



IAOP Chapter Meeting – Houston, TX



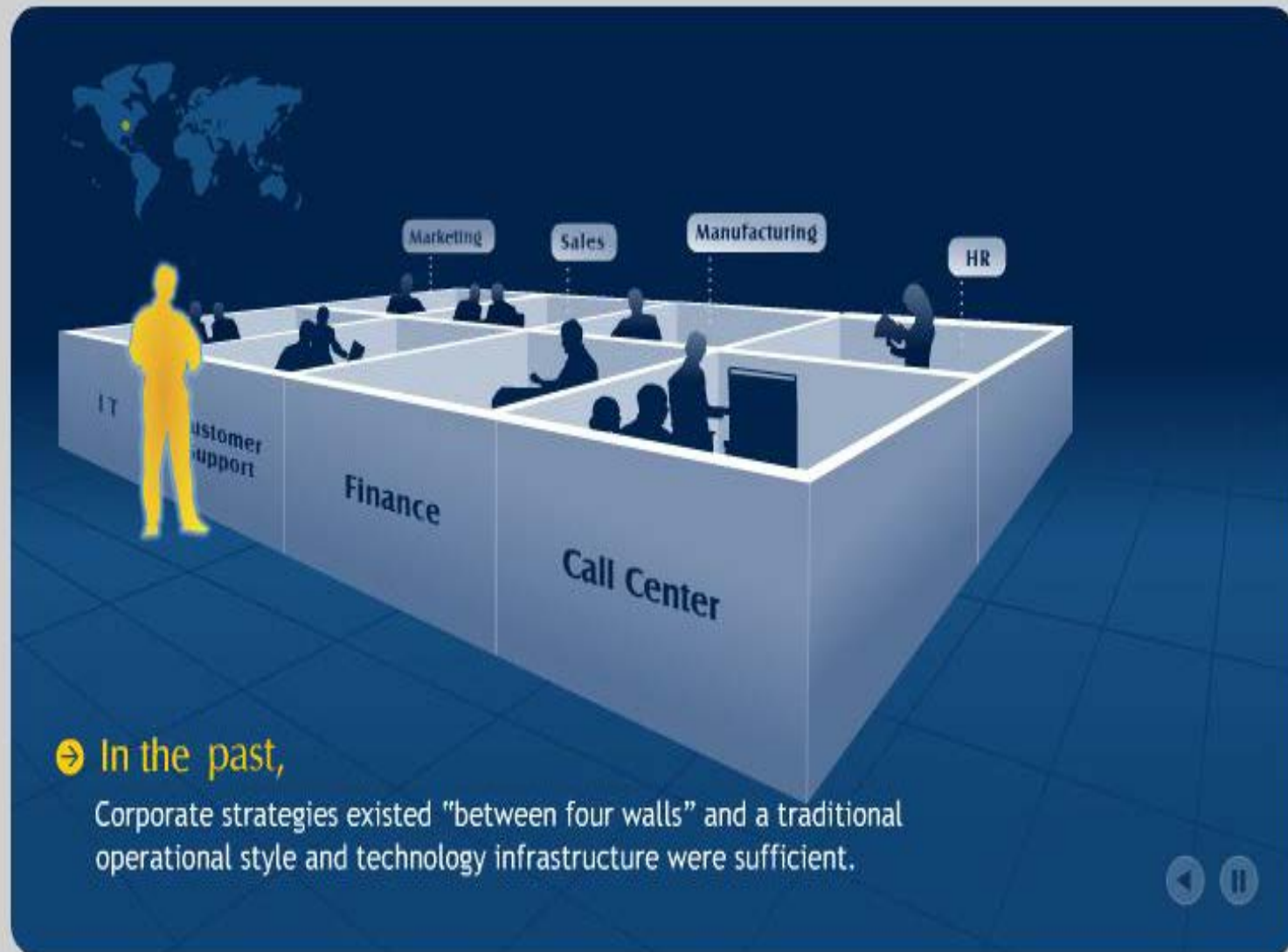
The State of Tools & Technology In The Outsourcing Industry

Matt Shocklee

President & CEO – GSOS and IAOP Global Ambassador



Once Upon A Time...





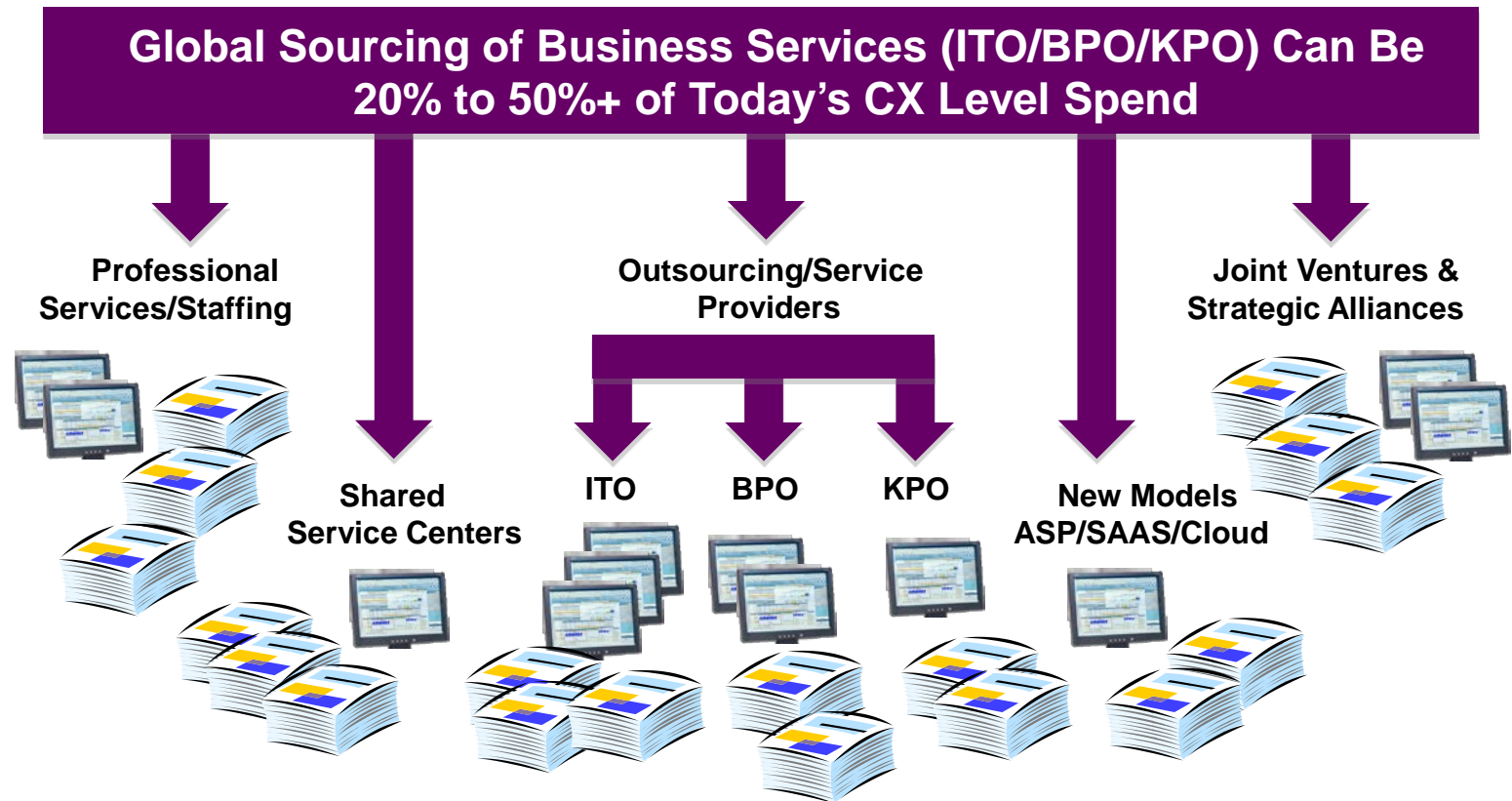
Today's Global Reality...



➔ Today, **Extended Enterprise** strategies and the adoption of strategic outsourcing offers cost savings, increased agility, process improvement and competitive innovation.

And The Resulting Management Challenges...

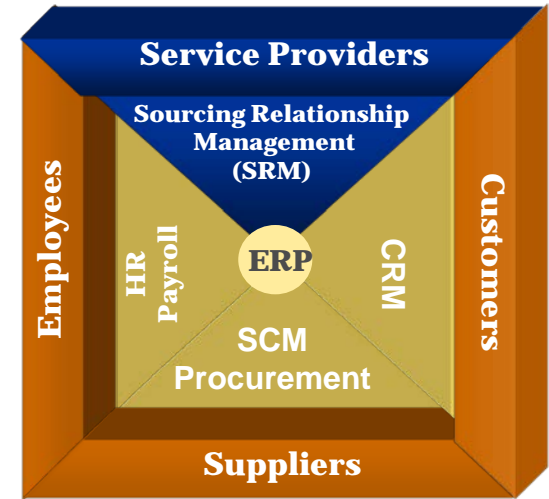
*These Global Sourcing Relationships Have Typically Developed
As A Series Of One-Off Deals Or Transactions*



"All of this translates into supplier provided portal-mania and customers drowning in excel spreadsheets...resulting in outsourcing customers managing in the rear-view-mirror with too little transparency and understanding of real-time Business Value"

IAOP Is Working With Membership To Develop The Management Science of Global Outsourcing

The Global Outsourcing Life-Cycle



Areas of Key Value

Financial	Capabilities	Service Quality	Risk & Compliance	Governance
<ul style="list-style-type: none"> - Better managed &/or reduced costs - Revenue growth - Improved margins - Improved asset utilization/balance sheet performance - Access to new markets 	<ul style="list-style-type: none"> - Provide access to required talent/skills - Improved flexibility - Improved ability to be responsive/scalable - Improved adaptability - Access to best practices 	<ul style="list-style-type: none"> - Defined SLA's with accountability - SLA's performance - Quality of resources - Low turnover & high retention rates - Continuous improvement & innovation 	<ul style="list-style-type: none"> - Defined risk profile - Processes to identify monitor, mitigate & report on risks status - Periodic Non- SLA compliance reviews - Global compliance - DR & Contingency Plans 	<ul style="list-style-type: none"> - Clear RACI models - Processes for issue management/escalation - Business case & value realization & reporting - Transparency into supplier operation - Competitive T's & C's

Tools
&
Technologies

“Optimizing the health and business value in outsourcing relationships requires a framework and supporting tools/technologies for defining, measuring, and communicating the overall health and value derived from outsourcing relationships.”

Michael Corbett, Chairman – IAOP



Optimizing Business Value Through Sourcing Relationship Management (SRM)

Old World: Static Relationships

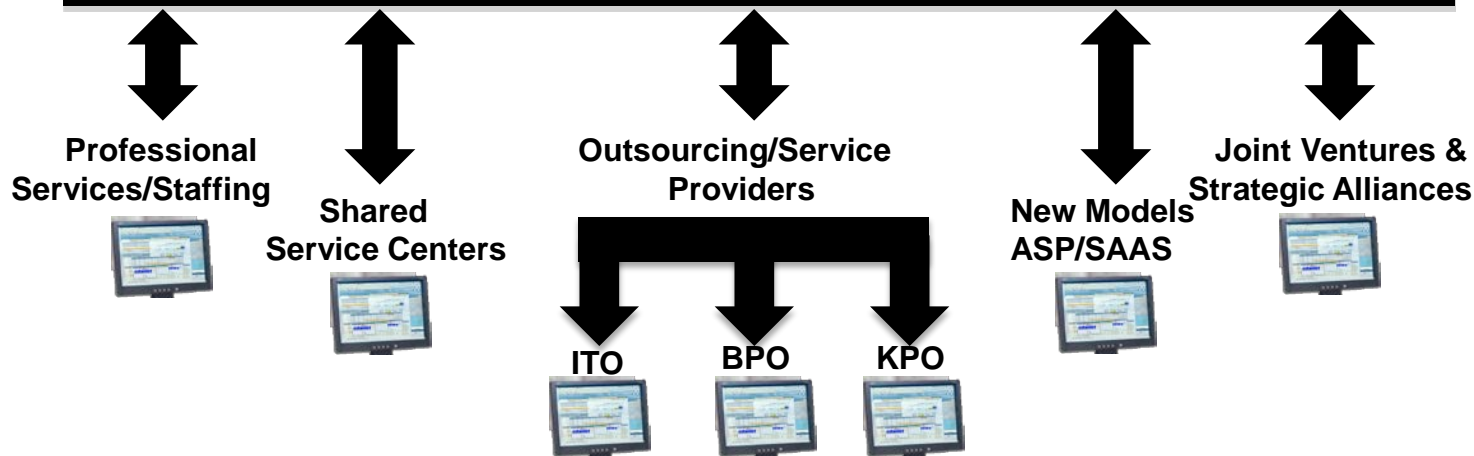
- Supplier owned data & technologies
- Suppliers reporting to customers
- Suppliers may charge customers for reporting
- Reporting in weekly/monthly summaries
- Customers repackage for governance & value



New World: Transparent Collaboration

- Higher degree of data & process transparency
- Real-time performance analysis/reporting
- Portfolio management approach to relationship mgt.
- Customer/Supplier integrated governance
- Interoperable service provision through standards

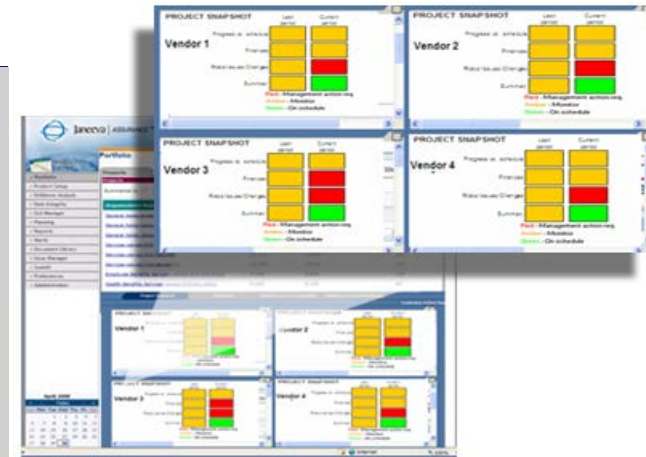
Continuous Real-Time Optimization of Business Value Across An Increasingly Globally Extended Enterprise



Critical Success Factors in Sourcing Relationship Management (SRM):

- Real-Time data access/transparency, analysis and communications
- Higher degree of data & process transparency
- Inter-Organizational process excellence between & among customers & suppliers
- Use of advanced tools and technologies to enable people & processes
- Highly trained, experienced and certified outsourcing professionals
- Periodic and systematic review of the health & value derived through outsourcing relationships

Join the IAOP Tools & Technology Innovation Chapter & Learn More About SRM



Sourcing Relationship Management



Contact Matt Shocklee, Chapter Chair at mattshocklee@gsos.org

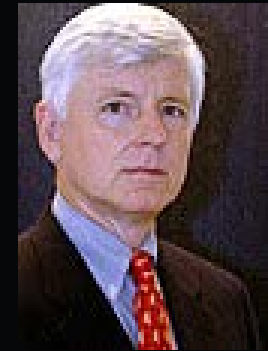
- **Welcome and IAOP Overview/Updates**
- **The State of Tools & Technology In The Outsourcing Industry**
- **Customer Case Study – Kodak**
 - **Teresa Harris, Kodak, Global Partner Account Manager, Kodak**
 - **Matt Shocklee, President/CEO, GSOS and IOAP Global Ambassador**
- **Panel Discussion**
- **Networking event – Sponsored by OPI**

Value Health Check Survey™ (VHCS)

Kodak Case Study – Best Practices & Key Lessons Learned



Teresa Harris
Global Partner Acct. Mgr.
Kodak
COP



Matt Shocklee
President & CEO
GSOS & IAOP
Global Ambassador



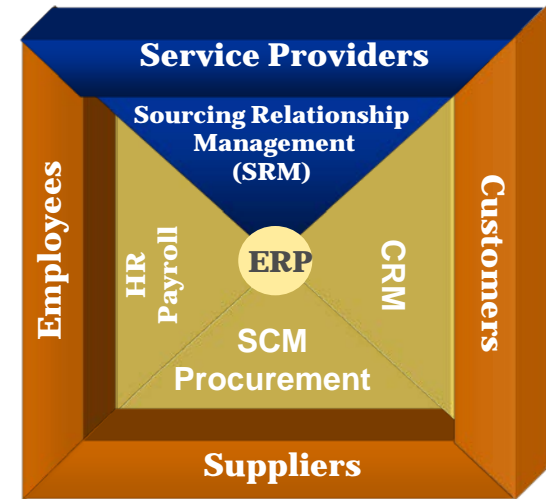


Discussion Agenda:

- Sourcing Relationship Management (SRM) & The Value Framework
- What is the Value Health Check Survey™ (VHCS)
- Kodak's Outsourcing Environment
- Kodak's VHCS Scope & Objectives
- Kodak's VHCS Key Insights & Opportunities/Exposures

Sourcing Relationship Management (SRM) & The Sourcing Relationship Value Framework™

The Global Outsourcing Life-Cycle



Areas of Key Value

Financial	Capabilities	Service Quality	Risk & Compliance	Governance
<ul style="list-style-type: none"> - Better managed &/or reduced costs - Revenue growth - Improved margins - Improved asset utilization/balance sheet performance - Access to new markets 	<ul style="list-style-type: none"> - Provide access to required talent/skills - Improved flexibility - Improved ability to be responsive/scalable - Improved adaptability - Access to best practices 	<ul style="list-style-type: none"> - Defined SLA's with accountability - SLA's performance - Quality of resources - Low turnover & high retention rates - Continuous improvement & innovation 	<ul style="list-style-type: none"> - Defined risk profile - Processes to identify monitor, mitigate & report on risks status - Periodic Non- SLA compliance reviews - Global compliance - DR & Contingency Plans 	<ul style="list-style-type: none"> - Clear RACI models - Processes for issue management/escalation - Business case & value realization & reporting - Transparency into supplier operation - Competitive T's & C's

Value
Health
Check Survey

“Optimizing the health and business value in outsourcing relationships requires a framework and supporting tools/technologies for defining, measuring, and communicating the overall health and value derived from outsourcing relationships.”

Michael Corbett, Chairman – IAOP



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- Sourcing Relationship Management (SRM) & The Value Framework
- What is the Value Health Check Survey™ (VHCS)
- Kodak's Outsourcing Environment
- Kodak's VHCS Scope & Objectives
- Kodak's VHCS Key Insights & Opportunities/Exposures

What Is The Value Health Check Survey™ (VHCS)



- Based on the Sourcing Relationship Value Framework™
- Web-Based diagnostic tool useable in outsourcing & shared service center relationships
- Identifies potential opportunities for improvement in the health and overall value derived from the relationship
- Enables a standardized and repeatable framework providing trend analysis and peer group scoring (future)
- Customizable to the unique needs of your outsourcing & shared service center relationships

When To Use The Value Health Check Survey™



- At the beginning of the sourcing lifecycle in order to establish consistently understood expectations of overall value
- As a periodic (i.e. annual) way to assess the health of your outsourcing relationships & opportunities/exposures
- In situations where you're unsure of the health of the relationship or you're certain there are issues....

How is the Value Health Check Survey™ Administered?



- Customer & Service Provider agree to execute a VHCS and sign Terms of Use Agreement
- Customer & Service Provider each identify a VHCS Administrator to lead their team through the process
- Conduct a Survey Administrator Orientation (30 min)
 - Set-up the contract/relationship & collect data
 - Enroll the respondents
 - Confirm the schedule
- One Week Survey Period:
 - Periodic Updates on Respondent Status
- VHCS Basic Report provided within a few days of the survey completion
- Optional Facilitated Debriefing and premium reports are available for a low fixed fee

How Does The Value Health Check Survey™ Work?



Financial Performance:

- *Customer Statement:* We are realizing the business benefits from the outsourcing relationship as outlined in the original business case &/or contracts.
- *Provider Statement:* Our client is realizing the business benefits from the outsourcing relationship as outlined in the original business case &/or contracts.

Explain Your Response

Please use the box below to further explain your rating.

Level of Priority												
Low			Somewhat Lower		Business As Usual		Somewhat High		High		Not Observed	
0	1	2	3	4	5	6	7	8	9	10	N / O	
Completely Disagree			Somewhat Disagree		Neutral or Unsure		Somewhat Agree		Completely Agree		Not Observed	
Level of Agreement												

OK Cancel

1. We are realizing the business benefits from the outsourcing relationship as outlined in the original business case &/or contracts.

	0	1	2	3	4	5	6	7	8	9	10	N/O
Level Of Priority <input type="checkbox"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Level Of Agreement <input type="checkbox"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

VHCS™ Provides Immediate Feedback to Participants

Value - Health Check Survey (VHCS)

Admin | Logout

Acme, Inc.

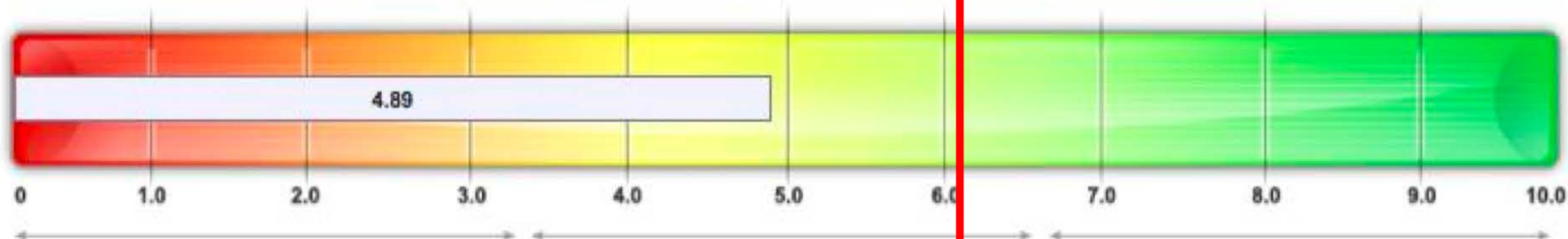
Industry of Customer: Health Care
Respondent Name: Will Smith
Sourcing Scope: Application Dev/Maintenance
Location From: U.S., UK
Location To: India, Ukraine

Service Provider: Allied Service, Inc.
Size of Contract (\$/Yr): \$5M to \$25M
Contract Start Date: 1/1/2009
Contract Term (Mos.): 36



Overall Score

Future Peer Group Scoring



The outsourcing contract/relationship appears to have serious issues and action should be taken immediately. Perform a detailed assessment to determine if a contract refresh, recompetition or repatriation of all or selected services is appropriate

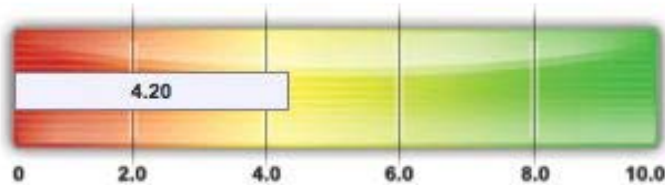
Perform a more detailed assessment of the value you are achieving and/or should be receiving from this outsourcing contract/relationship. Put a plan in place to achieve a greater business value.

The outsourcing contract/relationship appears to be healthy and continue to periodically assess the business value you are achieving from this contract/relationship and continuously search for greater business value.

Your peer group overall score typically is 5.13

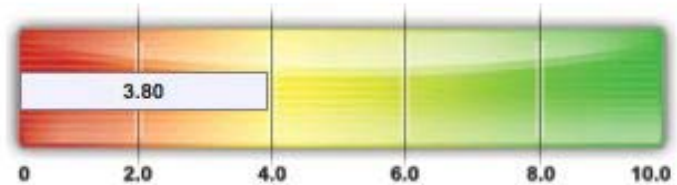
VHCS™ Provides Immediate Feedback to Participants

Section B1: Outsourcing Governance



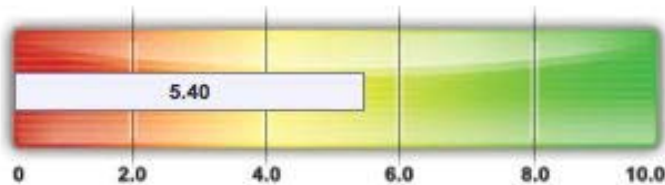
Your peer group overall score typically is 3.99

Section B2: Outsourcing Financial Performance



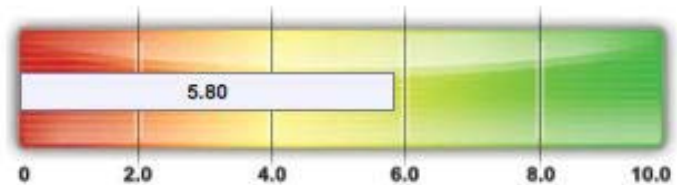
Your peer group overall score typically is 4.70

Section B3: Outsourcing Service Quality



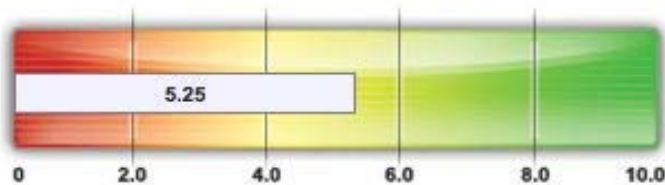
Your peer group overall score typically is 5.66

Section B4: Outsourcing Risk/Compliance



Your peer group overall score typically is 5.91

Section B5: Outsourcing Capabilities



Your peer group overall score typically is 5.41

[Edit My Response](#)

[Submit Survey](#)

What Happens After Completion of VHCS™

VHCS Basic Report

Customer & Provider
VHCS Administrators
Each Receive Their
VHCS Basic Report

VHCS General Information:

PAGE 3	Overview of the VHCS Basic Report
PAGE 4	VHCS Overall Results Summary
PAGE 5	Customer Top 10 Value Statements
PAGE 6	Customer Bottom 10 Value Statements
PAGE 7	Provider Top 10 Value Statements
PAGE 8	Provider Bottom 10 Value Statements
PAGE 9	Customer & Provider Top 5 Not Observed Value Statements

VHCS Detail Data/Information:

PAGE 10	Governance Data/Information Section
PAGE 11	Governance Statements By Customer Rank Order Scores
PAGE 12	Governance Statements By Respondent
PAGE 13	Financial Performance Data/Information Section
PAGE 14	Financial Performance Statements By Customer Rank Order Scores
PAGE 15	Financial Performance Statements By Respondent Scores
PAGE 16	Capabilities Data/Information Section
PAGE 17	Capabilities Statements By Customer Rank Order Scores
PAGE 18	Capabilities Statements By Respondent Scores
PAGE 19	Service Quality Data/Information Section
PAGE 20	Service Quality Statements By Customer Rank Order Scores
PAGE 21	Service Quality Statements By Respondent Scores
PAGE 22	Risk/Compliance Data/Information Section
PAGE 23	Risk/Compliance Statements By Customer Rank Order Scores
PAGE 24	Risk/Compliance Statements By Respondent Scores
PAGE 25-31	Customer Respondent Comments
PAGE 32-34	VHCS Outsourcing Value Statements (Customer & Provider)
PAGE 35	Optional Facilitated De-Briefing Overview

VHCS Summary Scores – Focus on the Colors

VHCS Basic Report

Customer Version Report Date: 12/21/2009	Combined Average		Customer				Provider			
	Agreement	Priority	Agreement	GAP	Priority	GAP	Agreement	Gap	Priority	GAP
Overall Score	5.92	6.21	5.58	0.7	6.80	1.2	6.26	0.7	5.62	1.2
Governance	6.18	6.04	5.78	0.8	6.58	1.1	6.59	0.8	5.50	1.1
Financial Performance	5.81	6.37	6.00	0.4	6.87	1.0	5.61	0.4	5.87	1.0
Service Quality	5.39	6.06	4.63	1.5	6.88	1.6	6.16	1.5	5.25	1.6
Risk/Compliance	6.85	6.47	6.47	0.8	6.91	0.9	7.23	0.8	6.03	0.9
Capabilities	5.38	6.12	5.05	0.7	6.78	1.3	5.72	0.7	5.47	1.3

Agreement Legend:

Healthy 7-10
Zone of Uncertainty 4-6
Immediate Action Required 0-3

Priority Legend:

Moderately High to Highest 7-10
Business As Usual 4-6
Moderately Low to Lowest 0-3

GAP Legend:

Agreement = + or - 1.5 or more
Priority = + or - 3.0 or more

VHCS Summary Scores – Top 10 Value Statements

Rank	Customer Score	Provider Score	Value Area	Customer - Top 10 Value Statement in terms of Agreement
1	8.20	7.00	Capabilities	7C. The contract we have with the supplier does not limit us from sourcing similar or related capabilities if required from alternative suppliers. 7P. The contract we have with our client does not limit them from sourcing similar or related capabilities from an alternative supplier(s).
2	8.00	6.50	Financial Performance	7C. We periodically review the financial performance of the contract with key internal stakeholders and our supplier. 7P. Our client periodically reviews the financial performance of the contract with their key internal stakeholders and us (their supplier).
3	8.00	8.25	Risk & Compliance	4C. The supplier is sensitive to the brand identity of our organization and demonstrates the importance of protecting the value of our brand. 4P. We (the service provider) are sensitive to the brand identity and value of our client's organization and we demonstrate through our actions the importance of protecting the value of our client's brand.
4	8.00	7.67	Risk & Compliance	3C. The supplier is currently supporting us from regions of the world that are relatively free from political, economic or other forms of serious business risk. 3P. We (the service provider) are currently supporting this client from regions of the world that are relatively free from political, economic and/or other forms of serious business risk.
5	7.40	7.75	Governance	6C. Our governance processes facilitate fast and effective resolution to problems regardless of the organizational levels involved 6P. Our client's governance processes facilitate fast and effective resolution to problems regardless of the organizational levels involved
6	7.20	7.00	Risk & Compliance	5C. The supplier demonstrates awareness of our business specific requirements concerning regulatory compliance & is appropriately compliant. 5P. We (the service provider) demonstrate awareness of our client's business specific requirements concerning regulatory compliance and we are appropriately compliant.
7	6.75	7.00	Risk & Compliance	2C. The supplier's business is financially sound and there are no apparent threats to their operations which would cause us concern. 2P. Our outsourcing business (the service provider's overall outsourcing business) is financially sound and there are no apparent threats or risks to our business operations which would cause our client concern.
8	6.40	4.25	Financial Performance	5C. The supplier is appropriately financially incented to deliver the business value we expect from outsourcing this business process/function. 5P. We (the supplier) are appropriately financially incented to deliver the business value our client expects from outsourcing this business process/function.
9	6.40	7.75	Financial Performance	1C. We are realizing the business benefits from the outsourcing relationship as outlined in the original business case &/or contracts. 1P. Our client is realizing the business benefits from the outsourcing relationship as outlined in the original business case &/or contracts.
10	6.33	7.75	Risk & Compliance	7C. The supplier has adequate provisions in place to protect access to their systems that have access to our data/information/systems. 7P. We (the service provider) have adequate provisions in place to protect access to our systems that have access to our client's data/information/systems.

VHCS Summary Scores – Bottom 10 Value Statements

Rank	Customer Score	Provider Score	Value Area	Customer - Bottom 10 Value Statement in terms of Agreement
1	2.60	5.75	Capabilities	5C. The supplier is providing us with the appropriate level of innovation and creativity in addressing our current and future business needs. 5P. We (the service provider) are providing our client with the appropriate level of innovation and creativity in addressing our client's current future business needs.
2	3.60	4.75	Service Quality	7C. The supplier has formal continuous improvement processes in place and periodically reports on their progress in achieving continuous improvement. 7P. We (the supplier) have formal continuous improvement processes in place and periodically report on our progress in achieving continuous improvement.
3	3.60	5.75	Capabilities	2C. The supplier has appropriate, recruiting, training and resource contingency plans in place to address current & future capabilities we need in this area. 2P. We (the service provider) have the appropriate recruiting, training, and resource contingency plan in place to address current and future capabilities the client requires in this area.
4	3.60	6.00	Service Quality	6C. Based on current and future business needs, we are confident this supplier can meet our service delivery quality requirements. 6P. Based on current and future business needs, our client is confident we (their supplier) can meet their service delivery quality requirements.
5	3.80	5.00	Service Quality	8C. The supplier has acceptable quality controls policies and procedures in place for this outsourcing relationship. 8P. We (the supplier) have acceptable quality controls policies and procedures in place for this outsourcing relationship.
6	4.00	6.25	Risk & Compliance	6C. The supplier has contingency plans in place that are periodically tested to ensure they can deal with a crisis without significantly affecting our business. 6P. We (the service provider) have contingency plans in place that are periodically tested to ensure we can deal with a crisis without significantly affecting our client's business.
7	4.40	7.00	Service Quality	4C. The contract terms with the supplier have sufficient protection to address fluctuations in currency value and inflation. 4P. The contract terms with our client provide sufficient protection for them to address fluctuations in currency value and inflation.
8	4.60	7.25	Capabilities	1C. The supplier staff have the appropriate level of understanding of our business to be able to be responsive to the demands of our key users and/or stakeholders. 1P. We (the supplier) have the appropriate level of understanding of our client's business to be able to be responsive to the demands of their key users and/or stakeholders.
9	4.80	7.75	Governance	4C. The supplier is responsive, flexible and adaptable to our changing needs for capabilities in this business area. 4P. We (the service provider) are responsive, flexible and adaptable to our client's changing needs for business capabilities as it relates to this contract/relationship.
10	5.00	6.33	Risk & Compliance	7C. We have the required number of skilled and experienced human resources to effectively & efficiently govern this outsourcing contract/relationship. 7P. Our client has the required number of skilled and experienced human resources to effectively & efficiently govern this outsourcing contract/relationship.

VHCS Area Scores – Capabilities Area Example

Customer Ranked Score	Capabilities Value Statements - Agreement Rankings	Agreement				Priority			
		Customer	Provider	N/O	GAP	Customer	Provider	N/O	GAP
8.20	7C. The contract we have with the supplier does not limit us from sourcing similar or related capabilities if required from alternative suppliers. 7P. The contract we have with our client does not limit them from sourcing similar or related capabilities from an alternative supplier(s).	8.20	7.00	0	1.2	7.80	7.00		0.8
5.80	3C. The level of employee turnover in all key areas of the supplier's workforce relevant to this outsourcing contract are within acceptable ranges. 3P. The level of employee turnover in all key areas of our (the service provider) workforce relevant to this contract are within acceptable ranges.	5.80	5.00	0	0.8	6.60	5.25		1.4
5.40	1C. The supplier is currently providing an acceptable level of capabilities that we contracted for to support the scope of this outsourcing contract. 1P. We (the service provider) are currently providing an acceptable level of capabilities that the client contracted for to support the scope of this outsourcing contract.	5.40	5.00	0	0.4	6.40	5.00		1.4
5.20	8C. We have the necessary processes, tools and technologies in place to understand if we are getting the required capabilities from our supplier. 8P. Our client has the necessary processes, tools and technologies in place to understand if they are getting the required capabilities from us (the service provider).	5.20	5.50	0	0.3	6.40	5.50		0.9
5.00	6C. The outsourcing capabilities we are receiving from this supplier positions us competitively in the industry. 6P. The outsourcing capabilities that we are providing to our client positions them competitively in their industry.	5.00	4.50	0	0.5	6.60	5.25		1.4
4.60	4C. The supplier is responsive, flexible and adaptable to our changing needs for capabilities in this business area. 4P. We (the service provider) are responsive, flexible and adaptable to our client's changing needs for business capabilities as it relates to this contract/relationship.	4.60	7.25	0	2.7	6.60	6.75		0.2
3.60	2C. The supplier has appropriate, recruiting, training and resource contingency plans in place to address current & future capabilities we need in this area. 2P. We (the service provider) have the appropriate recruiting, training, and resource contingency plan in place to address current and future capabilities the client requires in this area.	3.60	5.75	0	2.2	7.00	5.00		2.0
2.60	5C. The supplier is providing us with the appropriate level of innovation and creativity in addressing our current and future business needs. 5P. We (the service provider) are providing our client with the appropriate level of innovation and creativity in addressing our client's current future business needs.	2.60	5.75	0	3.2	6.80	4.00		2.8

**NOT KODAK
RESULTS**

Agreement Legend:

Healthy 7-10
Zone of Uncertainty 4-6
Immediate Action Required 0-3

Priority Legend:

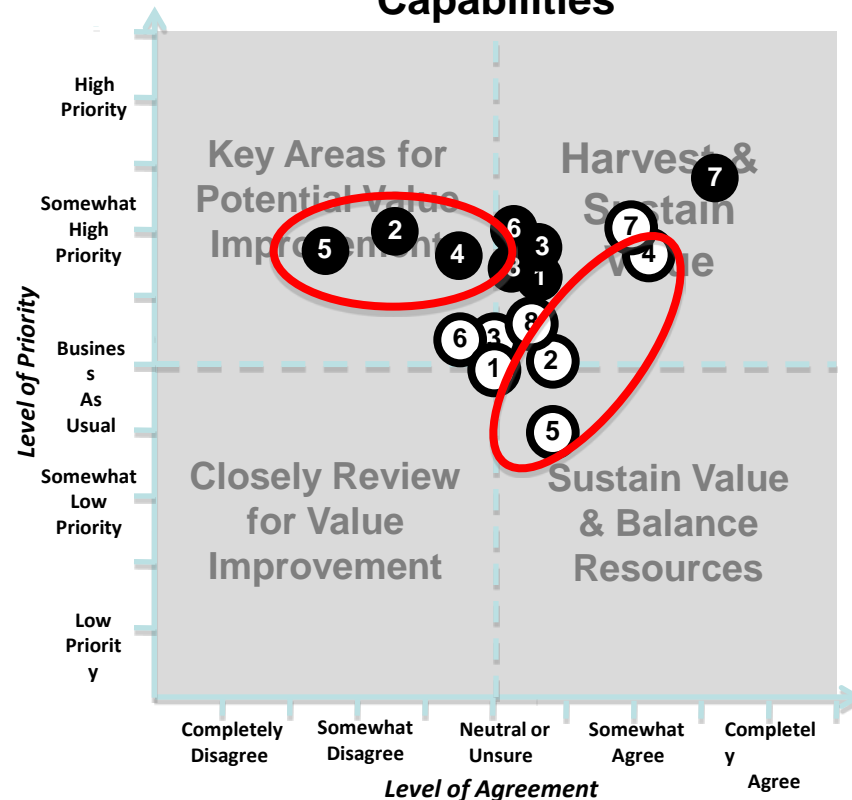
Moderately High to Highest 7-10
Business As Usual 4-6
Moderately Low to Lowest 0-3

GAP Legend:

Agreement = + or - 1.5 or more
Priority = + or - 3.0 or more

VHCS Value Opportunity Matrix

Value Opportunity Matrix (VOM): Capabilities



Capabilities Value Statements - Agreement Rankings	Agreement Score		Priority Score	
	Customer	Provider	Customer	Provider
7C. The contract we have with the supplier does not limit us from sourcing similar or related capabilities if required from alternative suppliers.				
7P. The contract we have with our client does not limit them from sourcing similar or related capabilities from an alternative supplier(s).	8.20	7.00	7.80	7.00
3C. The level of employee turnover in all key areas of the supplier's workforce relevant to this outsourcing contract are within acceptable ranges.				
3P. The level of employee turnover in all key areas of our (the service provider) workforce relevant to this contract are within acceptable ranges.	5.80	5.00	6.60	5.25
1C. The supplier is currently providing an acceptable level of capabilities that we contracted for to support the scope of this outsourcing contract.				
1P. We (the service provider) are currently providing an acceptable level of capabilities that the client contracted for to support the scope of this outsourcing contract.	5.40	5.00	6.40	5.00
8C. We have the necessary processes, tools and technologies in place to understand if we are getting the required capabilities from our supplier.				
8P. Our client has the necessary processes, tools and technologies in place to understand if they are getting the required capabilities from us (the service provider).	5.20	5.50	6.40	5.50
6C. The outsourcing capabilities we are receiving from this supplier positions us competitively in the industry.				
6P. The outsourcing capabilities that we are providing to our client positions them competitively in their industry.	5.00	4.50	6.60	5.25
4C. The supplier is responsive, flexible and adaptable to our changing needs for capabilities in this business area.				
4P. We (the service provider) are responsive, flexible and adaptable to our client's changing needs for business capabilities as it relates to this contract/relationship.	4.60	7.25	6.60	6.75
2C. The supplier has appropriate, recruiting, training and resource contingency plans in place to address current & future capabilities we need in this area.				
2P. We (the service provider) have the appropriate recruiting, training, and resource contingency plan in place to address current and future capabilities the client requires in this area.	3.60	5.75	7.00	5.00
5C. The supplier is providing us with the appropriate level of innovation and creativity in addressing our current and future business needs.				
5P. We (the service provider) are providing our client with the appropriate level of innovation and creativity in addressing our client's current future business needs.	2.60	5.75	6.80	4.00

Legend: Value Opportunity Matrix: 1 = Customer 1 = Provider

VHCS – Detailed Participant Responses - Capabilities

Individual Identity Protected

Areas of Concern

Healthy Areas

Respondents	Statement 1			Statement 2			Statement 3			Statement 4			Statement 5			Statement 6			Statement 7			Statement 8			Average/Total Scores		
Customer	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O
1	5	4	0	3	3	0	4	4	0	4	4	0	4	3	0	4	5	0	4	5	0	3	3	0	3.88	3.88	0
2	6	8	0	4	7	0	7	7	0	7	7	0	3	8	0	7	7	0	10	10	0	6	8	0	6.25	8.00	0
3	5	5	0	4	6	0	4	7	0	3	7	0	2	8	0	2	6	0	10	10	0	5	6	0	4.50	6.88	0
4	4	7	0	1	7	0	7	7	0	2	7	0	2	7	0	5	7	0	10	10	0	4	7	0	4.38	7.38	0
5	6	8	0	6	8	0	7	8	0	7	8	0	2	8	0	7	8	0	7	5	0	8	8	0	6.25	7.75	0
Customer Avg.	5.40	6.40		3.60	7.00		5.80	6.60		4.60	6.60		2.60	6.80		5.00	6.60		8.20	8.80		5.20	6.40		5.05	6.78	
Customer Min.	4	4		1	3		4	4		2	4		2	3		2	5		4	5		3	3		2.8	3.9	
Customer Max.	6	8		6	9		7	8		7	8		4	8		7	8		10	10		8	8		6.9	8.4	
Respondents	Statement 1			Statement 2			Statement 3			Statement 4			Statement 5			Statement 6			Statement 7			Statement 8			Average/Total Scores		
Provider	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O	Agreement	Priority	N/O
A	3	7	0	3	7	0	5	7	0	7	8	0	8	3	0	4	7	0	5	7	0	7	3	0	5.25	6.13	0
B	7	6	0	6	6	0	7	5	0	7	7	0	6	6	0	5	5	0	7	5	0	6	5	0	6.38	5.63	0
C	7	4	0	6	4	0	3	6	0	7	4	0	6	4	0	6	6	0	8	8	0	6	6	0	6.13	5.25	0
D	3	3	0	8	3	0	5	3	0	8	8	0	3	3	0	3	3	0	8	8	0	3	8	0	5.13	4.88	0
Provider Avg.	5.00	5.00		5.75	5.00		5.00	5.25		7.25	6.75		5.75	4.00		4.50	5.25		7.00	7.00		5.50	5.50		5.72	5.47	
Provider Min.	3	3		3	3		3	3		7	4		3	3		3	3		5	5		3	3		3.8	3.4	
Provider Max.	7	7		8	7		7	7		8	8		8	6		6	7		8	8		7	8		7.4	7.3	
Group Avg.	5.20	5.70		4.68	6.00		5.40	5.93		5.93	6.68		4.18	5.40		4.75	5.93		7.60	7.40		5.35	5.95		5.38	6.12	
GAP	0.40	1.40		2.15	2.00		0.80	1.35		2.65	0.15		3.15	2.80		0.50	1.35		1.20	0.80		0.30	0.90		0.67	1.31	

Alignment Issues

Agreement Legend:

Healthy 7-10

Zone of Uncertainty 4-6

Immediate Action Required 0-3

Priority Legend:

Moderately High to Highest 7-10

Business As Usual 4-6

Moderately Low to Lowest 0-3

GAP Legend:

Agreement = + or - 1.5 or more

Priority = + or - 3.0 or more

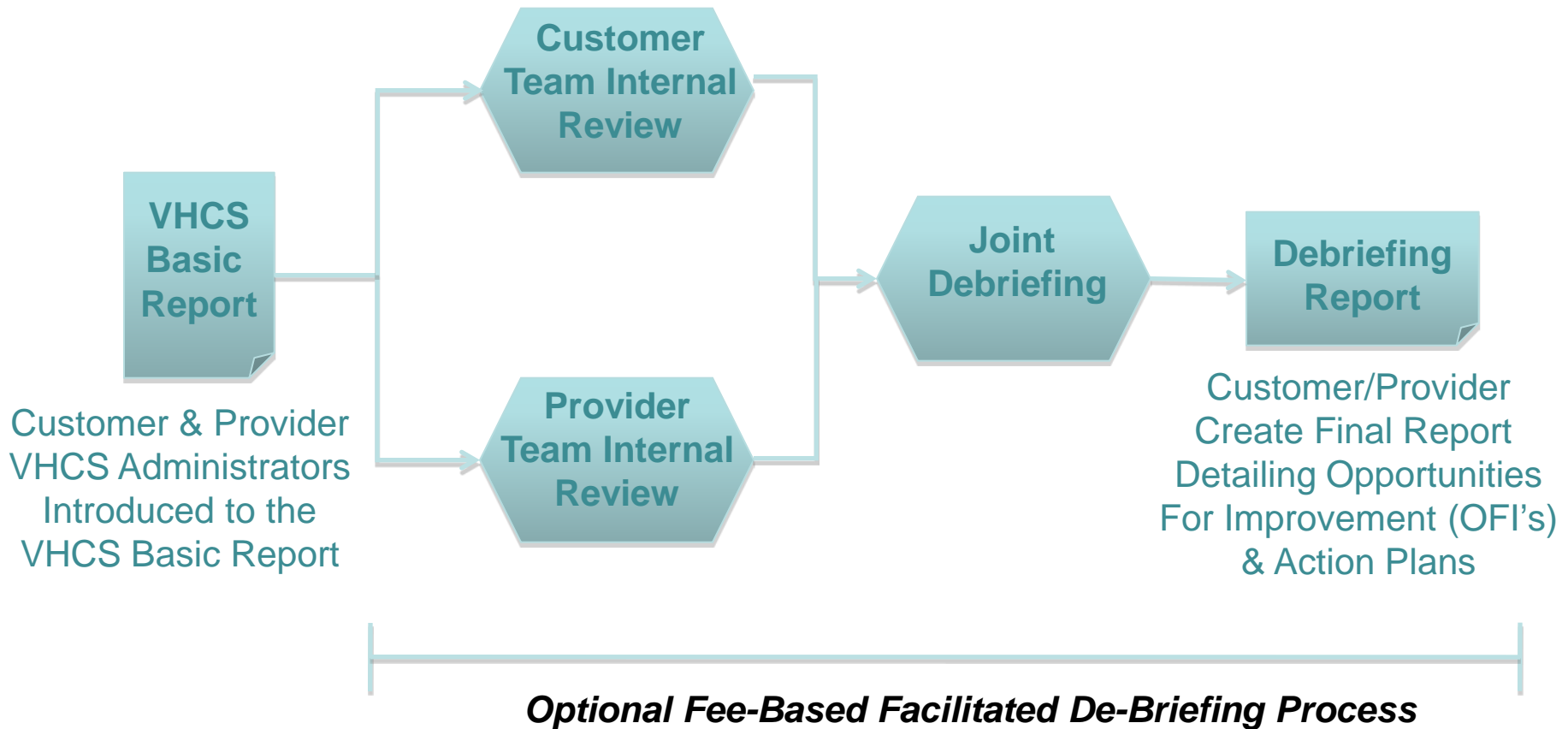
**Focus on
Colors 1st**



NOT KODAK RESULTS

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VHCS – Process to Enhancing Value





Discussion Agenda:

- Sourcing Relationship Management (SRM) & The Value Framework
- What is the Value Health Check Survey™ (VHCS)
- Kodak's Outsourcing Environment
- Kodak's VHCS Scope & Objectives
- Kodak's VHCS Key Insights & Opportunities



Kodak & It's Outsourcing Environment

Kodak – Who We Are?

- The world's imaging expert for consumer and professional photographers, filmmakers and entertainment professionals, graphic communications
- Operating and manufacturing locations around the globe
- Headquarters in Rochester, New York
- Approximately 20,000 employees globally

Kodak – Why Do We Outsource?

- We outsource so we can focus on our core strengths
- We're looking not just for improved cost but high quality service & innovation
- We strategically multi-source to ensure competitiveness
- We use commercial tools & technology to assist us in delivering value

Kodak – What Do We Outsource?

- We are engaged in ITO and BPO
 - ITO = Data Center, Networks, Applications Maintenance/Development
 - BPO = Contact/Call Center, HR (Payroll and Benefits), Finance



Discussion Agenda:

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- Kodak's VHCS Scope & Objectives
- Kodak's VHCS Key Insights & Opportunities/Exposures



Kodak's VHCS Scope & Objectives:

Scope of the VHCS at Kodak:

- Global Customer Contact/Call Center environment
- VHCS involved 27 respondents from both Kodak and our Service Provider
- VHCS may be used with more of our Service Providers over time

Kodak's VHCS Objectives:

- Understand how our “key internal stakeholder’s” prioritize and score their level of agreement with key drivers of outsourcing business value
- Understand if there are any alignment and/or perception issues between our key stakeholders as it relates to our priorities and level of agreement
- Understand the degree of alignment between our key internal stakeholders and our Service Providers key internal stakeholders
- Collaborate with our Service Provider to identify opportunities and exposures to optimizing the overall health and business value delivered in our relationship



Discussion Agenda:

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- Kodak's VHCS Key Insights & Opportunities/Exposures



Kodak's Key Insights:

Overall:

- We're still in the process of finalizing our next steps, but overall the VHCS was a success so far!
- We confirmed some areas of opportunity that we were aware of and identified others that we want to explore further
- We'd like to expand the use of VHCS to our other contact/call center providers

Insights Concerning our Internal Stakeholders:

- We have a strong framework in place for success
- There are regional requirements based on unique service and governance expectations that we need to consider

Insights Concerning our Service Provider:

- Our service provider is aligned with us regarding key areas of priority
- Service provider was more enthusiastic throughout the process than we thought they would be

Insights About the VHCS:

- The VHCS framework and process is easy to understand and implement
- You need to get strong Senior Level Service Provider buy-in early or else you risk delays in the process
- The process can enable good relationships to get even better, i.e. providing common ground to facilitate healthy, focused and productive discussions.



Kodak's Key Opportunities/Exposures

Overall:

- Kodak and Service Provider agree to explore how we improve sharing of best practices and innovation across our regions

Financial Performance:

- Continue with our focus on cost control given the global economic conditions

Service Quality:

- Consistently demonstrate proactive assessment and improvement re: key performance metrics
- Greater emphasis on six-sigma projects

Capabilities:

- Innovation – communicate what is on the horizon, where to make the next step-change while still managing operations.
- Bring forward industry best practices.

Risk/Compliance:

- There are adequate provisions in place to protect our data
- Service Provider has adequate sensitivity to Kodak's brand identity

Governance:

- Explore how we can reduce overall time spent managing the relationship (ie, how much information is needed, and how often to meet)

A stylized blue and white globe showing the Americas, positioned in the top left corner of the slide.

Kodak's Plans For The Future

Overall:

- We're moving forward with our Service Provider in several areas as previously mentioned
- We're considering starting VHCS with our other Service Providers to better understand the health of all of our relationships
- We're considering VHCS as a tool to assist us in periodic health checks of our outsourcing relationships

Thanks For Your Time – Any Questions?



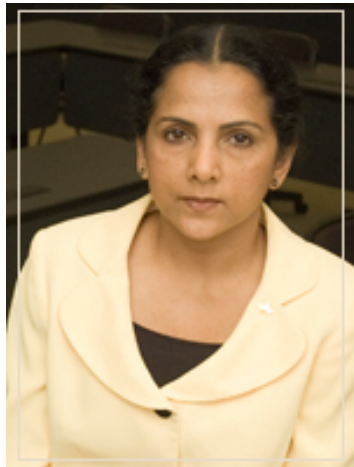
Teresa Harris
Global Partner Acct. Mgr.
Kodak
COP



Matt Shocklee
President & CEO
GSOS & IAOP
Global Ambassador

- **Welcome and IAOP Overview/Updates**
- **The State of Tools & Technology In The Outsourcing Industry**
- **Customer Case Study – Kodak**
- **Panel Discussion**
 - **Dr. Beena George, Associate Professor, University of St. Thomas**
 - **Jeff McCauley, Blazent Software**
 - **John Sandry, EquaTerra**
 - **Michael Ford, UnitedLex**
- **Networking event – Sponsored by OPI**

Use, Benefits and Future of Tools and Technology in Outsourcing



Dr. Beena George
Associate Professor
Univ. of St. Thomas



Jeff McCauley
Director of Sales
Blazent, Inc.



John Sandry
Client Executive
EquaTerra



Michael Ford
Executive Vice Pres.
UnitedLex

ToolsMAP: IT Outsourcing – Data Center

		Strategy	Assessment	Selection	Transition	Delivery
Financial	Business Case Development & Realization tools	Blazent Enlighta Govern EquaSiis Workbench	Blazent Enlighta Govern EquaSiis Workbench	Blazent EquaSiis Workbench	Blazent Enlighta Govern EquaSiis Enterprise Janeeva Assurance	Blazent Enlighta Govern EquaSiis Enterprise Value Health Check Survey Janeeva Assurance
	Financial Benchmarking tools	Blazent Enlighta Govern EquaSiis Workbench	Blazent Enlighta Govern EquaSiis Workbench	Blazent EquaSiis Workbench	Blazent EquaSiis Enterprise Janeeva Assurance	Blazent EquaSiis Enterprise Janeeva Assurance
	TCO modeling tools				Janeeva Assurance	Janeeva Assurance
Capabilities	Human Resource aptitude tests				Janeeva Assurance	Janeeva Assurance
	Workflow tools	Blazent Enlighta Govern EquaSiis Workbench	Blazent Enlighta Govern EquaSiis Workbench	Blazent Enlighta Govern EquaSiis Workbench	Blazent Enlighta Govern Enlighta Deliver EquaSiis Enterprise Janeeva Assurance	Blazent Enlighta Govern Enlighta Deliver EquaSiis Enterprise Janeeva Assurance
	Integration tools	Blazent	Blazent	Blazent	Blazent Enlighta Govern Enlighta Deliver Janeeva Assurance	Blazent Enlighta Govern Enlighta Deliver Janeeva Assurance
Service Quality	Productivity improvement	Blazent	Blazent	Blazent	Blazent Enlighta Deliver Janeeva Assurance	Blazent Enlighta Deliver Janeeva Assurance
	Quality improvement	Blazent EquaSiis Workbench	Blazent EquaSiis Workbench	Blazent EquaSiis Workbench	Blazent Enlighta Deliver EquaSiis Enterprise Janeeva Assurance	Blazent Enlighta Deliver EquaSiis Enterprise Value Health Check Survey Janeeva Assurance
	Quality control	Blazent EquaSiis Workbench	Blazent EquaSiis Workbench	Blazent EquaSiis Workbench	Blazent Enlighta Deliver EquaSiis Enterprise Janeeva Assurance	Blazent Enlighta Deliver EquaSiis Enterprise Value Health Check Survey Janeeva Assurance
	Training tools				Enlighta Deliver - Community Janeeva Assurance	Enlighta Deliver - Community Janeeva Assurance
Governance	Status Dashboards	Blazent Enlighta Govern	Blazent Enlighta Govern	Blazent Enlighta Govern	Blazent Enlighta Govern EquaSiis Enterprise Janeeva Assurance	Blazent Enlighta Govern EquaSiis Enterprise Value Health Check Survey Janeeva Assurance
	Productivity monitor				Enlighta Deliver EquaSiis Enterprise Janeeva Assurance	Enlighta Deliver EquaSiis Enterprise Janeeva Assurance
	Quality monitor / audit	Blazent Enlighta Govern	Blazent Enlighta Govern	Blazent	Blazent Enlighta Govern EquaSiis Enterprise Janeeva Assurance	Blazent Enlighta Govern EquaSiis Enterprise Value Health Check Survey Janeeva Assurance
	Role / Responsibility Management tools	Blazent	Blazent	Blazent	Blazent Enlighta Govern EquaSiis Enterprise Janeeva Assurance	Blazent Enlighta Govern EquaSiis Enterprise Janeeva Assurance
Risk/ Compliance	Regulatory compliance tools	Blazent	Blazent Enlighta Govern	Blazent	Blazent Enlighta Govern EquaSiis Enterprise Janeeva Assurance	Blazent Enlighta Govern EquaSiis Enterprise Value Health Check Survey Janeeva Assurance
	Contract compliance tools	Blazent Enlighta Govern	Blazent Enlighta Govern	Blazent	Blazent Enlighta Govern EquaSiis Enterprise Janeeva Assurance	Blazent Enlighta Govern EquaSiis Enterprise Value Health Check Survey Janeeva Assurance
	Security tools	Blazent	Blazent	Blazent	Blazent EquaSiis Enterprise	Blazent EquaSiis Enterprise

Thank you!

Please visit www.IAOP.org for more information about IAOP
and upcoming chapter activities