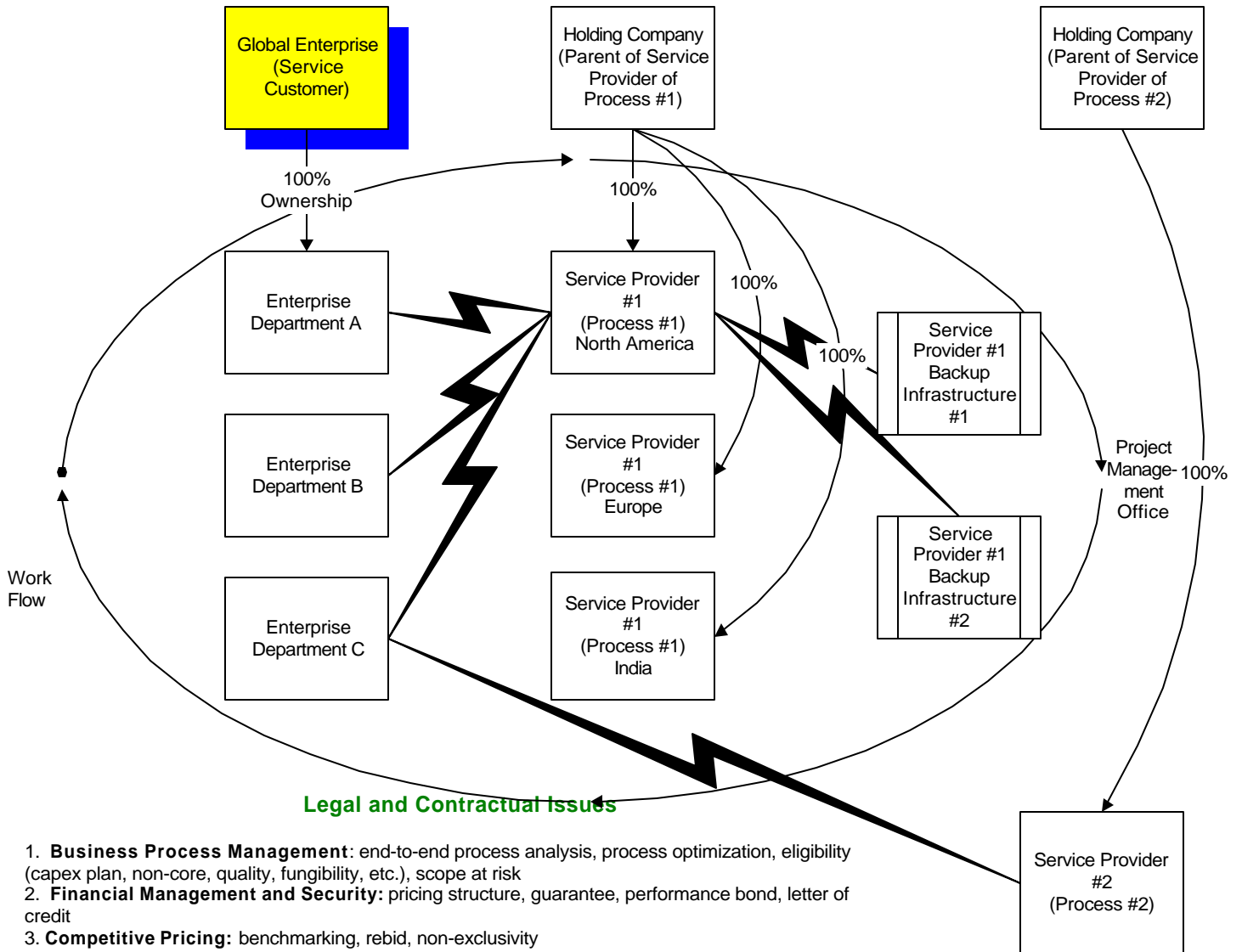


International Outsourcing Strategies: Planning and Structuring the Contractual Relationships

This diagram outlines a typical structure of a global services company providing business process outsourcing services to multiple departments (subsidiaries or groups) of a multinational "global enterprise". The legal structure of the relationship may require a global master services agreement as an umbrella with ancillary agreements relating to individual countries.

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1. **Business Process Management:** end-to-end process analysis, process optimization, eligibility (capex plan, non-core, quality, fungibility, etc.), scope at risk
2. **Financial Management and Security:** pricing structure, guarantee, performance bond, letter of credit
3. **Competitive Pricing:** benchmarking, rebid, non-exclusivity
4. **Performance Management / Service Guarantee:** Service Level Agreements, process improvement, measurement, productivity improvement techniques, dashboard and service level management
5. **Process Management:** scope definition and change, new methods, continuous improvement, Intellectual Property Rights; open-source and proprietary technology; knowledge management and transfer
6. **Contract Risk Management / Contingencies:** Termination rights, transition planning, disaster recovery, business continuity planning, mergers, acquisitions, divestitures, legal risks (see below)
7. **Relationship Management:** project planning, program management office, dispute escalation, transition management, disentanglement plan
8. **Tax Planning:** Domestic, international, importation; income, sales, use, VAT, indirect and direct
9. **Human Resource Planning:** Unions, acquired rights, contract rights, retention plan, transition plan, ERISA compliance, EEO and civil rights compliance
10. **Legal Risk Management:** force majeure, permitted excuses, foreign exchange, political risk, data security, privacy and data protection, legal compliance obligations, indemnification, limitation of liability
11. **Environment:** rule of law; enforceability; political risk, competitive risk, business intelligence.
12. **Director-level Planning Issues:** internal controls, dialogue, documentation