

Offshore Outsourcing - Communicating (Part 4)

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Change can be extremely traumatic especially if the change results in a reduction in workforce. There is extensive debate as to when you should communicate the desire to Outsource to your internal team. Some feel this should be done early on while others feel the decision to outsource should be communicated after the contracts have been inked. There are advantages and disadvantages to both. If the communication is done early on it may result in loss of morale, whereas if it is done late into the process there is a very good chance that word of the impending outsourcing will leak out leading to rumors, water cooler gossip, loss of faith in Management and again loss of morale.

Before you announce the desire to outsource prepare your facts.

What leads you to this decision?

What will be the impact?

- Reduction in force - what functions will be affected
- Change in the nature of work, how would the work change
- Redeployment, where would the re-deployment take place
- Additional responsibilities

Even if the affected people have seen this coming they will be surprised and angry when this occurs. That is normal. If you communicate early on you give them time to get over this and reconcile and accept the impending change. Even people who are not affected will be concerned with a loss of control over the result of the work product or the potential of external scrutiny on their work. Prior to communications therefore recruit **Change Agents** and participants:

- Executive Leadership who firmly support the program
- Project Managers who will be tasked to make this transition work
- Individuals who will be positively impacted

In many organizations change has had a positive impact on the nature of work IT people were doing. Outsourcing gives IT a real chance to transition their workforce from IT implementers to Managers interfacing with Business users day to day, understanding real business issues and then translating them to IT action plans. IT has more time to dedicate to understanding business issues, analyzing these issues and identifying IT action plans that help solve these real world problem. The role of the IT work-force gets richer in the process.

Change will affect all including people and Infrastructure.

The first step to manage this change is to set up an Outsourcing Project Office with a Chief Outsourcing Officer that reports to the Executive Management (CEO/CIO/CFO). This Office can begin the change readiness assessment and impact and will be responsible for implementation of the change.

OUTSOURCING PROJECT OFFICE:

The Outsourcing Project Office will be responsible for Governance of the Relationship, Infrastructure Planning, Defining Standards to be met, Analyzing and changing Processes for Outsourcing, Logistics, Vendor selection, Change Management, Setting Steering and Relationship goals, Outsourcing Relationship Management and Arbitration.

Once the Outsourcing Project Office is in place the decision to Outsource with the reasons should be communicated to the internal staff. The Chief Outsourcing Officer should be introduced to the Organization. He would then communicate the areas that have been identified for outsourcing as well as communicate any expected changes such as reduction in force. The HR department should work closely with the Chief Outsourcing Officer and ensure that attrition is managed as well as employees are appropriately counseled and assisted.

The Company should be prepared with a transition plan, a re-deployment/retraining plan and an outplacement plan in the event of planned attrition. All affected employees should be told of the timetable for this transition.

The next stage is to assemble an Outsourcing Task force. This taskforce will establish goals for outsourcing. It will map the existing process and interfaces between different stages of the current process. It will re-engineer these for Outsourcing, defining a Projects Management process and reporting needs for governance of the outsourcing. The team would establish escalation procedures if problems cannot be resolved.

At the same time the Project Office will interface with HR / Legal, Procurement, Systems and Network Administration and Finance and Accounting to setup processes for the Outsourcing.