



Deloitte's 2014 Shared Services and
Outsourcing Executive Forum
Highlights from Deloitte's 2014 Global
Outsourcing and Insourcing Survey

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Contents

Introductions

Survey highlights and discussion:

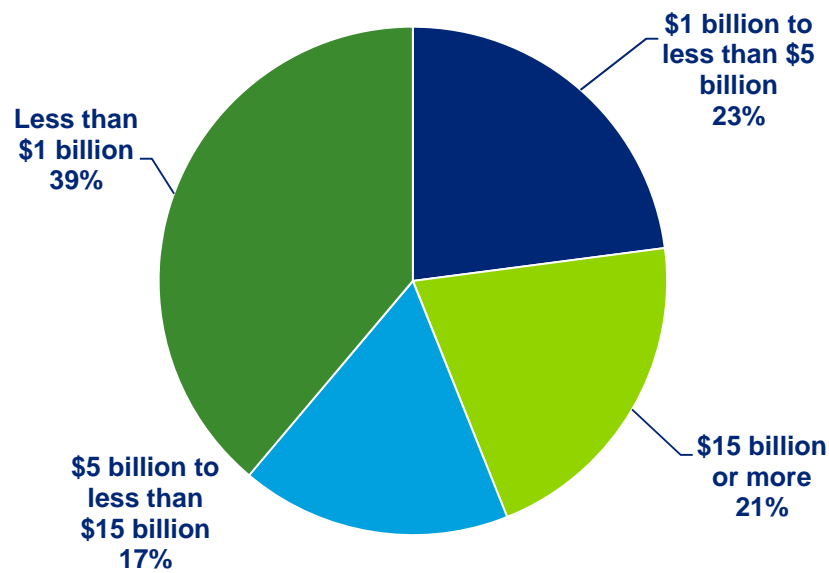
- The changing sourcing landscape
- Current and future sourcing plans
- Vendor management and governance
- Summary and conclusions

Q&A

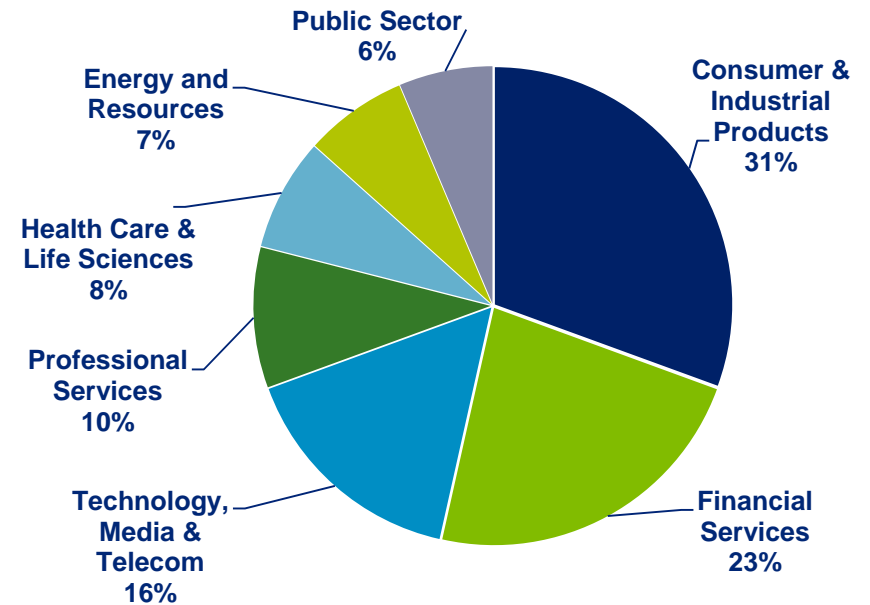
Deloitte's 2014 Global Outsourcing and Insourcing survey

Demographics

Attracted 157 respondents....



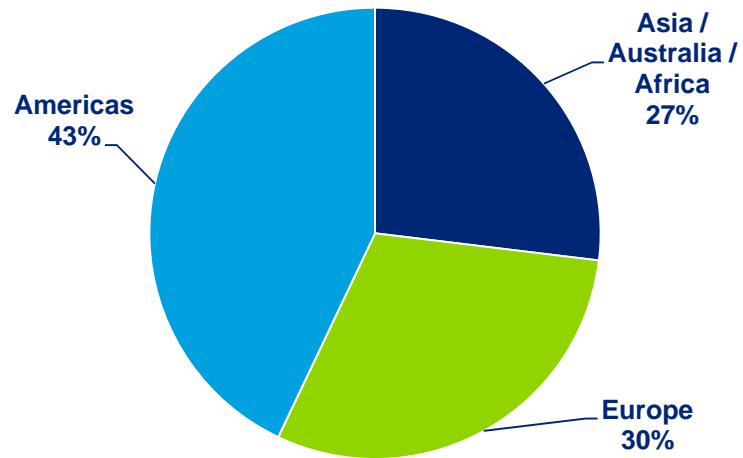
... across 22 sectors



Deloitte's 2014 Global Outsourcing and Insourcing survey

Demographics

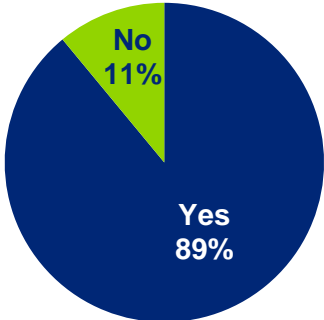
... in 33 countries



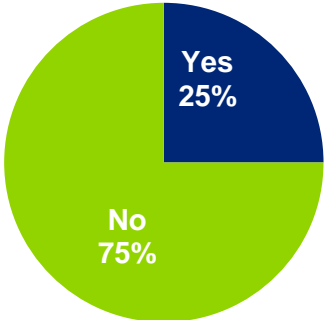
The changing sourcing landscape

Impact of law and regulation

Will offshoring continue to grow unless legislation is enacted to curb it?



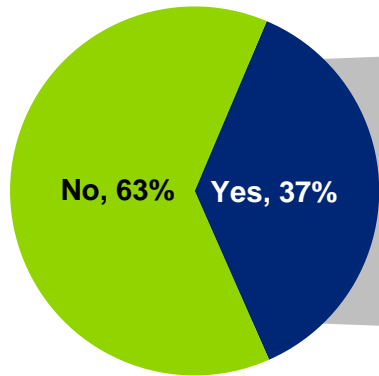
Should legislation be enacted to curb offshoring?



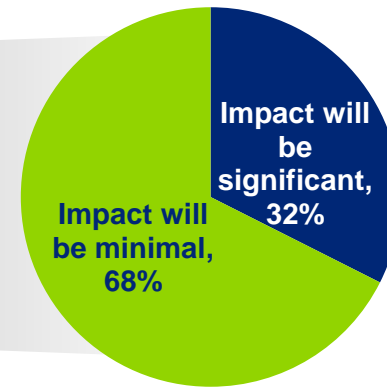
- More than half of respondents' believe their business will be negatively impacted by legislation to curb offshoring
- 18% of respondents anticipate cost increases that would be **passed on to consumers**
- A further 50% anticipate increased costs that would not be passed on to consumers, possibly resulting in **competitive disadvantage**

Likelihood of legislation

Do you believe your home country will enact regulations to restrict offshoring?



Do you believe there will be a significant impact to your business?

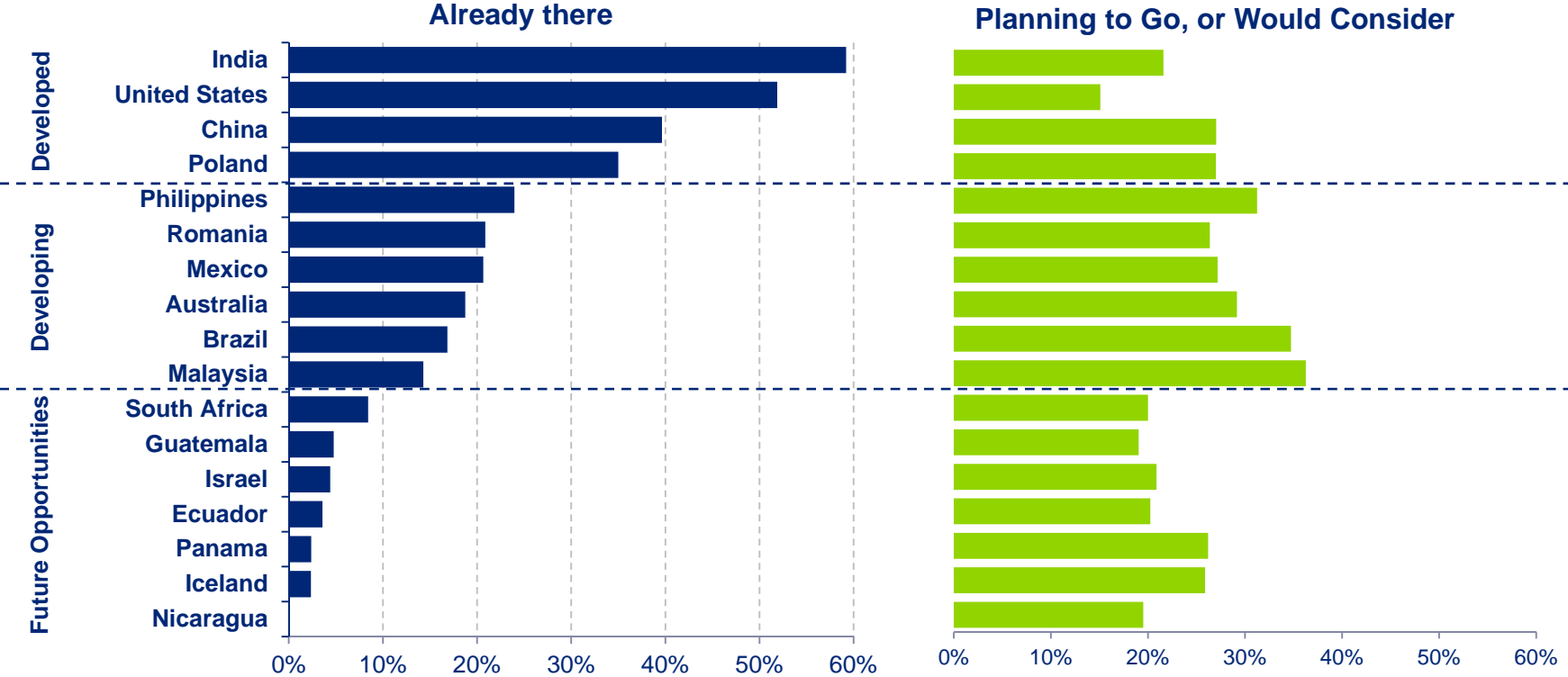


In the US:

- Half of US respondents believe the government will enact regulation
- 60% of US respondents believe such regulation would have a negative impact to consumers or to top line growth
- However only 10% characterize the impact as significant

Sourcing destinations

Which geographies have you, or would you consider for your vendors' service delivery locations?

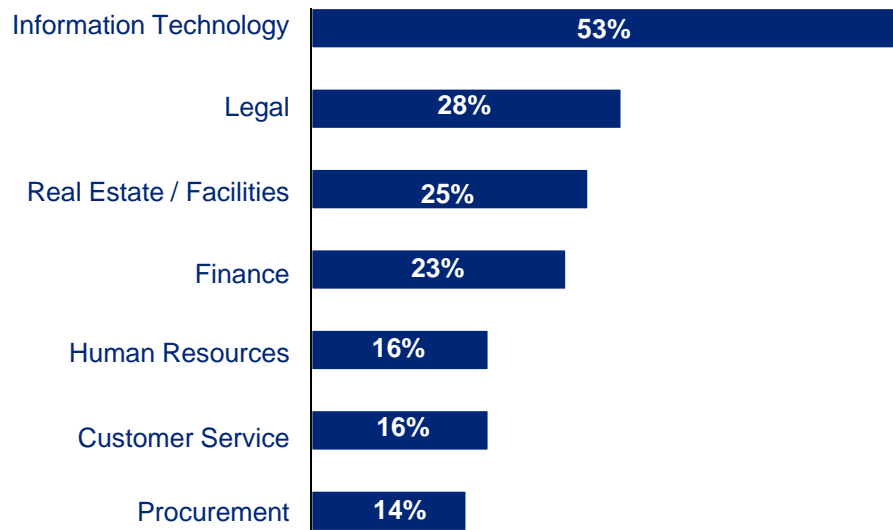


Current and future sourcing plans

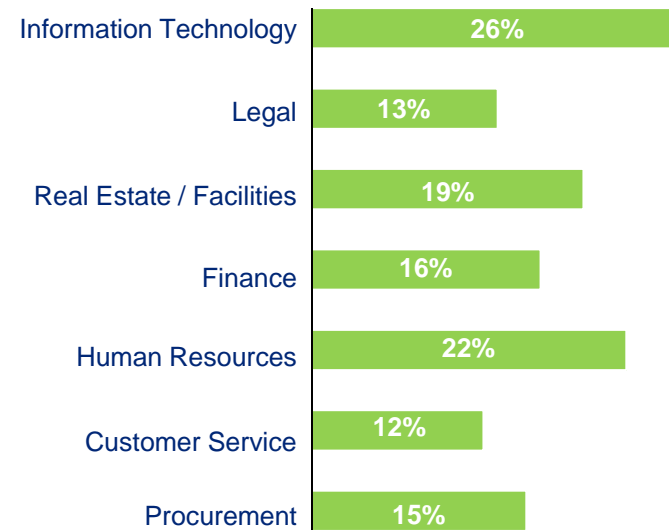
Scope of services

What is your company's current and future outsourcing plan?

Currently Outsourcing

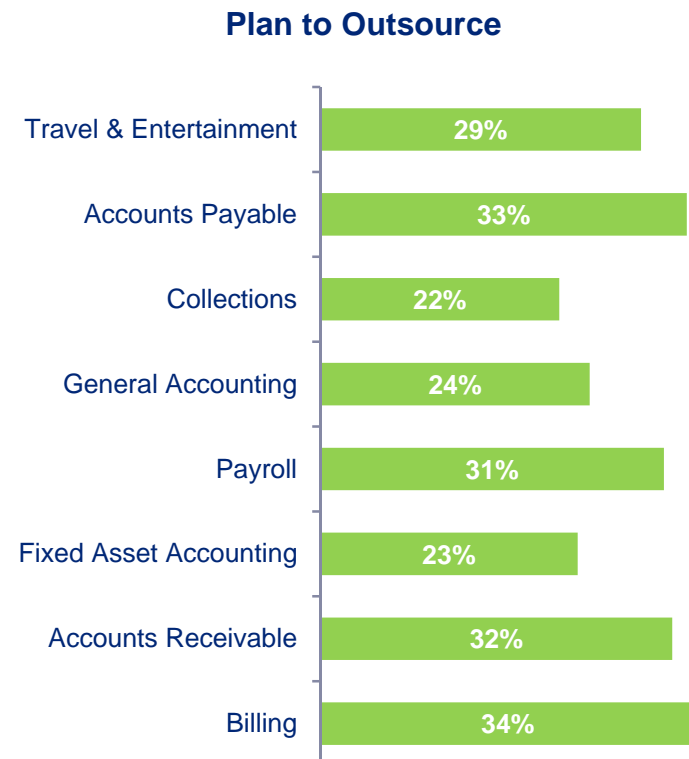
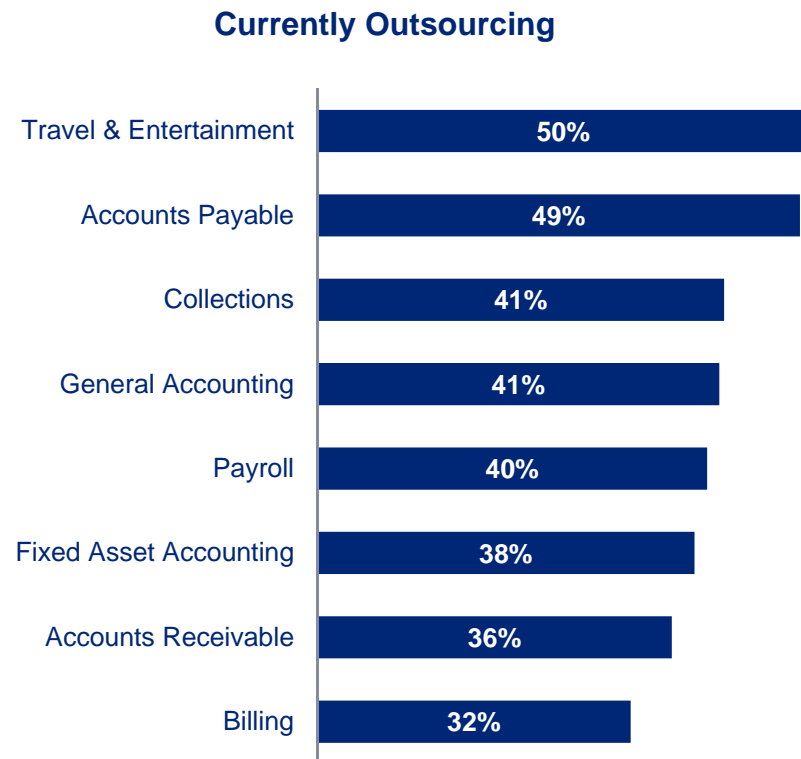


Plan to Outsource



Finance and Accounting (F&A)

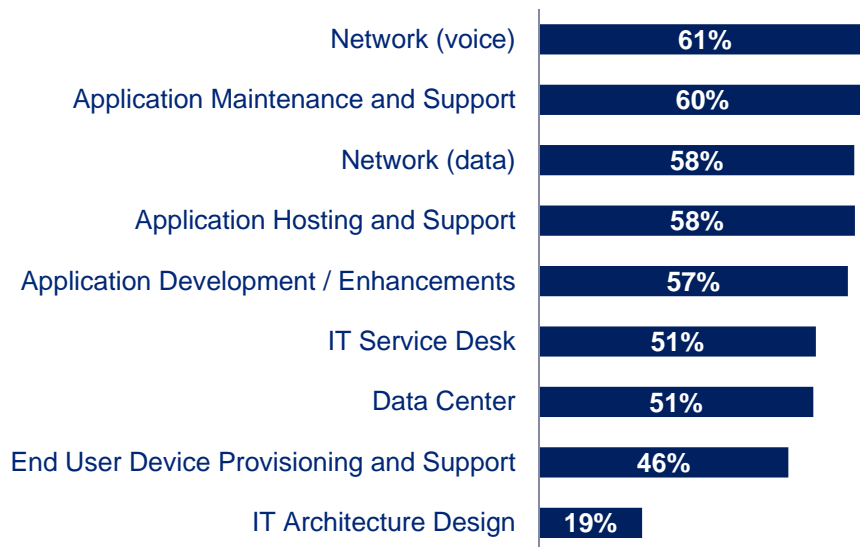
What is your company's current and future outsourcing plan?



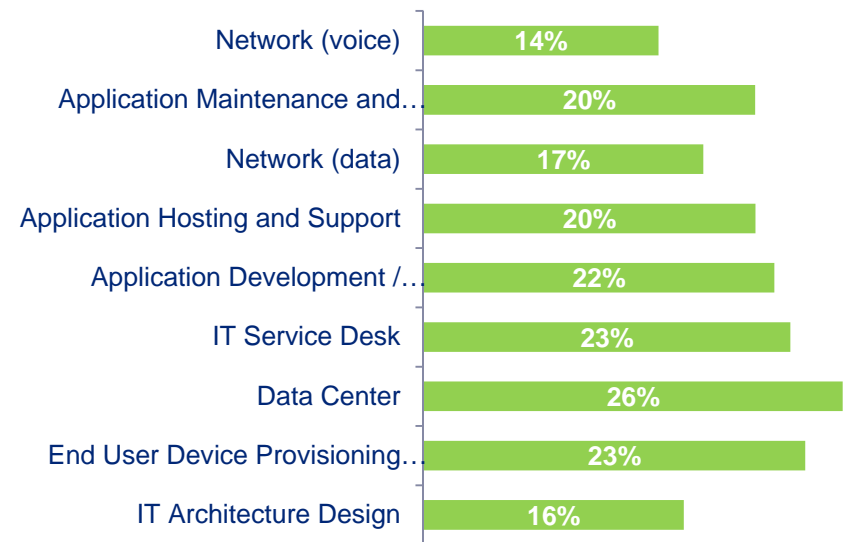
Information technology

What is your company's current and future outsourcing plan?

Currently Outsourcing



Plan to Outsource



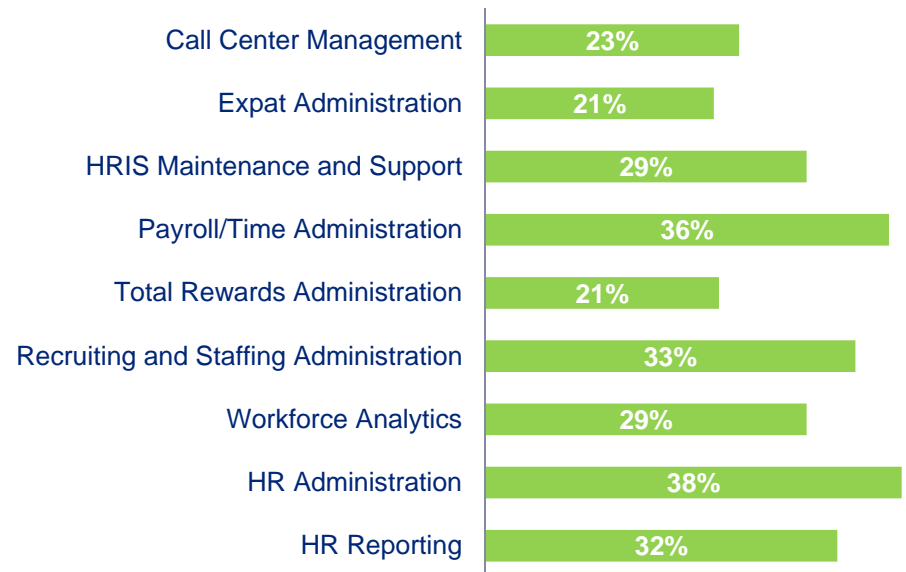
Human Resources

What is your company's current and future outsourcing plan?

Currently Outsourcing

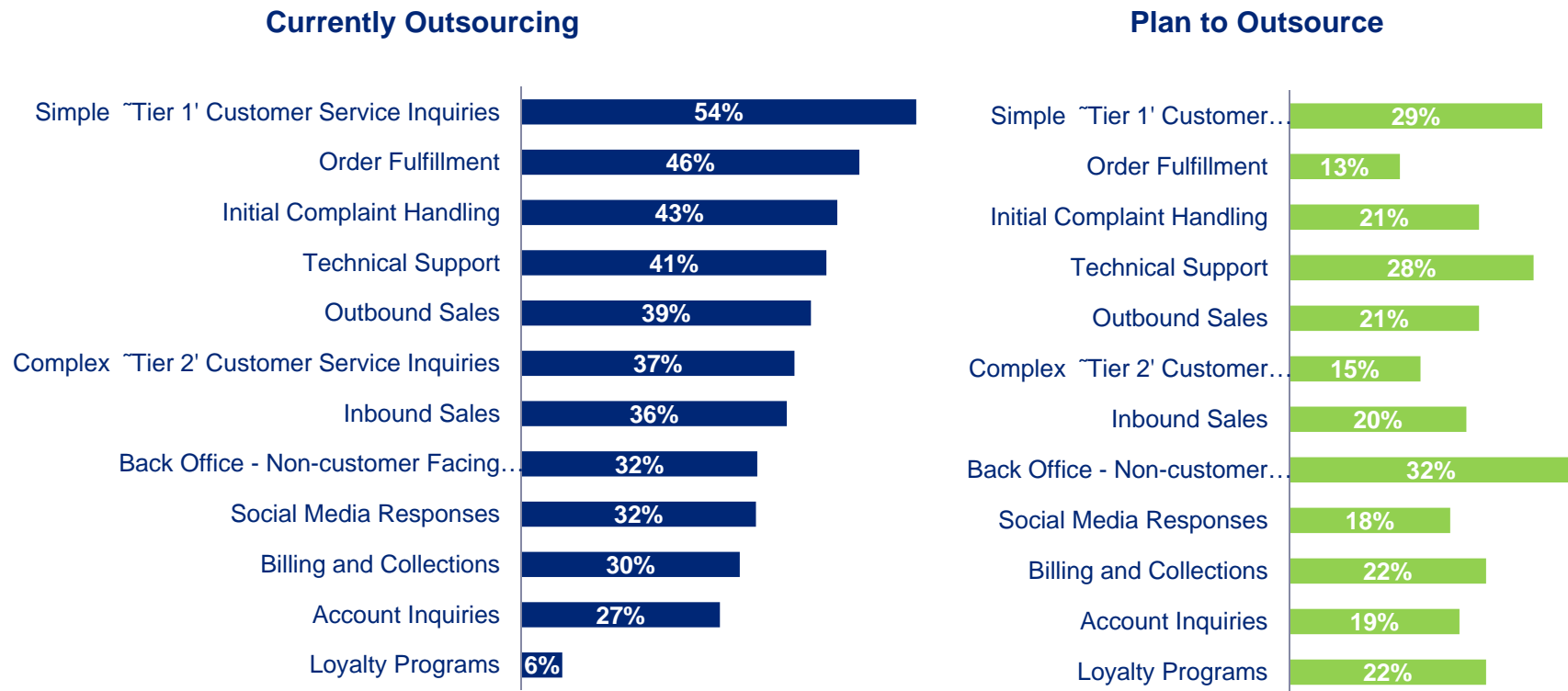


Plan to Outsource



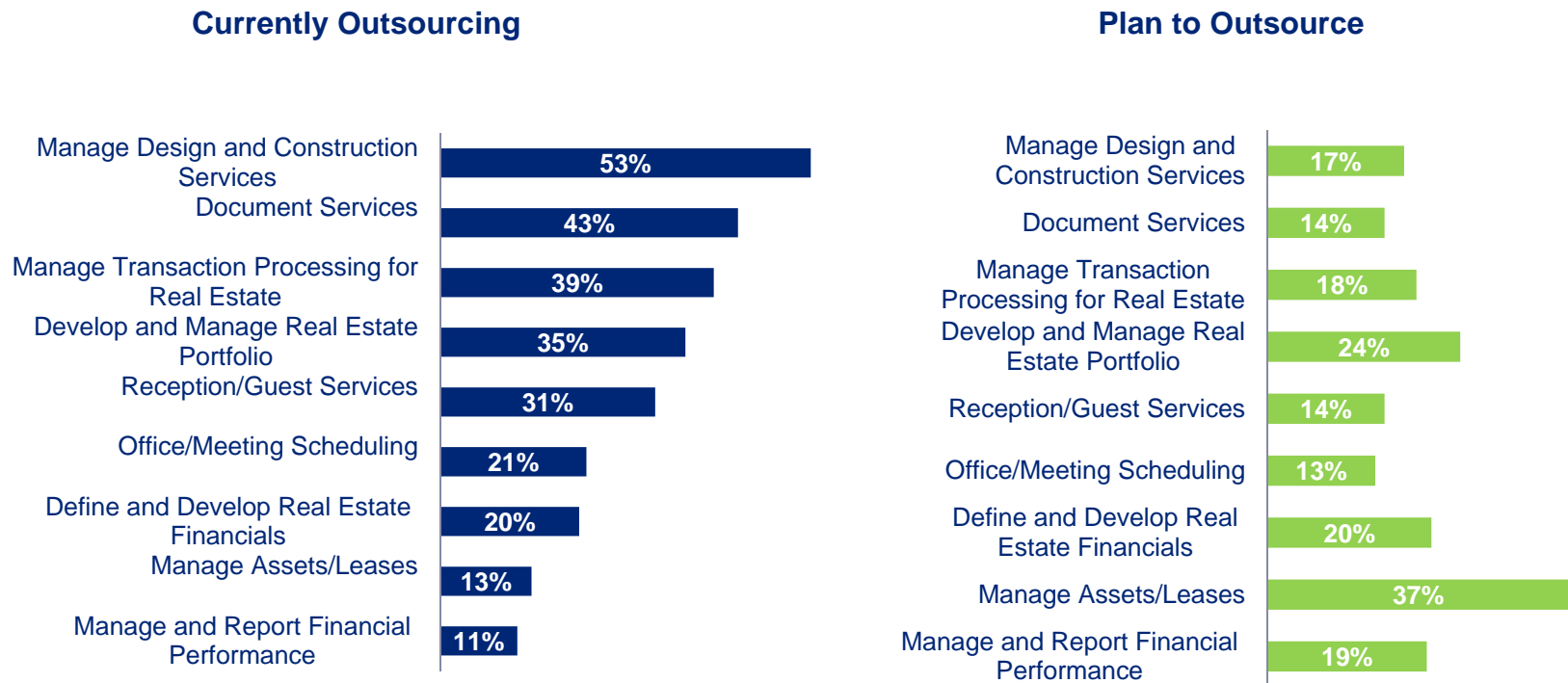
Customer service

What is your company's current and future outsourcing plan?

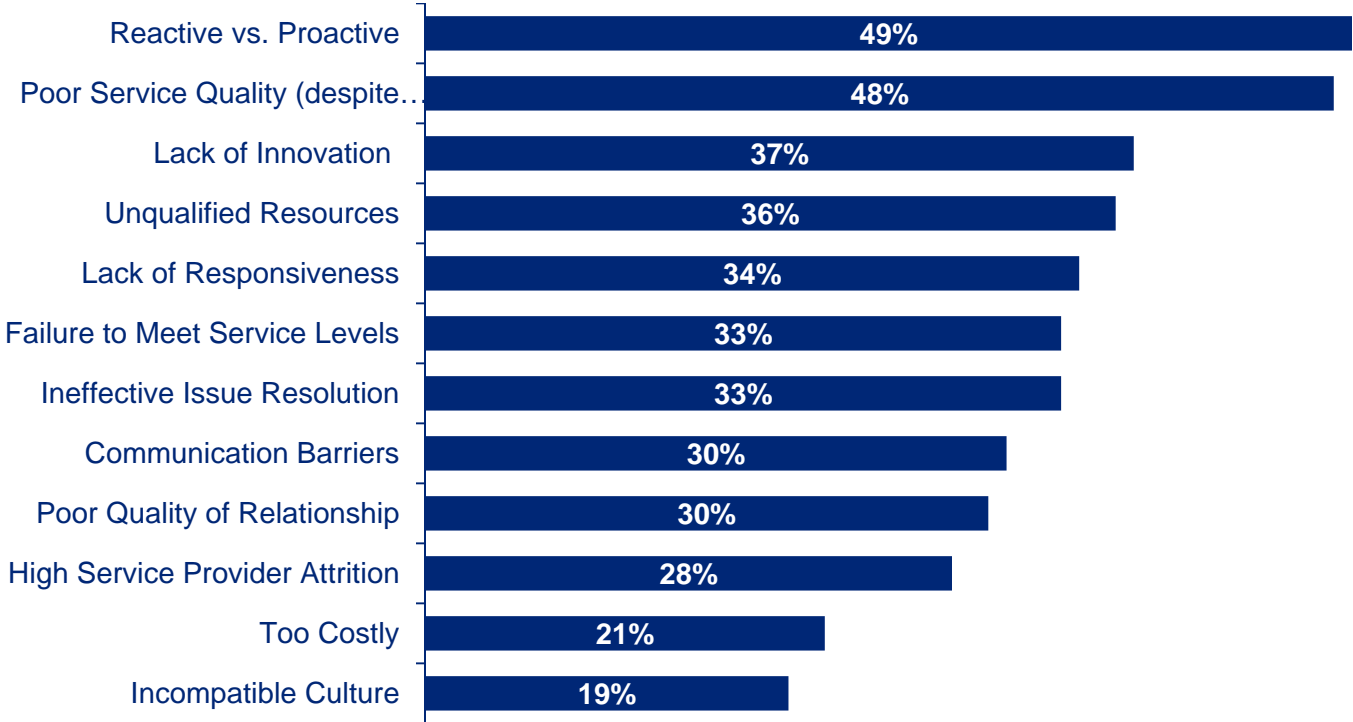


Real estate and facilities management

What is your company's current and future outsourcing plan?



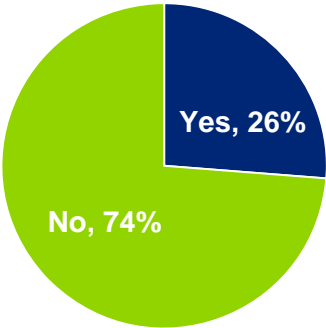
Please identify issues that you are currently facing with your outsourced providers



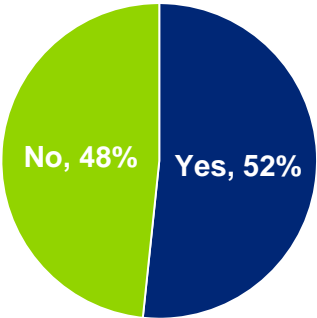
Vendor management and governance

Outsourcing vendor management functions

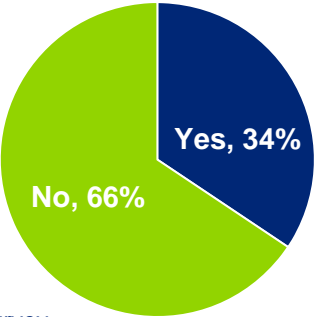
Does your organization have mature and adequate Vendor Management **tools, models and processes** to manage a portfolio of external suppliers?



Is your Vendor Management organization **adequately staffed with appropriately skilled resources** to manage a portfolio of external suppliers?



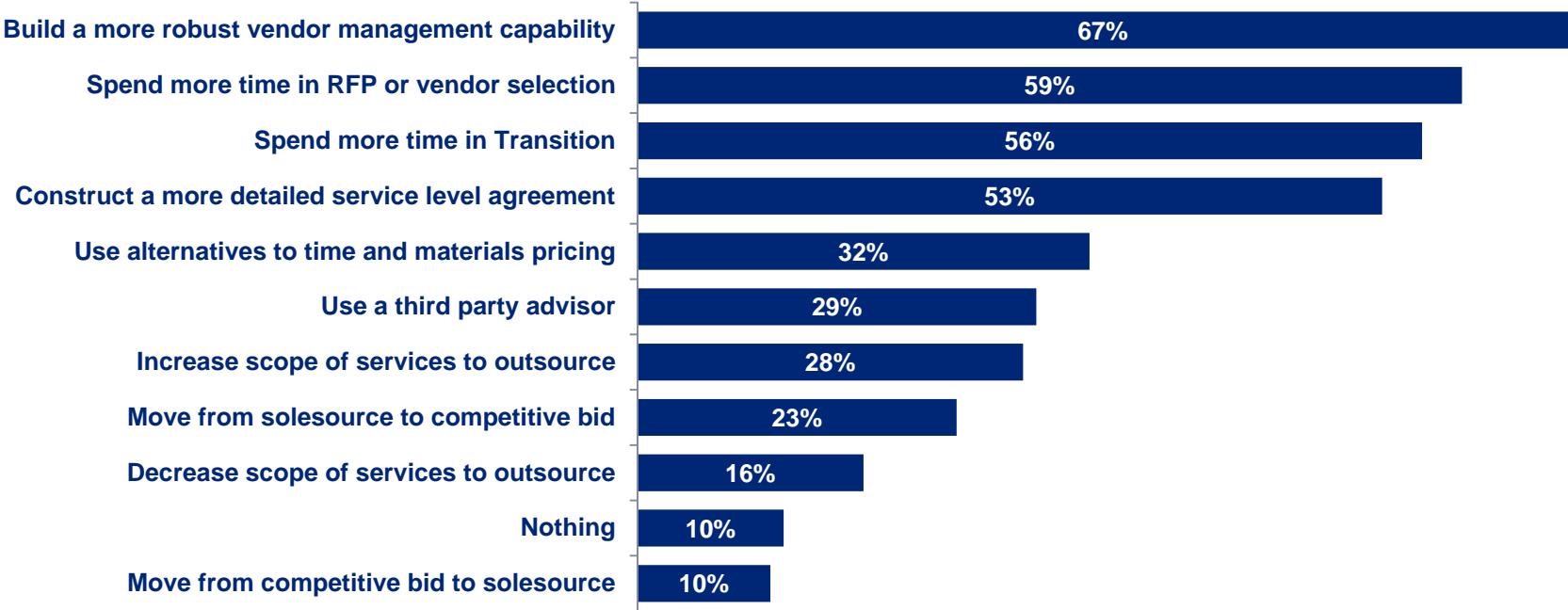
Has your organization undertaken or considered undertaking **outsourcing** any components of your Vendor Management function?



What steps have you taken, if any, to remediate outstanding issues with your providers?



Considering your past experiences with outsourcing, what, if anything would you do differently next time?



Summary and conclusions

Summary and conclusions

- Legislation or regulation to curb the offshoring of domestic jobs, if enacted, has the potential to negatively impact businesses and consumers
- To date, government incentives to promote onshoring have not created a significant motivation for respondents to move work back to their home countries
- Established sourcing destinations, such as India, show continued growth, while a second tier of developing outsourcing destinations, such as Malaysia and Brazil, can expect to see more rapid growth
- Outsourcing is expected to see growth across all functions surveyed
- Vendor Management is a critical factor for successful deals, yet Vendor Management organizations continue to be challenged by tooling and staffing



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