

Simplicity

NextHorizon's Mantra: Simplicity, Simplicity, Simplicity

MICKEY AUSTIN, EXECUTIVE VICE-PRESIDENT & CO-FOUNDER - NEXT HORIZON

Throughout the 1980's Mickey Austin worked his way up the ranks of the company that founded the outsourcing industry. In the 1990's and early twenty-first century he held Partner-level positions at the world's leading professional service firms. During this time, Mickey grew allergic to much of the "business as usual" endemic to large service companies - the sales-speak and acronyms, ploys used to rack up higher fees, the hollow values.

A Texas native and son of a preacher, Mickey was practically preordained to become a straight shooter. And for Austin, Next Horizon is all about challenging conventions and creating simple breakthroughs for his clients. Simplicity, it has been said, is the ultimate sophistication. And simplicity, quite simply, is Austin's mantra. "If there is anything that I really believe in, it is to keep things simple and focused," he says. "Simplicity allows Next Horizon to make decisions quicker and make unparalleled commitments to our clients. It means money to our clients."

"Our business model is one where we take on and run our client's existing finance back-office. We do it in a way that minimizes disruption and risk to our clients and provides much lower operating costs from 'day one'" says Austin. "To further reduce uncertainty for our clients, we pay a significant amount of the expected savings in cash and up-front."

Next Horizon contractually commits to a minimum savings of 40 percent over the life of the service agreement and will pay a significant amount of these savings to clients as a cash payment.

"If companies are confident of their value, the deal should speak for itself and they should be willing to put cash on the table to demonstrate commitment," explains Austin. "We do."

The Simple Economics behind Next Horizon's Offer

"Immediately after we spin-off a client's finance and accounting operations, we formalize a plan for transformation," says Tom Reilly, Next Horizon's CEO. "We know that we can achieve great savings through steady improvement to processes and systems as well as increased use of lower cost offshore professionals and technology. We basically factor all of this in to our services agreement and fees and give our clients a 'forward hedge' on productivity and cost gains."

A slow movement of work to Next Horizon's multi-client finance and accounting center in China adds to the dramatic results. The center is staffed by highly skilled university graduates from across China, who are carefully chosen for their linguistic and service skills. Many of these people have significantly higher education and accounting credentials than those formerly employed internally by Next Horizon's clients.



“Our simplicity translates to speed, which translates to a better deal...”

- MICKEY AUSTIN

"The beauty of our multi-client model is that we can spread costs and make investments across multiple finance operations but maintain dedicated teams for each client." adds Reilly. "Also, there is no 'mad rush' to move work offshore. When our clients are ready, or simply when natural attrition occurs, we move work to our China center. This gives our people in China time to learn the work, and also takes the pressure off our new people who have just transferred from the client. In the end, we maintain a smaller, high-touch on-shore center to be close to our client."

Client Intimacy and an Open Book Approach

Next Horizon's business model is one of high customer intimacy. The company promotes an open-book arrangement and often invites senior client executives to join its Advisory Board, leading to a relationship more akin to a joint venture than a services contract.

"The deal is fully transparent and structured to meet each client's needs. We make sure the client understands how we arrive at all figures, including our costs and how much we charge for our service," says Austin. "All cards on the table, face up."

Whereas vendors typically keep internal expenses out of the numbers that a client sees, "it's more relevant for suppliers to take risks than put that on clients - to own up to the savings," admits Austin.

"There's an open attitude and from day one we don't hold anything back," he continues. "And while it's one thing to be transparent today, we're still transparent tomorrow."

Guaranteed Performance Levels and Price Protection

Together, Next Horizon and each client agrees on a "performance improvement plan" at the outset of the services. Every 90 days Next Horizon conducts a performance review, offering the highest degree of latitude to adjust service levels.

"As part of our performance pledge, we'll adopt an incentive plan which pays our client if we fail to reach an agreed-upon target," reassures Austin.

In a true partnership, when Next Horizon reduces future costs through technological gains, better productivity and the like, it will share those gains with its clients.

Next Horizon also allows clients to continually benchmark savings against other third-party providers. "No one knows how things will change in five years," says Austin. "But as a client, you want to be in a position to take advantage of changes in the market and future gains."

"We remain true to the emotion, the euphoria, of the deal when it is first signed, over its entire term," emphasizes Austin.

Built to be Responsive and Close to Clients

From the very beginning of the client relationship, Next Horizon aims to be as efficient as possible. Within 72 hours of the first client meeting, Next Horizon typically delivers an "initial valuation" and quotes an up-front savings payment to perspective clients.

"We keep costs low by respecting people's time and effort," says Austin. "We can deliver a confirmed financial offer within 10 days, and complete contracting and transfer within 30 days. We take the complexity out of the process and quickly get an easily understandable proposition on the table that has a lot of financial meaning."

"Our simplicity translates to speed, which translates to a better deal at a better price, which translates to money and time saved."

For More Information:

E: mickey.austin@nexthorizon.com

T: +852-3105-3168