

HOW TO AVOID NIGHTMARE OUTSOURCING SCENARIO

O utsourcing can be a nightmare. The decision to use an outside vendor instead of inhouse resources is just the first step in a long, potentially risky chain of events. Even if you determine the right vendor and how they fit, who has the time and expertise to make sure they deliver? To avoid failure and ensure results, a rigorous management structure is essential.

Today more organizations are managing outsourcing engagements the way they manage other high risk initiatives: they are setting up a project management infrastructure. This combination of rigorous vendor selection PLUS the often neglected post-contract management structure has proven a perfect combination for many organizations. Why? Because this strategy allows them to establish milestones and performance benchmarks, see early warning flags, build a management structure for maintaining service levels, and establish a functional governance structure.

For example, the Department of Homeland Security's Bureau of Customs and Border Protection (CBP – formerly Customs) called in Virginia-based project management consultancy Robbins-Gioia to establish a vendor management process, plus comprehensive management and outsourcing oversight before the RFP went out on its \$1.8 billion, 15-year modernization program (involving more than 40 vendors). Robbins-Gioia worked with in-house staff to ensure the most efficient, effective outsourcing management possible.

What's more, for each phase Robbins-Gioia will define requirements, manage performance, and provide an objective management view to keep the project on track. Congressional and GAO criticism were harsh in the early stages, but confidence has grown significantly and recent reports recognize the program's management excellence.

In another example, a major telecommunications equipment manufacturer experiencing serious financial difficulties wanted to offer early retirement to many of its most seasoned employees. But it still needed to maintain service to demanding Fortune 500 clients. The company called in Robbins-Gioia to implement a process that would re-engage a portion of that workforce as independent contractors, making them available to handle peak demand. Robbins-Gioia provided a technology interface and management oversight for the installations to ensure high customer satisfaction, expedited timelines, and lowered costs. The end result was a reduction in operating costs by millions of dollars, improved customer satisfaction scores, and an average reduction in installation time by approximately 20%.



For more information and to download a white paper on vendor and outsourcing management, please visit www.robbinsgioia.com/offers/cio/outsourcing.