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Multisourcing By Alliance: Getronics Uses Partners To Deliver Services Globally To Clients

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EXECUTIVE SUMMARY

On March 25, 2009, Getronics and six partner firms formally announced the Getronics Workspace Alliance. The group will collaborate to deliver managed desktop services and a range of associated capabilities for enterprise clients. Forrester got the lowdown on the new initiative from Jos Schoemaker, chief operating officer (COO) of Getronics, during a briefing at Getronics' new Dutch headquarters (HQ). Alliance partners offer services in 10 European Union (EU) states, the US and Canada, Japan, China, Mexico, and a range of other countries in Latin America, the Asia/Pacific region, and the Middle East. Market consolidation — like HP's acquisition of EDS — has recently diminished the competitive options for global delivery of enterprise desktop services. In light of this, sourcing execs should look at new initiatives like the Getronics Workspace Alliance as potentially interesting alternatives to the likes of IBM and HP/EDS for multicountry support of desktop needs. But be prepared to put more work in at the RFP stage and vendor governance to capture value from an alliance like this.

THE GETRONICS WORKSPACE ALLIANCE TAKES ON KEY ASPECTS OF MULTISOURCING

Forrester met with Jos Schoemaker, COO of Getronics, at the company's Zoetermeer headquarters on March 25, 2009, to learn about the new Getronics Workspace Alliance. The briefing also involved leading execs from the six alliance partners: APX, CompuCom Systems, Getronics Middle East, NTT Data Getronics, ServiceOne Getronics, and Tecnocom. Together, the seven service providers will offer managed desktop services, asset management, and hardware maintenance across a very large geographic range (see Figure 1). The group claims to bring together a combined workforce of more than 40,000, and it jointly manages more than 6 million IT assets for clients around the world.[1] Schoemaker and his collaborators emphasized that the members of the alliance either own or consist of a prior Getronics business, so they have a history of working together. That results in a solution that offers several critical aspects of a multisourcing engagement, including an environment where the providers offer:

- **A defined multiprovider governance platform.** A clearly articulated and tested model for delivering work among multiple vendors is critical in any multisourcing engagement. Getronics will act as the lead partner in the alliance, and it will usually act as the prime contractor in deals signed with clients that involve multiple alliance members. But the alliance will be joined together at multiple levels — starting with a board of directors comprised of board-level execs from each partner company, then a steering committee managing day-to-day operations, and extending to structured arrangements for oversight of delivery, definition of common service standards, and collaborative sales and marketing. Partners in the group will maintain a common technology and

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innovation road map for services covered under the alliance. They will collaborate in developing this road map with external technology partners such as Dell and Microsoft.

- **Joined-up processes and centralized service control.** Multisourcing requires common practices among providers to effectively deliver a single service to the client. In the Getronics Workspace Alliance, the partners have committed to employing consistent, standardized processes for service delivery and service management — including aspects like international billing and tax management. Usually these processes will include reliance on one or more shared central locations for infrastructure management, help desk, and support services for the client concerned. Low-cost facilities in centers like Budapest and Kuala Lumpur will contribute in this role. Service components like service desk will interconnect through one or more of these central locations. And Getronics will oversee a unified process for analysis and reporting on behalf of clients.

- **A commitment to consistent delivery quality.** Clearly, the ability to provide a single-client experience when working with multiple vendors is a cornerstone of these kinds of offerings. To demonstrate to potential clients that they will have a unified experience with the Getronics Workspace Alliance, Getronics has initiated a certification program that will cover the core capabilities of staff across all the partners. The company aims to establish a common program of training with the alliance partners, and it will apply annual scrutiny of staff in the certification program to ensure that those involved keep their skills current.

Figure 1 Getronics Workspace Alliance: Founder Members

Member company	Principal country/countries	Employees
APX	France	1,400
Compucom	US, Canada	11,000
Getronics	Netherlands, Belgium, UK/Ireland, Germany, Switzerland, Latin America and Mexico, Asia Pacific, Hungary	16,000
Getronics Middle East	Middle-East region	150
NTT Data Getronics	Japan	567
ServiceOne Getronics	China	700
Tecnocom	Spain, Portugal	4,800

Source: Getronics

54442 Source: Forrester Research, Inc.

Services Specialization Makes Ecosystems A More Viable Option Today

For all the fine words that Getronics and its partners can offer about their plans, many IT services buyers will be skeptical that a group of affiliates like this can match the consistency of service approach and service quality that they expect from a unified brand. And there's little doubt that when bidding against the new Getronics grouping, global players like IBM and HP/EDS will lose no time in stressing the power of integrated service offerings designed under one roof. But in a period when IT service providers have been evolving toward greater specialization and the pattern of service delivery has moved away from monolithic global relationships with single providers, the integrated approach may not always win out. And in fact many clients have pointed out to Forrester that while contractually they may have a "single-source" provider, the different business units within large services firms often act as independent operating units anyway. Thus, clients considering tradeoffs between single providers and multiprovider ecosystems should incorporate the following factors into their decision-making:

- **Every service provider requires partners and subcontractors today.** When discussing large multicountry contracts for desktop and related managed services, almost every deal will require the lead contractor to involve partners and subcontractors. Even the largest providers — like CSC, HP/EDS, or IBM — require contractors or partners in certain locations to meet clients' delivery needs. It may be that the lead contractor lacks deskside support capabilities in some geographies or is missing some languages in its help desk contact centers, just to take two examples.

- **Country or regional specialists can offer value when compared with global operators.** Forrester's US research shows how a more focused, regional operator can sometimes deliver more effective services and targeted innovation than a large, global provider.[2] Getronics argues that companies focused on specific territories, like APX in France, Tecnocom in Spain and Portugal, or CompuCom in the US and Canada, offer more responsive and culturally tuned service delivery to clients in those locations than may be provided by the local subsidiary of a large multinational provider. The integrated operator with delivery centers in a country like France or Spain may have staff who struggle to adapt service components designed primarily for the US market, for example.

RECOMMENDATIONS

MULTISOURCING RFPs REQUIRES SPECIAL MODIFICATIONS FOR SUCCESS

A conventional RFI/RFP process may be a blunt instrument for evaluating the credentials of not one provider but an ecosystem of providers. This is particularly true when considering the complexity of requirements that a large, global enterprise may have in an area like desktop managed services. Forrester certainly sees RFPs that make provisions for consortia or other multiple-partner bids for a given set of service requirements. But these typically offer no framework to guide the alliance partners' input to the buyer. Nor do they provide any criteria to establish the key areas of effectiveness in collaboration that the buyer will expect from the provider group. Indeed, this lack of focus on collaborative structures and collaboration effectiveness continues to be a weakness in RFPs, even when looking at a traditional bid in which the providers operate as a defined prime contractor and subcontractors. To improve on this picture, Forrester suggests that sourcing groups adjust their normal RFP approach as follows:

- **Understand the financial model of the group.** Does each member of the group make money simply on the delivery of its parts of the deal? Or do they also make margin in the form of markups or pass-through referrals? Does the prime contractor add margin to the subcontractors' offerings? If so, has the prime contractor offered enough "value add" like extra governance tools and quality assurance to warrant that markup?
- **Set clear expectations of what the lead ecosystem partner must own.** Whenever you work with a consortium or an ecosystem of providers, your firm will face potential challenges if required to deal with multiple points of control, processing, or decision-making across the service relationships. So it's in your interest at the RFI/RFP stage to lay out in detail which areas of the relationship you expect to be handled by the lead partner or prime contractor. A simple example might be the invoicing associated with a set of contracts. Should it all be done in one currency and one location, or do you need to be billed in multiple currencies and locations?
- **Make space to engage with and understand the value of each contributor.** Most buyers that Forrester speaks with in a multisourcing context have chosen to set up contracts directly with each service provider involved. That may or may not be optimal as a model for dealing with an alliance structure like that launched by Getronics. But whether you choose this route or not, it's certainly true that you will need to create room in your RFI/RFP process to set up executive-level meetings with each alliance partner involved in bidding for your business — and to arrange site visits to their facilities whenever possible. If you value the flexibility and local affinities of a diverse group of providers but want an overriding umbrella of consistent delivery, then this extra investment in the precontract phase may be justified to help you establish an effective relationship with an ecosystem group rather than relying on one monolithic provider.

ENDNOTES

1 Data recently provided to Forrester by HP/EDS indicates that the firm manages approximately 5.5 million desktops for clients globally, while IBM stated a figure of 2.7 million desktops under management. While these numbers are not necessarily directly comparable to the figure claimed by Getronics and partners, they do indicate that the new alliance has a broadly comparable scope of operations to the two leading service providers in this field.

2 Local providers can match larger competitors across a range of selection criteria and sometimes outdo them in areas like flexibility and responsiveness of service. See the January 9, 2009, "Smaller Regional Infrastructure Providers Can Be The Right Size For The Right US Clients" report.