

Optimizing the Bottom-line

When you are ready to take the next step toward enriching the bottom-line of the Company, and are willing to take on those highly-charged, game-changing business decisions; you are ready to consider the cost benefits associated with Outsourcing, developing a Shared Services Center, establishing a Center of Excellence, deploying an in-house Captive Center, or entering into a Built-Operate-Transfer scenario.

Shared Services

To be successful today, organizations need to excel at both managing complexity and leveraging economies of scale. Many global companies have adopted Shared Services as a critical business strategy for delivering efficiency gains, and reducing operating costs. While establishing and managing as a Shared Services Center has been proved to yield high gains in efficiencies, they are not without risk, and not all organizations recognize the full benefits of consolidating similar business processes into a Shared Services Center.

How many Business Processes are replicated in different parts of your Company?

Centers of Excellence

When a department or group experiences an epiphany, and cracks the code on how to deliver superior results in a specific facet of the business, it must be propagated throughout the company. Far too often, the superior performance is simply rewarded, and then allowed to languish. As these rarities are identified, it is incumbent on the corporate leadership to identify the essence of the excellence, and make it available to other departments within the corporate structure.

When was the last time you identified a truly superior component of your business, and made it available to other groups?

Outsourcing

To be successful today, organizations need to excel at both managing complexity and controlling costs. Many global companies have adopted Outsourcing as a critical business strategy for delivering efficiency gains, reducing operating costs, and adding incremental value. While Outsourcing and Off-shoring have been well-tested and proven, they are not without risks, with many organizations still striving to receive the promised benefits. With the market's recent shift away from pure salary arbitrage, and towards end-to-end Business Process Outsourcing services, the outsourcing marketplace has changed dramatically.

What percentage of your business is outsourced to service providers, where they endure the risk and responsibility for delivery against pre-defined Service Level Agreements (SLAs)?

Captive Centers

As an alternative to Outsourcing, many companies have decided to in-source by establishing their own, captive, off-shore center. Those who appreciated the rigors associated with running an offshore facility have prospered, while those who were simply latching onto a trend have faltered. The most successful captive centers have benefited from an economy of scale and true integration into their company's business strategy.

Do you know how big an off-shore captive center must be in order to avoid a diseconomy of scales?

Build-Operate-Transfer

After a company has made the decision to leverage off-shoring as a strategic delivery mechanism, but is cautious about jumping head-long into an unfamiliar market-space, there is a more metered option that is available. You can elect to enter a relationship with a Provider, which allows you to act in a client/vendor relationship until certain covenants are satisfied, and then have the ability to turn the entity into a Captive Center, or revert it back to the tradition client/vendor relationship. The Build-Operate-Transfer (BOT) option, provides you with the flexibility to decide which offshore operating model is most appropriate.

Do you know when you should consider employing a BOT, as opposed to just moving ahead with establishing a captive center?

Contact Information

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About Sylvan Advisory

Formed in 2007, with its founding Partners coming from Big-5 consultancies, Sylvan Advisory represents a unique mix of buy-side and sell-side experiences, that is supported by deep industry, financial, and technical knowledge. With its headquarters in New York City, and satellite offices in Los Angeles, Atlanta, London, Amsterdam, and Singapore, coupled with a history of having conducted business in 43 countries, Sylvan is well-positioned as the premier global provider of value-creation services.