

Title:

A Critical Tip To Make An Outsourcing Project Successful

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Summary:

Understanding what you want to accomplish is critical to a successful outsourcing venture. Although there are many who claim to offer offshoring procurement services, the fact remains that only the business contemplating outsourcing can determine the what, who and when of any offshore service project. To this end, a business needs to understand the WHAT of any outsourcing project. The what of course, is what will be outsourced.

Keywords:

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Article Body:

Understanding what you want to accomplish is critical to a successful outsourcing venture. Although there are many who claim to offer offshoring procurement services, the fact remains that only the business contemplating outsourcing can determine the what, who and when of any offshore service project.

To this end, a business needs to understand the WHAT of any outsourcing project. The what of course, is what will be outsourced. It's not enough to simply state we're gong to outsource IT technology services, or Human Resources, or any other facet of the business. To determine the WHAT means an intimate understanding of how your business is currently handling that work.

So the first order of business when considering outsourcing is:

Define the current Process. This should be done with an understanding of requirements. Requirements should be clearly defined in such a way as to eliminate ambiguity and offer a measurement method. Fast service is NOT a metric. Answering and resolving a specific type of customer inquiry within x number of minutes IS a requirement.

The exercise of defining the current process allows you to understand the

details of what actually needs done. This information will be needed when/if transferring that process over to your new outsource partner.

Now would also be a good time to do a cost benefit analysis on the proposed process. This allows the business to have a solid estimate of the current operating costs of the process under consideration for outsourcing. When doing this analysis, be certain to honestly consider all the costs involved.

I was involved with a major technology company who insisted that any cost that couldn't readily be quantified, be marginalized or simply ignored. They based the decision to outsource their internal help desk for thousands of people based on a simple statement; "Support call costs will go from 25 dollars to 6 dollars." Problem was that they didn't cover all the costs. Although they required calls to be answered within a certain period of time, they didn't set a resolution time. When support was in house, an engineer could call for support and get a resolution in hours. After the transfer however, that same call took a minimum of 3 days and sometimes over a week for resolution. The cost in lost productivity to the company because the engineer didn't have access to his files and email were never considered in the simple statement above. If the total costs were considered, the savings would have been much less significant.

So the key tip is to know your process and costs prior to considering offshoring any project. By being armed with solid information, it's then possible to select the right outsource partner and make a good decision for the business.