

SAVINGS FROM OFFSHORING

Estimated *Fortune* 500 labor cost savings in billions from offshoring processes by moving them overseas or transforming them to optimize efficiency and then moving them, 2007.

TOTAL FOR FORTUNE 500

Lift and shift \$58.1 billion
 Transform \$55.2 billion
 Transform and shift . . . \$91.1 billion

TOTAL FOR A TYPICAL FORTUNE 500 COMPANY

Lift and shift \$116.2 million
 Transform \$110.4 million
 Transform and shift . . . \$182.3 million



HUMAN RESOURCES

Lift and shift \$7.8B
 Transform \$9.8B
 Transform and shift . . \$15.5B



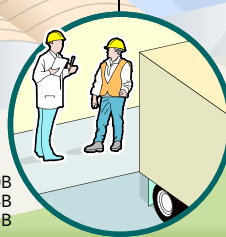
FINANCE

Lift and shift \$16.1B
 Transform \$36.6B
 Transform and shift . . \$42.2B

XYZ CORP.

PROCUREMENT

Lift and shift \$5.0B
 Transform \$7.4B
 Transform and shift . . \$11.5B



INFORMATION TECHNOLOGY

Lift and shift \$29.3B
 Transform \$1.4B
 Transform and shift . . \$22.0B



Note: The Hackett Group defines "lift and shift" as moving back-office processes overseas without first improving them. To "transform" processes entails redesigning, documenting and automating them for maximum efficiency. "Transform and shift" entails transforming processes first and then offshoring them for additional efficiencies and cost savings.