

Thought Leadership Change Management



Please enjoy this edition of my e-newsletter which focuses on the real driver of business transformation—management expertise. Coming soon: Speeding up the transformation process.

The Engine Transformation

If you look at the latest news about big outsourcing projects, you'll find evidence that will support just about any viewpoint on the topic.

On the one hand, there are stories that focus on the multimillion-dollar savings, increased efficiency and productivity, and the other powerful benefits that come from a successful business transformation.

On the other hand, there are accounts of high-profile failures that have taken a toll on client organizations, their partners and the image of outsourcing as well.

In an attempt to unravel the mysteries behind this mixed record of performance, industry observers have identified a number of critical success factors.

The right capabilities and experience ... a manageable scope ... a respectful relationship between the two partners ... a shared vision of success ... a realistic implementation schedule ... great communication ...

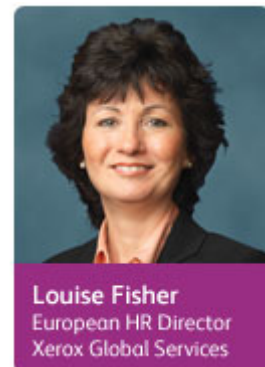
Clearly, these are all very important ingredients in the recipe for success. But there's one essential item that's missing from the list: **Expertise in the management of change.**

In fact, it may well be the single most important success factor in transformative outsourcing beyond the quality of the service itself.

In outsourcing, change is the name of the game.

From a high-level perspective, outsourcing typically involves the conversion of an internal, fixed-cost operation into an outsourced service. By definition, then, it brings profound change to both the client organization and the outsourcing partner.

This change has many different dimensions, because it involves a new way of working that affects a variety of stakeholders, including senior leaders/managers, sales and strategic sourcing professionals, end users,



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representatives from partner organizations like IT, and members of the hands-on service delivery team. In some countries, worker's councils and unions may also have an influential role.

The outsourcing landscape becomes even more complex when you consider the fact that a single contract may involve multiple locations in different countries where different languages, cultures, laws and regulations may apply.

In addition, outsourcing requires the successful convergence of two unique cultures, which may or may not have similar values and characteristics.

To achieve the benefits of organizational transformation, you have to skillfully manage all of these complexities. And that requires:

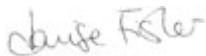
- Expertise in organizational development and human psychology
- Disciplined, data-driven management processes
- A vast set of flexible assessment and problem-solving tools
- A clear understanding of the critical role of communications
- A commitment to continuous improvement and innovation
- And a wealth of practical experience that can only come from a long history of real-world engagements

In the hands of highly skilled professionals, all of these elements come together to help both partners engineer a successful outsourcing relationship that begins with the development of the contract and continues through the service delivery phase.

In a very real sense, then, expertise in the management of change is the engine of transformation. And that's why, in an age of constant change, it should be considered a core outsourcing competency.

Send me an e-mail and let me know if you agree.

Sincerely,



Louise Fisher