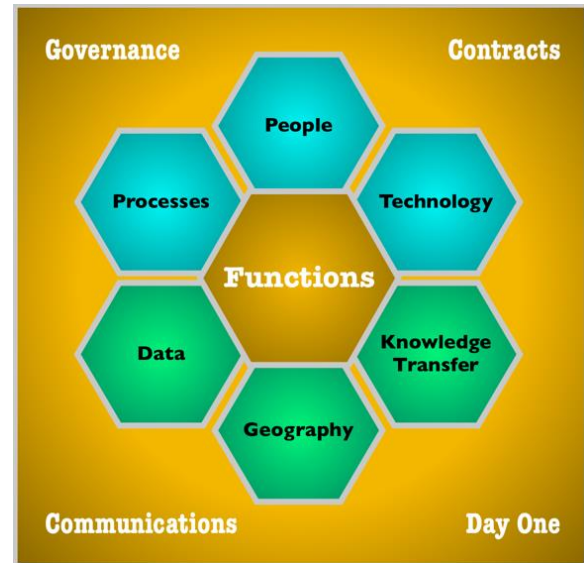


Good checklists are precise. They are efficient, to the point, and easy to use even in the most difficult situations. They do not try to spell out everything. Instead, they provide reminders of the most critical and important steps. Good checklists are, above all, practical.

Atul Gawande, [The Checklist Manifesto: How to Get Things Right](#)

Successfully sourcing internal functions to an external service provider can be an organization's most difficult situation. This Transition Checklist will not attempt to spell everything out; but will identify the most critical and important steps. Before jumping into the checklist, however, here are some keys to transition success:

- A data-rich business case strong enough to justify the effort and ensure broad-based support
- Planning far enough in advance to ensure the availability of ample resources (time, money, people, etc.) to develop and execute the transition and measure the results
- Thorough stakeholder analysis and effective expectations management
- Consistent issue and risk management.



And, now, the checklist. It can apply to whatever is being considered for sourcing: Finance, Accounting, Purchasing, Human Resources, Training, IT, etc. A basic scorecard is provided, as well.

## 1. Functions

- ✓ The functions and sub-functions which will be sourced to an external provider have been determined.
- ✓ The functions and sub-functions which will be retained in-house have been determined.
- ✓ The ways sourced and retained functions and sub-functions will interact have been thought through.
- ✓ The internal drivers for sourcing are well understood.
- ✓ The external drivers for sourcing are well understood.
- ✓ The business case for sourcing has been thoroughly researched.
- ✓ The financial benefits of sourcing are clear.
- ✓ Sourcing's impacts on current and future customers have been determined.
- ✓ Connections between the business case and the organization's strategies and tactics are obvious.
- ✓ Lessons learned from other sourcing transitions (either our own or others') are being/have been considered.
- ✓ Return on Investment (ROI) projections have been calculated and accepted.
- ✓ The dates when transition needs to start and finish in order to achieve the projected ROI have been established.
- ✓ The effort required to complete the sourcing transition is known and has been broadly accepted.
- ✓ Capable and experienced transition leaders, managers and administrators are available.

## 2. People

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- ✓ The organizational changes called for by the sourcing program have been thoroughly analyzed and vetted.
- ✓ The roles which will be sourced and the impacts on the individuals in those roles are well understood.
- ✓ The number and types of new internal roles that must be created and filled are well understood.
- ✓ Organizational change management plans are in place to address people transition activities and challenges.
- ✓ A Change Network has been considered.
- ✓ Skills training requirements, mechanisms and timelines have been developed.

## 3. Process

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- ✓ All impacts of sourcing on our business processes have been analyzed and vetted.
- ✓ The changes to current processes and the tally of new processes are clear.
- ✓ Customer interactions with our business processes pre-, mid- and post-transition are understood.
- ✓ Process training requirements, mechanisms and timelines have been developed.

## 4. Technology

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- ✓ The breadth and depth of needed hardware, software and infrastructure changes have been determined.
- ✓ Connections to/from the new service provider have been planned for; including security structures.
- ✓ Changes to how our customers interact with our technologies have been thoroughly analyzed.
- ✓ Technology training requirements, mechanisms and timelines have been developed.

## 5. Data

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- ✓ Where, when and how company, employee, customer and service provider data will be processed, stored, protected and managed have all been determined.
- ✓ A detailed plan for moving from today's data structures through transition to tomorrow's data setup has been figured out.

## 6. Geography

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- ✓ Physical facilities where sourced services will be delivered have been thoroughly planned out and vetted.
- ✓ Infrastructure adjustments and/or additions required by new sourcing arrangements have been considered.

## 7. Knowledge Transfer

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- ✓ The storage locations of the knowledge which a new service provider will need to be successful are known.
- ✓ Key team members with core process knowledge understand their importance to effective knowledge transfer.
- ✓ The complexities of getting knowledge transfer right are well understood.
- ✓ A detailed knowledge transfer plan has been prepared.

# Transitioning to Sourced Services: A Checklist

## 8. Governance

- ✓ Structures for managing the vendor relationship with a potential service provider have been designed.
- ✓ Service/performance management policies and procedures have been put in place.
- ✓ Governance committee and decision-making structures have been developed.

## 9. Contracts

- ✓ Service level definitions and measurement methodologies have been developed.
- ✓ Key deliverable expectations have been established.
- ✓ Financial provisions to be included in the contract have been projected.
- ✓ The structure and organization which the contract will eventually take are in place.

## 10. Communications

- ✓ Stakeholder expectations have been assessed and a management plan is in place.
- ✓ Communications audiences, method, vehicles and frequencies have been analyzed and assessed.
- ✓ Key messages have been developed.
- ✓ A broad and deep communications plan covering the life of the transition program has been developed.

## 11. Day One

- ✓ Decisions about a phased-in vs. a big-bang approach to commencing sourced services have been made.
- ✓ Service readiness processes, deliverables and measures have been thoroughly planned out.

## Scorecard

This scorecard can help identify how happy an organization is with their sourcing transition checklist and where work is still needed.

	☹	☺	😊	😄		☹	☺	😊	😄
<b>1. Functions</b>					<b>7. Knowledge Transfer</b>				
<b>2. People</b>					<b>8. Governance</b>				
<b>3. Processes</b>					<b>9. Contracts</b>				
<b>4. Technology</b>					<b>10. Communications</b>				
<b>5. Data</b>					<b>11. Day One</b>				
<b>6. Geography</b>									