Jul. 08, 2013

NEW YORK — Five-out-of-ten major enterprises intend to increase the volume of application development and maintenance outsourcing during 2013, with four-out-of-ten intending to increase Finance and Accounting outsourcing, according to new research from U.S. audit, tax and advisory firm KPMG LLP and HfS Research, a leading analyst authority on global business operations strategies.

The survey, "State of the Outsourcing Industry 2013," which covers the viewpoints, dynamics and intentions of 1355 senior leaders from major global enterprises, outsourcing services providers, management consultant firms, sourcing advisory firms and other key industry influencers, found that client expectations of outsourcing are evolving to be more value focused, with IT, Finance and Accounting administrative processes dominating future outsourcing plans.

Achieving operational effectiveness when they outsource, specifically for cost reduction, greater scalability of operations and process standardization, continues to be the primary motivation behind IT and business operations outsourcing for more than three-quarters of survey respondents.

Cliff Justice, lead partner for KPMG's Shared Services and Advisory group said, "It's abundantly clear that the vast majority of enterprises are looking to expand strategic outsourcing relationships in the medium-term as economic conditions improve. While many held back from radical transformation strategies during the recession, we're now seeing real action from many enterprise operations leaders who are ratcheting up their sourcing plans – especially with their administrative business processes."

Additional findings from the survey include:

Core areas of strategic focus when outsourcing include accessing better talent (70%),

BPO engagements are notably outperforming IT Outsourcing engagements for cost reduction, effectiveness, and process standardization, process transformation and improving analytical capabilities.

Outsourcing adoption is still very nascent for business processes, with only 23% using outsourcing as the predominant model for accounts payable processes, 19% purchasing and accounts receivables, and 11% for recruiting and staffing. Close to a third of high-end enterprises view Global Business Services as a mission-critical framework for their future operating model.

Phil Fersht, CEO of HfS Research said, "The study clearly shows operations executives are seeking to take more advantage of global sourcing models rather than traditional outsourcing models. In addition to broadening service provider relationships, this involved enterprises evolving into Global Business Services operating models that focus on greater control, customer alignment and accountability over business operations."

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