



**Global Standard-Setting Organization and
Advocate for the Outsourcing Profession**

Transboundary Sourcing Chapter Webinar



Transboundary Sourcing & Current Geo-Political Realities Focus on Eastern Europe

Today's Webinar Agenda

9:00 AM **Welcome, Introductions and IAOP/Chapter Update**

GSOS, Matt Shocklee, COP, President/CEO & IAOP's Global Ambassador

9:05 AM **Transboundary Sourcing – Addressing Geopolitical Realities**

As globalization of business operations continues to occur, building, sustaining and optimizing global sourcing is becoming increasingly complex, risky and challenging. Given recent geopolitical developments around the world, its never been more difficult to effectively & efficiently source globally. The speaker will share best practices from the customer/buyer perspective in global sourcing given contemporary geopolitical challenges.

Microsoft – Jon Browning, Director Global Outsourcing

9:25 AM **Transboundary Sourcing – Regional Focus on Eastern Europe**

A panel of business leaders intimately familiar with the Eastern European outsourcing marketplace will share their real-time experience and insights on the current outsourcing environment in the region and how organizations are addressing the political, economic and social implications of the current situation. Join this interactive discussion of the realities and the future implications not just for Eastern Europe but other regions that are experiencing similar geopolitical challenges.

Panel Discussion

Moderator: Avasant, Gurmeet Chopra, COP

Panelists:

Rio Tinto, Matt Kulmar - GM

Microsoft, Jon Browning - Director

Intetics, Boris Kontsevoi - Founder & CEO

Kelly OCG, Yuri Efrosinin - Director

ASTRA – Russia Outsourcing Association – Sergei Makedonski – President

10:00 AM **Meeting Wrap-Up & Next Chapter Meeting/Topic**

Chapter Team

The Chapter will review, catalogue and share **Transboundary Sourcing requirements, issues, challenges and best practices** with the IAOP Membership worldwide.

The Chapter **will explore emerging concepts and approaches to Transboundary Sourcing including new business models, social/societal impact and geo-political ramification.**

The Chapter will provide a forum for the IAOP's Global Membership to develop and share their point-of-view concerning **contemporary Transboundary Sourcing developments, issues and opportunities worldwide.**



Chapter Chair: Avasant, LLC – Kevin Parikh, CEO

Chapter Co-Chairs:



- Microsoft, inc. – Jon Browning, Director Sourcing Strategy



- Rio Tinto, Inc. – Matt Kulmar, General Manager Emerging Markets



- Intetics, Co. – Boris Kontsevoi, Founder & CEO



- Kelly - OCG, Inc. Yury Efrosinin, Director



- ASTRA – Sergei Makedonski, President



- Global Sourcing Optimization Services, LLC – Matt Shocklee, CEO



IAOP Intro & Update

• ABOUT IAOP

85% of IAOP members credit IAOP for improved outsourcing outcomes at their organizations and 93% of IAOP's Certified Outsourcing Professionals® (COPs) say that the designation has had a positive impact on their careers.

With a global community of more than 120,000 members and affiliates worldwide, IAOP is the global, standard-setting association and advocate for outsourcing professionals and the organizations they support. Our client-side members are, on average, responsible for \$60 million per year of outsourcing spending with some overseeing outsourcing programs in the billions of dollars.



IAOP Intro & Update

• MEMBER SERVICES

Global Chapter Network – Through its 50+ active and expansive chapters, IAOP members share their expertise and find knowledge on best practices for specific industry segments, topics and geographic areas.

Conferences & Events – IAOP hosts the world's best-known and most highly-respected executive conferences on the topic of outsourcing, including The Outsourcing World Summit®.

Professional Training & Certification– IAOP's training and certifications are the industry's de facto, geared to individuals and organizations

Pulse – The official publication of IAOP features in-depth coverage of the industry, issues, trends, geographies and vertical sectors and functions; thought leadership and case studies, probing Q&As, C-level interviews and profiles.

• MEMBER SERVICES

IAOP's Knowledge Center – This online repository houses more than 1,000 articles, including chapter meeting presentations, conference proceedings, industry whitepapers, research articles and more.

Outsourcing Relationship Health Check – This web-based diagnostic tool provides outsourcing customers and service providers with rapid insights to realizing outsourcing value.

GlobalSupplyRiskMonitor.com – This web-based product enables clients to monitor, predict and manage the various risks in their service supply chain across countries, cities and suppliers, in real time.

Addressing Geopolitical Realities For BPO & ITO Locations

Jon Browning

Director, Microsoft Sourcing Strategy



Addressing Geopolitical Realities

Global site selection challenges and opportunities

Addressing buyer and supplier risk

Looking ahead to developing markets

Microsoft Contact Center Consolidation

2010

- 11,000 support agents
- 45 suppliers
- 118 sites

2012

Initiate Supplier Consolidation Effort

Entire business up for bid

2014/15

- 15,000 support agents
- 5 global suppliers
- Few niche providers
- 57 sites

Basic Site Strategy Questions

- What number of suppliers and sites maximizes cost efficiency and overall pricing leverage?
- What minimum number of sites provides overlapping coverage that is acceptable?
- What is the business continuity risk for investing in a site?
- Does the site strategy improve agent utilization?



Evolving BPO Location Challenges

- Philippines: Longer-term growth potential
- Classic supply/demand models may not always apply
- Workforce attrition and wage/price spiral
- Alternative market strategies (Tier 3+ markets)

Key Questions For BPO & ITO Location Strategy

- Is there a sustainable labor supply?
- Can the site generate sustainable demand from buyers?
- Will the buyer send people to work there?

- Will the market support multiple types of work?
- What could go wrong: reputational risk?
- What is the impact of abandoning a site or country?

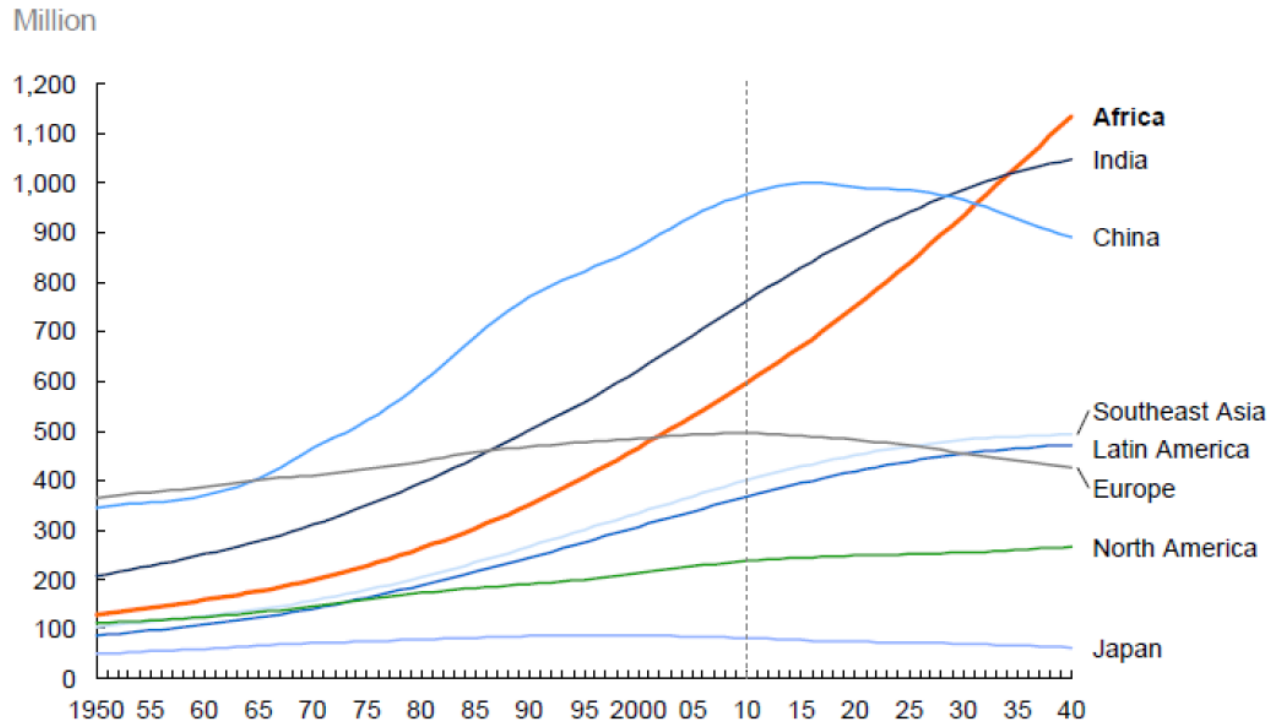


Providing lower-cost, skilled BPO workers while bringing new opportunities and raising the economic status for disadvantaged communities.

- Provides good jobs
- Transferable skills
- Sustainable employment
- Transforms communities

Africa will have the largest workforce

Size of the working-age¹ population



¹ Population aged 15–64.

Source: United Nations World Population Prospect; McKinsey Global Institute

South Africa Demographics

- Population: 52M
- Gross National Income \$7,610
- Pop. below poverty line 13.8%
- Literacy Rate (15-24): 98%
- Primary school enrollment: 90%
- Unemployment: 25% (40% youth)
- Current inflation rate: 6.4%

Sources: unicef, Dec 2013,
TradingEconomics.com

BPO Industry

- 60% of BPO jobs in Cape Town
- 80,000 contact center seats
- 14% annual attrition (SACCOM)
- Ranked 39th for Ease of Doing Business (World Bank)



Summary

- Continually reevaluate your location strategy
- Look for early warning signs of an oversold market
- Understand the key drivers for BPO site investment
- Invest in developing markets

Today's Panel Includes:



Panel Moderator: Avasant, LLC. - Gurmeet Chopra, COP – Sr. Consultant

Panelists:



- Microsoft Inc., Jon Browning – Director Sourcing Strategy



- Rio Tinto Inc., Matt Kulmar – General Manager of Emerging Markets



- Intetics Co., Boris Kontsevoi – Founder & CEO



- Kelly OCG., Yury Efrosinin – Director



- ASTRA Russian Outsourcing Association, Sergei Makedonski - President



Join Us At IAOP!

SPECIAL OFFER FOR TODAY'S ATTENDEES!

**Become an IAOP Professional Member at
20% off the Regular Fee of \$345/Year (\$276/Year Net Fee)**

Be part of the *first and only* global, professional membership-based organization to establish standards for customers, providers and advisors of outsourced service.

As one IAOP Corporate Member put it:

“It’s a tremendous one-stop shop for all things outsourcing!”

Go to <https://www.IAOP.org/PMregistration> and join today!

When asked for an “offer code,” please enter: **IAOP-PM-0515.**

www.IAOP.org

• UPCOMING CHAPTER MEETINGS

September 2014

September 16 - [Beijing](#) Chapter Meeting

September 17 - [Nordic](#) Chapter Meeting

September 18 - [Shandong](#) Chapter Meeting

September 18 - [Outsourcing Tools & Technology](#) and [NorCal](#) Chapters' Meeting

½ Day Symposium on Use of Advanced Tools/Technologies in Outsourcing

September 22 - [Shanghai](#) Chapter Meeting

October 2014

October 9 - [Governance](#) Chapter Webinar

October 9 - [Rocky Mountain](#) Chapter Meeting - save the date - details to be shared soon

October 16 - [Charlotte](#) Chapter Launch

October 23 - [Chicago](#) Chapter Meeting

October 28 - [Texas](#) Chapter Meeting

IAOP Professional Members may attend an unlimited number of chapter meetings. Associate Members may attend a chapter meeting as IAOP's guest. Go to the chapters' page at www.IAOP.org/chapters for meeting details and to register.

***Next Transboundary Sourcing Chapter Webinar: November 19 @ 7PM EST
Emerging Market Insights – Southeast Asia (Philippines & Vietnam)***

• AWARDS PROGRAMS



The Global Outsourcing 100 - lists the top 100 outsourcing service providers and the top 20 Advisory firms globally.
September 15 to November 1st is Application Period for 2015



The nomination and application processes are outlined on our website & Winners are announced at **The Outsourcing World Summit!**

GEO - honors outsourcing professional teams at customer organizations that are leading the effort to better serve their organization's customers and make their companies more successful through outsourcing. **Nominations accepted through September 30, 2014**

The Outsourcing Hall of Fame - one of the most prestigious outsourcing awards, it recognizes individuals for their contributions to the management practice and industry and their contributions to society at-large. **Nominations now being accepted**



GOSRIA – IAOP/ISG Global Outsourcing Social Responsibility Award for the top service provider judged for how they integrate CSR in their outsourcing relationships.

• CONFERENCES AND EVENTS

Coming Soon!

The 2014 Asia-Pacific Outsourcing Summit

Singapore – Mandarin Orchard Hotel

September 23-24, 2014

IAOP Partner Event: Outsource2LAC

Guatemala City, Guatemala

November 12-13, 2014

The 2015 Outsourcing World Summit®

February 16-18, 2015 – JW Marriott Phoenix Desert Ridge

Phoenix, Arizona



• TRAINING & CERTIFICATION

COP Master Classes (*& Governance Workshop)

- September 15-18, 2014 – Denver, CO*
- November 5-7, 2014 – The Netherlands
- March 30 – April 2, 2015 – Atlanta, GA *

Online Classes are also available!

**Become a COP and improve
your outsourcing success!**



COP Master Class/Governance Workshop Bundle – Denver/Atlanta only – 4 day training

**\$3,500 price for all chapter attendees! (Get Governance workshop free,
savings of \$1,000's)**

Online COP Master Class/Governance Workshop Bundle

\$3,000 price for all chapter attendees! (savings of \$700)

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**THANK YOU FOR
JOINING US
TODAY!**



**For more information on IAOP's Programs
and Services, email info@iaop.org.**