

**Everest Group is actively engaged with clients in six continents.**

## Functional Expertise

- Contact Center
- Finance and Accounting
- Human Resources
- IT Applications
- IT Infrastructure
- Procurement

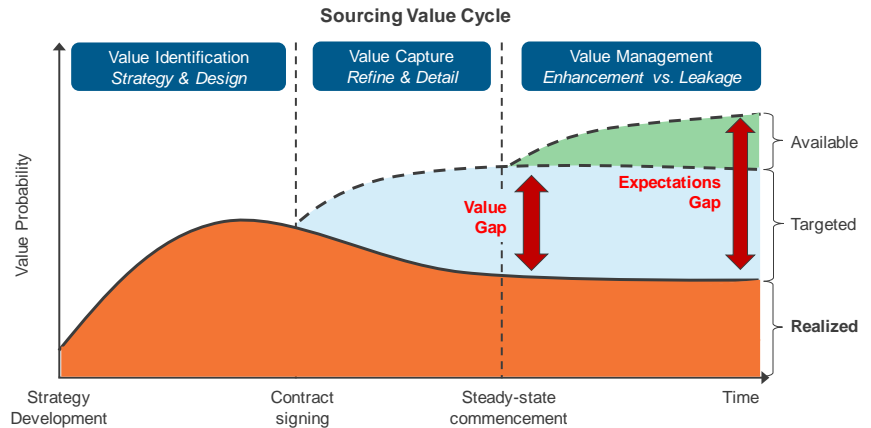
## Solutions Areas

- Benchmarking
- Cloud/Next Generation IT
- Enterprise Services
- Go-to-Market/Growth
- Location Optimization
- Outsourcing
- Services Transformation
- Shared Services/Global In-house Centers

## Industries

- Banking
- Country and Industry Organizations
- Energy and Utilities
- Financial Services
- Healthcare
- High Tech and Manufacturing
- Insurance
- Private Equity
- Retail
- Service Providers
- Travel and Hospitality

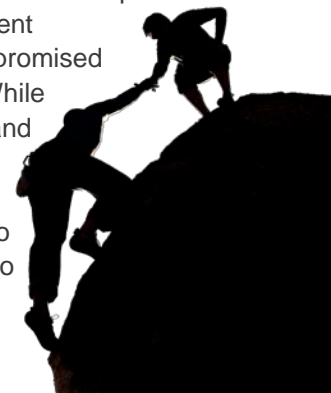
Most outsourcing relationships do not live up to their full potential. Even initially strong relationships may deliver against their original value but fall short of rising expectations as the market and business requirements evolve.



Root causes of this value gap include poorly forged or one-sided agreements; misrepresentation of needs and/or capabilities; inadequate change management; weak, under-resourced, or under-prepared governance; cultural mismatch; inflexibility in adapting to changing situations; and insufficient incentives to expand value.

While identifying the gap and determining fixes can be challenging for a buyer and its provider due to their closeness to the situation, a service-based diagnostic assessment, conducted by an objective third party, can be the key to uncovering and remedying the issues. This type of assessment is a comprehensive review of the state of relationship between the parties, as well as an appraisal of its components compared to current market practices, including those related to technology, processes, locations, governance, pricing, incentives, and performance metrics. The review yields a pragmatic sequence of specific action steps – agreed upon by both the buyer and the provider – to capture expected value that is equitable to both parties.

For example, although one relationship started very strong in successfully stabilizing the client's IT environment, the provider soon started to slip in operational execution. The performance shortfalls began to accumulate, the buyer attempted to micro-manage the provider's actions, and the relationship further soured on both sides. A service-based diagnostic assessment uncovered numerous issues, including a surprising lack of promised project and technology tools at the provider organization. While attempts were made to fix the other identified governance and communications issues on both sides, the inherent lack of capabilities made this untenable and the buyer in-sourced key portions of the program. Further, it used the learnings to improve its governance behavior across its provider portfolio and is now achieving its desired performance levels.



In another case, an assessment for the in-house sales group within a major energy company revealed wide divergence of opinion on the services delivered. The delivery organization was justifiably proud that it had clearly documented SLAs and KPIs with rigorous measurement and a high degree of compliance, demonstrated world-class, cost-effective services, and devoted considerable effort and resources to a well-defined and adequately staffed governance program. But the recipient community was frustrated with the lack of progress against business goals, which had resulted in perceptions of the service provider group ranging from indifference to hostility. The assessment determined the service recipient community needed to invest significant financial resources in how it spoke to its customers, which ultimately drove a US\$100 million revenue gain.

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## About Everest Group

Everest Group is an advisor to business leaders on the next generation of global services with a worldwide reputation for helping Global 1000 firms dramatically improve their performance by optimizing their back- and middle-office business services. With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of global services in their pursuits to balance short-term needs with long-term goals. Through its practical consulting, original research, and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies, and Management approaches. Established in 1991, Everest Group serves users of global services, providers of services, country organizations, and private equity firms in six continents across all industry categories. For more information, please visit [www.everestgrp.com](http://www.everestgrp.com) and [research.everestgrp.com](http://research.everestgrp.com).

For more information on how Everest Group's Service Effectiveness offering can elevate the value of your outsourcing relationship, please contact Rich Kabrt, Associate Partner, [rich.kabrt@everestgrp.com](mailto:rich.kabrt@everestgrp.com), +1 646-805-4013.

