

# Stone + Company Credited by Gartner in CVS-IBM BPO Project

In a recent case study authored by Gartner, our work with CVS/Caremark and IBM was cited as instrumental in facilitating a “needed shift in mind-set (and) ...helping to foster elements such as team bonding between IBM and CVS, and the creation of a joint mission statement.”

After 18 months of attempting to achieve such an outcome on their own, the two partners brought Stone + Company in to break a logjam caused by “fatigue” (their word). It was thus our job to get things moving again in the right direction.

After three-to-six months on the job, several significant bottom-line results emerged:

- Projects delivered on time and without cost overruns
- Measurable increase in the quality and speed at which acquisitions can be integrated into the core systems
- Key customer satisfaction indicators ultimately met or surpassed all target milestones where previously most had been lagging or stalled
- An end to frequent absorption of steady state and transition resources

- Much capacity freed up for parallel efforts and for integration of “best of breed” technology
- FUD (Fear, Uncertainty and Doubt) eliminated in favor of fact-based risk management due to introduction of trust and transparency
- Teams now focused on implementing C-SAT (Customer Satisfaction) improving technologies and support models, not just getting acquisition integrations completed
- Creative ways for implementing historically difficult tasks

A succinct way of summing up all these bottom-line results might be to simply say that CVS now finds itself able to continuously deliver added value, reduce costs, improve steady state C-SAT and expand business.

## Project Background

Prior to our involvement, IBM’s comprehensive multi-million dollar HR BPO contract with CVS Caremark had presented daunting challenges for both companies. Our expertise and guidance enabled them to finally develop new and stronger bonds in their relationship so that their mutual contractual obligations could be met and fulfilled. The Gartner report explained:

...Critical to success was use of the point of view of the internal end users of HR services as a crucial measure of the deal. To that end, CVS and IBM found significant overlap in what drove both companies from a core-values perspective. Together the leadership and key team members from both companies invoked a philosophy called “HR Easy,” in which the employee experience in utilizing the services of the HR department should be, in a word, “easy”.

Both companies agreed that “easy HR experiences from the employees’ perspective were of primary importance”. Stone + Company’s impact on the CVS-IBM relationship allowed both parties to fulfill this shared value and enable them (and their employees as well) to work effectively together, thus making the vast majority of CVS Caremark day-to-day HR interactions “easy.” By introducing strategies that insured “HR Easy” could filter through the consciousness of both IBM and CVS employees, progress was achieved that otherwise would certainly have taken far longer to achieve, if at all.

## Learning to Trust

IBM and CVS initially entered the BPO contract in good faith and with a desire to do right by the other. They now acknowledge that the

“pace of change and the decision-making would have been much slower without consciously and continually working on the trust element of the relationship” which our facilitation showed them how to do. The challenge presented by this contract has thus affected both companies in positive ways as a result of our intervention:

...CVS (now) maintains that when something is amiss, IBM is generally very quick to take the appropriate actions to fix it. IBM states that the lessons learned

from its experiences with CVS have resulted in a much more robust methodology across all of IBM’s HR BPO deal pursuits in the past couple of years.

The role played by Stone + Company as a catalytic force in this joint positive outcome has enabled both IBM and CVS to glean applicable wisdom from the experience of learning how to trust and function successfully as partners. As a result, each partner was able to honor its contract and work harmoniously to achieve shared goals.

**To understand more about this work, please contact Stone + Company at 781 383 8383, [laura.stone@stoneandcompany.com](mailto:laura.stone@stoneandcompany.com)**

**To read the full case study, contact Gartner and reference ID Number: G00170472, published September 22, 2009.**



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