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Association Report 2008 Year-in-Review & 2009 Prospective



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Chairman's Letter

Dear Fellow Members,

2008 was a challenging year filled with historic accomplishments, dramatic changes, and unprecedented hurdles. At the HROA, we faced our own challenges and made some good progress as we continued to advance the state and practice of outsourcing HR services around the world. I'm particularly proud of several key accomplishments:

- **Membership growth:** Even in a down economy, we achieved our objective of 15% growth.
- **Organizational resiliency:** We navigated several key transitions this year, including a smooth transition from the previous Executive Committee to our current Executive Committee which includes me, Vice Chairman John Hindle of Accenture, Secretary-Treasurer Mary-Sue Rogers of IBM, Sharon Taylor of Prudential in her new role as Chair-Emeritus, and Richard Crespin as the Global Executive Director. We also have access to additional staff from SharedXpertise to support our members, including Faye Holland as Executive Director for HROA Europe, Graham Corner as Executive Director for HROA Asia-Pacific, Jennifer Ilko as Director of Member Services, and Vince Albergato as Director of Membership Development.
- **Organizational maturity:** In an effort to expand member involvement in the enhancement and management of processes, we added three sub-committees to the Executive Committee framework. They're off to a great start providing additional oversight and guidance necessary to take the HROA to the next level. These sub-committees include:
 - Governance Committee, sponsored by John Hindle: Formed to refine our governance model and management processes to reflect best governance practice as the HROA continues to mature and grow;
 - Budget and Audit Committee, sponsored by Mary Sue Rogers: Formed to bring financial discipline to our fiduciary responsibilities as a Board of Trustees; and
 - Service Oversight Committee, sponsored by Sharon Taylor: Formed to provide guidance and direction on the core services the HROA needs as it evolves.
- **Standards & practices:** We established an official process for setting standards and practices for the HRO industry and published the first-ever HROA Recommended Practices. Work continues into 2009 and is ever evolving.
- **Expanded scope and relevance:** We continued to expand opportunities for members to engage in their areas of interest, ensuring the HROA remains relevant to this fast-changing industry. As part of this effort, we continued to invest in the RPO space through our RPO Alliance and will soon officially merge the RPO Alliance and RPO Association under the auspice of the HROA. We also added several Special Interest Groups covering User/Buyer Groups for Large Market, Mid-Market, and RPO practitioners.



With that said, there are several areas where we fell short and to which we dedicate ourselves to closing the gap in 2009:

- **HRO buyer engagement:** The HROA represents all participants in the HR transformation community. To do so effectively, we need to increase the services for, engagement with, and number of HRO buyer members. SharedXperts has dedicated resources focused on membership development and services to close this gap. At the same time, we need the active involvement of all members to help recruit and retain great HRO executives.
- **Administration:** Throughout 2008, we struggled with dues collections and effective new member on-boarding and processing. Specific goals have been established and are already well under way for the adoption of new processes, systems, and staff focused on improving membership services and development. These changes will not only set us in good stead for additional growth in 2009 but also enable us to better serve existing members.
- **Immediate-term ROI:** Membership in the HROA is a multi-year, philanthropic investment. Members come together to contribute time and resources to accelerate the growth and maturation of the market as well as to advance their own professional and organizational objectives. In 2008 we focused on a number of initiatives (e.g., standards and practices) to advance the industry as a whole. In 2009 we will continue to focus on these initiatives while also expanding our focus on delivering near-term returns on investment to members on objectives more closely aligned to their own professional and organizational goals.

I hope that each of you will actively engage in helping us achieve these objectives and realize the mission of the HROA to accelerate the growth and maturation of the HRO market. More details on each of these accomplishments for 2008 as well as plans for 2009 are included in the pages that follow. At your convenience, please review these and feel free to contact any member of the staff or board should you have any questions.

Remember, this is your Association and you as members are what make it the success that it is. I encourage each of you to become more involved in the Association and foster your passions. I'd like to extend a special thanks to all of our 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 outsourcing HR-related services around the world.

I look forward to working with you and continuing my service as your chairman.

Sincerely,

A handwritten signature in black ink that reads 'Ernest M. Lareau'.

Ernest M. Lareau

Director HR Shared Services, DuPont
Chairman, HROA



HROA Leadership

Global Executive Committee

- Chairman: Ernie Lareau, DuPont
- Vice Chairman: John Hindle, Accenture
- Secretary-Treasurer: Mary-Sue Rogers, IBM
- Chair Emeritus: Sharon Taylor, Prudential
- Global Executive Director: Richard Crespin, HROA

Global Board of Trustees

- LeAnne Andersen, Best Buy, Large Market Buyers Group Chair
- Pam Berklich, Kelly OCG, Trustee
- Jason Berkowitz, Hyrion, RPOA Chairman
- Mike Brannan, Cartus, Trustee
- Yvette Cameron, SAP, Trustee
- Gerry Clarke, TPI, APAC Chapter Chairman
- Rosemary Collins, TPI, Trustee
- Glenn Davidson, EquaTerra, Public Sector SIG Chair
- Guy-Joel de Lhoneux, Europe Chapter Co-Chair
- Shelia Gray, ABB, RPO Buyers Group Co-Chair
- Lisa Knutson, E.W. Scripps, Mid-Market SIG Chair
- Kathy Kostrzewa, Avon, Trustee
- Arthur Mazor, Fidelity, Trustee
- Terrence McCrossan, ADP, Trustee
- Linda Merritt, Research & Standards Committee Chair
- Rodney Moses, Coca Cola Enterprises, RPO Buyers Group Co-Chair
- Chris Rittenmeyer, ExcellerateHRO, Trustee
- Akiba Stern, Morgan Lewis, Trustee
- Phil Stewart, Kenexa, Trustee
- Lowell Williams, EquaTerra, Trustee
- Mike Wright, Hewitt Associates, Trustee

Europe Chapter Board of Directors

- Darren Bartholomew, Selex Galileo
- Tabor Beles, Oracle
- Mark Blatchford, Unilver
- Elly Bond, Chevron
- Luc Bossaert, NorthGate Arinso
- Yvette Cameron, SAP
- David Heath, Alexander Mann
- Anthony Hesketh, Lancaster University Management School
- Hans Jansen, ADP
- Sarah Manning, BT
- Tim Palmer, PA Consulting
- Ignacio Palomera, HR Access
- Luigi Pierleoni, Procter & Gamble
- Sarah Seabury, TPI
- Bill Thomas, EquaTerra
- Bernard Tommasini, Kelly Services
- Gerald Williams, ExcellerateHRO
- Sonia Van Ballaert, IBM

Asia-Pacific Chapter Board of Directors

- Kumar Bhaya, Kelly Services
- Celina Fung, Oracle
- Gavin Hockey, ADP
- Geraldine Loh, IBM
- Jeff Lupinacci, Intel
- Paul Jeyaraj, Arinso Northgate
- Norbert Krebs, Accenture
- Chadra Radhakrishnan, Convergys
- RU Srinivas, Caliber Point
- Lake Wang, Maersk



2008 Year-in-Review

Overview

2008 challenged the HROA. Despite setbacks caused by staffing disruptions and the acquisition of the Association's management services provider, SharedXpertise, the HROA made concrete progress in accomplishing its mission, growth in membership, and service to the HR Outsourcing community. Following are details of some of the most significant accomplishments. Goals for the Association designed to set the HROA on course to continue building from strength to strength throughout 2009 are detailed later in the document under the section 2009: A Prospective Look.

Governance

Your Association made several key investments in governance to ensure a successful transition of leadership and the implementation of sound outsourcing governance practices. These decisions will help ensure the Association:

- Retains an appropriate level of management oversight as it grows to ensure the smooth running of the HROA,
- The continued focus on its core strategy and mission,
- Member conduct, and
- The role of the Association as an industry standards setter.

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 Second Chairperson, Ms. Sharon Taylor of Prudential, to the HROA's Third 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 flowed from the guidance of the Executive Committee and its oversight of the Board of Trustees.

Established an overarching global governance model

High on Chairman Lareau's priorities was a review of the HROA's global governance. As a result of this review, the Board of Trustees voted in September to establish three new Committees of the Board: Governance, Finance, and Service. These committees oversee the HROA's global governing structure and processes; budget, finance, and administration; and services to members respectively.

- Governance Committee. The Governance Committee made its report to the Board of Trustees at its November meeting. Key recommendations included:
 - The establishment of a new global operating structure for the Association, with regional chapters in the Americas, Europe, and Asia Pacific, under the leadership and oversight of a global Board of Trustees
 - Recruitment of a senior executive to assist the Executive Committee in the day-to-day oversight and management of the Association's service provider
 - The development of a conflict-of-interest policy for Trustees of the Association to ensure transparency in all decision-making

The Board of Trustees voted to adopt these recommendations, and appointed a search committee to recruit the senior executive.

- Budget and Audit Committee. This Committee has met to discuss the financial state of the HROA, review proposals from independent audit firms, and to set the 2009 budget.
- Service Oversight Committee. This Committee will provide guidance to the Association's service provider and oversee the effective provision of service to its membership.

Instituted a standards-setting process

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 HROA Board of Trustees, contemplates a multi-step process for adopting standards and practices based on a consensus-driven approach that allows for transparency and broad member and public input. The committee designed the process to:

- Develop lasting industry 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, the experts in their respective fields, to put forward the best and current practices and then develops consensus around what represents 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 and member input. One precondition for effective standards is that they are set through an open process that allows multiple perspectives to be considered. This standards setting and maintenance 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, standards must be kept up to date and made accessible. The HROA uses its publishing outlets to make the standards available.¹

Once adopted, an item initially becomes an HROA Recommended PracticeTM. This designation indicates that the practice has been subject to peer review, a majority of members of the Research & Standards Committee have confirmed the efficacy of the practice, and the HROA endorses its adoption by members. After having been in use for enough time to gather data on the effectiveness of the practice it may be considered to become an HROA Best PracticeTM. Such a practice has evidentiary research demonstrating its effectiveness and that evidence has been peer reviewed. With this designation, a practice is highly recommended for adoption by all members of the HROA. Lastly, a practice may be considered for elevation to HROA StandardTM. Such a practice is of such importance that the HROA feels a member would be doing harm to itself or the industry if it did not adopt it.

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/file/3777/hro-industry-standards--practices.html>

Standard setting is itself part of a larger, multi-year and multi-phased approach toward established industry standards, greater transparency, and ultimately, member accreditation. Industry standards are a necessary precursor to the accelerated maturation of the practice of HR 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.

Adopted an HROA Code of Conduct

As a trade organization representing all those who participate, practice, provide, and advise on HRO services, the HROA brings together a broad cross-section of companies. In doing so, the possibility exists for anti-competitive behavior. To help prevent such behavior, the Board of Trustees adopted a Code of Conduct for all HROA members. This code provides guidelines for all members in how to comport themselves during meetings and in performing the work of the HROA to ensure the HROA maintains its role as a pro-competitive organization helping to facilitate the advancement of the HR community. For more information on the code, please contact the HROA at info@hroa.org.

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

¹ Source: "Setting & Maintaining Standards for the HRO Industry: Process & Procedure," HROA, ©2008.



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).

Expansion of Scope

The practices of HR services and outsourcing evolve rapidly. To remain relevant, the HROA strives to evolve in-line with the state of practice. Reflecting that, the HROA added new groups and continued to successfully invest in Special Interest Groups (SIG) and Regional Chapters. Management of the growing number of SIGs and affinity groups will be a priority for the Executive Committee in 2009, with support from the Governance Committee and the regional chapter boards of directors.

Expanded relationship with Large Market HRO Buyers Group

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

The first day of the 2008 HRO Summit in Tampa, FL (October 21 – 23), was dedicated to the HRO Buyers Group and its semi-annual summit. Turnout was excellent for this event with almost 30 unique buyer organizations in attendance along with numerous other new and prospective members. Overall, the HRO Summit was a big hit. In its inaugural year, it exceeded attendance goals with over 150 delegates and numerous speakers and sponsors. The HROA would especially like to thank the Keynote Sponsor, SAP, and the Marquis Sponsor, Accenture, as well as the Gold Sponsors, IBM, ADP, Ceridian, Hewitt, and Rideau Recognition Solutions.

Established a Mid Market HRO Special Interest Group

HR services and outsourcing have traditionally worked well for very large and very small companies, with an underserved group in the middle market. In 2008 more employers began demanding an approach to HR outsourcing that would provide greater stability and assurance of results. This trend has impacted all parts of the HRO market and especially mid-sized companies. As a result, the HROA established a Mid-Market Special Interest Group to serve these companies. It quickly became apparent that 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 continue to refine its efforts and look at how to meet its overall mission, which may include evolving in collaboration with the Large Market HRO Buyers Group.

Established the North American IPMA-HR/HROA Special 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.

The year also included continuous investment in the RPO community and in the regional chapters. More details on each of these follow.

RPO

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

Merger with the RPO Association

Two organizations were founded virtually simultaneously to serve the RPO industry: the RPO Association and the RPO Alliance. To bring greater clarity to the market, the leaders of these organizations agreed to come together this past year and form a new, united organization under the auspice of the HROA. This new organization, which will take on the name RPO Association (RPOA), will continue and expand the great work of its two predecessor organizations. The merger is projected for final completion in early 2009.

As part of this effort, the two organizations jointly designated an interim Board of Directors and elected an interim chairman, Mr. Jason Berkowitz previously of Hyrian. Chairman Berkowitz and the interim board will shepherd the organizations through this transition. Already, the board has approved and set forth a new combined set of bylaws, membership criteria, and governance model and has mapped out a process for transferring existing memberships to the new organization. They have also created infrastructure and the supporting governance necessary to manage the new combined Special Interest Group under the auspice of the HROA.

Established the RPO Users Group

One of the enduring goals of the Association is to build a vibrant community for HR executives and users of HRO and RPO services. To that end, 2008 brought the establishment of a formal RPO Users Group under the leadership of Ms. Shelia Gray of ABB and Mr. Rodney Moses of Coca-Cola Enterprises who will co-chair the group. In December at the 2008 RPO Summit, the group held its first-ever in-person meeting and set forth an ambitious agenda for 2009, outlining objectives for the RPO Users Group and the RPO buying community.

Developed a consensus definition of RPO

This may sound like a small achievement, but this brings into a fruition something that has literally been years in the making. Arriving at a consensus of what constitutes RPO – what's included in the scope of an RPO engagement – completes this work and the RPOA Board approved a consensus definition. The definition as approved is:

Recruitment Process Outsourcing (RPO) is a form of business process outsourcing (BPO) 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.

Completed an RPO Assessment Guide Tool

The RPOA Business Tools & Research Committee completed an assessment guide that was designed to be a valuable component in assisting companies as they determine not only their internal needs but the value of RPO to their businesses

Continued in depth study of the RPO market

Throughout 2008, the Association continued to study the evolution of the RPO market with numerous surveys and other research projects, including the 2008 edition of the Global RPO Study.

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.

Established the RPOA SIG for Europe

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

Greater Regional Focus

Despite significant staff turnover, the HROA Europe Chapter continued its growth in 2008 and was joined by a growing, if still nascent, chapter in Asia. The global governance review begun by Chairman Lareau also resulted in the identification of a need for an Americas Chapter. The global board of trustees had been acting as both the global board and the Americas board. The separation and development of an Americas chapter will follow the same format as that already established for both the Europe and Asia Pacific regions and will allow the Global Board of Trustees to focus on global governance initiatives.

European Highlights

Chapter Co-Chairmen, Messrs. Guy-Joel de Lhoneux and John Hindle, together with the European Operations Committee, led a multi-pronged set of initiatives as part of its "Strategy Into Action" (SIA) focus, coordinated by specific committees:

- **Governance:** This committee helped to define a "Strategy Into Action" plan that guided all of the Chapter's activities.

- Research & Publications: The publication of the First and Second Editions of the *HR Business Review* formed the main achievement of this committee.
- Standards & Benchmarking: The committee considered a number of issues specific to standards in the European Union and made numerous contributions to the Global Standards & Practices Initiative, not the least of which was a global taxonomy.
- Marketing: This committee oversaw the creation of several outreach programs and a standardization of the HROA's European marketing materials.
- Education: Examined ways of engaging with European educational institutions to improve the preparation of HR professionals to take on the modern responsibilities of an HR executive.

The chapter continues to grow and is in the process of updating its SIA with the intent to expand further in 2009.

Events

The HROA increased its engagement with leading HRO events. The HROA continued to sponsor the HRO World Conference in New York City with LRP Conferences. The HROA also expanded its relationship with SharedXpertise for the HRO Summit, the HRO World Europe Conference, and the RPO Summit, as well as the Fourth Annual HROA Awards Gala in New York.

Fourth Annual HROA Awards Gala™

With over 250 people gathered to celebrate and honor the best in the industry, the Gala continued to be the highlight of the social calendar for HRO executives. The theme of this year's gala 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 other organizations and individuals that added their ingenuity to the HRO industry. The Fifth Annual HROA Awards Gala™ is already underway, with the theme of "Be Innovative."

European Buyers Group Semi-Annual 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.

First 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.

Fifth Annual HRO World Europe Conference

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.

Second 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.

Research and Standards

As addressed earlier, the Global Research & Standards Committee and the European Workgroup on Standards & Benchmarking coordinated numerous efforts this year, including:

- Established first-ever global standard setting process;
- Published first-ever global standards and practices;
- Reviewed existing HRO-related research and capabilities both within the HROA and in the general market;
- Published the first and second volumes of the *HR Business Review*; and
- Conducted numerous HRO studies, including the Global HR Transformation Study.

2009: A Prospective Look

The Year Ahead

While 2008 saw many successes in the areas of 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. The following section provides some highlights of what to look forward to this year.

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.



2009 Goals

Under the guidance of the Executive Committee and the Board of Trustees the HROA will look to accomplish the goals outlined below. Each goal has a set of performance 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: The total number of members renewing in 2009 divided by the total number of members eligible to renew less any members that ceased operations in the prior year.
- 50% growth in buyer membership: The total number of new practitioner/buyer members that join divided by the total number of existing practitioner/buyer members.
- 15% growth in non-buyer membership: The total number of all other members that join divided by the total number of existing members
- Results of annual member satisfaction survey: Conduct an ongoing annual membership satisfaction survey.

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

This role is the key to the HROA's overall mission to accelerate the growth and maturation of the HRO services and transformation industry. Throughout 2009 the HROA will continue its relentless pursuit of outcomes that drive toward a more open and transparent industry that provides greater levels of assurance to buyers of services. Measures include:

- Publish new standards and practices: Continue to add to the total body of knowledge with new standards and practices.
- Graduate existing practices to higher levels of practices and standards: Gather evidentiary research necessary to demonstrate the efficacy of the practices adopted to date and promote them to become 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 as needed to ensure the industry continues to expand in a healthy manner.

Further improve finance and 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. The HROA will accomplish these objectives by working with our management company, SharedXpertise, to document and improve upon the



processes in question and implement new systems, including the adoption of a global accounting system and CRM system by SharedXpertise. Measures include:

- Collections: Reduced Days Sales Outstanding.
- Member satisfaction: As base lined in the member satisfaction survey.

Continue to expand the HROA's global footprint

The HROA will continue to invest in its regional chapters. Measures include:

- Growth in regional and global memberships: Increased regional and global memberships.
- 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.



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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