Beyond the transaction.

Four ways to add signifcant value to outsourcing relationships.

Managed Services is more popular and prevalent than ever before – particularly when it comes to temporary and close-ended opportunities that provide companies with fexibility, value and cost-savings.

A large part of this short-term tactical thinking has been driven by the unsteady economy, which has forced executives and management to embrace effcient new operational strategies that will improve global effectiveness with minimal disruption.

As a recent report on outsourcing from Constellation Research1 said: "When economies nose-dive, organizations batten down the hatches and wait for the uncertainty to clear, before making decisions that are longer-term in nature and potentially disruptive to the business."

Understanding the skittish and pressurized "new normal" environment – that so many organizations currently fnd themselves confronting – is absolutely critical for managed services consultants today.

There are four key ways to make sure that companies with short-term outsourcing needs are well served as they anxiously seek clarity in a murky marketplace.

Simply executing on a company's orders isn't enough; instead, outsourcing consultants have to serve as experts and guide organizations to success using mature systems, processes, and resources that can scale to meet overall needs.

In the most successful projects I have worked on, we have helped ease hiring pressures and increase the breadth of knowledge by seamlessly integrating our seasoned learning professionals into an organization. We have responded to a wide spectrum of requests, including being asked to:

- **Supply** a complete array of consulting, design and development services to create an informal, formal, or blended learning curriculum based on an organization's business challenges, existing goals and cultural requirements.
- **Offer** a host of training services, including but not limited to instructor-led training, virtual instructor-led training, learning modules, and employee performance support systems.
- **Enable** learners to achieve their goals faster with comprehensive training programs.
- **Help** organizations manage training programs, whether it's a single learning project, or an entire learning function initiative.
- **Implement** learning technology – or maintain new or existing learning technology – to meet an organization's goals amidst and beyond short goals and objectives.

Internalize the company's culture

Every organization is unique, and it's crucial for outsourcing consultants to grasp a company's genuine differentiators as well as its authentic cultural DNA. Outsourcing consultants need to be company culture "insiders"; they need to be involved in a host of organizational projects, and at a number of organizational levels, to truly generate change.

Develop and Deploy Innovation

Products from outsourcing consultants can be off-the-shelf, but they must be state-of-the-art and support best practices within an industry. For example, I've seen a major market gap filled by developing an internal scheduling solution, which allows users to manage a greater amount of work with fewer resources and greater accuracy and reliability. I've also seen major success with online systems that jointly manage any work-related issues with clients that need transparency, arbitration, process improvement or overall management support. And finally, an online system that tracks all employees, their backgrounds, qualifcations, certifcations and other relevant capabilities provides an excellent way to stay on top of multiple moving parts when an outsourcing firm is trying to integrate with a company's culture.

Focus on generating results

It can be exceedingly diffcult for managed services consultants to accomplish meaningful changes within a company, especially in the dynamic – or even volatile – environments that are common today. Recognizing and addressing this challenge is of paramount concern in order for the outsourcing relationship to be successful.

For their part, organizations can get the most from outsourcing consultants if they plan thoughtfully – and in advance – before embarking on an outsourced project.

The frst priority must be answering several central questions: Why is the organization considering outsourcing? Does the organization understand the value of outsourcing? Is the organization unable to get the work done by itself? Is outsourcing another way for the organization to augment its staff without adding another full-time employee?

Second, organizations must have a reasonable budget ready and understand that there is a cost for outsourcing their risk.

Third, organizations need to assemble the information a managed services consultant requires to properly scope a project opportunity: What is the function or service needed? Where is the function or service going to be performed? Can this be a virtual engagement? Does it need to be co-located? Are there specifc dates already established for this function or service to be performed? Is there a defnitive start and/or end date? What are the dependencies? Are there specifc technologies that need to be implemented or understood? Are there specifc language requirements? And do people need to be trained prior to the project?

Despite the tremendous advantages of managed services short-term projects, however, some organizations are still wary of the process and see it as disruptive to their ongoing business. They're also concerned about risk mitigation when they allow an outsourcing consultant inside to engage with them.

That said, Constellation Research believes that experienced enterprise-level companies will increasingly use outsourcing for close-ended projects in the coming quarters, while more resource-constrained mid-market organizations will slowly deliberate in their decision-making here.

Looking ahead to 2020, companies will need to keep their products new, fresh, and visible in order to successfully compete across the globe. Consumer-facing companies, for example, see a dramatic increase in effort and staff needs whenever new products are launched. Unfortunately, most organizations can no longer afford to maintain a full-time staff and the signifcant fxed cost it

represents for these kinds of cyclical initiatives. That means short-term outsourcing projects will continue to play a pivotal role in the years to come.

The challenge going forward will be adding signifcant value to these short-term relationships. It's in this space that thoughtful and cutting-edge outsourcing consultants can help organizations achieve the proftability that will be required to prosper over the next several decades.

Training outsourcing services help your organization get more done without sacrificing quality or committing additional resources.

About the Author

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[1] http://www.constellationrg.com/blog/2011/06/ undisputed-facts-about-outsourcing-part-3-outsourcing-demand-unprecedented-levels-can