

# 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

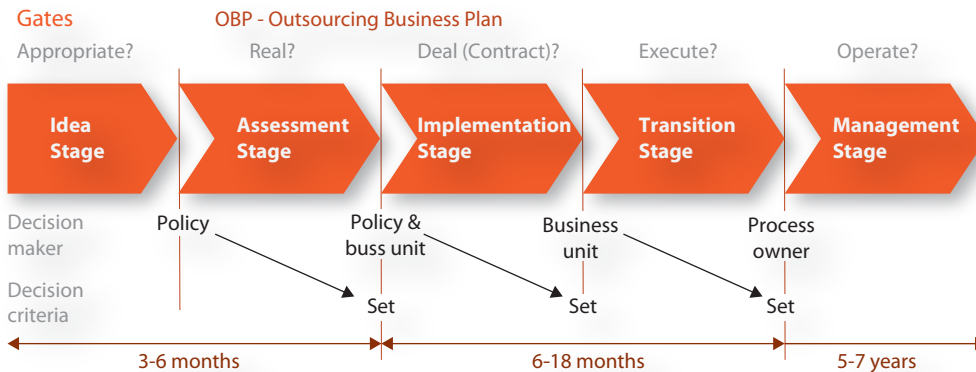
## Offshoring

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

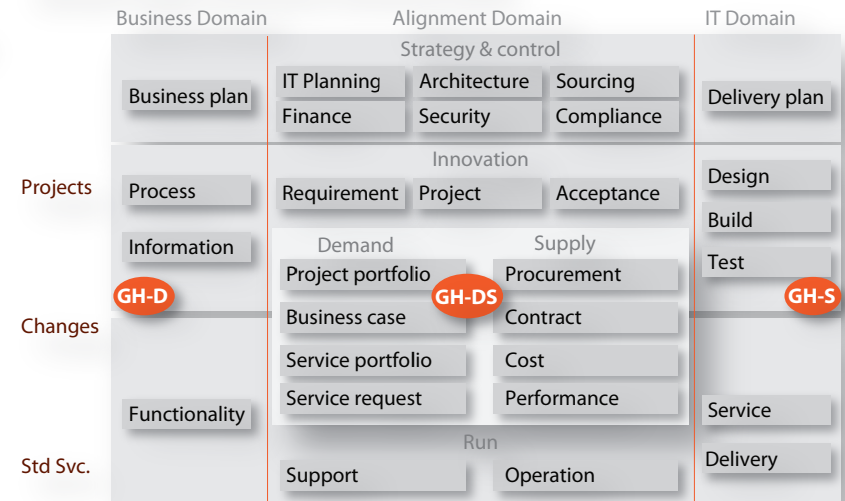
## Change management

Decision making stage  
 Outsourcing implement. stage  
 Post implementation stage

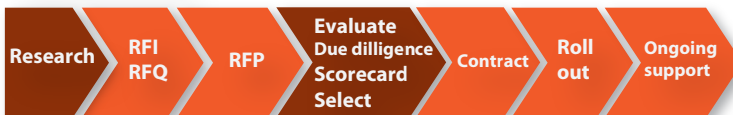
## 7. Step Adoption Process

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

## Demand Supply Governance Framework (DSGF)



## Selection Process



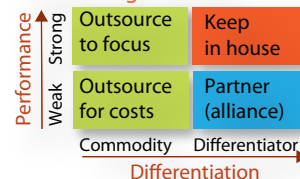
RFI - Request for Information | RFQ - Request for Quotation | RFP - Request for Proposal

## 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

