



Success of an outsourcing implementation: equality required in organisation, technical & functional aspects

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For companies, outsourcing is a catalyst for change and an enabler of HR transformation. The HR function can then recharter its structure to contribute to the company's overall performance, becoming a veritable business partner capable of generating value in the core business

For outsourcing to meet objectives beyond initial cost optimisation, and by maintaining a win-win situation throughout a quality-driven, relationship-based approach over the long term, it is important to evaluate and manage changes in the HR structure and processes, in the missions and roles of the members of the HR team or even in the HR culture.

The quality of the relationship between the company and the external provider is therefore vital. By outsourcing certain activities, HR professionals develop a new type of working relationship with their external provider. In this sense, they enter into a relationship of 'customer' and 'service provider'.

This begs the question of how to foster conditions conducive to the quality of the relationship between the company and its external provider.

The right outsourcing governance model

Early on in the project, it is advisable to establish a governance model to steer and control the outsourcing engagement between the customer and the external provider in an effort to ensure quality over the long term. This entails defining the roles and responsibilities of each, monitoring the right follow-up indicators and scheduling meetings and setting an agenda.

Arranged as follows, the outsourcing governance model can present an opportunity to establish new missions for members of the HR team through:

- A Strategic Committee, whose objective is to oversee the relationship and contract fulfilment (partnership follow-up and evaluation of overall satisfaction; outline of the boundaries of the services and their development, shared indicators and SLA, etc.) among the managing stakeholders. This committee would meet, for instance, once a year.
- A Steering Committee, whose objective is to review service execution (contract follow-up, budget and invoicing, quality of service plan follow-up, SLA follow-up, etc.) among the stakeholders in charge of the contract with, in attendance, the operational project

managers who take part in the Follow-up Committee. This committee would meet, for instance, quarterly as well as on an ad-hoc basis.

- A Follow-up Committee, whose objective is to ensure the operational management of services (follow-up of operations, anomalies and incidents, development, action plans, etc.) between both the customer and service provider's project managers. This committee would meet regularly, for instance, once a month.

No single outsourcing governance model stands out as the 'best model'. The outsourcing governance model must be flexible enough to address the company's specific circumstances, HR objectives and the nature of the relationship with the outsourcing provider on contract. This flexibility must, of course, adapt to suit changes in the company's circumstances, HR objectives and expectations of the external provider to guarantee a cycle of continuous improvement since the relationship will be reinforced over time.

The role of change management

Beyond technical revamping of the HRIS, the decision to outsource (partially or completely) payroll and HR administration is accompanied by changes in practices, processes and structure. Certain members of the HR team can also be brought to change their mission. This can also present an opportunity to include new stakeholders outside the HR function 'in the loop' for certain HR processes, such as managers and/or employees, through collaborative deployment processes enabled by workflow technology.

Change is not merely executed, however. It is implemented by establishing a pre-defined framework of change management best suited to the company's structure and corporate culture. Using this approach, the external provider can deliver specialised know-how and a field-tested methodology in widely varying contexts with different organisational and cultural characteristics.

The framework of change management is deployed as of project launch and the first stages of outsourcing service implementation, by including all potentially affected stakeholders, and by outlining action plans and deliverables suited to each stage, objective and population.

Significant internal communication and awareness-raising actions underscoring objectives both prior to and throughout the duration of the project enable minimisation of risk and promote the involvement of the various stakeholders.

HR professionals—and frequently new stakeholders such as managers and employees—will have to transform certain practices. The HR professionals also have a role in facilitating adoption of new 'self-service' HR practices and tools by these new stakeholders. It can be useful to hold 'impact analysis' workshops with the various stakeholders in the aim of optimising HR processes. These may cover developing new HR processes drawing on industry best practices, streamlining data processing and flows and managing centralisation enablers or delegation levels to optimise the HR services delivered to each stakeholder of the company.

Lastly, training and assistance for HR teams—and even e-learning for managers and employees—as well as relevant documentation should be taken into consideration to accompany deployment of new practices and tools.

It is advisable to approach outsourcing not merely from a purely technical angle but with the broadest possible vision. Because the consequences of this change are far-reaching, they must be fully understood, put into practice by all employees and communicated to all. Outsourcing is in every sense a project carried out at all levels of the company. Management of changes impacting the organisation and HR practices is key to successful outsourcing.