



# IAOP Tool & Technology Symposium



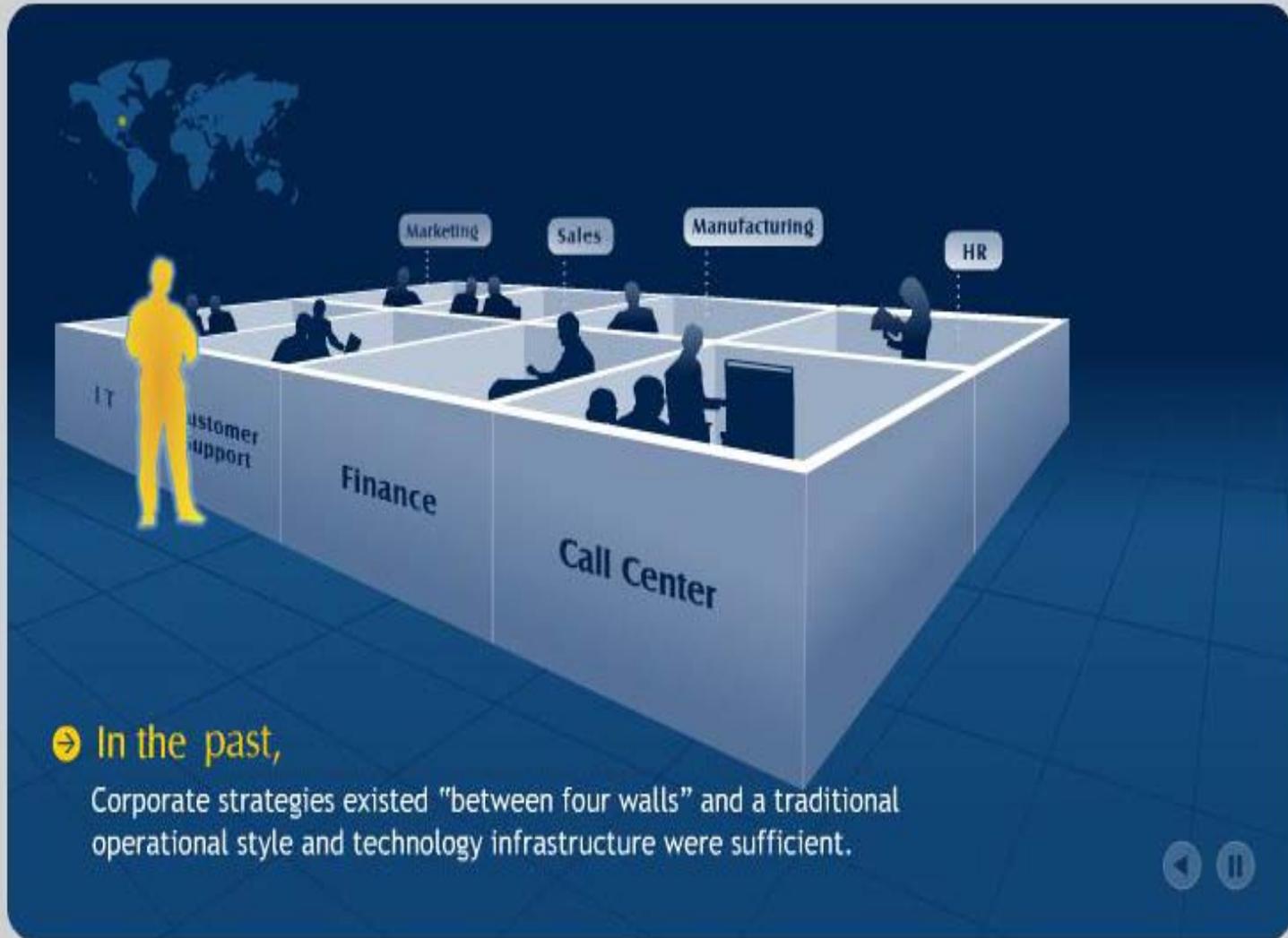
## The State of Tools & Technology In The Outsourcing Industry

**Matt Shocklee**

President & CEO – GSOS and IAOP Global Ambassador



# Once Upon A Time...





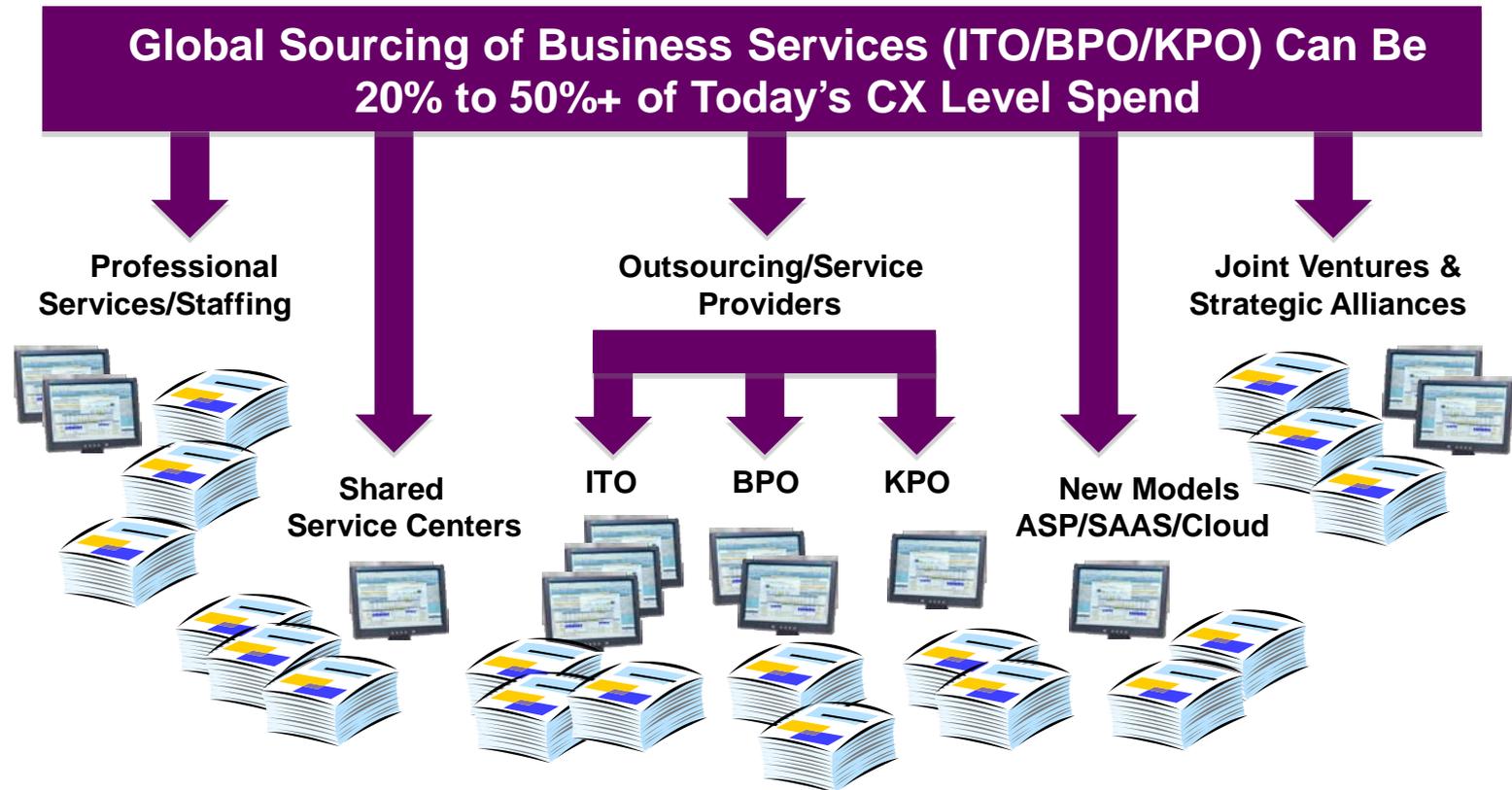
# Today's Global Reality...



➔ Today, **Extended Enterprise** strategies and the adoption of strategic outsourcing offers cost savings, increased agility, process improvement and competitive innovation.

# And The Resulting Management Challenges...

*These Global Sourcing Relationships Have Typically Developed As A Series Of One-Off Deals Or Transactions*

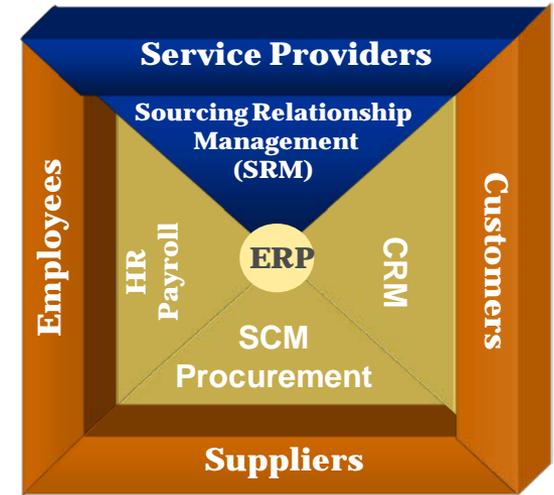


*“All of this translates into supplier provided portal-mania and customers drowning in excel spreadsheets...resulting in outsourcing customers managing in the rear-view-mirror with too little transparency and understanding of real-time Business Value”*



# IAOP Is Working With Membership To Develop The Management Science of Global Outsourcing

## The Global Outsourcing Life-Cycle



Areas of Key Value

Financial	Capabilities	Service Quality	Risk & Compliance	Governance
<ul style="list-style-type: none"> <li>- Better managed &amp;/or reduced costs</li> <li>- Revenue growth</li> <li>- Improved margins</li> <li>- Improved asset utilization/balance sheet performance</li> <li>- Access to new markets</li> </ul>	<ul style="list-style-type: none"> <li>- Provide access to required talent/skills</li> <li>- Improved flexibility</li> <li>- Improved ability to be responsive/scalable</li> <li>- Improved adaptability</li> <li>- Access to best practices</li> </ul>	<ul style="list-style-type: none"> <li>- Defined SLA's with accountability</li> <li>- SLA's performance</li> <li>- Quality of resources</li> <li>- Low turnover &amp; high retention rates</li> <li>- Continuous improvement &amp; innovation</li> </ul>	<ul style="list-style-type: none"> <li>- Defined risk profile</li> <li>- Processes to identify monitor, mitigate &amp; report on risks status</li> <li>- Periodic Non- SLA compliance reviews</li> <li>- Global compliance</li> <li>- DR &amp; Contingency Plans</li> </ul>	<ul style="list-style-type: none"> <li>- Clear RACI models</li> <li>- Processes for issue management/escalation</li> <li>- Business case &amp; value realization &amp; reporting</li> <li>- Transparency into supplier operation</li> <li>- Competitive T's &amp; C's</li> </ul>



“Optimizing the balance of business value in outsourcing relationships requires a framework and supporting tools/technologies for defining, measuring and communicating the business value expected and achieved to all the key stakeholders in an outsourcing relationship.” *Michael Corbett, Chairman – IAOP*

# Optimizing Business Value Through Sourcing Relationship Management (SRM)

## Old World: Static Relationships

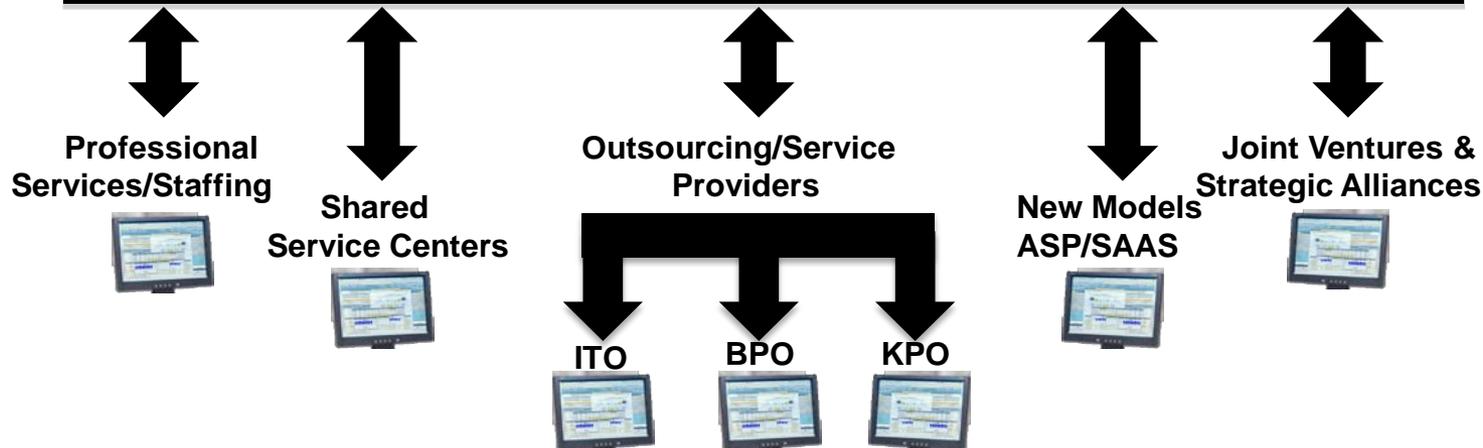
- Supplier owned data & technologies
- Suppliers reporting to customers
- Suppliers may charge customers for reporting
- Reporting in weekly/monthly summaries
- Customers repackage for governance & value



## New World: Transparent Collaboration

- Higher degree of data/process transparency
- Real-time performance analysis/reporting
- Portfolio management approach to the relationship
- Customer/Supplier integrated governance
- Interoperable service provision through standards

## Continuous Real-Time Optimization of Business Value Across The Globally Extended Enterprise



## Critical Success Factors in Sourcing Relationship Management (SRM):

- *Real-Time Data Access/Transparency, Analysis and Communication*
- *Inter-Organizational Process Excellence (Customers & Suppliers)*
- *Use of Advanced Enabling Tools & Technologies*
- *More Periodic Review of the Value Expectations & Realization*



# Join the IAOP Tools & Technology Innovation Chapter & Learn More About SRM



Contact Matt Shocklee, Chapter Chair at [mattshocklee@gsos.org](mailto:mattshocklee@gsos.org)



## Sourcing Relationship Management

“Outsourcing Service Providers &/or Customers are bringing Sourcing Relationship Management tools into play more frequently due to competitive pressures & complex relationships.”

June 2008

*Outsourcing Journal*  
(adapted)