insight into the detailed results, by means of an exclusive paid workshop.

The press will only receive the information as indicated above, and the generally available respondents' booklet and information about the general market developments if they have asked for it specifically. Giarte does not have any influence on journalistic freedom and how the provided information is used.

About Giarte

Giarte is a research agency for strategic issues in the field of IT and business. CIOs, CEOs, CFOs and VPs are involved in the framing of strategic issues such as governance, global sourcing and shared service centres via the closed research community, www.outsourcingperformance.nl. The focus is on the biggest companies and government organisations in the Netherlands.

Almost all big companies and government organisations are represented in the community. Hundreds of decision-makers periodically provide their feedback on strategic issues via the website. This closed community serves as a trusted basis for the 'Outsourcing Performance 2012' study.

For more information about Giarte's services visit:
www.giarte.com

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