

Your Association At-A-Glance



HELPING HR TRANSFORM

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HROA At-A-Glance: 2008-2009

The Year Past, the Year Ahead

Overview

2008 challenged the HROA, but nevertheless, the association made concrete progress in accomplishing its mission, growth in membership, and service to the HR community. Following are details of some of the most significant accomplishments. Goals for building from strength to strength throughout 2009 are detailed in [2009: A Prospective Look](#), including our expanded focus on building the buyer community for HR executives.

1.0

Governance

Your Association made several key investments to successfully transition leadership and implement sound governance.

1.1 Standards-setting process

Standard setting is itself part of a larger, multi-year and multi-phased approach toward established industry standards, greater transparency, and ultimately, member accreditation. Early in 2008, culminating months of work in 2007, the HROA officially launched its process for setting standards and practices for the HRO community. This included the incorporation of the work done by the OpenDoorHRO consortium and the contributions of intellectual property

from multiple member firms including EquaTerra, NorthgateArinso, PA Consulting, SAP, and TPI.

The standards-setting process, adopted by the Research & Standards Committee and ratified by the Board of Trustees, sets a multi-step process for adopting standards and practices

In 2009 the HROA will focus more on building the buyer community for HR executive

based on a consensus-driven approach that allows for transparency and broad public input. The committee designed the process to:

Develop lasting consensus. As the only independent organization representing all participants in the HRO industry, the HROA gathers broad-based input from across the industry and works to arrive at conclusions that balance the various commercial interests of all participants. The HROA works with its members, experts in their

fields, to put forward current best practices and then develops consensus around effective standards for the industry. In so doing, it keeps an eye on the future, putting in place standards that will remain relevant as practices change.

Allow for public input.

One precondition for effective standards is that they are set through

Standards are a necessary precursor to industry maturation and growth and to the accreditation of member companies.

an open process that considers multiple perspectives. This process explicitly provides for both members and the general public to comment and provide feedback on new and existing standards.

Maintain and publish standards.

Once set, the HROA publishes standards and keeps them up to date and accessible.²

Practices go through three stages:

HROA Recommended Practice™. A practice that has been subject to peer review for efficacy and approved by the Research & Standards Committee for adoption by members.

HROA Best Practice™:

Backed by peer reviewed evidentiary research demonstrating its efficacy and highly recommended for adoption by all members.

HROA Standard™.

A practice of such importance the HROA feels a member would do

harm to itself or the industry if it did not use it.

Industry standards are a necessary precursor to the accelerated maturation of the practice of HR services and outsourcing. Once these are in place, the HROA and its members can begin to look toward accrediting organizations on their use of the standards and practices, which will provide buyers a greater level of transparency and assurance in their purchasing decisions.

For more information on the HROA Standards & Practices, including a more detailed explanation of the process and the

published standards and practices, please see:

<http://www.hroa.org/industry-standards-practices.html>.

1.2 The Election of the HROA's Third Chairman

A hallmark of a well functioning organization – be it a nation, a company, or an association – is the smooth transition of power. In the U.S., citizens recently watched with anxious anticipation the inauguration of their 44th President and 111th Congress. In 2008, the HROA underwent its own leadership transition, marked by the smooth transfer of power from the HROA's 2nd Chairperson, Ms. Sharon Taylor of Prudential, to the HROA's 3rd Chairperson, Mr. Ernie Lareau of DuPont. The Association also seated a new Executive Committee, consisting of Vice Chairman John Hindle of Accenture, Secretary-Treasurer Mary Sue Rogers of IBM, and Ms. Taylor in her new role as

Chair-Emeritus. Richard Crespin continues in his role as Global Executive Director and *ex-officio* member of the Executive Committee.

To continue with renewed vigor the fulfillment of the mission of the HROA, the new Executive Committee set about quickly organizing all elements of the HROA. Much of what follows evolved through the guidance of the Executive Committee and its oversight of the Board of Trustees. Several key accomplishments included:

- Global governance model, with committees on governance, finance, and service.
- HROA Code of Conduct to promote pro-competitive behavior by members.

For more information on governance or code of conduct, contact the HROA at info@hroa.org.

2.0 Membership

The heart of the Association is its membership and few things better measure the vitality of an association than a continuously growing membership. In 2007, the Association's membership doubled in size. That's a hard feat to repeat! But in 2008 – in the midst of a global economic downturn – the Association still managed to hit its goal and grow membership another 15%, in part through the decision of the HRO Large Market Buyers Group to affiliate with the HROA. This was accompanied by an expansion of the types of companies and their countries of origin that joined and actively engaged in the HROA (more detail below).

3.0 Expanded Scope

The practices of HR services and outsourcing evolve rapidly. To remain relevant, the HROA has to evolve with the state of practice. Reflecting that, the HROA added new groups and continued to invest in Special Interest Groups (SIG) and Regional Chapters.

3.1 Expanded relationship with Large Market HRO Buyers Group

This Group has become an official SIG of the HROA with its leader, Ms. LeAnne Andersen of Best Buy, taking a seat on the Board of Trustees. All members of the Group are now Associate Members of the HROA. Numerous Group members took up leadership positions in the HROA, including Chairman Lareau and Ms. Linda Merritt as Chair of the HROA Research & Standards Committee.

At the HRO Summit in Tampa, FL (October 21 – 23), the first day was dedicated to the HRO Buyers Group Semi-Annual summit. Turnout was excellent with almost 30 unique buyer organizations attending along with numerous new and prospective members. Overall, the Summit was a big hit in its inaugural year; attendance goals exceeded expectations with over 150 delegates and many speakers and sponsors. The HROA would like to thank the SAP and Accenture, as well as other key sponsors, ACS, ADP, Ceridian, Convergys, Hewitt, IBM, Rideau Recognition Solutions, and TPI.

3.2 Established a Mid Market HRO Special Interest Group

HR services and outsourcing have worked well for very large and very small companies, with an

underserved group in the middle. In 2008 more employers demanded an approach that would provide greater stability and assurance of results. This trend impacted all parts of the HRO market, especially mid-sized companies. As a result, the HROA established a Mid-Market Special Interest Group, with equal representation from both the buyer and provider communities. It quickly

Membership continued to expand even in a down economy

became apparent the real focus of the group was on the need for more standardized and stable platforms for HR processes and technology – not the size of the company receiving the service. In 2009, the group will look at how to meet its overall mission, which may include collaborating with the Large Market HRO Buyers Group.

3.3 Established the IPMA-HR/HROA Interest Group for Public Sector HR Transformation

The International Public Management Association for HR (IPMA-HR), representing the interests of over 5,000 HR professionals at the federal, state, and local level, joined with the HROA to form a Joint Special Interest Group focused on transforming the way governments in the U.S. manage HR. The Group named as its first chairman, Mr. Richard Whitford, the Assistant Administrator for Human Capital at the U.S. Transportation Security Administration.

2008 also saw continuous investment in the RPO community and our chapters. Details follow.

4.0 RPO

For the past two years, the RPO community has formed the fastest growing and most dynamic part of the membership. On behalf of these members, the HROA and its RPO Alliance pursued a number of core objectives.

4.1 Merger: RPO Association

Two organizations were founded virtually simultaneously to serve the RPO industry: the RPO Association and the RPO Alliance. To bring clarity, the leaders of these organizations came together in 2008 to form a united organization under the auspice of the HROA. This new organization will take the name RPO Association (RPOA) and expand the great work of its predecessors. The merger will complete in early '09.

The two organizations designated an interim board and chairman, Mr. Jason Berkowitz previously of Hyrian to shepherd the organizations through transition. The board also approved new bylaws, membership criteria, governance, and mapped out a process for transferring existing members to the new RPOA. They also approved infrastructure and governance to manage the new combined group under the auspice of the HROA.

4.2 RPO Buyers Group

One of our enduring goals is a vibrant community for HR executives and users of HRO and RPO services. To that end, 2008 saw the establishment of an RPO Buyers Group led by Co-Chairs Ms. Shelia Gray of ABB and Mr. Rodney Moses of Coca-Cola Enterprises. The group held its first in-person meeting at the RPO Summit and set forth an ambitious agenda for 2009.

6.0 GREATER REGIONAL FOCUS

Despite staff turnover the Europe Chapter expanded and was joined by a growing, if nascent, Asia chapter. The global review begun by Chairman Lareau identified a need for an Americas Chapter. The board of trustees had served as both the global and Americas board. The Americas Chapter will follow the format established for Europe and Asia and the Board of Trustees will focus on global governance. The chapters continues to grow and will expand further in 2009.

European Highlights. Co-Chairmen Guy-Joel de Lhoneux and John Hindle, and the Ops Committee, led a multi-pronged set of initiatives coordinated by specific committees:

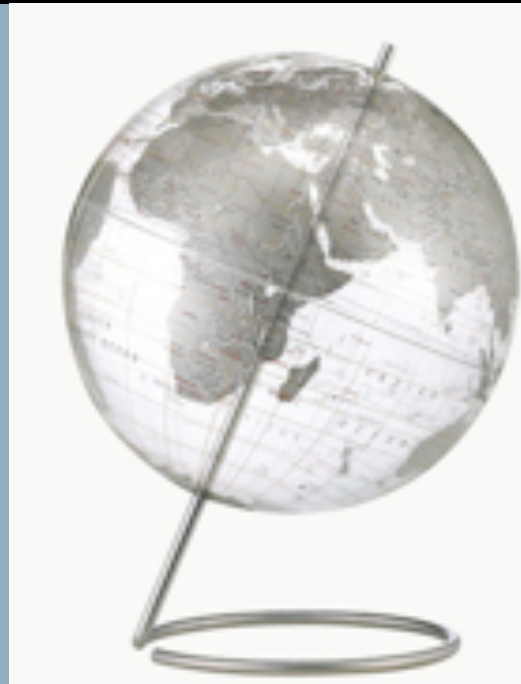
Governance: Defined a chapter “Strategy Into Action” plan.

Research & Publications: Oversaw publication of the First and Second Editions of the *HR Business Review*.

Standards & Benchmarking: Made numerous contributions to Global Standards & Practices, including a global taxonomy.

Marketing: Oversaw the creation of several outreach programs and a standardization of the HROA’s European marketing materials.

Education: Examined how to engage with European educational institutions to improve the preparation of HR professionals to take on the modern responsibilities of an HR executive.



4.3 Developed a consensus definition of RPO

A consensus on what constitutes RPO – what’s included in an RPO engagement – brings to fruition years of work. The definition approved by the RPOA Board:

Recruitment Process Outsourcing is a form of business process outsourcing where an employer transfers all or part of its recruitment processes to an external service provider.

An RPO provider can provide their own or may assume the company’s staff, technology, methodologies and reporting.

In all cases, RPO differs greatly from providers such as staffing companies and contingent/ retained search providers in that it assumes ownership of the design and management of the recruitment process and the responsibility of results.

4.4 Completed Recruitment Assessment Guide Tool

The RPOA Business Tools & Research Committee completed a guide to help companies determine their internal needs and the value of RPO to their business.

4.5 Continued in-depth study of the RPO market

Throughout 2008, the HROA studied the evolution of RPO, including the 2008 edition of the Global RPO Study.

4.6 RPO-focused events

The RPOA supported several RPO-focused events, including the Annual RPOA General Membership Meeting in April, several Webinars, Buyers Group Conference Calls, and the 2008 RPO Summit. More details on the summit below.

4.7 Established the RPOA SIG for EMEA

The European chapter brought into being a SIG focused on the issues facing RPO in EMEA. We look forward to many new developments in 2009 as this group gets underway.

5.0 Research and Standards

The HROA coordinated numerous efforts this year:

- Established first-ever global standard setting process;
- Published first-ever global practices;
- Reviewed extant HRO research and conducted numerous HRO research studies, including the Global HR Transformation study; and
- Published Vol 1 and 2 of the *HR Business Review*.



7.0 EVENTS

BRINGING HR TOGETHER

The Association increased its engagement with leading events in the HR services and outsourcing practice areas and continued its sponsorship of the HRO World Conference in New York City with LRP Conferences. The HROA also expanded its relationship with SharedXpertise for the HRO Summit, HRO World Europe Conference, and the RPO Summit, as well as the Fourth Annual HROA Awards Gala in New York.

Below are thumbnail sketches of each of the events.

Events in Thumbnail

4th Annual HROA Awards Gala™

As over 250 people gathered to honor the best in the industry, the Gala continued as the highlight of the social calendar for HRO executives. The 2008 theme was “Be Ingenious” and the nominees certainly reflected many ingenious contributions. Mr. Lowell Williams of EquaTerra was selected as the HROA’s Man of the Year and shared the stage with numerous organizations and individuals that added their ingenuity to our industry. Find a complete list of award winners at: <http://www.hroa.org/file/3974/2008-hroa-award-winners.html>. The 5th Annual HROA Awards Gala™ is already underway. The theme: “Be Innovative.”

EU Buyers Group Summits

The Association held three in-person meetings of the new

HROA European Buyers Group, an adjunct of the Large Market HRO Buyers Group. Meetings were held in London, Paris, and Brussels. These meetings will continue in 2009.

1st Annual HRO Summit

This event, held in conjunction with the Large- and Mid-Market HRO Buyers Groups brought together over 350 top HRO executives from a whole cross-section of companies. The first day was exclusively dedicated to the buying community with the remaining two days for the full summit. Attendance exceeded expectations for an inaugural event. The Summit also saw the introduction of the HRO Buyers Group Honors, awards selected by the buying community.

5th Annual HRO World Europe

Brussels once again welcomed the leading lights of HRO in

Europe. While facing a tough economic environment, many executives came to learn from one another how to guide their organizations through these difficult waters.

2nd Annual RPO Summit

The Gaylord National Hotel in Washington, DC became headquarters for the largest gathering of RPO leaders in the world. Held in conjunction with the RPO Users Group, the event gathered over 180 executives for two days, including a dedicated day for the RPO Users Group – their first-ever in-person meeting.

2009

8.0 A Prospective Look: 2009 Goals

While 2008 saw success in membership and revenue growth, standards setting, governance, expansion of offerings and special interest groups, and publishing, the Association is working hard for an even stronger 2009. Under the guidance of the Executive Committee and the Board of Trustees the HROA will accomplish the goals below. Each goal has a set of measures for assessing progress.

Improve membership services with a special emphasis on buyer services and engagement.

Each year the HROA looks to improve the services provided to members and ensure they gain a return on their investment in the Association. In 2009, the HROA will especially focus on recruiting and actively engaging HR practitioner/buyer members.

Measures include:

90% membership retention: Number of renewing members in 2009 divided by total members eligible to renew less members that ceased operations.

50% growth in buyer membership: New buyer members joining divided by total number of existing buyer members.

15% growth in non-buyer membership: All other members joining divided by total existing members.

Enhanced membership engagement: More communication with and between members through Webinars, conference calls, networking, and briefings compared with 2008.

Results of member satisfaction survey: Baseline satisfaction levels in 2009 and compare against 2010.

Continue to expand the role of the HROA as a standards-setter

This is the key to accelerating the growth and maturation of the industry. In 2009 the HROA will continue its relentless pursuit of a more open and transparent industry that provides greater levels of assurance to buyers.

Measures include:

Publish new standards and practices: Keep adding to the body of knowledge.

Graduate practices: Gather evidentiary research to demonstrate efficacy of practices and promote them to HROA Best Practices™ and/or HROA Standards™ as appropriate.

Overall growth of the industry: 2008 saw a slow down in deal activity. The HROA will evolve to ensure the industry expands in a healthy manner.

Improve finance & administration

The work of the HROA suffered in 2008 because of slow payment and collections of membership dues. The Association also acknowledges the need for better processes including new member on-boarding, renewals, invoicing, and collections.

Measures include:

Process improvement: Document and improve upon member on-boarding, renewals, invoicing, and collections processes

Implement new systems: Adoption of a global accounting system and CRM system by SharedXpertise.

Collections: Reduced Days Sales Outstanding.

Member satisfaction: As base lined in the member satisfaction survey.

Expand HROA's global footprint

The HROA will continue to invest in its regional chapters.

Measures include:

Growth in regional & global memberships: More regional and global members.

Expanded participation in regional programs: Increased number of and participation in region-specific programs.

Establishment of an Americas chapter: An established board of trustees focused on the Americas region.

2009

9.0 A Prospective Look: Resources

New Staff

In the continuous effort to improve service to members, SharedXpertise has added additional key resources and made them available to the HROA:

- Faye Holland, Executive Director, Europe: Ms. Holland joins us from IBM where she headed marketing for IBM's BPO business throughout Europe. She takes the reins at a critical moment in Europe and will head all operations there.
- Graham Corner, Executive Director, Asia: Mr. Corner has extensive experience in the HRO field in Asia and will lead the Asian Chapter's expansion and continuous improvement.
- Jennifer Ilko, Director of Membership Services: Ms. Ilko comes to us from Towers Perrin where she was the Program Manager for the Large Market HRO Buyers Group. Prior to Towers Perrin, she was at Hewitt Associates in their HRO practice. Ms. Ilko will focus on member services with a special emphasis on practitioner/buyer membership engagement.
- Vince Albergato, Director of Membership Development: Mr. Albergato previously worked at Kenexa, one of the leading RPO companies in the world. He will focus on recruiting new members, especially practitioner/buyer members.
- Grace Mutyebele, Events Manager, Europe: Ms. Mutyebele transitioned from the hospitality industry and will manage all European events and assist with member services at events.

Conclusion

With this New Year's Prospective, it is also an opportune time to say thank you to all of you who make the HROA the success that it is. A special thanks to all of members who spend countless hours participating in meetings, traveling to, attending and presenting at events, and lending their intellectual capital to the common goal of the Association to help accelerate the growth and maturation of the practice of HR around the world.

We look forward to working with you throughout 2009 and encourage you to become actively engaged in *your* HROA.

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