



THE BLACK BOOK OF OUTSOURCING 2009 SURVEY

Top Mid-market HRO Vendors

Publication Date: February 2010

Table of Contents

TABLE OF CONTENTS

SUMMARY	5
<i>Survey overview</i>	7
<i>Key findings</i>	7
<i>Mid-Market HRO – top honors overall 2009</i>	7
<i>Mid-Market HRO – top vendor by function 2009</i>	7
BLACK BOOK METHODOLOGY	11
<i>How the data sets are collected</i>	11
<i>Understanding the statistical confidence of Black Book data</i>	11
<i>Who participates in the Black Book ranking process</i>	12
<i>Mid-Market HRO - vendor rankings and results, 2009</i>	12
TOP 20 MID-MARKET HRO VENDORS	13
STOP LIGHT SCORING KEY	14
<i>Operational excellence of Mid-Market HRO</i>	14
OVERALL KPI LEADERS	19
<i>Top score per individual criteria</i>	19
<i>Outsourcing vendors with most top individual criteria scores</i>	20
INDIVIDUAL KEY PERFORMANCE	21
APPENDIX	40
<i>Orbys consulting</i>	40
<i>Disclaimer</i>	40

Table of Contents

TABLE OF FIGURES

<i>Figure 1: Comprehensive HRO vendors are defined as involving four surveyed functions</i>	14
<i>Figure 2: Key to raw scores</i>	15
<i>Figure 3: Color-coded stop light dashboard scoring key</i>	16
<i>Figure 4: Raw score compilation and scale of reference</i>	17
<i>Figure 6: Scoring key</i>	18

Table of Contents

TABLE OF TABLES

<i>Table 1:</i>	<i>Overall client experience with HRO</i>	8
<i>Table 2:</i>	<i>Changing HRO horizon</i>	8
<i>Table 3:</i>	<i>Reasons for HRO vendor highest satisfaction 2009</i>	9
<i>Table 4:</i>	<i>HRO power shift 2009–2011</i>	9
<i>Table 5:</i>	<i>Highest anticipated growth industries for mid-market HRO over the next 18 months</i>	10
<i>Table 1:</i>	<i>Top 20 HRO vendors</i>	13
<i>Table 7:</i>	<i>Top score per individual criteria</i>	19
<i>Table 8:</i>	<i>Outsourcing vendors with most top individual criteria scores</i>	20
<i>Table 10:</i>	<i>Vendor overall preference/vertical industry recommendations</i>	22
<i>Table 11:</i>	<i>Innovation</i>	23
<i>Table 12:</i>	<i>Training</i>	24
<i>Table 13:</i>	<i>Client relationships and cultural fit</i>	25
<i>Table 14:</i>	<i>Trust</i>	26
<i>Table 15:</i>	<i>Breadth of offerings, client types, delivery excellence</i>	27
<i>Table 16:</i>	<i>Deployment and outsourcing implementation</i>	28
<i>Table 17:</i>	<i>Customization</i>	29
<i>Table 18:</i>	<i>Integration and interfaces</i>	30
<i>Table 19:</i>	<i>Scalability, client adaptability, flexible pricing</i>	31
<i>Table 20:</i>	<i>Compensation and employee performance</i>	32
<i>Table 21:</i>	<i>Reliability</i>	33
<i>Table 22:</i>	<i>Brand image and marketing communications</i>	34
<i>Table 23:</i>	<i>Marginal value adds</i>	35
<i>Table 24:</i>	<i>Viability</i>	36
<i>Table 25:</i>	<i>Data security and backup services</i>	37
<i>Table 26:</i>	<i>Support and customer care</i>	38
<i>Table 27:</i>	<i>Best of breed technology and process improvement</i>	39

Introduction

INTRODUCTION

Each year, Brown-Wilson Group and Black Book Research undertake an annual survey into organizations' satisfaction with their outsourcing service providers.

This research is recognized as the most extensive and representative perception study of outsourcing vendors, validated by over 24,000 respondents from service users around the globe.

Over 700 functions and 40 sectors are investigated to determine “best fit” vendors with multiple industry specifications.

The global marketplace is growing increasingly competitive and corporations are being required to streamline operations and cut costs in order to preserve profitability.

Human resources outsourcing (HRO) is driven by factors like breadth and depth of coverage, domain expertise, location advantage (e.g. near-shoring and language capabilities), sales and marketing capabilities, data compliance with respect to regulatory standards (especially those defined by the US, Canada and the EU) and the management of business risks. Therefore, it is quite likely that companies—both those with their own captives and those using third party vendors—may use a “hub and spoke” model, in which an offshore supplier may constitute the “hub”, whereas other units in the world may provide appropriate “spokes”.

Clearly, the leaders in HRO in 2009 have demonstrated expertise of market focus and customer centricity.

The marketplace results of this comprehensive research study are used by:

- current outsourcing clients to compare other users' experiences with similar and competitive HRO vendors;
- prospective outsourcing clients to long list vendors in the request for information (RFI) stages, or contrast final cut vendors in selection stages;
- investors, venture capital firms, analysts, advisors and bankers, when making financing decisions;
- media and press to recognize industry outsourcing trends as collected from client ballots;
- most service providers to inform their go-to-market strategies, assess their perceived strengths and weaknesses, educate their staff, communicate to a wider market, and fine-tune their improvement and marketing position programs.

The end-user groups that participate use the data as a tool to benchmark their own satisfaction, compared to that of other HRO service providers. The data also provide them with the opportunity to understand the perceived strengths and weaknesses of their service providers, compared to the market at large.

Report definitions

Mid-market

Organizations with between 3,000 and 15,000 full-time equivalents (FTEs) and/or HRO buying companies with between \$100m–\$1 billion dollars in annual revenue.

Introduction

Human resources outsourcing (HRO)

- **Personnel management** – employee records, EEO reporting, unemployment administration, leave of absence management.
- **Payroll processing and management** – benefits administration, COBRA administration, payroll taxes.
- **Benefits administration** – health and welfare benefit management.
- **Human resources information systems and IT management** – HR technology services.

Summary

SUMMARY

Survey overview

In 2009, the Black Book HRO industry user survey investigated over 900 contracts held by 1,622 users in mid-market sized buying organizations and businesses globally.

In order to rank the organizations, 18 key performance indicators (KPIs) are employed, scored on each respective vendor by client type and ranked on a 0–10 scale.

The economic downturn has made midsize companies more hesitant to pull the trigger on HRO, but it has not dampened enthusiasm for farming out human resources tasks. If anything, the recession seems to have whetted the mid-market's appetite for HRO and the cost savings it can bring.

Mid-market spending on HRO climbed from \$20.9 billion in 2009 to \$23.7 billion this year, and is expected to reach \$30.9 billion by 2013.

Key findings

Key finding: most important customer satisfaction KPIs

Scalability, client relationship, innovation and deployment are the most important attributes influencing HRO client satisfaction with 2009 outsourcing providers.

Key finding: vendor dissatisfaction is common in the HRO industry among top ranked suppliers

Strong dissatisfaction is common in the traditional HRO sector, occurring in more than 38% of US clients in 2009, 21% of UK firms and 28% of international corporations collectively.

Key finding: comprehensive services vendor arrangements from a comprehensive/end-to-end HRO vendor produced the highest satisfaction rates from personnel services-led initiatives

Mid-market HRO – top honors overall 2009

Top honors overall

Platform One

www.platformone.com

Mid-market HRO – top vendor by function 2009

Personnel management

Platform One

www.platformone.com

Summary

Payroll administration

Checkpoint HR

www.checkpointhr.com

Benefits administration

Fidelity

www.fidelity.com

HR technology

Platform One

www.platformone.com

2009 clients: major change in sentiment in HRO swings to highly satisfied

Table 1: Overall client experience with HRO		
	2009	2008
Highly dissatisfied with current HRO initiative	20.0%	51.3%
Satisfied with current HRO initiative	65.9%	8.9%
Source: The Black Book of Outsourcing		

Table 2: Changing HRO horizon	
Plan to renew current HR vendor by end of 2010	86.5%
Plan to terminate current HR vendor by end of 2010 and return in-house	5.4%
Plan to terminate current HR vendor by end of 2010 and select new provider	11.3%
Re-compete with expanded scope	5.1%
Re-compete with reduced Scope	3.8%
Source: The Black Book of Outsourcing	

Summary

Table 3: Reasons for HRO vendor highest satisfaction 2009	
<i>Clients select top four</i>	
Scalability	72.3%
Innovation	70.1%
Customization	68.1%
Demonstrated cost savings	75.3%
Improved execution	30.8%
Continuous improvements	31.2%
Payroll initiatives improved	22.7%
Employee satisfaction	18.5%
Ongoing flexibility	15.5%
Administrative customer service problems resolved	14.9%
Responsiveness to users	13.7%
Source: The Black Book of Outsourcing	

Table 4: HRO power shift 2009–11	
<i>Where HRO clients and prospects are looking towards in vendor selections</i>	
Payroll-led and personnel services and HRO initiatives	35.3%
Benefit-led HRO initiatives	29.0%
PEO model initiative	12.0%
Offshore multi-process HR initiatives	11.7%
Client-centric, web-based initiatives	6.9%
Traditional HRO models	4.4%
Source: The Black Book of Outsourcing	

PREDICTED HIGH GROWTH MID-MARKET HRO VERTICALS

Table 5: Highest anticipated growth industries for mid-market HRO over the next 18 months		
Industry	CY2010 budgeted/anticipated HRO initiatives	
	Add-ons	New
Energy, utilities, green sector	58.9%	40.0%
Hospitality, travel and gaming	51.2%	53.8%
Transportation	45.0%	78.3%
Media, publishing	42.9%	65.1%
Retail	39.8%	45.2%
Insurance	33.4%	38.0%
Banking and capital markets	32.5%	56.6%

Source: The Black Book of Outsourcing

Black Book Methodology

BLACK BOOK METHODOLOGY

How the data sets are collected

Black Book utilizes a four-step process to collect candid performance data. Firstly, it collects a series of direct evaluations covering 31 performance areas on leadership and senior management, which make up the scored ranking of the Black Book 50 Best Managed Vendors.

Secondly, it collects ballot results on 18 performance areas of operational excellence to rank vendors by outsourced service lines. The gathered data are immediately subjected to an internal and external audit to verify completeness and accuracy and to make sure the respondent is valid, while ensuring that the anonymity of the client company is maintained. During the audit, each data set is reviewed by a Brown-Wilson executive and at least two other people. In this way, Black Book's clients are able to clearly see how a vendor is truly performing. The 18 criteria on operational excellence are subdivided by the client's industry, market size, geography and function outsourced and reported accordingly.

Thirdly, Black Book collects ballot results on 20 performance areas of consultation excellence to rank advisors by outsourced practice outcomes and these are subjected to the same audit and validation processes.

Lastly, situational studies are conducted on areas of high interest such as green outsourcers, educational providers in outsourcing, outsourcing benchmarkers and boutique advisors. These specific survey areas range from four to 20 questions or criteria each.

Understanding the statistical confidence of Black Book data

Statistical confidence for each performance rating is based upon the number of organizations scoring the outsourcing service. Black Book identifies data confidence by one of several means:

- Top-10-ranked vendors and advisors must have a minimum of five unique clients represented. Broad categories require a minimum of 10 unique client ballots. Data that are asterisked (*) represent a sample size below the required minimum and are intended to be used for tracking purposes only, not ranking purposes. Performance data for an asterisked vendor's services can vary widely until a larger sample size is acquired. The margin of error can be very large and the reader is responsible for considering the possible current and future variation (margin of error) in the Black Book performance score reported.
- Vendors and advisors with over 10 unique client votes are eligible for top 10 rankings and are assured to have highest confidence and lowest variation. Confidence increases as more organizations report on their outsourcing vendor. Data reported in this form are shown with a 95% confidence level (within a margin of 0.25, 0.20 or 0.15, respectively).
- Raw numbers include the quantity of completed surveys and the number of unique organizations contributing the data for the survey pool of interest.

Black Book Methodology

Who participates in the Black Book ranking process

Over 650,000 individuals are invited to participate annually (including C officers of the Fortune 2000 and Inc 500, institutional members and officers of various professional organizations, subscribers of Black Book's media partners and previously validated survey participants). Non-invitation-receiving participants must complete a verifiable profile and utilize a valid corporate email address, and are then included as well. Over 26,000 users were validated in the 2009 ranking process.

The Black Book survey web instrument is open to respondents and new participants each year from March 1 to May 7 at <http://TheBlackBookOfOutsourcing.com>.

Mid-market HRO vendor rankings and results, 2009

1,622 validated respondents ranked 61 HRO qualified suppliers offering some 404 contractual arrangements specific outsourced human resources processes as part of the Black Book annual survey conducted Q2 2009, via web survey instrument.

Top 20 Mid-market HRO Vendors

TOP 20 MID-MARKET HRO VENDORS

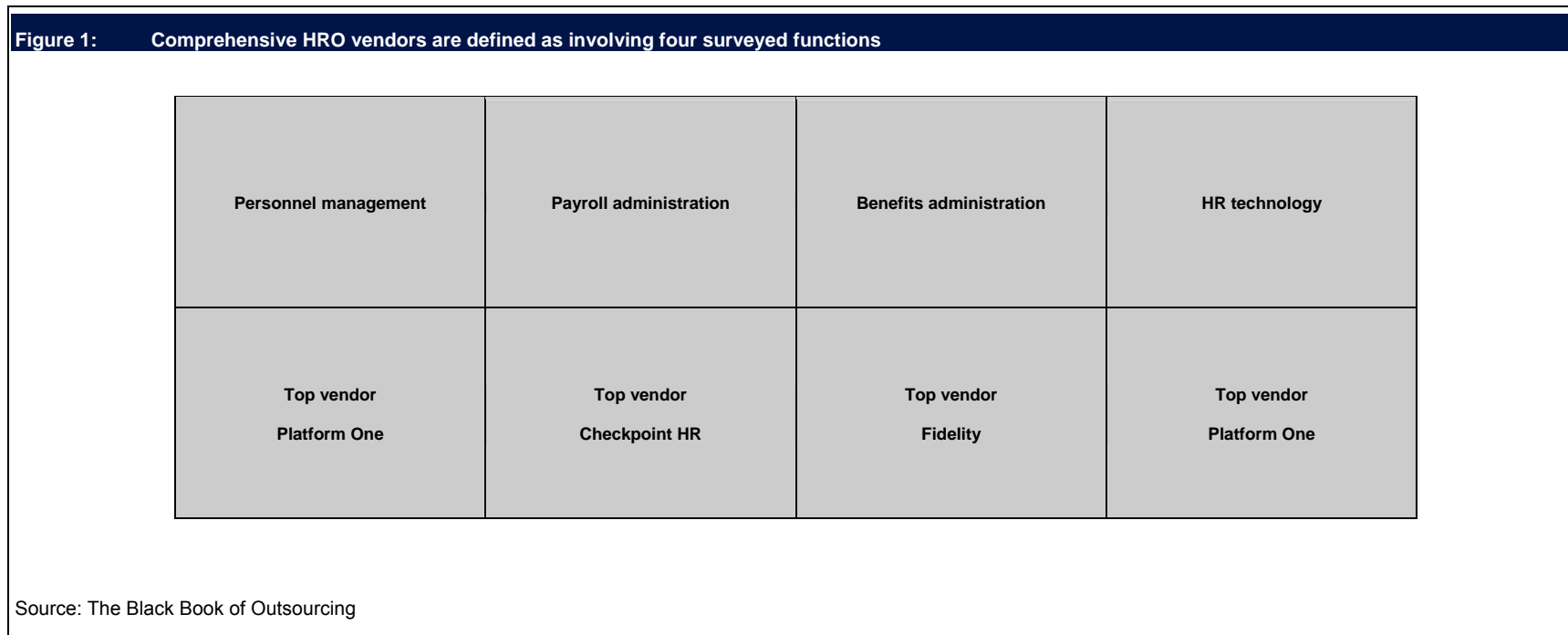
Table 6: Top 20 HRO vendors	
2009 rank	HRO vendor
1	Platform One
2	Fidelity
3	Neeyamo
4	Checkpoint Hr
5	Northgate Arinso
6	Excellerate HRO
7	Administaff
8	Hewitt
9	Trinet/Gevity
10	Odyssey Onesource
11	Accenture
12	Ceridian
13	Xansa
14	Black Mountain
15	ADP
16	IBM
17	Coadvantage
18	HRXCEL
19	Advantec
20	Convergys

Source: The Black Book of Outsourcing

Stop Light Scoring Key

STOP LIGHT SCORING KEY

Operational excellence of mid-market HRO vendors



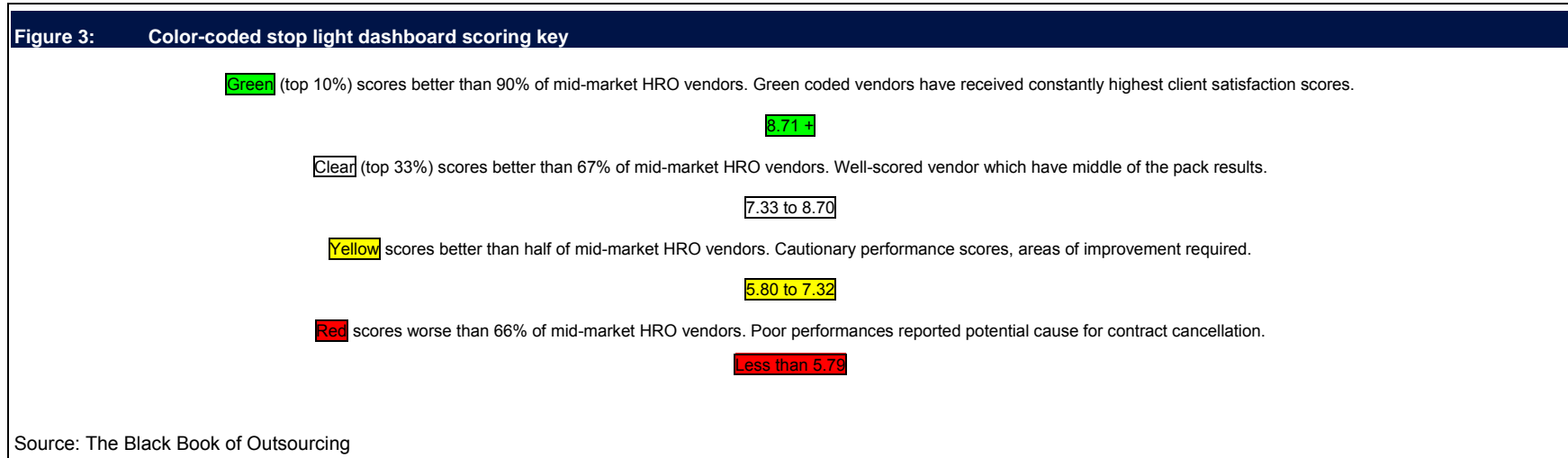
Stop Light Scoring Key

Figure 2: Key to raw scores

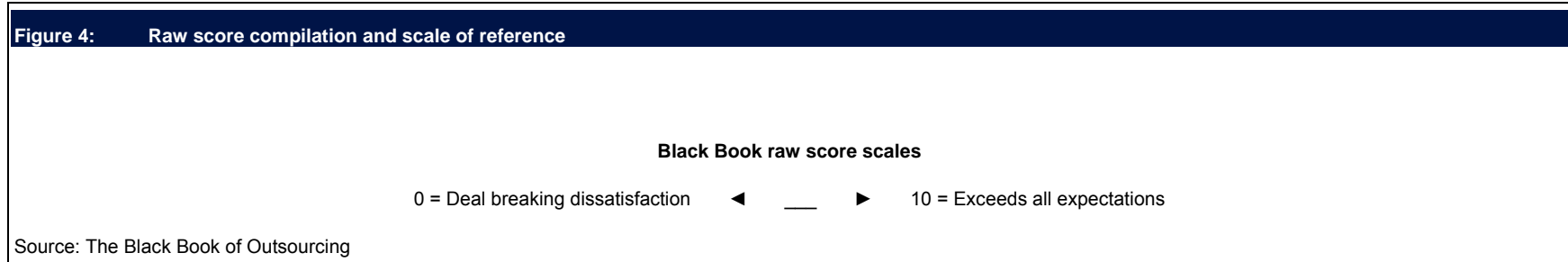
0.00–5.79 ▶	◀ 5.80–7.32 ▶	◀ 7.33–8.70 ▶	◀ 8.71–10.00
Deal breaking dissatisfaction Does not meet expectations Cannot recommend vendor	Neutral Does not meet expectations consistently Would not likely recommend vendor	Satisfactory performance Meets expectations Recommends vendor	Overwhelming satisfaction Exceeds expectations Highly recommended vendor

Source: The Black Book of Outsourcing

Stop Light Scoring Key



Stop Light Scoring Key



Individual vendors can be examined by specific indicators on each of the main functions of mid-market HRO vendors, as well as grouped and summarized subsets. Details of each subset are contained so that each vendor may be collectively analyzed by function and end-to-end services.

Stop Light Scoring Key

Figure 5: Scoring key

Overall rank	Q6 rank	Vendor	Personnel management	Payroll administration	Benefits administration	HR technology	Mean
5	1	Mid-market HRO Inc	6.14	5.80	7.44	8.29	7.98

Source: The Black Book of Outsourcing

- **Overall rank** – this rank references the final position of all 18 criteria averaged collectively by the mean score. This vendor ranked fifth of the 20 competitors.
- **Criteria rank** – refers to the number of the question or criteria surveyed. This is the sixth question of the 18 criteria of which this vendor ranked first of the 20 vendors analyzed, positioned only on this particular criteria or question.
- **Company** – name of the outsourcing vendor.
- **Subsections** – each subset comprises one-third of the total vendor mean at the end of this row, and includes all buyers and users who indicate that they contract each respective service subsection with the supplier, specific to their enterprise.
- **Mean** – congruent with the criteria rank, the mean is a calculation of all seven subsets of functions surveyed. As a final ranking reference, it includes all vertical industries, market sizes and geographies.

Overall KPI Leaders

OVERALL KPI LEADERS

Top score per individual criteria

Table 7: Top score per individual criteria			
Question	Criteria	Vendor	Overall rank
1	Vendor overall preference/vertical industry recommendations	Platform One	1
2	Innovation	Platform One	1
3	Training	Excellerate HRO	6
4	Client relationships and cultural fit	Platform One	1
5	Trust	Neeeyamo	3
6	Breadth of offerings, client types, delivery excellence	Platform One	1
7	Deployment and outsourcing implementation	Fidelity	2
8	Customization	Platform One	1
9	Integration and interfaces	Neeeyamo	3
10	Scalability, client adaptability, flexible pricing	Neeeyamo	3
11	Compensation and employee performance	Checkpoint HR	4
12	Reliability	Platform One	1
13	Brand image and marketing communications	Platform One	1
14	Marginal value adds	Platform One	1
15	Viability	Checkpoint HR	4
16	Data security and backup services	Platform One	1
17	Support and customer care	Platform One	1
18	Best of breed technology and process improvement	Platform One	1

Source: The Black Book of Outsourcing

Overall KPI Leaders

Outsourcing vendors with most top individual criteria scores

Table 8: Outsourcing vendors with most top individual criteria scores		
Number of criteria vendor ranks first out of 18	Vendor	Overall rank
11	Platform One	1
3	Neeyamo	3
2	Checkpoint HR	4
1	Fidelity	2
1	Excellerate HRO	6

Source: The Black Book of Outsourcing

Individual Key Performance

INDIVIDUAL KEY PERFORMANCE

Table 9: HRO vendors – raw scores 2009

Rank	Vendor	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Mean
1	Platform One	9.92	9.84	9.59	9.46	9.64	9.77	9.48	9.73	9.40	9.39	9.27	9.71	9.64	9.78	9.46	9.69	9.77	9.86	9.64
2	Fidelity	9.47	9.60	9.22	9.31	9.29	8.85	9.54	9.39	9.54	9.16	9.41	9.24	9.59	9.35	9.44	9.31	9.63	9.35	9.37
3	Neeiamo	9.48	9.83	9.25	9.38	9.73	9.31	9.10	8.80	9.56	9.79	9.26	8.79	9.00	8.98	8.67	9.44	8.94	9.32	9.25
4	Checkpoint HR	9.31	9.36	8.72	9.31	9.47	8.69	9.35	9.10	8.96	9.29	9.74	8.78	8.82	9.21	9.61	8.99	9.18	9.31	9.18
5	Northgate Arinso	9.37	9.51	8.98	8.40	9.05	8.95	8.92	9.21	8.62	9.24	9.17	8.96	8.76	8.17	8.53	9.51	8.45	9.35	8.95
6	Excellerate HRO	9.05	8.23	9.65	8.97	7.91	8.44	8.05	9.20	9.22	8.19	8.66	7.21	9.14	9.30	9.23	9.25	9.34	9.41	8.80
7	Administaff	9.71	8.73	9.25	7.83	9.06	9.16	8.71	8.55	8.45	7.63	8.10	8.79	8.92	8.34	9.15	8.78	8.26	8.88	8.68
8	Hewitt	8.77	8.56	8.54	7.74	8.93	9.40	8.39	8.09	9.06	7.72	8.55	8.08	7.99	9.03	7.96	8.23	8.86	8.61	8.47
9	Trinet/Gevity	7.53	9.03	8.45	8.58	7.78	9.31	8.30	8.00	7.60	8.32	8.46	8.49	8.77	9.62	7.74	8.18	8.90	8.52	8.42
10	Odyssey Onesource	8.42	8.50	8.62	9.23	8.53	7.62	9.07	7.73	7.70	7.76	8.33	8.07	8.49	8.24	9.24	8.50	8.45	8.76	8.40
11	Accenture	7.03	7.83	8.78	8.63	8.85	9.20	8.12	7.35	9.13	9.45	7.76	7.51	8.00	8.83	8.00	8.91	8.11	8.55	8.34
12	Ceridian	8.87	8.25	8.78	8.34	7.13	7.05	8.21	8.77	7.74	7.61	8.56	8.97	8.47	8.62	7.83	8.30	8.82	8.20	8.25
13	Xansa	8.59	7.70	8.33	7.86	8.40	8.15	7.13	8.42	8.67	7.77	8.52	7.60	8.71	8.38	7.49	8.32	8.18	8.85	8.17
14	Black Mountain	8.56	9.28	8.07	8.17	8.66	7.87	8.97	7.74	7.03	8.50	8.24	7.86	7.39	7.98	7.54	7.83	8.07	8.82	8.14
15	ADP	7.90	7.90	7.77	7.69	8.18	8.46	6.93	8.03	7.61	8.05	7.76	7.94	8.18	7.38	8.24	8.55	8.03	8.58	7.95
16	IBM	7.10	7.78	8.18	7.80	7.27	8.09	8.12	7.87	8.77	7.29	7.47	7.69	6.67	7.25	8.30	9.03	9.22	8.51	7.91
17	Coadvantage	8.34	8.12	7.88	6.76	8.15	7.76	8.35	8.83	7.90	7.23	6.55	7.29	7.57	8.92	7.22	7.57	7.70	7.79	7.77
18	HRXCEL	7.51	7.77	8.29	7.47	6.94	7.45	8.14	6.80	7.15	7.82	7.67	7.33	8.09	7.37	8.57	7.92	8.98	7.95	7.73
19	Advantec	8.46	8.11	8.07	7.66	8.14	8.71	7.59	7.02	6.93	8.07	7.87	7.07	7.43	8.02	7.34	8.26	7.54	6.88	7.73
20	Convergys	7.19	8.02	7.96	7.57	7.07	6.39	7.81	6.99	8.48	6.55	7.97	8.98	7.96	8.45	6.86	8.40	8.13	7.28	7.67

Individual Key Performance

1. Vendor overall preference/vertical industry recommendations

Vendor achieves the overall preference for expertise, appreciation and insight within the client's respective vertical. Organizational structure meets or exceeds the needs of customers and stakeholders in this industry. The client is overwhelmingly likely to recommend the vendor for an outsourcing engagement for same vertical outsourcing initiatives.

Table 10: Vendor overall preference/vertical industry recommendations								
Overall rank	Q1 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
1	1	Platform One	9.96	9.97	9.85	9.89	9.92	
7	2	Administaff	9.63	9.50	9.93	9.76	9.71	
3	3	Neeyamo	9.39	9.59	9.49	9.45	9.48	
2	4	Fidelity	9.39	9.53	9.94	9.01	9.47	
5	5	Northgate Arinso	9.54	9.33	9.44	9.16	9.37	
4	6	Checkpoint HR	9.40	9.90	9.02	8.93	9.31	
6	7	Excellerate HRO	9.14	8.92	9.01	9.13	9.05	
12	8	Ceridian	8.71	8.46	9.07	9.22	8.87	
8	9	Hewitt	8.60	8.70	8.48	9.31	8.77	
13	10	Xansa	9.12	7.45	8.96	8.81	8.59	

Source: The Black Book of Outsourcing

Individual Key Performance

2. Innovation

Customers are also continuing to push the envelope for further enhancements, to which the vendor is responsive. Clients also believe that their vendors' technology is helping them to compete more effectively, generate larger revenues and profits and cut their overhead in ways that were difficult or impossible to accomplish before the services were introduced.

Table 11: Innovation								
Overall rank	Q2 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
1	1	Platform One	9.81	9.87	9.68	10.00	9.84	
3	2	Neeyamo	9.94	9.74	9.85	9.77	9.83	
2	3	Fidelity	9.04	9.92	9.87	9.57	9.60	
5	4	Northgate Arinso	9.38	9.74	9.49	9.41	9.51	
4	5	Checkpoint HR	9.62	10.00	8.77	9.93	9.36	
14	6	Black Mountain	9.11	9.28	9.51	9.23	9.28	
9	7	Trinet/Gevity	9.19	8.95	9.25	8.71	9.03	
7	8	Administaff	9.20	8.96	8.41	8.34	8.73	
8	9	Hewitt	8.62	8.72	9.00	7.88	8.56	
10	10	Odyssey Onesource	8.04	8.79	8.15	9.02	8.50	

Source: The Black Book of Outsourcing

Individual Key Performance

3. Training

Outsourcing leadership provides significant and meaningful training opportunities for employees and client staff. Leadership strives to develop technology staff, customer service and customer servicing consultant employees, in particular.

Table 12: Training								
Overall rank	Q3 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
6	1	Excellerate HRO	9.62	9.79	9.53	9.66	9.65	
1	2	Platform One	9.71	9.70	9.47	9.47	9.59	
7	3	Administaff	9.58	9.26	9.36	8.81	9.25	
3	4	Neeyamo	9.35	8.74	9.72	9.20	9.25	
2	5	Fidelity	9.47	8.94	9.80	8.66	9.22	
5	6	Northgate Arinso	8.99	8.87	9.30	8.75	8.98	
12	7	Ceridian	8.21	9.00	9.18	8.74	8.78	
11	8	Accenture	9.12	8.39	8.32	9.27	8.78	
4	9	Checkpoint HR	8.26	9.52	8.04	9.07	8.72	
10	10	Odyssey Onesource	9.25	7.82	9.27	8.15	8.62	

Source: The Black Book of Outsourcing

Individual Key Performance

4. Client relationships and cultural fit

Outsourcing leadership honors customer relationships highly. The relationship with the vendor elevates the customer reputation. Improving customer efficiency and effectiveness is a priority of the supplier. Governance of engagement is neither complex for buyer nor does it require regular vendor management attention. There are no regular transparency or quality issues. There are no culture clashes or misfits that threaten the relationship's success or client's satisfaction.

Table 13: Client relationships and cultural fit								
Overall rank	Q4 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
1	1	Platform One	9.39	9.54	9.59	9.32	9.46	
3	2	Neeyamo	9.44	9.34	9.39	9.35	9.38	
2	3	Fidelity	9.20	9.09	9.81	9.14	9.31	
4	4	Checkpoint HR	8.48	9.85	9.38	9.54	9.31	
10	5	Odyssey Onesource	9.52	9.48	8.83	9.07	9.23	
6	6	Excellerate HRO	9.31	8.86	9.11	8.59	8.97	
11	7	Accenture	8.53	8.62	8.40	8.96	8.63	
9	8	Trinet/Gevity	8.10	8.17	9.42	8.62	8.58	
5	9	Northgate Arinso	8.37	9.24	7.81	8.17	8.40	
12	10	Ceridian	8.66	8.02	9.10	7.58	8.34	

Source: The Black Book of Outsourcing

Individual Key Performance

5. Trust

Trust in enterprise reputation is important to current clients as well as prospective ones. Client possesses an understanding that its outsourcing organization has the people, processes, and resources to effectively deliver the desired business results, based on its industry reputation and past performance.

Table 14: Trust							
Overall rank	Q5 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean
3	1	Neeyamo	9.37	9.81	9.74	10.00	9.73
1	2	Platform One	9.51	9.95	9.63	9.47	9.64
4	3	Checkpoint HR	9.44	9.83	9.37	9.24	9.47
2	4	Fidelity	9.09	8.74	9.69	9.63	9.29
7	5	Administaff	9.16	8.76	9.19	9.12	9.06
5	6	Northgate Arinso	8.90	9.06	9.34	8.91	9.05
8	7	Hewitt	8.73	8.54	9.23	9.22	8.93
11	8	Accenture	8.98	8.92	8.55	8.94	8.85
14	9	Black Mountain	8.73	8.58	9.12	8.21	8.66
10	10	Odyssey Onesource	8.26	8.80	8.64	8.41	8.53

Source: The Black Book of Outsourcing

Individual Key Performance

6. Breadth of offerings, client types, delivery excellence

Industry recognized horizontal functionality and vertical industry applications to manage bundled services. Vendor routinely drives operational performance improvements and results in the areas they affect. Comprehensive offerings are constructed to meet the unique needs of the client's initiatives.

Table 15: Breadth of offerings, client types, delivery excellence								
Overall rank	Q6 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology		Mean
1	1	Platform One	9.70	9.91	9.72	9.75		9.77
8	2	Hewitt	9.47	9.68	9.14	9.32		9.40
9	3	Trinet/Gevity	9.25	9.53	9.21	9.23		9.31
3	4	Neeyamo	9.16	9.00	9.48	9.61		9.31
11	5	Accenture	9.52	9.43	8.62	9.25		9.20
7	6	Administaff	8.76	9.28	9.18	9.41		9.16
5	8	Northgate Arinso	9.04	9.14	8.90	8.72		8.95
2	7	Fidelity	8.56	9.05	9.51	8.31		8.85
19	9	Advantec	8.74	8.69	8.18	9.21		8.71
4	10	Checkpoint HR	7.49	9.88	8.57	8.83		8.69

Source: The Black Book of Outsourcing

Individual Key Performance

7. Deployment and outsourcing implementation

Faster deployments. Outsourced solutions eliminate excessive buyer supervision over vendor implementations. Minimized need for consultant management of deployments due to highly astute vendor staff. Vendor overcomes implementation obstacles and challenges effectively. Technical, organizational and cultural implementation obstacles are handled professionally and punctually. Implementation time exceeds expectations.

Table 16: Deployment and outsourcing implementation								
Overall rank	Q7 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
2	1	Fidelity	9.07	9.44	9.92	9.75	9.54	
1	2	Platform One	9.14	9.82	9.62	9.34	9.48	
4	3	Checkpoint HR	9.45	9.80	9.15	9.00	9.35	
3	4	Neeeyamo	9.32	8.95	9.07	9.04	9.10	
10	5	Odyssey Onesource	9.25	8.96	9.29	8.78	9.07	
14	6	Black Mountain	8.71	9.20	8.47	9.51	8.97	
5	7	Northgate Arinso	8.86	8.85	8.98	9.00	8.92	
7	8	Administaff	8.91	8.57	8.84	8.50	8.71	
8	9	Hewitt	8.75	7.87	8.34	8.58	8.39	
17	10	Coadvantage	8.05	8.41	8.71	8.22	8.35	

Source: The Black Book of Outsourcing

Individual Key Performance

8. Customization

Products and process services are customized to meet the unique needs of specific client purposes, processes and models. Little resistance is encountered when changing performance measurements, as clients' needs vary. Extraordinary efforts are made to adapt and convert client special needs into workable solutions with efficient cost and time considerations.

Table 17: Customization								
Overall rank	Q8 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
1	1	Platform One	9.69	9.91	9.37	9.94	9.73	
2	2	Fidelity	9.16	9.01	10.00	9.41	9.39	
5	3	Northgate Arinso	8.64	9.29	9.51	9.41	9.21	
6	4	Excellerate HRO	9.38	9.06	9.38	8.99	9.20	
4	5	Checkpoint HR	9.16	9.75	8.49	9.00	9.10	
17	6	Coadvantage	8.51	9.07	9.05	8.68	8.83	
3	7	Neeyamo	8.17	8.91	9.10	9.02	8.80	
12	8	Ceridian	8.15	9.24	9.14	8.45	8.77	
7	9	Administaff	8.02	8.72	8.91	8.55	8.55	
13	10	Xansa	9.01	8.41	8.02	8.24	8.42	

Source: The Black Book of Outsourcing

Individual Key Performance

9. Integration and interfaces

Managed vendor supports interfaces so that information can be shared between necessary applications. Solutions are easily integrated to existing backend systems. Seamless interfaces to legacy applications are performed as required for optimal functioning. Human integration and interface activities are administered precisely. Cross-industry training and learning expertise is evidenced by execution and orchestration of multiple programming and training products, services and systems.

Table 18: Integration and interfaces								
Overall rank	Q9 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
3	1	Neeeyamo	9.43	9.59	9.48	9.44	9.49	
2	2	Fidelity	9.44	9.38	9.99	9.05	9.47	
1	3	Platform One	9.07	9.54	9.42	9.58	9.40	
6	4	Excellerate HRO	9.05	9.70	9.28	8.58	9.15	
11	5	Accenture	9.01	8.67	9.24	9.20	9.06	
8	6	Hewitt	9.17	8.88	8.86	9.04	8.99	
4	7	Checkpoint HR	8.10	9.72	9.09	8.65	8.89	
16	9	IBM	8.36	8.66	9.16	8.62	8.70	
13	8	Xansa	8.78	8.36	8.47	9.06	8.67	
5	10	Northgate Arinso	8.68	7.63	9.05	8.85	8.55	

Source: The Black Book of Outsourcing

Individual Key Performance

10. Scalability, client adaptability, flexible pricing

Services and solutions vendor provides flexible outsourcing pricing allowing the client to choose and pay for the precise functionality and services needed. Invests in significant infrastructure and has the ability to provide services to enterprise organizations. IT products and services meet the changing and varied needs of the customer.

Table 19: Scalability, client adaptability, flexible pricing							
Overall rank	Q10 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean
3	1	Neeeyamo	9.93	9.75	9.60	9.87	9.79
11	2	Accenture	9.19	9.57	9.53	9.52	9.45
1	3	Platform One	9.56	9.32	9.37	9.30	9.39
4	4	Checkpoint HR	8.97	9.51	9.38	9.30	9.29
5	5	Northgate Arinso	9.39	9.35	9.01	9.22	9.24
2	6	Fidelity	9.12	9.00	9.62	8.91	9.16
14	7	Black Mountain	8.13	8.45	8.84	8.57	8.50
9	8	Trinet/Geivity	8.71	8.20	9.25	8.39	8.32
6	9	Excellerate HRO	8.58	7.62	8.20	8.34	8.19
19	10	Advantec	8.31	8.06	8.19	7.72	8.07

Source: The Black Book of Outsourcing

Individual Key Performance

11. Compensation and employee performance

Vendor is focused on building and developing a strong employee team of producers. Employees act like owners/leaders. Company is moving towards leveraged pay at all levels. Implications of the “contractor mentality” are minimized. Vendor is using effective tools to tie performance metrics to compensation policy and compensating top leaders. NB: human resources-related criteria are scored from the client perspective on this indicator.

Table 20: Compensation and employee performance								
Overall rank	Q11 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
4	1	Checkpoint HR	9.72	9.64	9.73	9.86	9.74	
2	2	Fidelity	9.57	9.11	9.62	9.35	9.41	
1	3	Platform One	8.86	9.28	9.23	9.69	9.27	
3	4	Neeyamo	9.21	9.26	9.41	9.16	9.26	
5	5	Northgate Arinso	9.35	9.10	8.62	9.60	9.17	
6	6	Excellerate HRO	8.30	9.18	9.07	8.10	8.66	
12	7	Ceridian	8.69	8.57	9.00	7.96	8.56	
8	8	Hewitt	8.99	9.09	8.35	7.76	8.55	
13	9	Xansa	7.84	8.96	9.10	8.18	8.52	
9	10	Trinet/Gevity	8.65	8.04	8.71	8.45	8.46	

Source: The Black Book of Outsourcing

Individual Key Performance

12. Reliability

Services supplier meets agreed terms as evidenced by routine, acceptable service level reporting and industry expectations. Depth and breadth of applications/solutions are acceptable in meeting client needs. Online reliability is maximized and outages/downtimes are minimized. Solid product and outsourcing service capacities are demonstrated consistently. Service levels are consistently met as agreed. Services and support response is maximized by vendor team.

Table 21: Reliability								
Overall rank	Q12 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
1	1	Platform One	9.76	9.77	9.71	9.59	9.71	
2	2	Fidelity	8.97	9.17	9.49	9.33	9.24	
20	3	Convergys	8.87	9.03	9.49	8.52	8.98	
5	4	Northgate Arinso	8.80	9.01	8.82	9.20	8.96	
12	5	Ceridian	9.05	9.07	8.70	9.01	8.96	
7	6	Administaff	8.76	8.60	9.16	8.65	8.79	
3	7	Neeyamo	9.15	8.62	8.87	8.51	8.79	
4	8	Checkpoint HR	9.13	9.76	9.15	7.07	8.78	
9	9	Trinet/Gevity	8.72	8.18	8.42	8.63	8.49	
8	10	Hewitt	8.70	8.20	7.86	7.56	8.08	

Source: The Black Book of Outsourcing

Individual Key Performance

13. Brand image and marketing communications

The outsourcing vendor's human resources outcomes are accurately and appropriately represented via service deliverables. Image is consistent with top vendor rankings. Sales presentations and proposals are delivered upon and corporate integrity/honesty in marketing and business development are highly valued. Company image and integrity are values upheld top-down consistently. Maintains high image and reputation so that customer, manufacturers, multinationals and other buyers of services openly reference their outsourced vendor representatives as client team members. High level of relevant client communications enhances relationship.

Table 22: Brand image and marketing communications								
Overall rank	Q13 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
1	1	Platform One	9.57	9.65	9.62	9.71	9.64	
2	2	Fidelity	9.46	9.61	9.66	9.62	9.59	
6	3	Excellerate HRO	9.35	8.96	9.29	8.94	9.14	
3	4	Neeyamo	8.99	9.01	9.16	8.84	9.00	
7	5	Administaff	8.38	9.45	8.66	9.20	8.92	
4	6	Checkpoint HR	8.20	9.38	9.31	8.38	8.82	
9	7	Trinet/Geivity	8.12	9.43	8.55	8.98	8.77	
5	8	Northgate Arinso	8.45	8.94	8.53	9.13	8.76	
13	9	Xansa	8.66	9.16	8.62	8.41	8.71	
10	10	Odyssey Onesource	8.73	8.34	8.31	8.56	8.49	

Source: The Black Book of Outsourcing

Individual Key Performance

14. Marginal value adds

Outsourced vendors' cost savings are realized as generally estimated and not over-positioned or over/underestimated in ways that affect major client satisfaction or costs. Savings expectations such as decreases in firm process handling and support staff are realized. Buyer's publishing support costs are reduced significantly. Vendor offers value adds as a cross-industry outsourcing partner in cost savings management initiatives and creative programs through bundled product design outsourcing. Provides true business transformation opportunities to buyer and opportunities for top line contributions.

Table 23: Marginal value adds							
Overall rank	Q14 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean
1	1	Platform One	9.87	9.82	9.70	9.72	9.78
9	2	Trinet/Gevity	9.79	9.32	9.73	9.63	9.62
2	3	Fidelity	9.38	8.96	9.80	9.28	9.35
6	4	Excellerate HRO	9.41	9.51	9.16	9.12	9.30
4	5	Checkpoint HR	9.01	9.94	8.86	9.03	9.21
8	6	Hewitt	9.06	8.70	9.07	9.28	9.03
3	7	Neeyamo	9.38	8.76	9.41	8.36	8.98
17	8	Coadvantage	8.60	8.94	8.93	9.21	8.92
11	9	Accenture	8.91	8.21	8.74	9.46	8.83
12	10	Ceridian	8.64	8.19	9.10	8.55	8.62

Source: The Black Book of Outsourcing

Individual Key Performance

15. Viability

Vendor's viability, employee turnover, financial stability and/or cultural mismatches do not threaten relationship. This outsourcing vendor takes extraordinary efforts to avoid relationship problems among service providers and the client, as well. Senior management and the board exemplify strong leadership principals to steward appropriate resources that impact buyers in particular.

Table 24: Viability								
Overall rank	Q15 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
4	1	Checkpoint HR	9.08	10.00	9.75	9.62	9.61	
1	2	Platform One	9.35	9.63	9.37	9.50	9.46	
2	3	Fidelity	9.38	9.43	9.46	9.49	9.44	
10	4	Odyssey Onesource	9.60	9.10	9.35	8.91	9.24	
6	5	Excellerate HRO	9.47	8.79	9.18	9.46	9.23	
7	6	Administaff	9.67	8.62	9.50	8.81	9.15	
3	7	Neeyamo	9.07	8.41	9.01	8.17	8.67	
18	8	HRXCEL	8.62	8.07	9.19	8.39	8.57	
5	9	Northgate Arinso	8.35	8.59	8.22	8.95	8.53	
16	10	IBM	8.21	8.12	8.74	8.12	8.30	

Source: The Black Book of Outsourcing

Individual Key Performance

16. Data security and backup services

In order to provide secure and constantly dependable service offerings for corporate product development entities, an outsourcing vendor has to provide the highest level of security and data back-up services. In some cases, you may find the vendor's service in these two areas superior to the security and back-up system in your own firm/corporation.

Table 25: Data security and backup services								
Overall rank	Q16 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
1	1	Platform One	9.71	9.86	9.69	9.51	9.69	
5	2	Northgate Arinso	9.68	9.32	9.32	9.71	9.51	
3	3	Neeyamo	9.53	9.61	9.14	9.46	9.44	
2	4	Fidelity	9.00	9.00	9.94	9.29	9.31	
6	5	Excellerate HRO	9.43	8.93	9.25	9.39	9.25	
16	6	IBM	9.23	9.18	8.98	8.71	9.03	
4	7	Checkpoint HR	9.36	9.64	9.11	7.86	8.99	
11	8	Accenture	8.22	9.47	8.86	9.07	8.91	
7	9	Administaff	9.46	8.18	8.73	8.75	8.78	
15	10	ADP	8.49	8.07	8.63	9.01	8.55	

Source: The Black Book of Outsourcing

Individual Key Performance

17. Support and customer care

Account management leadership provides an adequate amount of onsite administration and support to clients. There exists a formal outsourcing relationship and account management program that meets client needs among suppliers for the customer. Vendor evidences successful management strategies services design products and services. Media and clients reference this vendor as a services leader and top producer correctly. Customer services and relationship satisfaction is manifested through significant flagship clients, as well as smaller and newest customers.

Table 26: Support and customer care								
Overall rank	Q17 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
1	1	Platform One	9.81	9.62	9.87	9.77	9.77	
2	2	Fidelity	9.70	9.47	9.85	9.48	9.63	
6	3	Excellerate HRO	9.59	9.29	9.19	9.28	9.34	
16	4	IBM	9.07	9.41	9.41	8.98	9.22	
4	5	Checkpoint HR	9.33	9.87	9.11	8.40	9.18	
18	6	HRXCEL	8.26	9.42	8.59	9.64	8.98	
3	7	Neeyamo	9.22	8.63	8.71	9.20	8.94	
9	8	Trinet/Gevity	8.92	9.17	8.56	8.94	8.90	
8	9	Hewitt	8.41	8.84	8.97	9.20	8.86	
12	10	Ceridian	8.87	8.69	8.53	9.17	8.82	

Source: The Black Book of Outsourcing

Individual Key Performance

18. Best of breed technology and process improvement

Management and related technology services are considered best of breed. Vendor technology elevates customers via capabilities, equipment, processes, deliverables, professional staff, leadership, quality assurance and innovative initiatives. Services are delivered at or above current/former in-house service levels.

Table 27: Best of breed technology and process improvement								
Overall rank	Q18 Criteria rank	Company	Personnel management	Payroll administration	Benefits administration	HR technology	Mean	
1	1	Platform One	9.89	9.75	9.92	9.87	9.86	
6	2	Excellerate HRO	9.47	9.44	9.31	9.42	9.41	
5	3	Northgate Arinso	9.30	9.48	9.27	9.34	9.35	
2	4	Fidelity	9.57	9.18	9.77	8.88	9.35	
3	5	Neeyamo	9.56	9.44	9.03	9.25	9.32	
4	6	Checkpoint HR	9.62	9.74	9.00	8.85	9.31	
7	7	Administaff	8.92	8.47	8.75	9.37	8.88	
13	8	Xansa	9.28	9.20	8.51	8.39	8.85	
14	9	Black Mountain	8.58	8.81	9.21	8.66	8.82	
10	10	Odyssey Onesource	9.10	9.05	8.74	8.15	8.76	

Source: The Black Book of Outsourcing

Appendix

APPENDIX

Orbys consulting

We hope that the data and analysis in this report will help you make informed and imaginative business decisions. If you have further requirements, the Orbys consulting team may be able to help you. For more information about Orbys' consulting capabilities, please contact us directly at info@orbys-blackbook.com.

Disclaimer

All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form by any means (electronic, mechanical, photocopying, recording or otherwise), without the prior permission of the publisher, The Black Book of Outsourcing.

The facts of this report are believed to be correct at the time of publication but cannot be guaranteed. Please note that the findings, conclusions and recommendations that the Black Book of Outsourcing delivers will be based on information gathered in good faith from both primary and secondary sources, whose accuracy we are not always in a position to guarantee. As such, The Black Book of Outsourcing can accept no liability whatever for actions taken based on any information that may subsequently prove to be incorrect.