



cutting through complexity

South African Sourcing Pulse Survey

Shared Services & Outsourcing Advisory
Practice, Management Consulting

kpmg.co.za

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EXECUTIVE SUMMARY

KPMG is pleased to release the findings from its inaugural 2Q12 South Africa Sourcing Advisory Pulse survey.

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Of the world's fastest growing economies, 7 out of 10 are in Africa.¹ Africa is a multi-cultural, multi-lingual, geographically vast continent and steeped in political history. Despite its complexities, global businesses are increasing investments in Africa due to its favourable political and economic environments, the promise of growth and improved risk profiles. South Africa has been a key beneficiary – it is one of the top four countries in Africa to receive foreign direct investment (FDI) in the last decade.²

The ever-expanding global footprint and the rapid pace of change in both the business and technology environments are posing a number of challenges for organisations. In this context, organisations have begun to embrace **shared services and outsourcing strategies** as a key lever to transform the way they deliver their businesses and manage costs.

Over the last decade, several businesses in the Americas and Europe have openly embraced transformation programmes and have effectively leveraged global delivery platforms in this regard. Through this study, KPMG sought to understand the extent to which South African organisations in particular are adopting such strategies.

Results from the inaugural 2Q12 edition of the *South Africa Pulse Surveys* indicate that the South African market is at an inflection point in terms of its use of global business services (**GBS**)³. Historically, South African organisations have been inward looking in terms of executing their transformation and improvement initiatives, relying on their own internal capabilities. However, our results show a positive trend towards the use of alternate delivery models among these organisations, including shared services, to support some of their expansion agendas.

We see muted optimism on near-term outsourcing demand growth from service providers. This is, in part, because of greater buyer interest in other change options such as internal process improvement or shared services. It is also because of weak Eurozone economic conditions that negatively affect local firms' decision-making processes and increase risk aversion toward major change or service delivery efforts.

Longer-term, however, service providers are bullish regarding the South African market, both as a user of third party services and as a location to deliver services to other markets. We are seeing an increased commitment to capability build out from IT and business process vendors, as well as service providers in this market.

The South African survey shows Banking, Financial Services and Insurance as the number one sector in terms of demand, followed by Energy, Utilities, Oil & Gas and Manufacturing.

Respondents to the local survey touched on challenges in execution such as labour regulations and inadequate change management capabilities. However, the convergence of many of these trends leaves us incurably optimistic that the use of transformation levers such as shared services and outsourcing is on an upswing and signals the times to come for organisations in South Africa.

We hope you enjoy reading this!

Alida Taylor

Director,
Shared Services and Outsourcing Advisory Practice

¹ (Serving Clients across Africa – KPMG 2010)

² (Source: UNCTAD, NKC Research)

³ Global Business Services

KPMG South African Shared Services and Outsourcing Advisor Highlights

Top approaches to improve service delivery performance	<ul style="list-style-type: none"> • Internal process improvement/re-engineering efforts • Use/expansion of shared services • Investments into/improvements to enterprise software systems
Top focus areas for performance improvement efforts	<ul style="list-style-type: none"> • F&A • Supply chain • Customer care
Top drivers for GBS improvement efforts	<ul style="list-style-type: none"> • Reduce operating costs • Support business growth/expansion agendas • Improve process performance
Top challenges for GBS improvement efforts	<ul style="list-style-type: none"> • Inadequate change management capabilities • Prioritising opportunities and different change programmes • Compliance and regulatory challenges/restrictions

Third-Party Business and IT Service Provider Highlights

Demand trends	<ul style="list-style-type: none"> • 50 percent pipeline growth quarter over quarter • Low maturity level on buyers' sourcing capability
Top focus areas of demand	<ul style="list-style-type: none"> • Bundle business functions and IT • IT • Vertical industry specific services • customer care
Top industries for demand	<ul style="list-style-type: none"> • Banking, Financial Services, Insurance (BFSI) • Manufacturing • Energy/Utilities, Oil & Gas
Pricing pressure	<ul style="list-style-type: none"> • More aggressive
Wage inflation	<ul style="list-style-type: none"> • Little or no impact
Contract profitability	<ul style="list-style-type: none"> • Mixed on both new deals and deals in flight
Contract scope	<ul style="list-style-type: none"> • Emphasis on increasing scope in existing client accounts as well as growing new business
Top drivers for GBS improvement efforts	<ul style="list-style-type: none"> • Improve financial flexibility/create more variable cost model • Support business growth/expansion agendas • Reduce operating costs and future investment costs
Top challenges for GBS improvement efforts	<ul style="list-style-type: none"> • Compliance and regulatory challenges/restrictions • Inadequate change management capabilities • Economic uncertainty/inability to plan medium/long term





INTRODUCTION

The KPMG 2Q12 South African Sourcing Advisory *Pulse Survey* provides insights into trends and projections in end-user organisations' use of global business services (GBS). For the purpose of this survey, **GBS** includes all initiatives undertaken by organisations towards outsourcing and shared services.

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Since its inception in 2004, KPMG's Global Sourcing Advisory Pulse Survey has yielded insightful analyses of current and ongoing market trends in the use, deployment and delivery of business and IT services. The survey captures changes in demand, usage levels, future adoption plans and related key market indicators each year. It highlights the changes, and the direction of change, in the GBS market as a whole, focusing on where the market is going and reflecting on how its direction is changing – if at all – compared to previous quarters and years.

These insights are gleaned from international KPMG advisors who work closely with end-user organisations that are actively exploring or undertaking domestic, near and offshore shared services and outsourcing, and other service delivery initiatives. Leading global business and IT service providers have also provided the observations.

This collective research programme focuses on GBS market trending in specific geographies around the world and in functional areas such as real estate and facilities management (**REFM**), IT and business functions. It examines related key topics such as **cloud** computing, human resources (HR) transformation and **vertical industry business trends**.

[Click here for access to other Pulse Survey results](#)

The South Africa chapter

Increasing interest and sourcing activity within the South African market lead KPMG in South Africa to conduct a local Pulse Survey and compare the findings to those of the global survey where applicable. Here, we highlight our findings based on the information gathered through the survey.

The *South African Pulse Survey* focused on the use of shared services, outsourcing and other third-party services across the following functional areas:

- Customer care/call centre
- Finance and accounting (F&A)
- Human resources (HR)
- Information technology (IT)

- Knowledge process outsourcing (KPO)
- Procurement/source to pay
- Real estate and facilities management (REFM)
- Vertical industry business services

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CURRENT MARKET DEMAND CONDITIONS

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Improving global business services delivery capabilities

Key drivers

KPMG polled its global and South African network of shared services and outsourcing advisors, who work with clients in the field, about the top approaches that buyers are deploying today to improve service delivery performance and help minimise or reduce service delivery costs (see Figure 1).

We asked participants to provide their views in respect of what they consider the key drivers behind their improvement initiatives to be.

- 93 percent of South African advisors stated that the key driver to undertaking service delivery improvement initiatives was to **reduce operating costs** – a consistent view when compared with the global survey results.
- Between 40 and 50 percent of advisors, both local and global, cited **improve process performance** as the second of the top three drivers.
- Both advisors and service providers in South Africa recognised the need to **support the business's growth or expansion agenda** as another key driver to deploying efforts to improve service delivery. This is an indication of the view that organisations in South Africa are taking towards improvement programmes.
- South African service providers surveyed felt that the primary driver has been to **improve financial flexibility and create a more variable cost model** (60 percent) while the other key driver for organisations to consider improvements in delivery is the **reduction in future investment costs** (40 percent).
- Both global and South African participants surveyed were consistent in their response regarding **economies of scale** and **access to external skills, talent or resources**. They do not regard these as key drivers for seeking improvements.

These findings illustrate that, while reducing operating costs is clearly a top driver for global business services efforts, organisations are not pursuing this goal unilaterally. Rather, reducing costs has become a base level prerequisite for any process improvement effort. Organisations have many other goals, both complementary and, sometimes, conflicting. Among larger, more international organisations, for example, improving global delivery and operating models has become a key priority.

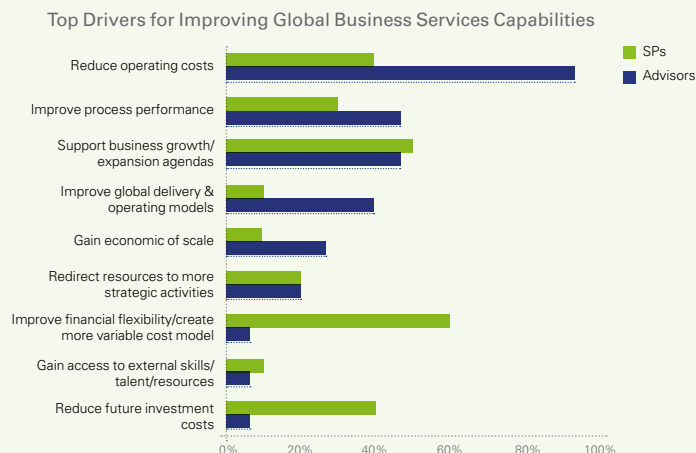


Figure 1

The **global business services maturity research** that KPMG has been conducting supports this point – that reducing cost is paramount but rarely the sole driver for GBS efforts, especially among more sophisticated GBS organisations. Among these more mature organisations, there is an increased interest in determining how best to use GBS efforts to bring more tangible value to the business and to better support strategic business initiatives.

Challenges in improving service delivery capabilities

Several factors can slow down an organisation's ability to build global delivery capabilities. These can act in isolation or in combination with one another. Challenges range from simple to complex. A simple challenge could be initiating a process improvement programme within one of an organisation's business functions. Mergers and acquisitions, enterprise-wide technology changes, entry into new geographies and a myriad of other equations affecting change are more complex.

We asked our respondents what they have found the major challenges in global capability building to be.

- More than 67 percent of the advisors were of the opinion that **inadequate change management capabilities** were one of the key challenges. More than 47 percent believed that **prioritising opportunities and change programmes** was another key challenge within their clients' organisations. This clearly indicates that the management and leadership teams in South African organisations need to ensure better visibility of programmes and initiatives designed to improve service delivery internally, allowing them to steer internal efforts strategically towards meeting both short- and long-term business goals.

- Service providers agreed with advisors – more than 40 percent named **inadequate change management capabilities** as a key challenge. Another concern in change management is the fact that buyers and service providers find it difficult to plan and budget adequately for, as well as successfully undertaking, transition efforts. The 3Q11 Global Pulse Survey explored issues and challenges related to outsourcing transitions in depth. It found a consensus between global service providers and sourcing advisors that a good transition effort is very important to the long-term success of an outsourcing engagement. Key to a successful transition is adequate, skilled staff and resources to undertake it. The need for these resources is typically recognised but getting them into the field can prove difficult, especially in tight economic times. Similar challenges exist as organisations deploy, expand and integrate global shared services efforts and operations.
- Service providers in the South African market also cited **compliance and regulatory challenges and restrictions** as the top challenge in improving service delivery capabilities. This was in contrast to the global view, and is reflective of some of the South Africa specific regulatory challenges faced in sectors such as banking and other financial services, as well as telecommunication.
- In the *Global 2Q12 Pulse Survey*, **retained organisation, transition and governance challenges** came out as the top challenge to service delivery change and improvement efforts. On the one hand, while this is indicative of the maturity of global markets in implementing GBS, we also see that managing such large-scale initiatives on an ongoing basis is proving to be a challenge.

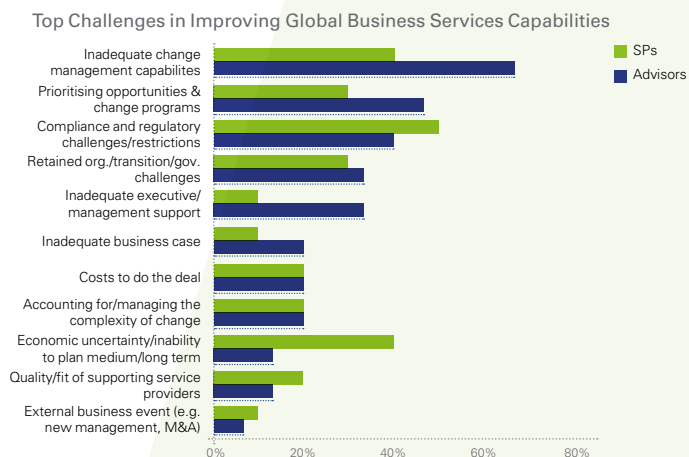


Figure 2

Top approaches to improve service delivery capabilities

KPMG polled its global network of shared services and outsourcing advisors regarding the top approaches that buyers employ today to improve service delivery performance and help minimise or reduce service delivery costs (see Figure 3)

- 80 percent of advisors cited **internal process improvement or re-engineering efforts** as the most common approach undertaken to improve service delivery capabilities. While this driver ranked high (second) in the 2Q12 *Global Sourcing Advisory Pulse Survey*, the percentage levels were much higher in South Africa – 80 percent compared to 41 percent for the global study. This is illustrative of a market that is still focused on more traditional ways to wring out process efficiency and effectiveness gains by employing internal change efforts.
- Scoring second in the *South Africa Pulse Survey*, however, was the **use and expansion of shared services**. The results show that, while shared services is beginning to generate interest in the South African market, organisations are taking a more conservative view towards shared services and outsourcing, particularly compared to the global market view. KPMG will be monitoring this trend closely in future surveys to follow.
- The third most commonly cited approach to improving service delivery capabilities was **investments into, and improvements to, enterprise software systems** with 47 percent of the vote from South African advisors. This high ranking was expected, given the overlaps between implementing new enterprise systems and optimising processes.
- In contrast, the top driver cited in the *Global Pulse Survey* was to **improve current shared services and outsourcing governance**. This is a key challenge for organisations that have already undertaken extensive global business services efforts.
- We received a low response to offshoring of Shared Service Centers (SSCs) and cloud computing services, which is consistent with global trends. Globally, we see an investment in cloud computing improve only by a few percentage points, indicating the prevalent conservative view on investments in this direction.

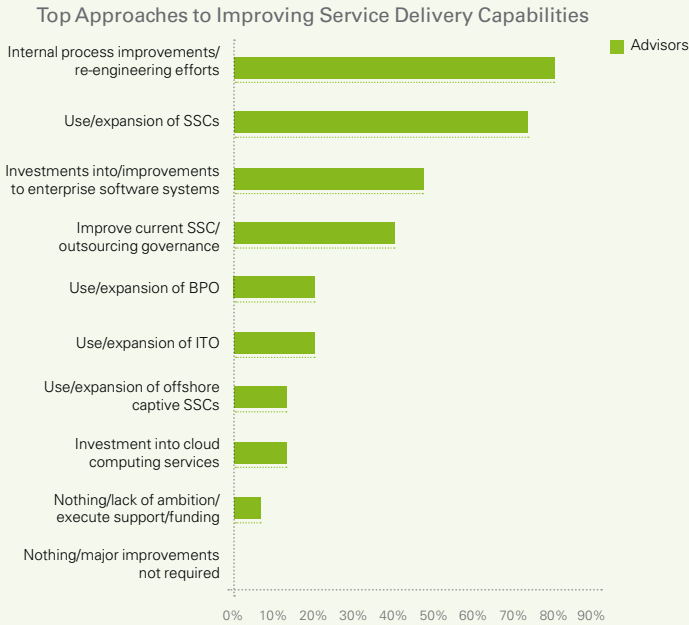


Figure 3

Top Functional Focus Areas for Improvement Efforts

We asked sourcing advisors in which functional areas buyers are looking to improve service delivery capabilities. Globally, **IT** was the most commonly cited functional area, identified by 64 percent of advisors and up one percent from last quarter. This was followed by **finance & accounting** (54 percent). There was consensus on these rankings across geographies, with advisors serving the Asia-Pacific region more bullish on most categories of business process outsourcing.

From a South African Market perspective, advisors identified **finance and accounting** processes (Figure 4) as the key functional area in which improvement efforts are currently focused, followed by **supply chain and customer care**. This indicates that such enabling functions are still considered key to reducing operating costs and improving process performance.

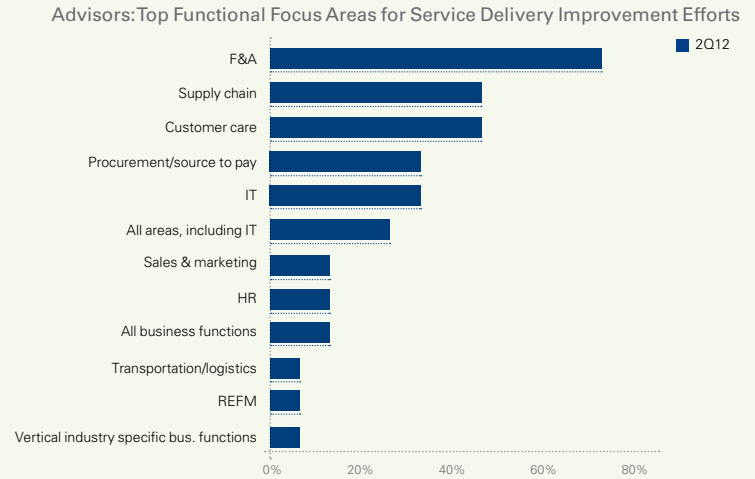


Figure 4

Current market demand conditions

Business and IT service providers' market demand assessments

Advisors were polled on the current demand levels of the past two quarters. The greatest growth in demand over the past two quarters was for SSC as stated by 64 percent of advisors (Figure 5). This is followed by demand for internal process improvement programmes.

Advisors: Demand by Service Delivery Model Over the Next 1-2 Quarters

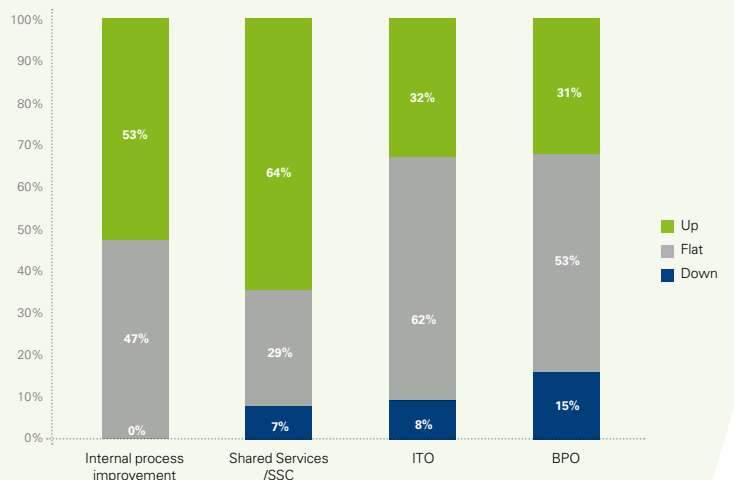


Figure 5

Advisors were polled on the change in demand or usage levels over the past one to two quarters, and expected change in usage levels over the coming one to two quarters, across four different categories of business and IT services delivery models. These categories are business process outsourcing (BPO), information technology outsourcing (ITO), shared services and internal process improvement efforts.

Advisors: Demand by Service Delivery Model Over the Past 1-2 Quarters

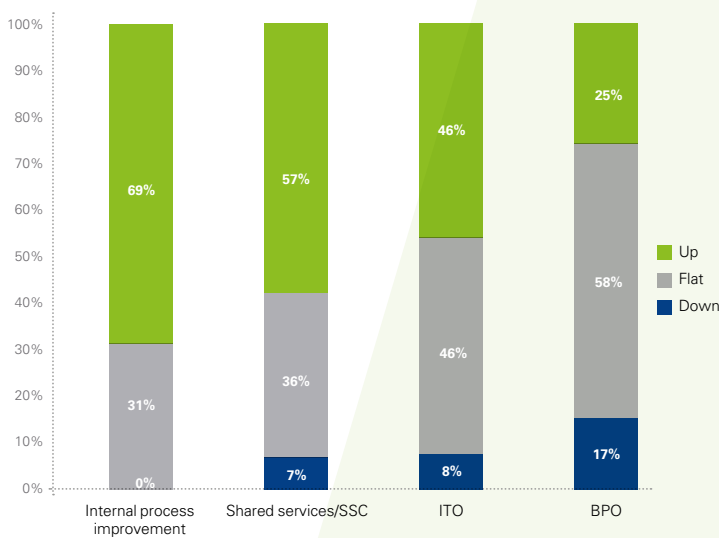


Figure 6

- The greatest growth was seen in **internal process improvement** (69 percent) and **shared services** (57 percent) – in line with the global survey results.
- 46 percent expect **increased usage of ITO** in the South African market, which is higher than the global results (40 percent).
- 58 percent of advisors predict that the **demand for BPO will remain the same**, while 17 percent of advisors predicted that the demand would reduce over the next one to two quarters. These weaker BPO growth expectations primarily reflect less demand for traditional, horizontal BPO such as FAO, HRO, and source to pay. Demand seems to be stronger for more specialized, industry-specific BPO, though deals are smaller and more diverse.

KPMG polled leading global business and IT service providers on the current and expected growth levels in their pipelines for services deals.

Service Providers: Pipeline Growth Last Quarter, Next 1-2 Quarters

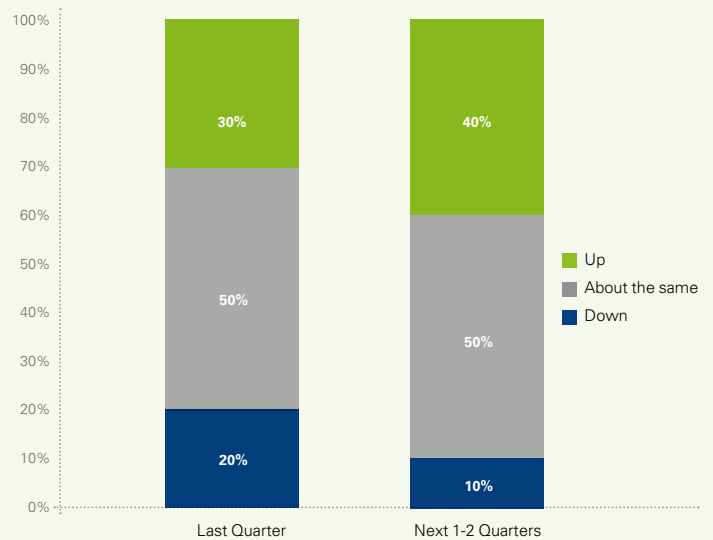


Figure 7

- 40 percent of providers expected pipeline growth to increase over the next one to two quarters, compared to about 50 percent of providers in the global survey. 10 percent of service providers in the South African market expected pipeline volumes to decrease over the next one to two quarters (Figure 7).
- Providers do cite different demand characteristics for South African based firms compared to the demand characteristics of multinational firms' local operations. In particular, the local operations of European Union based organisations were cited as more often exhibiting weaker demand for third party services and greater uncertainty in their purchasing decision making processes. Negative Eurozone economic and market conditions were also cited as a drag on demand in the global survey. This being said, other findings from the South African survey found that the local operations of multinationals that aren't based in the Eurozone were more interested in, and open to, the use of both shared services outsourcing than local-market-only organisations.

Update on global sourcing

Buyer global sourcing preferences and demand levels

KPMG polled third-party service providers and its South African shared services and outsourcing advisors on various trends related to global sourcing. Advisors and providers ranked buyer preferences and demand levels for different types of global sourcing models to support their firms' collective global business services efforts on a one-to-five scale.

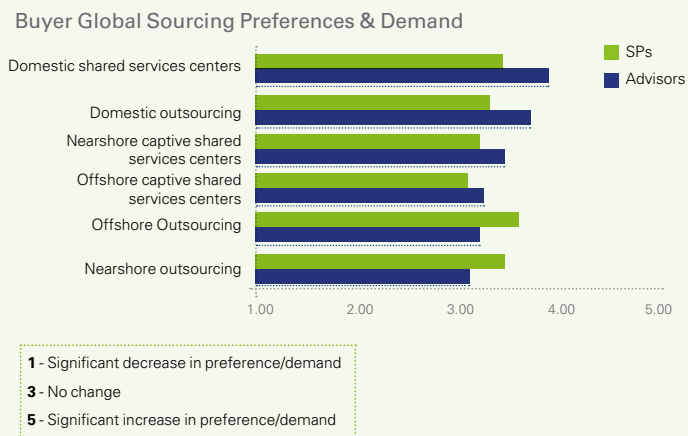


Figure 8

The use or expansion of the outsourced BPO and ITO model did not receive a high response, indicating that South African based organisations are still taking a measured approach to strategic sourcing, choosing in-house capabilities over the outsourced model in several areas. Figure 8 corroborates this –the results show that the demand for **domestic SSCs** and **domestic outsourcing** is looking favourable in terms of adoption.

Advisors and providers ranked buyer preferences and demand levels for different types of global sourcing models to support their firms’ collective global business services efforts. From our survey, we do not see change in demand for nearshore and offshore sourcing, specifically in South Africa. Advisors, who are usually closely involved in a client’s internal shared services effort, scored a high 3.91 on **domestic shared services centre** models and a 3.73 on **domestic outsourcing** models. Service providers, while often less involved with clients shared services efforts, still scored this model high at 3.44 and **offshore outsourcing** the highest at 3.56.

Our current hypothesis is that if one were to consider the macro and micro environment in which South African organisations operate, pressure to create employment locally and the legal implications of making employees redundant are key factors for an organisation considering an offshore sourcing initiative. We expect this to be validated with our follow-up surveys later this year. KPMG believes that, in the future, the majority of organisations looking to expand into the rest of Africa will consider an operating model that has an offshore or nearshore component to enable delivery in terms of their African strategy.

Buyer global sourcing maturity and sophistication

Buyers undertaking a global sourcing effort naturally exert more effort on selecting which service provider to employ and from which locations to source services. This assessment

process should include a clear and realistic assessment of a buyer’s own maturity and sophistication relative to sourcing and managing global sourcing efforts. This is similar to the maturity assessment efforts buyers should undertake with their broader global business services efforts.

A common root cause of problematic or underachieving global sourcing efforts is a disconnect between what a buyer is trying to accomplish and the skills, experience and resources it possesses to support these efforts. These skills involve selecting providers and locations, accounting for and managing risk, and governing a growing number of sourcing efforts spread across multiple providers and locations. Increasingly, the skills must include conducting these activities across a range of individual shared services and outsourcing efforts as part of a larger GBS portfolio.

KPMG polled service providers and its member firms’ sourcing advisors to assess buyer maturity and sophistication relative to various global sourcing skills. Respondents were asked to rank their perception of buyer skills on a one-to-five scale, where one represents very immature or unsophisticated and five represents very mature or sophisticated (see Figure 9). Results show that, overall, there is room for improvement across all of these global sourcing capability sets.

- Advisors did not score organisations above the midpoint on any of the five skill sets assessed. The highest score provided was in the area of **assessing and accounting for data, data privacy and intellectual property (IP) risk**, with a score of 2.91.
- Service providers’ and advisors’ perceptions differed in respect of an organisations ability or skill to **assess and account for financial and legal risk**. Service providers scored this skill a 3.11, while advisors scored this relatively low at 2.50.

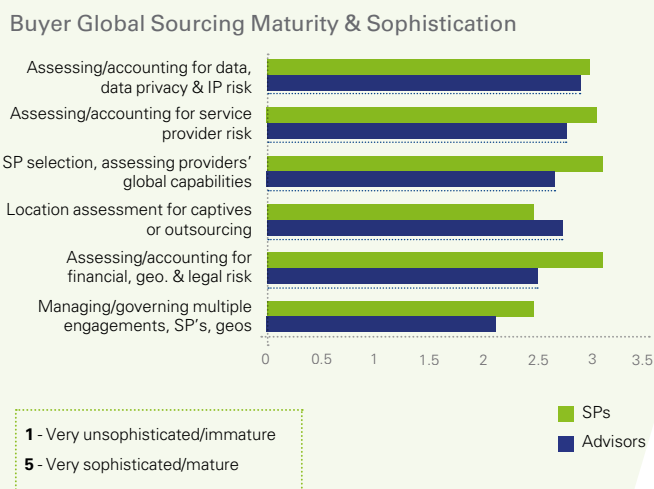


Figure 9

The relatively low scores achieved in this section of the survey are aligned to the results of the Global Pulse Survey. Experience and depth of offshore sourcing efforts is the primary means to improve skills in this area. Additionally, improving these skills is a moving target as the complexity and scope of most buyers' efforts continue to increase, constantly raising the bar on what constitutes adequate skill levels to support current efforts. However, as buyers' appetites to source more services globally continues to grow, so should their capabilities to source and manage these efforts. This is at the heart of the GBS model and maturity framework. The first step is to recognise the challenge and apply adequate and skilled resources against it. This is a multidisciplinary effort that extends leading practices related to sourcing, selection, transition, outsourcing governance and multiprovider management to account for additional challenges and nuances introduced by increased globalisation of service efforts.

One means to improve global sourcing capabilities is to take more of a holistic or portfolio approach to managing global efforts. This need grows as global sourcing becomes more pervasive and accounts for more of an organisation's global services footprint. However, tightly coordinating and managing sourcing efforts globally is a goal to which most organisations still aspire.

Buyer Sourcing Models for New Global Sourcing Efforts

Both third-party service providers and KPMG advisors were asked to identify the most common models organisations are employing to source new global shared services and outsourcing efforts, as well as manage efforts already in the field (Figure 10 & 11).

Advisors: Buyer Sourcing Models for New Global Sourcing Efforts

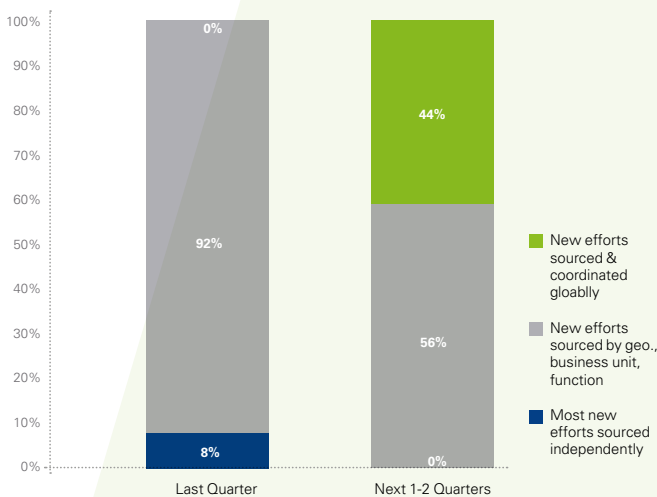


Figure 10

The premise behind this line of questioning is that the greater the level of global coordination and integration of efforts, the better. Organisations need to strike a balance, however, between centralisation and globalisation and the costs and efforts needed to gain greater integration, versus the benefits gained and the potentially legitimately diverse needs of different global operating units.

- 44 percent of service providers polled indicated that buyers are attempting to source and manage new shared services and outsourcing efforts globally (see Figure 10). The majority of both advisors and providers indicated typical buyers are coordinating efforts by geography, business unit or functional area.
- The global Pulse survey shows that more than 50 percent of new efforts in this space are sourced by geography, business unit or function. Both Advisors and Service providers felt that new efforts are sourced and coordinated globally in more than 25-39 percent of the cases.

Advisors: Management & Governance of Existing Global Sourcing Efforts

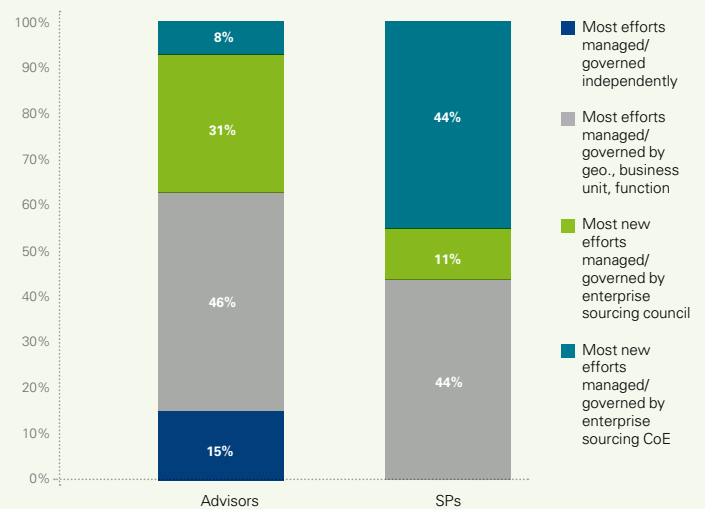


Figure 11

- There were different degrees of coordination identified for the management and governance of GBS efforts already in the field (Figure 11). 8 percent of advisors and 44 percent of service providers indicated that efforts are managed centrally, for example, by an enterprise sourcing centre of excellence, to enable tightly centralised global coordination. 46 and 44 percent of advisors and service providers, respectively, indicated that efforts are managed by geography, business unit or function with support from a centralised group to enable loose or more decentralised global coordination. Which of these approaches is more preferable will vary by buyer situation, and often both

models will co-exist, at least in the near term. The key countervailing factor in this question is to which degree South African firms have global sourcing efforts in the field.

Many buyers today still view GBS efforts as a series of discrete options and capabilities, such as internal services, shared services, offshore captives, ITO and BPO, rather than a continuum of integrated service models. Among more mature and sophisticated organisations, however, this view is changing. More organisations are developing a holistic strategy and operational model to support the totality of their businesses and IT services operations. This includes how to source and manage these capabilities, as well as how to improve their overall efficiency and effectiveness continually. While leading organisations have made progress in maturing their GBS efforts both within and across functions and geographies, more progress is needed both in strategy and in tactics. How integrated GBS organisations should become on a global and functional basis varies by organisation and overall business operating models. The GBS operating model should align to commercial models to enable optimal efficiency and effectiveness.

Sourcing initiatives across key industry verticals and business functions

Service providers were polled on demand levels by vertical industry and industry group. **Banking, Financial Services and Insurance (BFSI)** was clearly the top industry group, cited by 80 percent of service providers (see Figure 12).

Manufacturing and the energy, utilities, oil and gas sector was tied for second, cited by 50 percent of providers polled. BFSI was also cited as the top industry for business and IT services by providers in the 2Q12 global survey.

Top industry/industry groups exhibiting demand for business and IT services this quarter

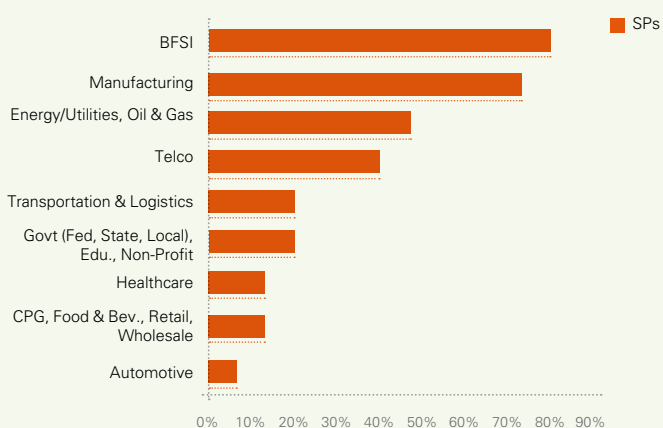


Figure 12

Current market deal characteristics: service providers' perspectives

The final section of the quarterly Sourcing Advisory Pulse Survey assesses the characteristics of current outsourcing and third-party services deals in the market from the perspective of the business and IT service providers polled.

Pricing competitiveness

Increased pricing competitiveness implies the buyer has, or is trying to get, the upper hand in pricing for outsourcing or related third-party services deals. As pricing is one element of determining profitability, less competitive pricing is generally favourable to the service provider.

Of the service providers polled in South Africa, 80 percent indicated that pricing pressure increased in the last quarter, while 20 percent indicated they saw little or no change in pricing pressure. The pressure on price is significantly higher than what we see in our global survey results, indicating that local client organisations are being cautious over their spend on third party relationships.

Service Providers: Pricing Pressure

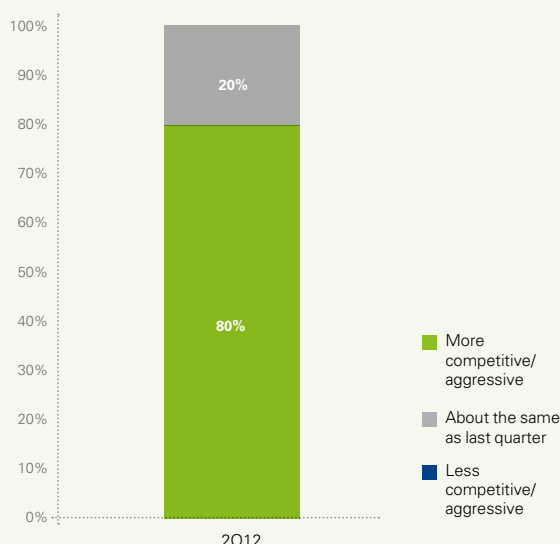


Figure 13

Contract profitability and ability to increase scope

Some of the biggest factors affecting contract profitability today are buyer pricing pressure, wage inflation, currency exchange rates and buyer appetite for more profitable discretionary services, such as consulting or transformational outsourcing, which for the most part are still relatively weak.

The majority view from South African service providers indicates that contract profitability remains more or less the same. Only 20 percent of service providers in South Africa indicated that contract profitability was improving in both new and existing contracts. This is a departure from the global view, where there has been an increasing trend towards improvement in contract profitability especially in existing contracts. The differences could be reflective of the maturity of the market and contracts.

Globally we are seeing a combination of factors leading to the upward trend, including currency exchange benefits, pushing a mix of higher profit services and driving down internal costs to deliver services via greater automation, standardisation and delivery process streamlining, better managing consumption levels and in some cases improvements in tying pricing to service value delivered.

In contrast, in South Africa, contracts seem to be challenged by tighter client budgets, economics in local market operations for Eurozone firms, and increasing client interest in performing more value-added, and profitable, work themselves versus outsourcing to a third party.

Service Providers: Contract Profitability - New & Existing Contracts

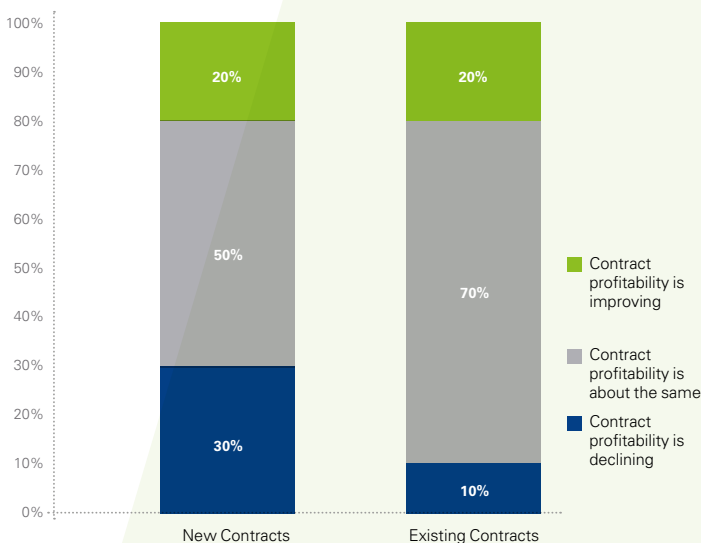


Figure 14

Deal scope is another element that affects service provider profitability. Larger deals tend to offer more room for greater profits, though this is not always the case. Doing more and broader work with a client should – from the provider’s perspective – ideally lead to doing more strategic, value-added and profitable work. Following this logic, if providers are able to expand scope in a client account, profitability should improve. Conversely, if a provider cannot improve profitability, it should question whether to push for broader scope in the account.

Service Providers: Contract Scope - Existing Contracts

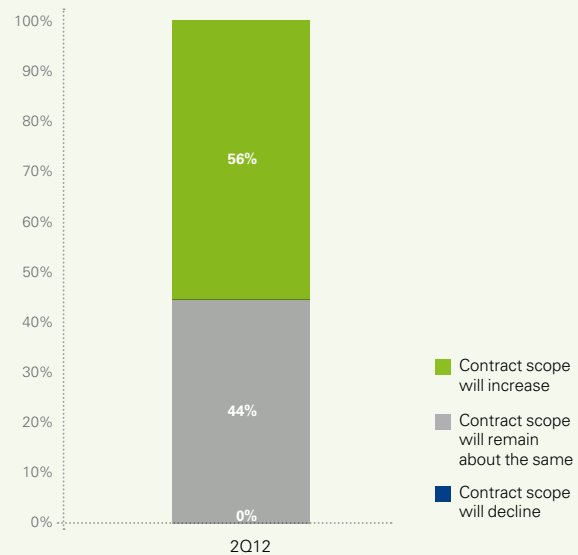


Figure 15

Figure 15 illustrates service provider expectations about their ability to increase scope, ideally in a profitable manner, in current accounts. Providers today are focused on growing business in existing accounts, not only because pursuit costs are lower than competing for new business but also because doing so protects their base as buyers rationalise suppliers and cut back on spend levels.

Expectations on ability to increase scope are reasonably high in the South African market at 56 percent, though this is lower than the global survey results, which pegs it at 79 percent this quarter. This may be true because of the length of some of the relationships in the global markets when compared to the local South African markets, increasing the ability of a service provider to show the value it has added and further its chances of increasing scope. None of the providers in South Africa indicated that they are concerned that contract scope will decrease.

Where to learn more about global sourcing market trends

KPMG online research portals and blogs

- [KPMG Shared Services and Outsourcing Institute](#)
- [KPMG Management Consulting Blog: Advice Worth Keeping](#)
- [Directory of all KPMG Institutes](#)

Service provider performance and satisfaction market studies

On an ongoing basis, KPMG conducts a wide range of market studies on [service provider performance and satisfaction](#) in both ITO and FAO. The ITO studies cover all major European markets, and the FAO programme is global in nature. These studies survey and interview buyers actively engaged in outsourcing efforts with a named set of leading, market-specific providers. The research unveils direct insights into buyer opinions on service provider performance levels, and also assesses and interprets general outsourcing demand and activity trends in the markets covered. Market coverage and due dates for the next editions of these studies are as follows:

- [BeLux](#) (released May 2012)
- [Nordics](#) (released June 2012)
- [UK](#) (released July 2012)

[Executive summary](#) reports for all of the completed research efforts are available free of charge, and complete results are available for a fee. Contact [Stan Lepeak](#).

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