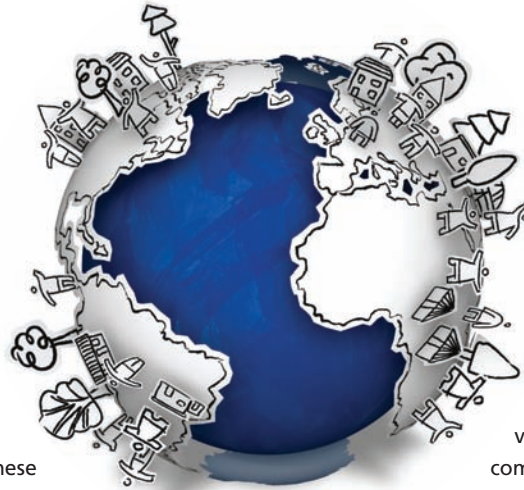


# Improving the Quality of Life

Outsourcing partners like Sodexo focus on serving the global community.



You don't need economic indicators to tell the good times from the bad. A blood pressure reading will usually suffice. But if outsourcing providers haven't been reaching for the hypertension medication, here's why: Even during these difficult times, outsourcing is growing. In a September survey by the International Association of Outsourcing Professionals (IAOP), 47% of companies had expanded outsourcing contracts or pursued new ones in the preceding 12 months. "Companies want flexibility, they want to cut costs, they want to create relationships that position them for the future," says Michael Corbett, IAOP's chairman.

At the same time, companies are taking more interest in how they impact the world around them. It's not just the environment they're thinking about, but social and economic issues as well. To be sure, shareholders, governments, and communities—worried that dwindling resources and burgeoning populations mean an unsustainable future—are demanding this focus. But corporate social responsibility (CSR) also makes good business sense. Sustainability is a competitive advantage, and companies are getting that message. So, too, are their outsourcing partners. "By an eight-to-one margin, service providers we surveyed said CSR is more important to them now than a year ago," says Corbett.

For some providers, CSR is not exactly new. Indeed, at Sodexo, the world leader in quality of life solutions (No. 3 on IAOP's 2009 Global Outsourcing 100 list of top providers), it is core to its entire business. Sodexo has a unique offer composed of on-site service solutions—from food services to construction management, asset management, maintenance of laboratory equipment, and concierge services. In addition, it provides companies and public authorities with motivation solutions. These include employee benefits, incentives, and recognition rewards such as meal vouchers and gift and mobility

cards that are accepted throughout a network of one million retailers and service providers.

Sodexo improves the daily life of those working at, residing within, or visiting a customer's site whether it be a company, hospital, school, or government institution. "Quality of life plays a crucial role in improving our clients' overall performance and development," says Michel Landel, Sodexo Group CEO.

But for Sodexo, quality of life has a second component too. Operating at 30,600 sites in 80 countries and with 380,000 employees, Sodexo impacts communities across the globe. Its STOP Hunger program, launched in 1996 and now present in 28 countries, encourages Sodexo employees to participate in local hunger-relief projects, collecting and donating food as well as sharing their expertise.

But there's still much to be done. Building on its strong CSR programs and best practices already in place, in October Sodexo launched an enterprise-wide roadmap for sustainability, the Better Tomorrow Plan. The plan introduces 14 commitments for action that include: reducing carbon and water footprints; expanding the STOP Hunger program to all Sodexo countries; holding all suppliers to Sodexo's Global Sustainable Supply Chain Code of Conduct, assuring that products are responsibly produced; and providing varied and balanced dining options at all food service sites.

"This Plan is a progressive journey with defined key performance indicators and milestones to be achieved in 2012, 2015, and 2020. It's based on continuous improvement, and relies on the engagement of all our stakeholders. And because we work with our clients 24/7, we're in a unique position to help tackle these important concerns," says Damien Verdier, group executive vice president and chief marketing officer at Sodexo.

And maybe that help is the best news of all. For it isn't just outsourcing that's growing; it's our optimism for tomorrow. ●

# The Value Quotient

**Michel Landel, CEO of Sodexo, the world leader in quality of life solutions, reveals how his company partners with clients to improve performance within organizations.**

## Q How is the current economic crisis changing the world we live in?

**M.L.** The world is characterized by change and increasingly demanding customers. The pace of innovation is forcing corporations to adapt their capabilities and partner more extensively to create a networked system.

The global crisis is acting as a catalyst. In the public sector, skyrocketing government debt prevents the financing and operation of new infrastructures. The private sector has therefore become more relevant to ensure such missions, because it contributes to the professionalism of service delivery. In the private sector, the pursuit of competitiveness is ever increasing, leading corporations to question their current business model and think how outsourcing can increase their overall productivity.

## Q What are the main challenges your clients face today?

**M.L.** The shift to knowledge as the primary source of business value has increased the demand for motivated knowledge workers. Outperformers will be the ones that are agile, flexible, and able to optimize their resources. Hence the main challenges deal with talent motivation, process optimization, and asset value maximization. Clients understand the importance of relying on partners to face increasing business complexity and focus on their core mission.

## Q How does Sodexo accompany those organizations?

**M.L.** We are a strategic partner for our clients. We design, manage, and deliver service solutions which improve the quality of life within organizations. Our offer concentrates on employee motivation, business processes efficiency, and infrastructure and equipment reliability. Take a leader in telecommunications that needed to relocate its China headquarters. Sodexo helped it retain its key talents there. In the U.S., we're enabling colleges to improve the attractiveness and reduce the total cost of ownership of their facilities. We also partner with world-renowned hospitals to improve care delivery by creating an environment with leaner support processes. Basically we integrate the business system of our clients to improve their competitiveness.

## Q As unemployment rises, is the perception of outsourcing at risk?

**M.L.** No. As opposed to offshoring, outsourcing guarantees the sustainability of employment. It's a simple transfer of employees to a specialized company in the same region. By providing solutions that improve our clients' competitiveness, we contribute to the stability of the local economic and social fabric. While organizations have to pursue their financial objectives, they must take into account their subsequent social, environmental, and economic impact. They need to reconcile economic performance with social progress. Sodexo strongly believes that the quality of daily life contributes to the progress of individuals and the performance of organizations. As a company of the future, our decisions reflect a genuine concern for society. It's a guiding business fundamental from our founder, Pierre Bellon, and a heritage we are proud of. ●

