

**theoutsourcinginstitute**  
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**There is no Outsourcing without a Transition**

In association with

**SUTHERLAND**  
GLOBAL SERVICES®

**A**s more companies turn to outsourcing as a means by which to enhance productivity, while continuing to decrease operating costs, there continues to be an associated rise in the number of outsourcing relationships being established.

Years ago, outsourcing was only viable for those relatively large organizations that were interested in moving the work of 100s of staffers to an external service provider.

Today, the outsourcing industry has matured to the point where it has become equally attractive for smaller initiatives (5+ FTEs) as well. Irrespective of the size and shape of the initiative, all relationships must include a series of activities that serve to migrate the work from the current environment to the future environment, in essence, a Transition.

According to Robert Moore, Vice President of Transition and Transformation at Sutherland Global Services:

***“In my experience, there seems to be no correlation between the size of an outsourcing effort and its associated complexity. As a result, the act of transitioning work takes on a role of ever-increasing importance. Organizations considering outsourcing key aspects of their business would be wise to evaluate their partners on their ability to successfully transition work rather than simply evaluate them on what their steady state operations might look like.”***

The Transition Phase, while critical to the success of the project, is typically down-played during the due diligence process, from both the perspective of the Buyer and Provider of services.

The Buyer, typically having not been through a formal Transition process, does not focus on assumed that if they can display the ability to meet the client’s steady-state requirements, then they stand a fair chance of winning the business. While both perspectives are accurate, they both, by design, treat the Transition Phase of the project as a *fait accompli*.

As part of any formal transition process there are 3 facets that must be accounted for: People, Processes, and Technology. The Technology component is the most widely understood, and involves the migration or replication of the required technical environment, which includes the set-up of all required software, hardware, and network access.

The Process component is clearly understood by those Providers who are process-oriented, and includes documenting the current processes and transferring this knowledge to the outsourced team members.

The People component, or Human Factor, typically goes unaddressed and is allowed to evolve on its own, which is a common misstep in the Transition process.

The management of the Human Factor is what dictates the relative success or failure of the Transition Phase.

While a transitional failure will not necessarily kill the outsourcing initiative, it will most certainly place the Buyer/ Provider relationship on adversarial ground, from which it may never fully recover. If the outgoing staffers are treated fairly and provided with clear and open communications, then they are more likely to provide meaningful input to the knowledge transfer process.

If the incoming staffers are provided with solid foundational knowledge of the environment, and are made to feel welcomed, then they are less likely to resign their positions over time.

Only when these minimum transitional requirements are met, can a Buyer and/or Provider even consider the opportunity to actually reengineer the way business is being conducted as part of the Transition Phase. A formal Transition Phase offers the opportunity to rethink the People, Processes, and Technologies that are currently being employed, and evolve an improved approach that is in alignment with the needs of the business.

This transformation opportunity is in direct opposition to the typical “lift- and-shift” approach, which simply takes the as-is environment and moves it to the to-be Provider.

Simple outsourcing has the proven ability to provide cost saving in the range of 20% - 35%, which is attributable to the use of lower cost resources. When this approach is coupled with transformational activities, the cost savings can almost double.

While this level of enhanced cost savings is certainly attractive, its attainability is dependent on the ability to conduct a formal Transition process that is focused on transforming the business as part of the outsourcing initiative. According to Paul Pinto, Managing Partner at Sylvan VI:

***“Recently, we have been pulled into and asked to lead the Transition Phase of a number of outsourcing initiatives, as a third-party, for the express purpose of driving transformational activities. By virtue of our specialization in reengineering as part of transition, we have developed the unique ability to see the forest, the tree, and leaves, thereby enabling the Buyer and Provider to focus on what they do best.”***

## About The Outsourcing Institute

Founded in 1993, The Outsourcing Institute (OI), located at [www.outsourcing.com](http://www.outsourcing.com), is a neutral professional association dedicated solely to outsourcing, providing information, research, networking opportunities and customized outsourcing services and solutions to the outsourcing industry.

OI is recognized worldwide for its intellectual capital, outsourcing practice expertise and unbiased thought leadership.

OI's commitment to innovation, along with its mission to advance the skills and knowledge of its membership, has made it the most respected and relied upon brand for the outsourcing marketplace.

OI's executive network, which is comprised of more than 70,000 professionals worldwide, looks to

OI as the go-to source for outsourcing thought leadership, information and advice

## About Sutherland Global Services:

Sutherland Global Services was founded in 1986 as a global BPO and Technology Enabled services company offering an integrated set of back-office and customer facing front-office services that support the entire customer lifecycle.

One of the largest, independent global BPO companies, headquartered in Rochester, N.Y., Sutherland employs over 26,000 professionals and has 25 global delivery centers in the United States, Canada, Mexico, Nicaragua, India, the Philippines, Bulgaria, and the United Kingdom. For more information visit.

[www.sutherlandglobal.com](http://www.sutherlandglobal.com)

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