



**Conference on
Risk Management Strategies and Practices in Global Sourcing:
Emerging Challenges and Solutions for Globalizing Enterprises**

Conference Hosted and Sponsored
By:



**June 18 Conference
The Down Town Association
60 Pine Street, New York, NY 10270**

“The global economy appears to be entering an epoch in which governments are reasserting their role in the lives of individuals and businesses. Once again, barriers are rising. Call it the new nationalism.”

The Wall Street
Journal, Apr. 28 2008

The Global Sourcing Council is a non-profit organization providing a forum for the exchange of ideas and to help define practices in global sourcing, trade and investment. The Global Sourcing Council has organized a conference to address emerging issues and solutions in managing risks in global sourcing of goods and services.

The 2008 Risk Management in Global Sourcing conference will review the increasingly challenging regulatory and risk conditions affecting global sourcing and identify mission-critical strategies for assessment and mitigation of offshoring, outsourcing and global development. Enterprise customers and service providers alike face new concerns about the changing economic, social and political climate that could increasingly balkanize trade in global services and defeat the economies of scale, benefits of specialization, global human capital development and value arbitrage in today’s market. Specifically, the conference will give you an opportunity to:

Learn how the world economic slowdown is establishing new risks in global service industries and global enterprises engaged in offshore outsourcing and special-purpose administrative services subsidiaries.

Hear recommendations on non-traditional measures of risk and

new risk-mitigation tools and techniques to mitigate such risks.

- Determine whether there is an adequate business case for measuring the impact of your strategic sourcing program upon global business development and human capital development on both sides of the sourcing relationship.
- Understand the best practices of global services from the standpoint of business continuity, corporate preparedness, human capital management, business process management and political risk management.
- Find solutions to your individual risk management challenges.
- Develop tools, strategies and tactics to help implement a corporate program for socially-aware risk mitigation in global services.

Who Should Attend?

This conference is addressed to senior business executives and those responsible for development and implementation of global sourcing strategies. This includes:

- Senior Vice President, Administration
- Strategic Purchasing and Procurement
- External Alliance Partner Managers
- Corporate Development Officers
- Corporate Responsibility Officers
- Corporate Risk Managers
- Chief Legal Officers
- Chief Security Officers
- Chief Information Officers
- Risk Intermediaries
- Global Operations Managers
- “Business Continuity Team” Members



Co-Chairs

William B. Bierce, Attorney, Bierce & Kenerson, P.C.; Publisher, www.Outsourcing-Law.com.
Wanda Lopuch, Ph.D., President, ADM Associates, Inc.

Agenda, June 18, 2008

8:15 am Registration and Coffee at The Down Town Association, 60 Pine St., Manhattan. For directions, see www.thedowntownassociation.com.

8:45 am **Opening Remarks** by **Ty R. Sagalow**, President, AIG Product Development

9:05 am **Keynote**

Investing in the Services Industry in Times of Global Uncertainty

The current constellation of economic, social and political risks is leading seasoned global investors to demand new strategies for global service providers.

- Hear how financial and investment professionals define their framework for identifying and quantifying risks in emerging markets.
- Listen to their points of view on how to identify risk-weighted investment opportunities from a macroeconomic and microeconomic perspective, as well as the role of internal company policies and strategies on human capital in outsourcing of IT, Business Processes and Knowledge Processes such as legal, engineering, marketing and market research.

Keynote Speaker: **Paul Bennett**, Ph.D. Chief Economist and Senior VP, NYSE Euronext

9:45 am

Panel

Managing Risks: Identifying Key Conflicts and Tensions in Global Sourcing as Seen by the Enterprise Client

The benefits of free trade in services under WTO agreements have spread worldwide, opening new markets for specialized service providers in countries with abundant, well-educated labor and world-class telecommunications and IT. However, the glory days are under challenge due to heightened concerns about privacy, security, business continuity, the end of tax holidays, the limitations and conditions on new foreign direct investment, declining cost advantages, global integration of corporate infrastructures, the availability of robust collaboration technologies, automation and self-service.

Within this framework, human capital management, knowledge management and becomes a strategic issue relating to organizational competitiveness and the ownership, control and adaptability of essential business processes.

Learn how human capital development, the flattening of corporate hierarchies and political and regulatory challenges are changing the landscape of global organizations.

10:20 am

Q&A

10:30 am

Coffee Break and Networking

10:45 am

Managing Risks: Identifying Key Conflicts and Tensions in Global Sourcing as Seen by the Service Provider

The slowdown in the U.S. economy has an impact upon trading partners. Service providers have their own risks of dealing with currency fluctuations, human capital management issues such as labor conditions, training, customer-specific training, scalability, attrition and business visas. In addition, they need to manage capital investment as well as business development. All of these changes need the attention of senior executives to craft and implement solutions.

Hear about the risk management challenges confronted by senior executives of service providers as they try to remain separate yet integrate into the enterprise client's infrastructure and functional organizations.

Speaker: **Rohit Kapoor**, President and CEO, EXLService, Inc.



“Globalization has changed us into a company that searches the world, not just to sell or to source, but to find intellectual capital - the world's best talents and greatest ideas.”

Jack Welch, Former CEO of General Electric



Agenda, June 18, 2008 (Continued)

11:20 am

Panel Discussion

The Multiple Dimensions of Risk in Global Sourcing and Supply Chain Management:

Global sourcing and supply chain management involve many dimensions of risk. In the BPO context, risks include political risks, disaster recovery, business continuity, intellectual property infringement, regulatory liability, privacy /security breach, reputational injury. As service providers climb the value chain to deliver “knowledge process outsourcing,” professional liability becomes a further risk. Certain risks can be allocated by contract, avoided by force majeure provisions or mitigated by best practice management. Effective governance structures and procedures help to avoid disputes. Yet risk mitigation using contracts and relationship governance still leaves gaps in exposure.

- Understand the different types of insurance coverage available to global enterprises. In particular, hear about new products and services that address the risks inherent in cross-border business process outsourcing.
- Learn about integrated insurance solutions for global services.
- Explore the impact of comprehensive insurance packages that have been used to transfer risks that concern both the enterprise client and the service provider in a cross-border BPO setting.

Moderator:

Ty R. Sagalow, President, AIG Product Development

Insurance Underwriter:

Colin Buchanan, Global Product Head, AIU

Insurance Product Developer:

Karen O’Reilly, NPD Director, Lexington Insurance Company

Insurance Product Developer:

Richard M. Lagani, COO and Senior Vice President, AIG Products and Service Development

“The era of easy globalization is over.”

Daniel Yergin, author of Pulitzer-prize winning *The Commanding Heights*

12:20 pm

Government Policy and the Rule of Law – Political Impact on Global Services

The U.S. Presidential campaign raises the probability of significant legal and regulatory changes in U.S. law and treaties governing the infrastructures and transactional frameworks for global services. Domestic policies fit within shifting global policy and regulatory frameworks governing global sourcing practices. Identify the key social and economic policies of the presidential candidates. Evaluate the probabilities of change. In this session, you will learn:

- Public policy issues challenging global services.
- How your organization can anticipate and adapt to pending and prospective legislation.
- Next steps for developing a program that combines legal, social, political and economic mandates.

Speaker:

William B. Bierce, Attorney, Principal, Bierce & Kenerson, P.C.; Publisher Outsourcing-Law.com

Q&A

12:45 pm

LUNCH

12:55 pm



Agenda, June 18, 2008 (Continued)

2:00 pm

Panel Discussion

Futurizing Business Relationships – Impact of Diversification Strategies using Social, Legal and Political Perspectives

Diversity of supply sources is a classic method for managing risk. Learn how various diversity initiatives can lead to a balanced risk portfolio. The panelists will identify and explore diversification across several spectra, including human capital, social impact, legal and regulatory frameworks and political environments.

Moderator: **Peter Temes**, President, the I L O Institute; Author of books “The Power of Purpose” and “Teaching Leadership” (HBR).

Panelists: **Stan Lepeak**, Managing Director, EquaTerra Research
Phil Fersht, Research Director, BPO, Offshoring and IT services Enterprise Strategies Group, AMR Research Analyst, Research Analyst, BPO
Vincent Sanchez, Attorney, Partner, DLA Piper USA, LLC

3:00 pm

Case Study

Confronting Business and Financial Impact of Supply Chain Risks in Global Sourcing – A Practitioner’s Journey into Sustainable Sourcing Practices

Association with foreign sourcing has significant value and risk to corporate branding and customer goodwill. Practices adopted by foreign suppliers in human resources and environmental management have demanded significant investment in legal and managerial resources, as well as on consumers, shareholders and other domestic stakeholders.

- Hear the lessons learned in the consumer products industry in dealings with environmental and social activists concerned about foreign supplier practices.
- Review the impact on “codes of conduct” in the global services arena.

3:45 pm

Finding a New Balance in Risk Management: Can Global Sourcing Be Commercially Viable and Socially Sustainable?

Sustainable global trade in services depends on an equilibrium balancing risk assessment, management and mitigation. Outsourcing and offshoring will need to accommodate continuing changes in legal, regulatory, social and political climates.

- Examine key issues in the design and management of strategic sourcing where the enterprise customer is seeking to optimize economic benefits and minimize business and regulatory risks.
- Consider and define your own best practices that incorporate a variety of risk management and mitigation strategies.

Introduction: **David Kinnear**, CEO, Lisnagol Ventures

4:15 pm

Closing Remarks

5:00 pm

“Members Only” Reception with Consular Dignitaries

Venue: American International Building, 70 Pine Street, 60th Floor

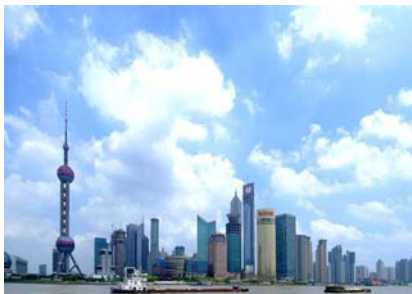


“The whole issue of outsourcing is enormously important . Not only are blue collar jobs being exported now, but you have got white collar jobs going to India and Singapore, and so people feel enormous economic insecurity and that has to be priority Number One.”

Barrack Obama, US Senator from Illinois



Speakers' Biographies



“We must ensure that the global market is embedded in broadly shared values and practices that reflect global social needs, and that all the world's people share the benefits of globalization.”

Kofi Annan, Former Secretary General, United Nations



Paul Bennett is Chief Economist of NYSE Euronext. Before joining the NYSE in 2001, Mr. Bennett was a Senior Officer and Economist of the Federal Reserve Bank of New York, where he had worked since 1978. At the Fed, Mr. Bennett headed the Capital Markets Research division, was editor of the Bank's research journal and, prior to that, vice president for Fedwire Funds and Securities Transfers, among other responsibilities. Mr. Bennett holds a Ph.D. in economics from Princeton University and a B.A. in economics from the University of Chicago.



William Bierce co-founded Bierce & Kenerson, P.C. in 1990. He focuses on corporate, commercial, technology, international business and financial outsourcing transactions. Mr. Bierce has undertaken extensive transactional responsibility in representing companies with outsourcing relationships and service captives. His practice address global strategic and transactional issues in governance, risk management compliance and supply chain management. He service diverse industries including information technology, telecommunications, publishing, healthcare, energy, manufacturing, insurance, banking and financial services. Mr. Bierce holds degrees from Yale University, University of Grenoble Law Faculty in France, and New York University School of Law.



Philip Fersht is an acknowledged industry analyst and advisor across Outsourcing and IT services worldwide. He has served as an advisor on over 50 major outsourcing and offshoring engagements and brings over 13 years business experience. Mr. Fersht has also previously served as a senior executive for Deloitte Consulting's Outsourcing Advisory Services, as well as Vice President, BPO Research, for Everest Group. He has been named both an "FAO" and "HRO Superstar" by FAOToday. Fersht holds a BS, with honors in European Business and Technology from Coventry University, UK and a Diplome Universitaire de Technologie in Business and Technology from the University of Grenoble, France.



Rohit Kapoor is President & CEO of EXLServices, Inc. As a former business head at Deutsche Bank, Rohit Kapoor led a marketing team that serviced clients in Europe, the Middle East and the Indian Sub-continent. He also managed the venture capital and private equity investments both in the U.S. and Indian TMT sectors. Mr. Kapoor has also been involved in the structuring of their investments. Prior to Deutsche Bank, he worked for eight years with Bank of America, five of which were in Private Banking in New York and three in Corporate Banking in India. Rohit holds a B.Tech from IIT Delhi and an MBA from Indian Institute of Management, Ahmedabad, India.



David Kinnear is President of Lisnagol Ventures, a sourcing advisory and consulting firm.

Speakers' Biographies (Continued)



"If you deprive yourself of outsourcing and your competitors do not, you're putting yourself out of business."

Lee Kuan Yew, Former Prime Minister of Singapore



Richard M. Lagani is Chief Operating Officer and Senior Vice President of AIG Product Development. AIG Product Development is charged with global development of insurance products and programs in the general insurance segment. AIG is the world's leading international insurance and financial services organization. Prior to joining AIG Product Development, Mr. Lagani served as Assistant General Counsel with AIG and Contracts Manager of AIG Global Reinsurance Services Division. Previously in private practice, Mr. Lagani served the needs of small to mid-cap businesses in insurance-related matters and served as a liaison with state regulators regarding contractual and compliance issues. Mr. Lagani is a cum laude graduate of New York University and holds a law degree from Vanderbilt School of Law.



Stan Lepeak is a Managing Director of Research at EquaTerra, the leading global sourcing advisory services firm. Between 1994-2004, Mr. Lepeak spent eight years at the META Group, a market research and advisory services firm, as Vice President and Research Lead for the business and IT services marketplaces. Mr. Lepeak was also an executive at Elance, an enterprise software firm developing enterprise applications for sourcing and managing business and IT services, and Ajunto, an IT software, services and research firm. He holds a degree in international relations from the University of Michigan and completed post-graduate studies in business administration and public policy.



Ty R. Sagalow is President of AIG Product Development. Mr. Sagalow joined the AIG companies in 1983 and has had several executive and legal positions with the group, including Chief Operating Officer of AIG eBusiness Risk Solutions and Chief Underwriting Officer and General Counsel of National Union Fire Insurance Company of Pittsburgh, PA. Mr. Sagalow is considered an expert in cyber-insurance as well as directors and officers liability insurance. His many works include: *@Risk: Internet and E-Commerce Insurance and Reinsurance Legal Issues* and *Directors & Officers Insurance Handbook*. He has chaired or co-chaired several congressional and executive branch task forces in the area of cyber-risk management. He is a summa cum laude graduate of Long Island University; a cum laude graduate of Georgetown University Law Center; and holds L.L.M from New York University School of Law.



Vincent Sanchez is a Partner at DLA Piper, LLP and Chair of the US Technology and Sourcing Practice Group. Mr. Sanchez is experienced in advising Fortune 500 companies, as well as emerging companies, in the acquisition, divestiture, and licensing of various technologies, products, and services either for strategic use in their businesses or for distributing, licensing, or commercializing such products or services to third parties. In 2005, he was designated an Illinois Super Lawyer in a research project jointly conducted by Law & Politics and Chicago magazines. In 2007, he earned rankings from Chambers for his work in Technology and IT Outsourcing in Illinois and as an Up and Coming DLA lawyer for his work in Business Process Outsourcing nationally. Mr. Sanchez holds an M.B.A. from Northwestern University 2003; J.D., University of Notre Dame 1994; and B.A., University of Notre Dame 1991.



Peter S. Temes, Ph.D is the Founder and President of the I L O Institute. Dr. Temes began his career as a full-time member of the Harvard University Faculty of Arts and Sciences. Peter has led research initiatives for Goldman Sachs, Ernst & Young, Infonet Services (now a unit of British Telecom), Prodigy Internet, BankOne, and many other companies in the technology, finance and consumer marketing sectors. Peter has also served as President of the Antioch New England Graduate School. He is the author and editor of several books, including *Teaching Leadership*, *The Just War*, and *Against School Reform*. Peter holds a Ph.D. and three master's degrees from Columbia University.



GSC | THE GLOBAL SOURCING COUNCIL

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Registration Fees (payable in advance or at the door)

Global Sourcing Council Members	\$200
Non-Members	\$275
New individual membership package (includes conference)	\$350
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Communications

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Registration

Photo identification will be required to enter the building. Please be advised that your presence and participation as a member of the audience during the recording of the Global Sourcing Council Event, June 18, 2008 constitutes your permission to The Global Sourcing Council, Inc. to use any recording of your image and/or voice for promotional or broadcast purposes.

Directions

Located near the New York Stock Exchange and the New York Federal Reserve Bank, The Down Town Association at 60 Pine Street is in the heart of New York's Financial District. Pine Street is parallel to Wall Street and one block north of Wall Street. The Down Town Association is three blocks east of Broadway and Trinity Church on Broadway. For a local map, visit Google Maps www.google.com/maps and search for "60 Pine Street, New York, New York" or visit www.thedowntownassociation.com.

Subway:

- Wall Street Station* (MTA #4 or #5 lines) [Go north on Broadway, turn right onto Pine Street, walk 2½ blocks].
- Wall Street Station* (MTA, #2 or 3 lines) [Go north on William Street, turn right onto Pine Street, walk 1½ blocks.]
- Broad Street Station* (MTA, J, M or Z lines).



Mission Statement

The mission of the Global Sourcing Council is to promote an exchange of ideas and information among businesses, trade organizations, government agencies, non-profit organizations, and academia; to discuss and define practices in global sourcing; and to encourage progressive economic growth leading to increased trade, investment and social good, all with an aim to increase knowledge, deepen trade relations and broaden commercial and cultural ties among nations.

Goals

As a non-profit trade association recognized by the Internal Revenue Service under Section 503(c)(6) of the Internal Revenue Code, the Global Sourcing Council has the following goals that are keys to achieving its mission and charter:

- Provide an open forum – independent and neutral - for discussion of issues surrounding global sourcing and its social, economic and business impact.
- Create an environment, leveraging the competencies of businesses, academia, and government agencies, where ideas and solutions are identified that are transformational in their ability to bridge the gap between the pure business aspects of sourcing relationships and the important social impacts of these relationships.
- Act as an independent information and advisory body for participants in sourcing relationships.
- Provide support to country trade representatives globally in their efforts to work with service providers and highlight their countries' service offerings.
- Publish white papers and thought pieces on key issues in global sourcing, including identifying emerging best practices in the market-place.

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