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Change management is imperative when you launch and outsourcing effort, especially an enterprise-wide one.

Governance is Key

We have found that governance is key to change management when running enterprise-wide initiatives. This is especially true when it comes to outsourcing. The outsourcing effort is fraught with apprehension both on the part of management and the workforce. To ensure proper buy-in and support from key stakeholders the corporate governance structure must be established as part of the outsourcing effort. In the late 1990s, I lead the effort to outsource a large portion of the technical workforce of a large semiconductor company. This was a global effort to expand 26 different account teams across multiple countries in Europe Asia and North America. I leveraged the existing management structure, to create a governance committee consisting of all the key executives. This body provided the buy-in and approval of all strategy and policy for the outsourcing effort. Furthermore these objectives were the individuals responsible to implement outsourcing in each of their countries.

Begin With Strategy

Effective outsourcing efforts must begin with strategy. Outsourcing must be integrated with the overall corporate and workforce strategy. To ensure proper change management these strategies need to be discussed and accepted by the governing body. In my outsourcing effort, I spent about two months building the overall workforce strategy and then the outsourcing strategy. Throughout that time, I consulted with the governing body to build consensus and to get the best ideas from across the company. By ensuring that there was agreement on the strategy itself and the business goals involved, we avoided disagreements down the road as we worked on the details of implementation.

Good Change Management Practices

Once you've established governance and built your strategy you still need to follow through with good change management practices for the project overall. Communication across and throughout the impacted organizations is key to the change management effort. Those affected need to understand the reason for this outsourcing effort and how it will impact their organizations and their own jobs. Good metrics are another key element. They will help ensure that the project stay on task and will give you early warning on those areas of the organization not supporting the effort.

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