

A Guide to Evaluating Outsourcing Providers

How to Ensure Your Business Gets Optimum BPO Service & Results

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The decision to outsource any business function is not made lightly. Trusting an outside provider with internal business responsibilities takes the highest degrees of trust, client service and performance. As your organization evaluates potential outsourcing providers, do you know exactly the traits and services you should be looking for and assessing?

To help IT teams and business leaders carefully review potential BPO and managed service solutions providers, the following list of outsourcing engagement requirements offers a number of critical evaluation guidelines and suggestions. Is your organization thorough enough in analyzing and vetting outsourcing firms? Here's your chance to find out.

The Statement of Work

Every IT service provider is well practiced in the art of creating and delivering a statement of work. The real work actually falls to your IT team in analyzing how well the candidate company did their research on your particular organization and its needs.

When assessing the statement of work provided, there are a number of factors to analyze. First, you'll want to evaluate how well the provider has defined the statement of work. Is this a carbon copy document that could be easily applied to your business, your top five competitors and the company across the street? Or, has the potential provider done the due diligence needed to specifically apply the statement of work to your IT environment?

In a well-developed statement of work, the solution approach will be tailored to your business, outsourcing responsibilities will be clearly defined and the outsourcing team (from skills to responsibilities) will be carefully outlined. Use the provided statement of work as your first opportunity to measure how far the service provider will go in gathering information and providing solutions that ensure your business' unique needs and challenges are considered.

Problem Management: Severity Levels & Resolution Goals

How a provider deals with your business requests and challenges will determine the success of the service relationship. To gather pre-engagement insight on a potential outsourcer's service standards, take time to review severity levels and resolution approaches.

Has the company established a distinct set of severity levels in order to handle service management challenges and requests from your team? How do they distinguish various problem categories and does the approach fold into the service needs of your business? Have problem resolution times been documented and agreed upon in a Service Level

Agreement (SLA). A careful, progressive and highly responsive strategy for problem management and resolution is an excellent early indicator of high client service standards.

Documentation & Reporting

Review each potential provider's documentation and reporting capabilities with a rigorous eye. Will all processes and procedures be documented? How is engagement data recorded, stored and accessed? Will your teams have easy, constant access to the information you need? If not, what is being excluded or delayed and why? You always want to know what actions, information and work can be traced and measured. After all, isn't it always the information you don't have that you need the most?

Make sure your teams, from management all the way down the line, will be provided with the kind of data and reporting they need. If the outsourcer's reporting systems are limited, their ability to provide solution details and your ability to measure solution success will be greatly limited.

Tools Expertise

Your outsourcer will approach work differently than your internal IT teams, and you should take time to evaluate what tools and systems they will integrate into the process. What IT systems and vendors do they work with and why have they chosen the tools and technologies they use. Are their productivity benefits? Cost savings? Could the tools they use cause any problems for your other IT functions or business/partner relationships?

It's also a good idea to find out what tools potential providers use to measure their own performance and productivity. Analyze whether the tools and systems they use are a technology match for your organization and meet your own standards of IT performance excellence.

Continuous Education

To gain an understanding of how outsourcing providers build and manage the teams that will take over your IT function, analyze their talent development and education practices.

Look at new-hire orientation and training programs and evaluate their approach to technical and soft skill development. Consider if learning is 100% independent (self-study and computer-based) or incorporates instructors and classroom interaction. Is their enough focus on learning and talent development? Will their education approach help develop and maintain the caliber of talent you want within your IT environment and serving your clients? If ongoing and thorough talent development are not cornerstones of an outsourcing provider's management approach, you risk turning important business responsibilities over to substandard performers.

Recruitment & Retention

It's also important to analyze the recruitment and retention programs potential providers have in place and how prepared they are to manage and maintain a skilled, dependable staff. High turnover and continuous recruiting are not only costly challenges, they also disrupt workflow with training demands and a constant reshuffling of team members. However, if concerted, continuous efforts are made to hire and maintain knowledgeable, skilled professionals on staff, you can be assured of greater solution efficiency and performance.

Transition Expertise

Moving an internal function out is a complex, delicate procedure. Your business needs an outsourcing partner that can support your organization through the change, expertly helping managers and staff members adjust and manage the transition.

Find out what change management services and support they offer to minimize impact to your current environment. Will there be an exhaustive transition plan and dedicated transition team in place? Ask plenty of questions to ensure potential providers understand the many challenges (staff, technical and operational) that come with outsourcing and offer creative, proven ways to alleviate stress on your organization.

Account Management

How do you like to be handled when it comes to vendors and services providers? With outsourcing, account management must be rigorous, accountable and responsive. Here are a few of the account service requirements you should insist upon from your outsourcing partner.

One SPOC – A dedicated single point of contact

Contractual & Operational Support – Expert assistance in preparing your business and IT environment for an outsourcing engagement and the ongoing operational maintenance of your environment

Expert Solution Architecture – A gifted outsourcing strategy team able to architect a cost-effective solution customized to your needs

Technology Mentorship & Partnership – A partner in technology innovation able to give your team best-in-class recommendations on how to keep your operations secure, productive and highly efficient

Value-added Services

Finally, it's important to take a look at the "extras" an outsourcing provider offers to see whether the relationship can be a deep business resource for your organization. Keep the following questions in mind:

- Does the provider offer your business greater access to current industry expertise and resources, such as research libraries and white papers?
- What key industry alliances does the provider have that may be beneficial to your organization?
- What kind of additional consulting services does the outsourcer offer and do they align to some of your organization's support needs?

The Right Choice Is Up to You

Outsourcing is a tremendous investment and requires the highest levels of trust and confidence between your organization and the outsourcing provider. However, it is not blind trust you are offering your provider. Prior to signing any contract, you must meticulously scrutinize potential providers and gather proven evidence of their ability to deliver timely, high-quality and cost-effective solutions.

Examine every step of their approach to ensure they possess an absolute customer focus that emphasizes responsiveness and proactive IT leadership. Settle for nothing less than a total solution provider with the service and quality focus that supports your business' corporate vision and IT strategy. In the end, the outsourcing choice is yours. Make it a good one.

About the Author

Anna Frazzetto, Vice President of Technology Solutions for Harvey Nash, is an IT executive who has architected, implemented and overseen managed services and outsourcing initiatives at Global 1000 as well as mid-size companies. A BPO industry and subject matter expert, she has been responsible for the development and implementation of technology practices in numerous organizations and held strategic responsibility for managing data centers, help desks and networking practices. An acknowledged leader in the managed services and infrastructure management industries, Anna spearheads the development and implementation of IT solutions for Harvey Nash's network of nationwide offices.

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