



RESEARCH INSTITUTE

Everest Study: Five Steps to Optimize ADM Portfolios and Regain Outsourcing Value

Optimization Identifies and Mitigates Unintended Risks

Press release

DALLAS, December 17, 2008 – As the ADM sourcing programs of large firms mature and approach optimal offshore ratios, gaining additional value from outsourcing is becoming an increasingly complex task. A carefully executed portfolio optimization process becomes necessary to increase outsourcing value and mitigate risks, according to a new study by the [Everest Research Institute](#).

The Institute study, [ITO \(IT Outsourcing\) Market Update: Practical Approach to Sourcing Optimization](#), outlines factors affecting the global ADM market, complexities associated with portfolio optimization, and a five-step process to rationalize skill portfolio needed to create a transition roadmap.

The Institute's five-step skill portfolio rationalization process outlined in the study:

1. Define current skill portfolio (including skills, applications, business processes)
2. Validate supplier/location characteristics
3. Develop portfolio model with topical views
4. Agree on objective function and constraints (e.g., risk, supplier exposure)
5. Iterate to achieve objectives within constraints

"Large portfolios of ADM suppliers is a legacy of the last decade of fast growth and offshore adoption that has resulted in the need for buyers to consider relationship optimization to increase outsourcing value," said [Ross Tisnovsky](#), Vice President, Everest Research Institute. "Optimization will address complexity and cost issues associated with managing a growing number of suppliers as well as unintended risk exposures that crept into portfolios as the result of independent decisions made over time."

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To read an extract of the *ITO Market Update: Practical Approach to Sourcing Optimization*, purchase the report, or inquire about other research services, please visit www.everestresearchinstitute.com, email info@everestresearchinstitute.com or call +1-214-451-3110.

Other Institute studies providing additional insights into this topic:

- [Buyer-Driven Supplier Consolidation Will Change the ADM Industry](#)
- [ADM Partnerships – Moving Beyond Labor Arbitrage](#)

Other recent ITO studies by the Institute include:

- [ITO 2008 Annual Report](#)
- [IT Consulting Services Supplier Landscape Fact Pack](#)
- [ITO Request for Information 2008 – Summary of the Results](#)
- [2009 Market Predictions \(complimentary\)](#)
- [Plugging the Gaps – Mergers and Acquisitions in IT Outsourcing](#)
- [Ongoing Evolution of the IT Outsourcing Market](#)
- [Emerging Supplier Dilemma in the Remote Infrastructure Management Market](#)
- [Infrastructure Outsourcing Price Benchmarking and Pricing Trends Overview](#)
- [Infrastructure Outsourcing Input-based Price Benchmarking](#)
- [Infrastructure Outsourcing Output-based Price Benchmarking](#)
- [Reading the Alphabet Soup: SI, PI, ERP, Etc. – The Changing Drivers of IT Consulting](#)

About Everest Research Institute

[Everest Research Institute](#) serves as a central source of independent and objective strategic intelligence, analysis, and actionable insight for leading corporations, suppliers, technology providers, and investors in the global outsourcing and offshoring marketplace.

The Institute addresses both business process and information technology sourcing topics, providing the global outsourcing and offshoring community with information that empowers highly productive, sustainable sourcing strategies and relationships. The Institute's wealth of knowledge and experience provides unique perspectives into today's marketplace and the competitive edge required to take advantage of emerging opportunities.

Everest Research Institute is the research arm of the Everest Group (www.everestgrp.com), a global consulting firm with offices in such leading business centers as Dallas, New York, Toronto, London, Amsterdam, New Delhi, Melbourne, and Sydney. Everest Group has earned a worldwide reputation for ongoing innovation as it helps clients achieve maximum value from their operations including sourcing strategy and implementation.

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