

Solutions for the adaptive enterprise.



HP Business Process Outsourcing transition management capabilities

Managing the risks—and preparing
for the benefits—of BPO





Transitioning your operations to a third party as part of an outsourcing engagement is certainly a complicated endeavor, but it doesn't have to be negative. With HP as your partner, we see you through the transition process quickly, carefully, and seamlessly. With our proven approach to transition management, we deliver best-in-class tools, comprehensive methodologies, and a team of skilled professionals so that your path moving forward will be positive and the level of benefit you achieve will be high.

Overview

Business process outsourcing (BPO) is a major transformational challenge for any organization. It requires a partner that understands your unique business requirements, has experience managing processes at world-class levels, and has the capability to respond to your specific needs.

Over the past 15 years, HP's BPO business has developed management expertise to help organizations like yours with transformational challenges.

HP works with the world's leading organizations, supporting outsourcing and transformation requirements across human resources, procurement, finance, and administration activities as well as specific process areas such as these:

- Source-to-settle (e.g., purchase-order processing, vendor management, accounts payable)
- Order-to-cash (e.g., order processing, rebates and contracts management, accounts receivable, cash application)

- Acquire-to-retain (e.g., fixed assets and project accounting, asset management)
- Record-to-report (e.g., general ledger accounting and close, inter-company accounting, tax and treasury accounting, reporting)

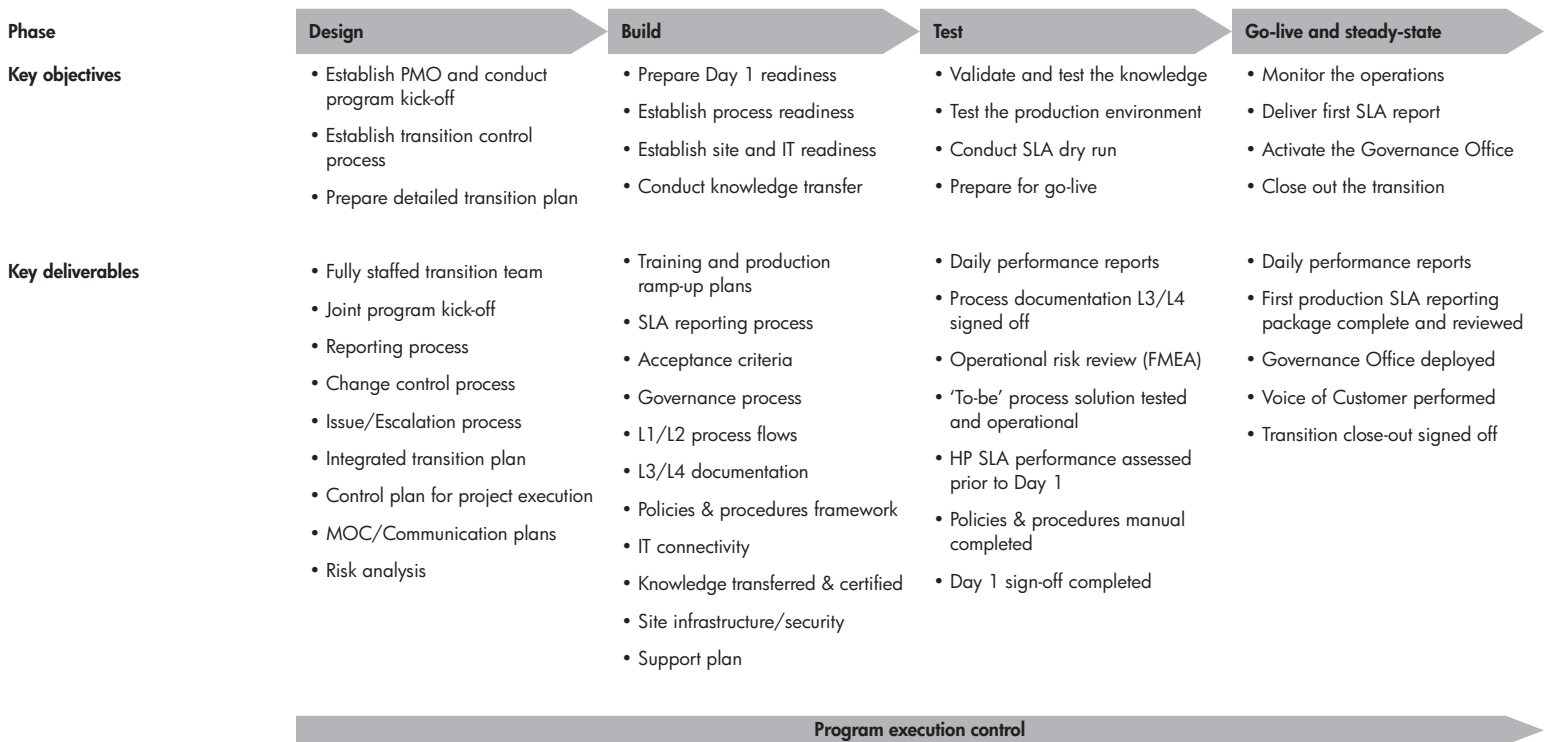
HP defines transition management as the systematic and disciplined process of transitioning people, processes, and technology from the client environment to the BPO environment. Transition management is a key element of all BPO engagements and is critical to overall success. Transitions are successful when they proceed rapidly, are transparent to the organization, and enable savings from the start of operations.

HP has successfully demonstrated its capabilities in managing large-scale and complex transitions for businesses like yours throughout the world. HP's extensive experience includes more than 800 transition projects across processes and clients from around the globe—with an impressive 98% on-time completion record. HP's transition process is backed by a proven and effective set of knowledge-capture practices, providing:

- Time to readiness for transitioned activities
- Client process knowledge retention
- Consistency in service delivery
- Gradual ramp-down of client teams
- Client and employee involvement
- Quality evaluations including effectiveness and efficiency—360° feedback

HP's transition approach and tools are integral to its overall BPO value proposition.

HP uses a proven, four-phase transition methodology.



HP's transition approach

HP's approach to transition is built on more than 15 years of experience and is based on industry-standard project-management theories and principles. Our experience has taught us that, in order to be successful, transition projects require not only excellent project-management skills, but a depth and breadth of skills that include expertise in management of change and communications.

Accordingly, we have established a focused team of more than 50 professionals for transition management, many of them Project Management Professional (PMP) certified by the Project Management Institute (PMI), with an average of 5–10 years of transition off-shore experience. This team is spread across the world and has an understanding of local language and cultural requirements to align with customers' particular needs.

HP's overall mission for transition management is to preserve business controls, mitigate operational and business risks, maintain continuity of operations with

quality, and handle change management with care. The overall framework for our transition methodology is based on several principles:

- Focus on speed of execution and time to benefit
- Leverage experienced operational resources to drive knowledge transfer efforts
- Use work-shadowing for knowledge-capture transfer
- Focus on risk management and service levels
- Adhere to internal controls requirements
- Deliver a quality transition in terms of people, processes, and technology

Using these principles, HP tailors the transition approach to meet your specific operational model and technological requirements. These are some of the factors that might influence the transition approach:

- Extent of centralization of processes
- Geography of services being transitioned
- Impact on affected workforce
- Time-to-benefit requirement

Taking these factors into account, HP designs a tailored four-phased approach with clearly defined deliverables and sign-offs for each phase.

Typical client requirements

HP's transition methodology

Avoid disruption of existing operations

- Rapid transition to avoid knowledge loss
- Risk mitigation planning
- Experienced team of professionals focused on transition management
- Backfill capabilities to staff operations prior to transition completion

Maintain/Improve upon current service levels

- Proven methodology focused on "enable—move—improve"
- Knowledge transfer and production ramp-up to test and control the performance of the delivery organization
- Metrics system to monitor and gauge performance of the operations

Ensure business controls and regulatory compliance systems are in place

- Independent controls team to oversee process-split and transition activities
- Business controls tested for new processes

Keep transition from interfering with client's planned events

- Planned but flexible approach to transition to balance objectives of speed, agility, and cost savings

Manage change related to operating model, roles, and responsibilities

- Assistance with communication planning and employee mentoring
- Work-shadowing and backfills to support knowledge capture and retention
- Experienced management of change resources with proven methodology to assist during change

Manage risks at people, process, and technology levels

- Quality systems and business controls embedded into overall approach
- Metrics to monitor potential risk factors
- Effective governance office established during transition to support ongoing operations

The cornerstone of the overall HP transition methodology is knowledge transfer. HP manages this transfer by using joint alignment-awareness exercises with your team; identifying learning objectives upfront; assigning people with the right skills and profiles; increasing knowledge transfer with continuous monitoring led by our quality teams throughout the transition; and providing resources to backfill key positions when required by your resource constraints.

Management of change is another key element of the transition. HP works closely with you to make sure cultural alignment exists across both organizations and to support your business's communication planning and cross-training efforts.

Transition and change—no matter the scale—are naturally daunting. At HP, we've experienced large-scale transitions firsthand and certainly recognize the difficult challenges ahead. Working as your partner, HP can help ease the process, making sure your transition is fast and transparent and delivering outstanding benefit to your organization.

By using the proven HP transition methodology, you can reduce your risk without sacrificing quality, so you can transition sooner and begin realizing the benefits of labor cost reductions and process improvements faster than with competitor methods.

Key benefits of our approach

As an organization that has experienced the journey to world-class performance driven by BPO, HP understands your valid concerns about the risks and complexity of moving to a BPO operating model.

The HP transition methodology effectively addresses your concerns about BPO, helping you to achieve your key objectives with best-in-class tools and comprehensive methodologies—along with a team of skilled professionals for BPO transition management.

To learn more

If you are interested in learning more about HP's transition experience and BPO capabilities, please contact one of our transition experts:

- Astrid Plessow (astrid.plessow@hp.com)
- Jack (John) Ross (jack.ross@hp.com)
- Steve Stubitz (steve.stubitz@hp.com)

Or visit: www.hp.com/hps/process/



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