OUTSOURCING
REPUTATION
INDEX

As the representative voice of the outsourcing industry, the NOA has made it its mission in 2010, to improve the reputation of outsourcing as an industry and a profession. To measure the NOA's success, we have commissioned Apollo Resesarch to monitor and measure the commentary pertaining to all aspects of outsourcing – the Outsourcing Reputation Index.

The outsourcing industry is maturing rapidly and as it does so it faces ever evolving issues. Much work has been done to change the perception of outsourcing and offshoring over recent years, though still too frequently outsourcing conjurs up negative connotations – especially in the minds of consumers.

Apollo Research analyses coverage of outsourcing in a large sample of UK media, including print, online news sites and blogs. Every story is analysed to measure and examine the sub-themes of outsourcing, suppliers of outsourcing services, end users, destinations, types of outsourcing, the industry affected, and topics; at the same time, the research explores the reasons for outsourcing as well as the concerns surrounding outsourcing. Within this, the research assesses the favourability of the coverage for outsourcing in each area.

The results track the overall position of outsourcing within the media, whether the topic is growing in importance and how it is perceived; they also show where the strengths and weaknesses in the media's perception lie.

The monthly results show the top-line figures. Each quarter, the results will show what is happening over a longer period – thereby smoothing out short-term effects – and drill down deeper into coverage of outsourcing and what is driving it.

The results of the first monthly index for January 2010 reveal that coverage pertaining to outsourcing was 42 per cent positive, 42 per cent neutral and 16 per cent negative. The main subject-areas within coverage of outsourcing were forecasts for 2010, new contracts, the dispute between BSkyB and HP/EDS, and to a lesser extent the state of offshore destinations, most notably, India.

Media, bloggers, analysts, consultants and other observers generally talked up prospects for outsourcing over the next 12 months, contributing to the positive score. January always sees a higher than usual level of 'where are we at' coverage. In addition, there was a steady stream of contract announcements which gave both the supplier and end-user the platform to discuss the reasons and benefits concerning outsourcing, as well as each contract win acting as an endorsement of outsourcing. For the most part, the media did not challenge the assumptions made by suppliers and end-users.

The most frequently cited reason for outsourcing was cost-savings, echoing a TPI report. Also prominent were efficiency and flexibility, which resonated against the background of the current economic conditions. The media were interested in outsourcing's ability to improve a company's agility and ability to scale up or down at a time of uncertainty.

Negative coverage stemmed principally from the BSkyB case. This was widely reported as significant in terms of future outsourcing contracts. It was also seen as a failure to deliver on what had been promised by the supplier. The decision by Barclays to bring work back from Accenture also dented the image of outsourcing's ability to deliver results.
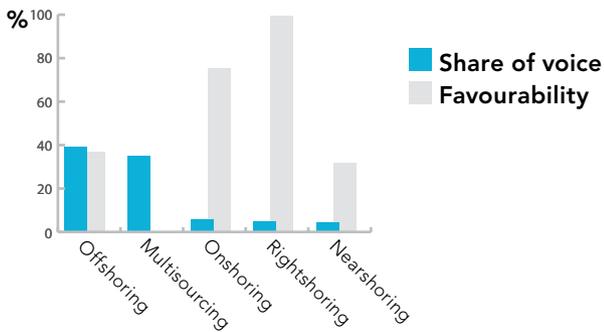
It is perhaps worth noting a distinction between media coverage of new contracts and contracts that have been in place for longer (and are beyond an initial honeymoon period).

Offshoring was the most prominent sub-theme, with India the main destination discussed. This coverage related to India as a destination; however, Wipro, Infosys and Tata Consultancy Services also receive widespread coverage and are used as bellwethers for India and/or offshoring.
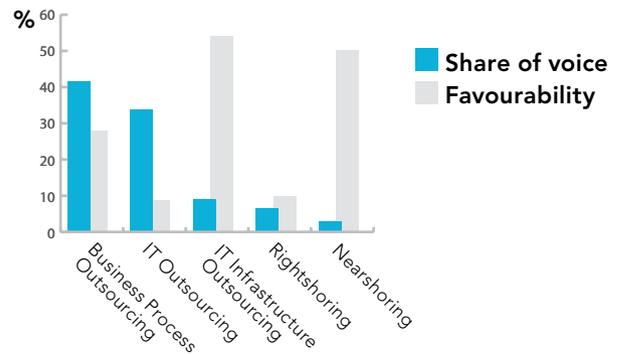
RESULTS: JANUARY 2010
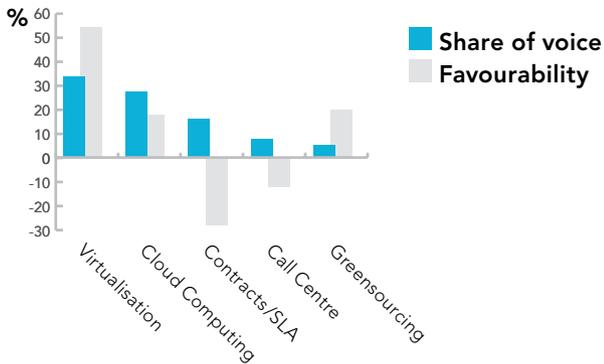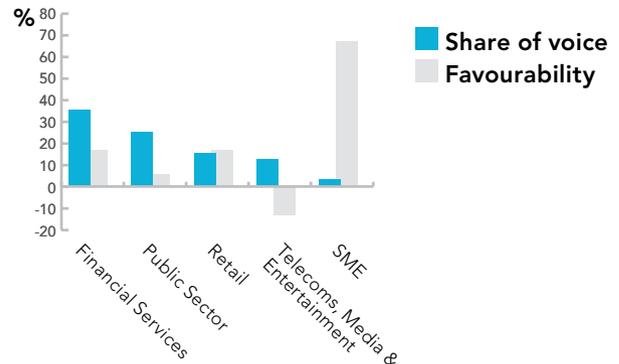## RESEARCH COMPILED BY APOLLO RESEARCH

SUB-THEMES

Legend: Share of voice, Favourability

Categories: Offshoring, Multisourcing, Onshoring, Rightshoring, Nearshoring

TYPE OF OUTSOURCING

Legend: Share of voice, Favourability

Categories: Business Process Outsourcing, IT Outsourcing, IT Infrastructure Outsourcing, Rightshoring, Nearshoring

TOPICS

Legend: Share of voice, Favourability

Categories: Virtualisation, Cloud Computing, Contracts/SLA, Call Centre, Greensourcing

VERTICAL INDUSTRIES

Legend: Share of voice, Favourability

Categories: Financial Services, Public Sector, Retail, Telecoms, Media & Entertainment, SME

REASONS FOR OUTSOURCING

- Contracts / Sales
- Cost Savings
- Skill-base
- Flexibility
- Efficiency/Productivity

CONCERNS OVER OUTSOURCING

- Delivery
- Job Losses
- Security
- Ease-of-management
- Reputation Loss