

Outsourcing Professional Body of Knowledge (OPBOK)

Outsourcing

ITO - Information Technology Outsourcing
BPO - Business Process Outsourcing
KPO - Knowledge Process Outsourcing
Outtasking

Tactical (single objective)
Transitional (temporary)
Transformational (reposition)

Benefits

1. Costs (50%)
2. Focus resources on core business
3. Flexible cost structure

Factors outsourcing

Organizational Sourcing Maturity
Regulatory/legal constraints
Process stability
Dependency technology infrastructure
Knowledge transfer
Societal impact

Models

Single sourcing
Rural sourcing (near shore)
Best-of breed (multi-sourcing)
Consortium sourcing
Bundled sourcing

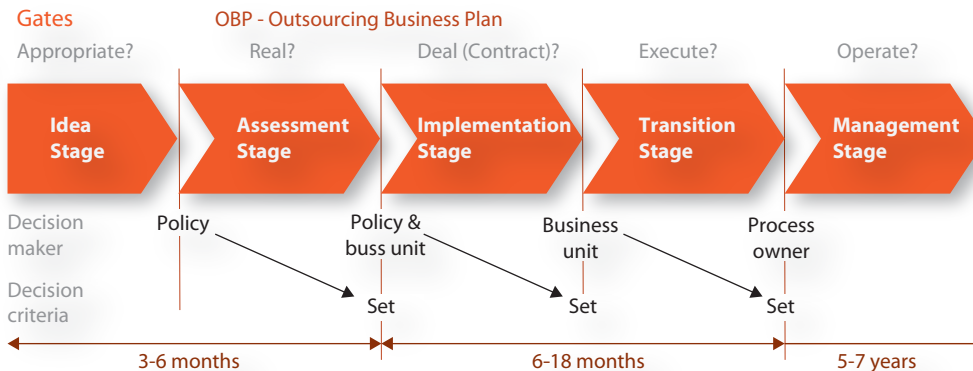
Offshoring

Onshore (home country)
Near-shore (nearby country)
Offshore (remote country)
Best-shore

BOT -Built Operate Transfer

Factors offshoring

Cost/pricing structure
Regulatory/tax implications
Legal and arbitration adjudication
Political concerns
Data protection/security
Intellectual property
Complexity governance



Outsourcing teams

Policy team
Idea team
Assessment team
Implem. & transition team
Management teams

Outsourcing message

Need for change
Cost of doing nothing
Change techniques
Role of outsourcing
Benefits/implications organization
Benefits/implications customers
Benefits/implications employees
Timelines
How to measure success

Preparing to outsource

Top Down Approach

1. Segment the market place
2. Project changes in each segment
3. Assess size and growth
4. Segment selection and how to dominate
5. Sourcing
6. Forecast business outcomes
7. Invest in execution

Bottom Up Approach

1. If started from scratch, would the capability be build internally?
2. Is the business so good, others would hire it?
3. Will this activity bring the business' future leaders?

Stakeholder

Analysis

Oppose
Allow
Assist
Perform
Sponsor

Influence
Involvement

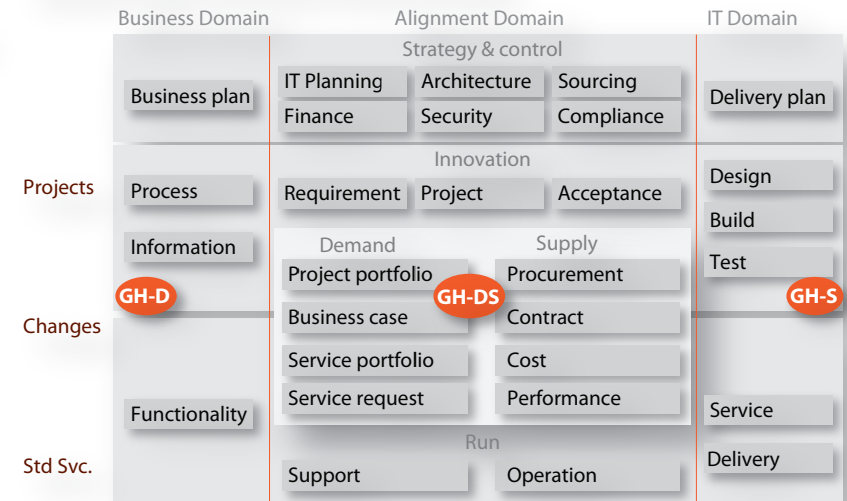
Change management

Decision making stage
Outsourcing implement. stage
Post implementation stage

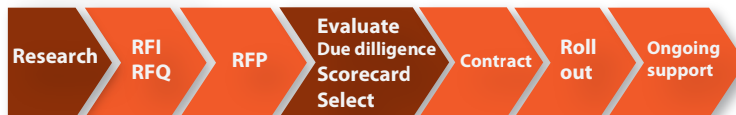
7. Step Adoption Process

1. Discovery
2. Denial
3. Passive resistance
4. Active resistance
5. Exploration
6. Commitment
7. Broadcast

Demand Supply Governance Framework (DSGF)



Selection Process



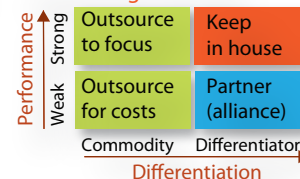
RFI - Request for Information | RFQ- Request for Quotation | RFP - Request for Proposal

Outsourceability

In house/Outsourced
Project/Service

	Innovate	Design	Build	Deploy	Run	Maintain
Strategic applications	IP	IP	IP	IS	OS	IS
Business applications	IP	IP	IP	IS	OS	IS
Support applications	IP	IP	IP	OS	OS	OS
Office automation	OP	OP	OP	OS	OS	OS
Infrastructure	OP	OP	OP	OS	OS	OS

Outsourcing decision



Risks

Strategic
Operational
Result
Transactional
Financial
Identification
Quantification
Mitigation

Contract structure

Master
- Contract terms
Service agreement
- Scope of services
- Pricing
- KPI

Multi-process contract

