

SIX TIPS FOR SUCCESSFUL CHANGE IN OUTSOURCING



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Hit with a challenging savings target, the desire to dramatically improve capabilities and the corporate board constantly singing “*achieve more for less*”, your organisation has taken the plunge to outsource a service.

No big deal, outsourcing has been around forever. Clearly it’s big business because the UK’s four biggest outsourcing providers (Atos, Capita, G4S and Serco) receive £billions a year to run our public services.

We are seduced by their ability to provide cutting edge technology, expertise and flexibility. Design the service specification, go out to tender, select the provider you fancy and sign on the dotted line, sweet and simple!

But it’s not so simple, as I have found, in change management roles, because transferring your service and staff is a complicated process and if you get the people side wrong, that sweet deal will turn sour long before the pen gets anywhere near the contract dotted line.

Outsourcing is a major change for staff transferring to the outsource provider and, let’s not forget the staff remaining who work closely with the soon-to-be outsourced team.

Resisting the change

As Collaborative Transformation and Shared Service professionals, we are aware through the change programmes we have exposure to, that people resist change.

Staff resistance can be for a multitude of reasons such as:

- Distrust of the outsourcing company.
- Possible change of location.
- Fear of eventual job loss: since the outsource contract will be a fixed price, a way for them to increase profit will be to eventually decrease numbers of staff.

Whatever the reason, staff resistance can seriously hinder your outsourcing programme.



"I started a serious workout program yesterday. So far I missed only one session."

If you want a chance of enjoying the sweet fruits outsourcing has to offer, then people management is critical to success.

This is the first thing I’m tackling in my current role, as a change manager preparing a financial services function for outsourcing.

One gym session is not enough!

In my quest to put the people first, because I’m fully aware that organisational success is dependent upon the people, I studied the drivers of success stories. I have identified common traits and summarised them into the following six tips which will help ensure outsourcing success for your organisation.

1. Have a strong why

Clear goals and outcomes will get you off to a secure start.

2. Keep it real

Will one gym session get you fit? Nope! So don’t expect outsourcing to solve everything immediately. Be realistic about what can be achieved, perhaps aim to improve services before expecting savings to be realised.

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The change management team should keep up to date about reasonable risk of outsourcing, cost and mitigation strategies.

3. Tell, tell, tell!!!

Develop a communication programme to inform all stakeholders affected by the outsourcing. The message should answer the burning question “Will I be affected?” Give staff the opportunity to ask questions and be heard.

4. What’s in it for me?

Highlight the benefits outsourcing has, eg outsourcers can offer new opportunities and skills to staff who transfer to them.

5. Manage stakeholder expectations

Managing expectations of outsourcing can create high goodwill among stakeholders for the venture.

If expectations are too high this can lead to disappointment. The change management team should keep up to date about reasonable risk of outsourcing, cost and mitigation strategies. Staff and other stakeholders should be kept informed.

6. Create collaborative advantage

Collaborate with the outsource provider to create a partnership. A co-design process displaying transparency and openness about business objectives will enable trust and provide incentives for both sides to participate in harmony.

To help you out, I have created the following questionnaire template to inspire your work.

Tips for outsourcing success	What do you need to do to answer the questions?
<p>1. Why are you doing this? What are the clear goals and outcomes for your project that will get you off to a secure start?</p>	
<p>2. Keep it real How will you be realistic about what can be achieved?</p>	
<p>3. Tell, tell, tell !! How will you create the resource to develop a communication programme to inform all staff and stakeholders affected by the outsourcing.</p>	
<p>4. What’s in it for the staff? How will you work with the outsource provider to highlight the benefits outsourcing has to the staff to be transferred?</p>	
<p>5. Manage stakeholder expectations How will you create high goodwill among stakeholders for the venture?</p>	
<p>6. Create collaborative advantage How can you collaborate with the outsource provider to provide incentives for both sides?</p>	

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