Role of Benchmarks Evolving to Address Strategic Challenges

New Compass research report shows pricing and quality assessments increasingly focus on how to produce operational improvement, mutual benefit.

STAMFORD, Conn., September 27, 2011 – Compass, an Information Services Group company (ISG) (NASDAQ:III) and the premier independent global provider of business and information technology benchmarking, performance improvement, data and analytics services, released research today showing that benchmark analyses of outsourcing agreements are increasingly being used to address core strategic challenges rather than short-term pricing corrections.

The analysis, based on the outcomes of recent client engagements, is outlined in a new white paper authored by Nigel Hughes, Global Services Director, Compass.

“We’re seeing benchmarks employed to identify and implement long-term improvements across the enterprise,” Hughes said. “As organizations focus on virtualization, cloud computing, and utility-based transformational initiatives, benchmarks are alerting them to actions needed to drive change and quantifying the impact from taking those actions.”

For example, by defining an environment’s current “as is” state along with the future “to be” state, a benchmark can show the potential cost savings from choosing a particular cloud solution and help guide the way to the optimal approach to implementing it, Hughes said.

Historically, benchmarks have been applied to outsourcing contracts to assess pricing and service quality against industry standards with a focus on short-term adjustments within discrete service towers. This dynamic has often fueled contentious disputes between clients, service providers and third-party providers.

The role of benchmarks is evolving as clients are recognizing their responsibility to change internal processes to achieve improvement rather than relying solely on the vendor to deliver it, said Kathy Rudy, Global Consulting Director, Compass.
“This change in mindset is critical because it creates the opportunity for service providers to achieve economies of scale across multiple environments,” Rudy said. “Rather than delivering unique and custom services to each customer, the outsourcer is now in a position to drive standardization across its portfolio of clients, thereby enabling significant operational improvement and cost reduction. Benchmarks are a key part of that process.”

About Compass
Compass, an Information Services Group company, is the premier independent global provider of business and information technology benchmarking, performance improvement, data and analytics services. Compass Benchmarking and Analytical Services and Compass Fact-Based Consulting® get to the root cause of cost efficiency, productivity and service quality gaps. This deep understanding of clients’ performance provides an unrivalled ability to evaluate the current state and quantify improvement opportunities, understand the market price of services and identify future options, and ensure rapid and sustainable performance improvement. Founded in 1980, Compass revolutionized the identification of the root causes of problems within businesses with its pioneering approach to performance improvement. For more information, visit www.compassmc.com.

About Information Services Group, Inc.
Information Services Group (ISG), founded in 2006, is a leading technology insights, market intelligence and advisory services company. ISG has three go-to-market brands: TPI, the leading independent data and sourcing advisory firm in the world; Compass, the premier independent global provider of business and information technology benchmarking, performance improvement, data and analytics services; and STA Consulting, a premier independent information technology advisor serving the public sector. The company has nearly 700 employees and operates in 21 countries. Based in Stamford, Conn., ISG has a proven leadership team with global experience in information-based services and a track record of creating significant value for shareowners, clients and employees.

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