

The Value of Sourcing: Wrap-Up, Findings and Take-Aways

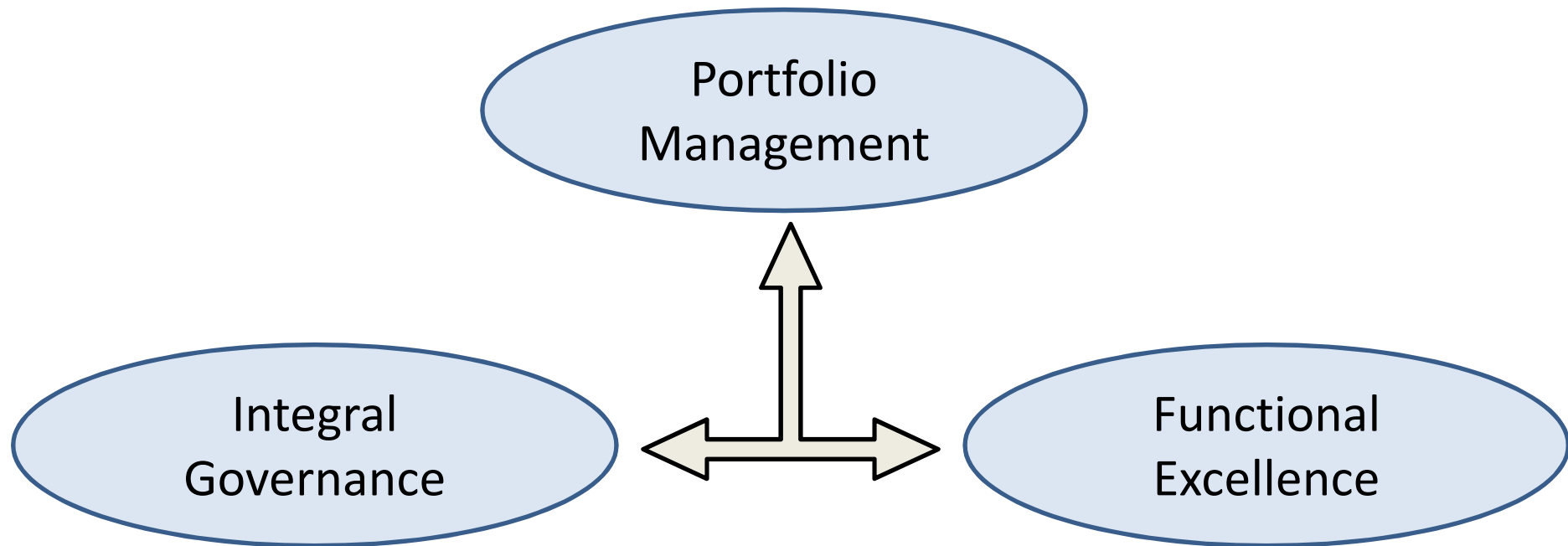
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Trends in Global Sourcing



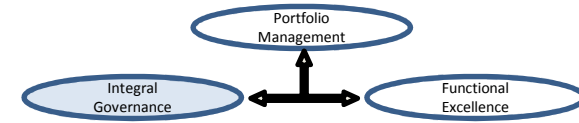
Portfolio Management



Upgrading your sourcing strategy by identifying the preferred partners by technology.

- Reducing the number of service providers to 3 to 5 preferred service provider per domain.
- Resulting in:
 - reduction of cost of ownership (22 to 28% - Everest Group 2009)
 - improvement of service levels by more effective communication & root cause analysis
 - decreased dependency by a reduction of switching costs and risks

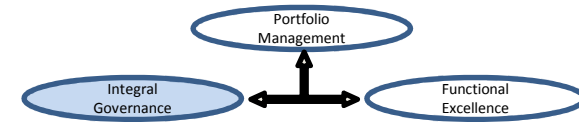
Integral Governance



Transforming service management and contract management into information technology supply chain management.

- End-to-End service delivery by implementing Operating Level Agreements : enabling root cause analyses
- Contract certification such as IEC 27001 or SAS70
- Invest in the retained organization and recruit qualified staff (ex-service provider & international experiences)
- Implement a ecosystem with preferred suppliers : facilitating collaboration and strategic partnerships

Functional Excellence



Business cases should drive the "standardization-customization" debate.

- Business cases are jointly driven by business and information management representatives.
- A strict change-control process, including an adequate governance, is a pre-requisite.
- Enterprise architecture and IT-architecture provide guidance but should never be blocking a business case driven initiative.
- The Chief Information Officer holds the responsibility for the IT-architecture supported by frameworks such as The Open Group Architecture Framework (TOGAF).

Looking Forward -

"technology refreshment" is not good enough

Integrating INNOVATION in your outsourcing engagement

- **Contract innovation** : your service provider is committed to innovation.
 - Separately priced : business case driven
 - Responsibility of management of the service provider
- **Innovation Workshop** : your service provider is presenting bright ideas.

Participants:

- Business Unit & Information Management representatives
- (Business) Consultants & Service Delivery Manager
- Facilitated by the Account Manager

Curriculum Vitae



Prof. dr. Erik Beulen is employed at Tilburg University in the Netherlands hold the Accenture Global Sourcing Chair. He is also employed as a senior manager with Accenture. He obtained his Ph.D. from Tilburg University. His research concentrates on outsourcing, offshore outsourcing, governance and the management of outsourcing relations. His papers have been published in journals such as the European Management Journal, Communications Association for Information Systems, IT&People, Journal for Information Technology for Development and the proceedings of the HICSS and ICIS. Beulen has contributed chapters in editorial books by Erran Carmel, Wendy Currie, Suzanne Rivard and Benoit Aubert and Wim van Grembergen. He is the author and co-author of various Dutch-language books on the subject of outsourcing and offshore outsourcing. Beulen also is co-author of the book 'Managing IT outsourcing', published by Routledge, UK.

Book publications:

1. E. Beulen, P. Ribbers and J. Roos (2006) *Managing IT outsourcing, governance in global partnerships*, Routledge, UK, (forth coming second edition in 2010)
2. E. Beulen (2009) *Surviving outsourcing, cartoon*, Van Haren Publishing
3. E. Beulen et al. (2006) *Outsourcing van IT*, van Haren Publishing
4. E. Beulen (2005) *Offshore outsourcing*, Ten Hagen Stam
5. L. van Hemmen and E. Beulen et. al. (2004), *Bedrijfsvoering en ICT op één lijn*, Academic Services
6. E. Beulen (2002) *Uitbesteding van IT-dienstverlening*, Ten Hagen Stam
7. E. Beulen (2000) *Kostenbeheersing van IT-dienstverlening*, Ten Hagen Stam
8. J. Bautz, E. Beulen and E. de Hoop et. al. (1998) *Wegwijzer voor IT-uitbestedingscontracten*, Ten Hagen Stam
9. E. Beulen, P. Ribbers and J. Roos (1994) *Outsourcing van IT-dienstverlening: een make or buy beslissing*, Kluwer Bedrijfswetenschappen

Journal publications and book chapters:

1. E. Beulen, (2009) The contribution of a global service provider's human resources information system (HRIS) to staff retention in emerging markets – comparing issues and implications in six developing countries, *IT & People*, vol. 22, no. 3, pp. 270-288
2. E. Beulen, (2008) The enabling role of Information Technology in the global war for talent: Accenture's industrialized approach in *Journal for Information Technology for Development*, vol 14 (3), pp. 213-244.
3. E. Beulen and P. Ribbers (2007) Governance of Complex IT Outsourcing Partnership (chapter 11). In *Information Systems Sourcing*, editors Suzanne Rivard and Benoit Aubert, in the *Advances in Management Information Systems (AMIS) series* (Editor-in-chief Vladimir Zwass). ME Sharpe (US), pp. 446-495
4. E. Carmel and E. Beulen (2005) Managing the offshore transition (chapter 7). In *Offshore Information Technology – sourcing and outsourcing to a global workforce*. Editor E. Carmel and P. Tjia. Cambridge University Press (UK), pp 130-148
5. E. Beulen, P. van Fenema and W. Currie (2005) From Application Outsourcing to Infrastructure Management: Extending the Offshore Outsourcing Service Portfolio. *European Management Journal*, April (23-2), pp. 133-144
6. E. Beulen (2005) *Managing IT Outsourcing: governance in action*. In *Encyclopedia of Information Science and Technology*, Volume I-V. Editor M. Khosrow-Pour. Idea Publishing, pp. 1299-1304
7. E. Beulen and P. Ribbers (2004). Value creation in application outsourcing relationships: an international case study on ERP outsourcing (chapter 12). In *Value creation in E-business models*. Editor W. Curry. Elsevier, Butterworth-Heinemann (UK), pp. 283-310
8. E. Beulen (2004) Governance in IT outsourcing partnerships (chapter 12). In *Strategies for Information Technology Governance*. Editor W. van Grembergen. Chapter 12, Idea Group Inc, pp. 310-341
9. E. Beulen and P. Ribbers (2003) A case study of managing IT outsourcing partnerships in Asia. *Communications of the Association for Information Systems*, volume 11, article 21, March, pp. 357-376