Transourcing™ Transformation Framework

Building Unprecedented Enterprise Agility and Scalability

Transourcing Transformation Framework

Corporate Strategy	Outsourcing Strategic Services	Transformation Services
Vision → Assessment → Strategy	Preparation → Operation & Mgmt. → Competency Devt.	Partners & Innovation → Business Architecture & Org. Devt.

- Get inside the global knowledge economy and 21st century forces
- Understand the global collaboration imperative
- Assess readiness
- Align outsourcing with corporate strategy
- Reposition outsourcing to focus on tactical and strategic goals

- Set up initial project(s) to hit numbers and begin knowledge development
- Iteratively build Outsourcing Project Management Team
- Launch Outsourcing Competency Team

- Apply partner-centric innovation approach
- Build business architecture to evolve company to loosely coupled, virtual model
- Develop extended architecture to address growing partner network

Corporate Strategy Modules

Vision

- The 21st Century Enterprise Workshop
- Outsourcing Workshop
- Corporate Strategy Workshop
- Innovation Workshop

Assessment

- Determine SOCs* and readiness
- Assess outsourcing knowledge and experience
- Compare with partners
- Benchmark against competitors and adjacent value chain players

*Strategic Outsourcing Competencies

Strategy

- Corporate strategy definition
- Competency definitions
- Customer experience module
- Innovation module
- Global Operations module
- Business Process Evaluation

Outsourcing Strategic Services Modules

Preparation

- Select outsourcing advisors
- Select project team to direct outsourcing partner selection
- Develop financial models and business case
- Develop initial performance measures

Operation/ Management

- Select project team to direct new (existing) outsourcing projects
- Establish outsourcing project management best practices
- Collaborate with pre-existing outsourcing project teams

Competency Development

- Select, develop and launch Outsourcing Competency Team (OCT)
- Establish connection matrix between OCT and project teams
- Develop explicit knowledge sharing processes

Transourcing™ Transformation Framework

Transformation Services Modules

Partners & Innovation

- Select Vendor Management Transformation Team
- Create preliminary business architecture
  - Recast select organization parts as "business components"
  - Redefine interactions as business services
- Pilot loosely coupled collaborative models with partners
- Source and engage expert specialists for high impact innovation pilots

Business Architecture & Organization Devt.

- Scale and extend business architecture to virtualize areas targeted for transformation
  - Opportunistic extension of virtual model in areas requiring enhanced agility and innovation
  - Define virtualization process
- Develop extended architecture to address growing partner network
- Mature innovation pilots with expert specialists to launch breakaway innovation initiatives
- New level of CIO/CEO collaboration

Corporate Strategy/Vision

- Purpose: reframe "out"sourcing to unlock potential to apply operational innovation to 21st century realities
- Present new concepts
  - Case studies of networks of specialists (suppliers, partners)
  - The notion of configurability and time to market
  - The connection between encapsulation, standardization and innovation
  - From "out"sourcing to strategic sourcing: the outmoded idea that the company has all the most valuable competency inside
    - quote:"more good ideas come from outside the co than inside"
- Key takeaways
  - Understand the strategic importance of mastering collaborative business ventures
  - Fund the learning curve with cost-saving outsourcing projects

Transourcing™ Transformation Framework

Corporate Strategy/Assessment

- Purpose: assess the company's readiness for strategic outsourcing initiative
  - Assess outsourcing knowledge, skills and past results of the company and its key partners and/or suppliers
    - What worked, what didn't and why?
  - Benchmark against skills of competitors and adjacent value chain players
  - Compare with past vendors and potential partners
  - Assess competency gaps
- Key takeaways
  - Multifaceted view of company's abilities relative to peers, competitors, vendors and partners
  - Solid understanding of the company's mission in developing Strategic Outsourcing Competencies (SOCs)
  - Education of participants, as the assessment is highly interactive

Corporate Strategy/Strategy

- Purpose: prepare to align strategic outsourcing with corporate strategy by explicitly articulating key elements of strategy
  - What business is the company in and why?
  - What are its points of differentiation today? Historically? Future?
  - How does the company deliver differentiation? Drill down to get a firm grasp of operational realities and opportunities
  - Generate new opportunities through customer experience and innovation modules
- Map differentiating processes/offerings to core competencies
  - Specify how key processes enable/drive core competencies
- Business Process Evaluation (for Outsourcing)
- Key takeaways
  - Robust vision for company's strategic direction and its purpose for iterative development of SOCs
  - Understand what processes to outsource, and their sequencing

Transourcing™ Transformation Framework

Outsourcing Strategic Services/ Preparation

- Purpose
  - Set up initial outsourcing project
  - Develop SOCs during the course of project(s)
- Select outsourcing project(s) to beta new process
- Select project team to run outsourcing partner selection process
- Select outsourcing transaction consultants as needed
- Develop financial models and business case
  - Outsourcing business case development will be an SOC
  - Performance metrics will be critical to measuring progress
- Key takeaways
  - Numerous tools and artifacts from new strategic outsourcing process

Outsourcing Strategic Services/ Operation & Management

- Purpose
  - Put in place outsourcing project management team
- Outsourcing project management team will be focused on driving the project successfully
  - The engine of the initiative is achieving tactical goals and rapid learning from mistakes
  - This team owns the immediate success of the project
  - It may also have PMO responsibilities if there are several projects
- Rotation of people though the team
  - Knowledge sharing is critical, once "good practices" start to gel
- Cooperate with OCT to create knowledge and best practices
  - The outsourcing project team serves as a key source for the OCT's activities
- Key takeaways
  - Outsourcing project management team in place, focused on driving the program, one success at a time
  - Secondarily, a rich source for knowledge and good practices

Transourcing™ Transformation Framework

Outsourcing Strategic Services/ Competency Development

- Purpose: Select Outsourcing Competency Team (OCT) to drive competency development

- The OCT will lead the gathering, organizing and sharing outsourcing knowledge: outsourcing/collaboration results
  - They will not have direct project management responsibility
  - This will create balance within the strategic outsourcing initiative

- The OCT will be a "virtual team" most of the time
  - Its members allocate time away from their main roles
  - Once the OCT gels, members from other areas rotate through to get mentored and disperse knowledge and skills

- Key takeaways
  - Knowledge development and sharing team and processes
  - Connection matrix between OCT and project teams
  - Explicit enterprise knowledge sharing processes

Transformation Services/ Partners & Innovation

- Purpose
  - Transform "vendor management" to collaborative partnership model
  - Engage expert specialists in high impact innovation
- Vendor-to-partner transformation
  - Redefines interactions as business services
  - Engages select partners in loosely coupled management
  - Redefine interactions as business services
- Create preliminary business architecture recasts select organization parts as "business components"
- Engage expert specialists in high impact innovation pilots
- Key takeaways
  - Pilots using new service-oriented interactions
  - Innovation pilots begin to reflect new creativity in products, service approaches and business models

Transformation Services/ Business Architecture & Organization Development

- Purpose
  - Guide company's evolution to virtual enterprise
  - Iterate company's approach to scaling its partner network
- Create a business process architecture that will standardize inputs/outputs among partners
  - This will include transactions between partners and the company (client) as well as among partners
  - This will be critical to developing flexibility and scalability in the network
  - Based on the company's customers' needs, it will be able to reconfigure its delivery network to deliver unique products/services, which won't happen unless the architecture and standardization effort succeeds
- Key takeaways
  - An approach to transforming the company iteratively
  - This effort will be evolutionary

Contact Information

Contact Information

- Christopher S. Rollyson
  - csr@transourcing.com
  - +1.312.925.1549
  - http://transourcing.com

Additional thought leadership

- The Global Human Capital Journal
  - Strategy and transformation focus
  - How to thrive in "The World Is Flat" environment
  - Real-time updates of sources and analyses
  - http://globalhumancapital.org