

IT AIN'T WHAT YOU DO...

All the technical capability in the world won't be enough to make a BPO project work. Yet most companies focus 90 per cent of their procurement process on technical delivery and only ten per cent on the cultural fit of the potential business partners. Carina Smith, VP of BPO at Capgemini, believes this is why so many fail to reach their full potential.

Choosing your partner will be the most important decision you make in a finance & accounting (F&A) BPO project, because this is a long-term relationship that needs hard work, commitment and continuing trust on both sides. You can't expect simply to hand over the reins and wait for the benefits to roll in. Things will inevitably go wrong and you need to be able to work on improvements, adapting and getting it right together. The strength of the relationship, the commitment on both sides and the tenacity of the

providers are equal; of course the vendor needs to excel in delivery but it is the way you work with your partner that makes the difference. Companies should spend far more time evaluating what sort of team they want to work with for the next seven years. Better to focus on culture, confidence and control – as these key aspects of behaviour and management are the building blocks of a thriving outsourcing project.

'BPO, more than any other issue I have been involved in, requires absolute attention to people, how you

expect a 'one size fits all' approach to outsourcing?

There is a tendency to over-industrialise the BPO model. Certainly most BPO business cases are a combination of switching labour to a low-cost location, economies of scale and the application of technology and productivity improvements, but these alone will not guarantee a successful BPO. What BPO teams need most of all is the flexibility and willingness to adapt as they approach each site and its own specific set of issues. They can only do this with strong relationships and good communication to make sure all key stakeholders know what is happening.

Tick-box procurement processes like those in traditional IT outsourcing don't work. This is not a one-off product purchase with one negotiating point and a single price-driven deal. Selecting the right BPO partner means a more collaborative workshop process.

Compare the differences in culture of your potential partners. Look for open, honest, robust dialogue. You need strong personalities who have done it before and understand the issues. They need to be very canny, able to listen and adapt to local needs while not pandering to petty intransigence – and you will need to field a team of project leaders just as strong.

Working relationships

Get the senior executives involved early on, on both sides, to check they are comfortable with each other, and share

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collaboration between you, will be the deciding factor between a successful BPO and a potential failure.

So how do you find the right partner? Most of the big BPO vendors have pretty similar technical expertise and delivery capability, so why do most companies spend months evaluating this and turn only at the very end to the crucial cultural and collaborative issues? We have sometimes found a lack of knowledge about how far the service provider market has come, but by visiting delivery centres and talking to existing clients, prospective outsourcers can quickly understand the technical capabilities.

Culture, confidence, control

The truth is that not all service

manage them, how they behave, how you will affect them and how they work together. Understanding that and adapting your approach to those issues is key to success.' That is how one of Capgemini's BPO clients, Stephen Foster, project director at LG Philips Displays, sums up his experience.

Individual approach

No two companies will engage in identical BPO ventures. Each will have different scope, different ways of working and different objectives. In fact, variation can be even more fragmented, with differences from site to site within the same company.

Each business has its own culture, IT systems and processes, local laws and ways of working. So why

similar values and goals. Remember to get past the individual personalities and make sure the cultural style permeates right through the organisation. Do they all share a similar vision? People will look to the project leaders, how they behave and react, at all times. You need a consistent show of confidence and trust to refute the sceptics you will undoubtedly meet as the project progresses.

Look at the detail of how you will communicate and work together. Of course it's important to ensure that you've had the relevant meetings and passed over the essential information. But so much of the success of BPO, particularly in finance and accounting where labour arbitrage is a key business case lever, is crucially dependent upon relationships between people. The communication and collaboration that go on through the work-up prior

to transition, and the sensitive task of people management through transition, are the cornerstones and building blocks of a stable and successful project.

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Workshops

Brave companies could push the concept of collaboration to the limits and really turn the procurement process on its head. Rather than thrashing out an 'ideal' business case on your own, take a few of the likeliest vendors and do a couple of workshops with each of them

to define a business case that is more real and achievable. You will progress through the procurement process much more quickly and be free to focus on the critical cultural issues. What's more, by being more open, you will allow the vendor to be more innovative early on.

Good leadership and a shared vision in a collaborative partnership are key to a successful, long-term working relationship. It is time that procurement in BPO environments reflected that fact. ■