



Orion Partners News

Welcome to the Orion Partners quarterly bulletin.
The latest news for our clients and colleagues.

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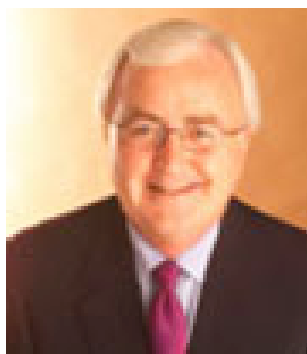
If you want to know more about any of the topics or issues discussed, feel free to contact us at:

info@orionpartners.co.uk

or visit our website:

<http://www.orionpartners.co.uk>

Lawrie Philpott joins Orion Partners as Non-Executive Chairman



'Orion Partners is ideally placed to help organisations change the face of HR and, through better people leadership and management, make a real contribution to great business, great people and a great bottom line.'

Lawrie Philpott

We are delighted to announce that Lawrie Philpott has joined our team as Non-Executive Chairman. He has worked successfully in business-driven HR for a number of years, and the aims and objectives of Orion Partners fit perfectly with Lawrie's philosophy of repositioning HR, so that he can genuinely add strategic and operational value.

Lawrie started his career in local government where, by 1980 he was Head of Management Services at the GLC in Ken Livingstone's administration. He left the public sector to join Coopers & Lybrand's HR and Organisation consulting practice and, by the early 1990s, was the partner leading C&L's Human Resource Advisory Group of 300 professionals.

He has a wide range of clients across the financial, service, government, entertainment and sports sectors.

Lawrie left PwC in 1996 to establish Philpott Black, which specialises in the development and coaching of leaders and teams.



Shared Services & Outsourcing for HR Conference, October 2003

'Evolve your service delivery model to match your business needs and drive consistent, cost-effective employee service.'

How to evolve your HR service delivery model was the challenge set by IQPC, organisers of the 4th annual event for the Shared Services & Outsourcing Network.

Ian Hunter and Jane Saunders, of Orion Partners, ran a half-day workshop at the event – looking at the impact of the new service delivery models on the role of the HR Business Partner. As we work with clients to evaluate and implement both outsourcing and shared service arrangements, we are increasingly finding that the impact on the Business Partner role has received the least attention, but has the most potential for undermining transformation initiatives.

More details of our services in this area are available from:
jane.saunders@orionpartners.co.uk

eHR – more promise than delivery?

One of the consistent features of any HR outsourcing, or HR shared services project, is the importance of appropriate use of Manager and Employee Self Service (MSS and ESS) web tools to cut the costs of HR. In our experience the take up rates and acceptance of MSS/ESS are a huge cultural and management challenge to many organisations. HR functions are keen to introduce MSS/ESS, but rarely involve the employee or line manager in the design of tools or scope of coverage. Consequently many of HR's customers view MSS/ESS negatively, regarding it as a thinly disguised attempt by the function to outsource its work to the organisations' hard pressed staff and managers.

The 2002 report published by Watson Wyatt confirms our experience that from 173 European companies that invested heavily in e-HR, less than 8% reported that implementation had been effective. The main factors limiting success were complexity, poor training and minimal understanding of the key processes that drive HR success. The report also showed that achieving results from e-HR has more to do with effective planning and implementation, than with the amount spent. This is where we can help companies leverage their investments and deliver the full value of the original business case.

If you would like to talk to us about how we can help you please contact Allan Boroughs on +44 (0) 7768 378 102 or by email on allanboroughs@orionpartners.co.uk



HR Offshoring

'We are committed to offshoring. Our Mumbai centre is fully operational, with 200 staff and growing fast. We are developing a 'multishore' model, which is more flexible, enabling us to move work around all our centres as appropriate.'

Will Durston, Exult



'As a leading provider of BPO services Xchanging needs to be at the cutting edge of developments in the industry. This includes the provision of end-to-end BPO services from offshore locations.'

Rajan Pandhare, Head of Business Development in the UK

'Xchanging delivers best-in-class integrated HR Outsourcing Services to global corporations. Through targeted investment in people and process, we radically improve non-core HR activities enabling it to become a strategic partner to the business.'

Lucy Ronson, Head of Marketing, Xchanging HR Services

<http://www.xchanging.com>



If you could save 50 – 60% of your HR back-office labour costs you would, wouldn't you? This sort of mouth watering saving is making HR offshoring one of the hot issues of 2003. HR offshoring involves the transfer of HR administrative and call centre services to overseas locations. Earlier this year McKinsey estimated that the global market for HR offshoring would rise by over 70% annually over the next five years, to create a sector worth nearly £27 billion. The lion's share of this growth will probably come from contracts transferring from the UK and USA to India, China and Thailand.

This sort of growth has been predicted for HR outsourcing, and this market so far has disappointed. Is offshoring different? Or is it merely another example of torturing the English language by making a verb out of a perfectly good noun?

Orion have noticed increased interest in offshoring, both from clients and key suppliers in HR outsourcing. Exult and Xchanging have invested this year. Exult are showing a significant commitment to offshoring and have established a centre in Mumbai, employing 200 people. Exult are also exploring 'multishoring' to build on the flexibility of offshoring, where work can be moved around various global centres.

Recruitment agency Adecco has become the first UK agency to open an office in India, as it seeks to build a local operation in supporting many call centre jobs being outsourced to the region.

India is the prime destination for relocated UK call centre jobs, but will it be so attractive for the relocation of all HR work? The CIPD is sceptical, arguing that the legal and cultural differences between Asia and the UK will inhibit the growth of offshore service, limiting it to basic administrative roles. The transfer of advisory work has proved to be problematic to outsourcers based in the UK, so will be even more of a challenge to providers located outside Britain. Instead, closer low-cost locations may benefit. IBM, recent winners of the contract to outsource the Proctor and Gamble HR function, is rumoured to be setting up an HR outsourcing facility in Budapest. This will reverse the IBM model deployed to date, where IBM has offshored HR processes from various European locations to Portsmouth, proving that the UK can gain as well as lose jobs through offshoring.

As yet there is no clear answer on the future of HR offshoring. Orion Partners are commissioning research into opportunities for HR offshoring to advance industry thinking. If you would like to receive a summary of our high level findings when the report is completed, please email info@orionpartners.co.uk and we will send you a complementary copy.



Business Partnering

Has the business noticed?

As part of our commitment to thought leadership, we are writing the following forthcoming publications for which we are finalising the research.

1. A report on **21st Century HR** exploring new HR Service Delivery models to be published by Thorogood, early 2004.

*Interested?
Publication dates will be
available in our next
bulletin so that you can
order copies.*

2. A book entitled **HR Business Partnering** to be published by Gower Publishing, mid 2004. We explore the challenging question of whether the much-vaunted Business Partner model has had any real impact on the businesses with whom many HR professionals claim to be partnering.

During our research we have interviewed HR Directors and senior HR executives from over 35 organisations including:



Deutsche Bank





Holidays Over

Not for Orion Partners and Tui...



Orion Partners are ever keen to broaden their horizons and are currently working with Global tour operator, TUI, owners of the Thomson Holidays and Lunn Poly brands. Orion and TUI are carrying out a feasibility study into the development of various HR service delivery models for the UK operations. The project's scope covers 13,000 UK and overseas employees, and includes high level design for a UK HR service model, selection of supporting HR technology solutions and preparation of a detailed business case.

Orion have been retained by TUI to provide functional expertise to the HR technology and HR service design workstreams.

A Bit of a Do

The first of many, we hope

We'll be offering a repeat experience in January with a New Year's bash at Match, Margaret Street, Near Oxford Circus on 21st January.

Invitations will be issued nearer the time, but we hope to see as many of you there as possible. It promises to be a good evening.

Orion Partners' inaugural summer do took place on a balmy (hot and humid actually) evening during the August heatwave. It was a huge success, hosted at a Rocket near our Brook Street offices, with a healthy mix of clients, associates and friends mingling to great effect.

Some of the profession's notable movers and shakers moved and shook, not least guests from BP, EMI, Accenture, Vodafone and Oracle. Leading BPO players Exult, Accenture HR Services, Xchanging and Rebus HR bantered and commented on the shape of their changing market. The evening was informative for some, a good networking opportunity for others, but more to the point – a damn good night out for all.

For a copy of our profile, just click here
<http://www.orionpartners.co.uk>