

Outsourcing

Achieving High Performance through Infrastructure Outsourcing

Driving IT Value in a Multisourced
Environment

Podcast Transcript



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Welcome to the Accenture podcast
entitled Achieving High Performance through
Infrastructure Outsourcing - Driving IT Value
in a Multisourced Environment.

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IT outsourcing has come a long way from the days when it was about a single provider whose value proposition was your mess for less. Today, as organizations have sought other ways to drive high performance and business value while also reducing costs, they have turned to multiple providers. However as the complexity of the outsource supply chain increases so grows the need for someone to work at the intersection of a company's IT community and its multiple suppliers. Someone who can identify common practices, establish a blueprint for their execution and impose the day to day discipline required to carry them out. What's needed is a service integrator.

Of course, you say, as the number of outsourcing partner's increases there has to be someone to pull all their efforts together. But there's more to it than being just a manager of vendors. The convergence of consumer and enterprise technologies, with devices such as Blackberry Smartphone's and

PDA's, brings added complexity every day. It is changing the way we manage content and there's the growing need to support differentiated service levels which adds a new and different layer of IT thinking on top of the more routine support of internal cost centers.

And what about new technology approaches such as virtualization, services oriented architecture and software as a service? They all add to the complexity of Infrastructure Outsourcing – the kind of complexity that only a service integrator can manage effectively.

Once you've seen the need for a service integrator in your organization questions get very practical. Like, what exactly does the service integrator do? How does the IT organization benefit? And where do we find the right service provider for the job? Let's take those questions one at a time.

What does the service integrator do?

Well, to begin with, they work with your IT organization to clearly define what you're looking for as business outcomes. Then, they introduce performance metrics and governance mechanisms to track performance against your goals. At the same time, the service integrator works with you to help drive innovation and market leadership through the right approach to IT integration. At the oversight governance level, the service integrator consolidates service management and metrics reporting across all service providers. Properly done, the service integrator has visibility across the entire IT network and is accountable end-to-end for incident, problem, change and request management. In other words they work cooperatively with you at a strategic planning level and they have command and control authority over your vendor supply chain.

The next question was how do you benefit from this service integrator role?

The most obvious payoffs are in the areas of service levels, operating costs, flexibility and innovation. For example, you will enjoy higher more consistent service levels as you both drive fast resolution of incidence and also reduce the number of incidence. You'll also lower your operating costs thanks to reductions in run costs due to less need for field support and fewer compliance costs as you integrate reporting and improve your benchmarking of unit costs. In addition, you'll benefit from lower switching costs and greater flexibility in the supply base as you become less dependent on suppliers. And your business innovation programs will be enhanced by improved integration of your IT functions. New technology approaches and better alignment between IT and business objectives. These benefits underscore how far IT outsourcing has come from the days when it was a narrow tactical cost reduction vehicle. In today's approach you still get reduced costs but the business case for outsourcing also includes the agility and flexibility to meet the changing demands of the business plus the advantages of tapping best of breed technology providers in addition to advancing your ability to enable business innovation.

So where do you find a service integrator?

What you're looking for is a service provider with the skills to do three things. One, align IT services with your defined business goals. Two, manage your outsourced IT functions effectively. And three, govern your outsourcing vendors. If we look at what's worked in the real world of multisourcing we see an emerging picture of the successful service integrator. More and more they are coming from the vendor community itself. They are a provider of one or more of your outsource services. As such, they come with a readymade, integrated framework of methodologies and tools for industrializing processes and they have a track record of successful implementation. Specifically, they have experience in using advanced outsourcing capabilities and services to help organizations increase overall performance. And service integrators are an answer for the many buyers who are trying to balance their need for innovation with their desire to manage fewer suppliers.

In a recent survey 43 percent of chief information officers said they preferred for service providers to assemble best of breed solutions for them, up from 32 percent the previous year.

To summarize, Outsourcing to a single provider has given way to multisourcing, which has evolved into infrastructure outsourcing under the management of a service integrator. Who increasingly is a trusted outsourcing provider delivering quality service and requiring the same from other providers.

The role of the service integrator is itself evolutionary. A good relationship between a service integrator and client is one that is able to adapt to changing conditions and keep the client on the road to high performance.

To learn more go to www.accenture.com/multisourcing and download our report entitled Perspectives on Achieving High through Infrastructure Outsourcing – Driving IT Value in a Multisourced Environment.

Again, that's www.accenture.com/multisourcing.

Or contact us via www.accenture.com/contactus.

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