Craig Russell

275 Route 10 East, Suite 220-247
Succasunna, NJ 07876
Office: 973-601-7664
Mobile: 201-859-2332
Twitter: @OrgChangeCoach
craig.russell@lwkconsulting.com
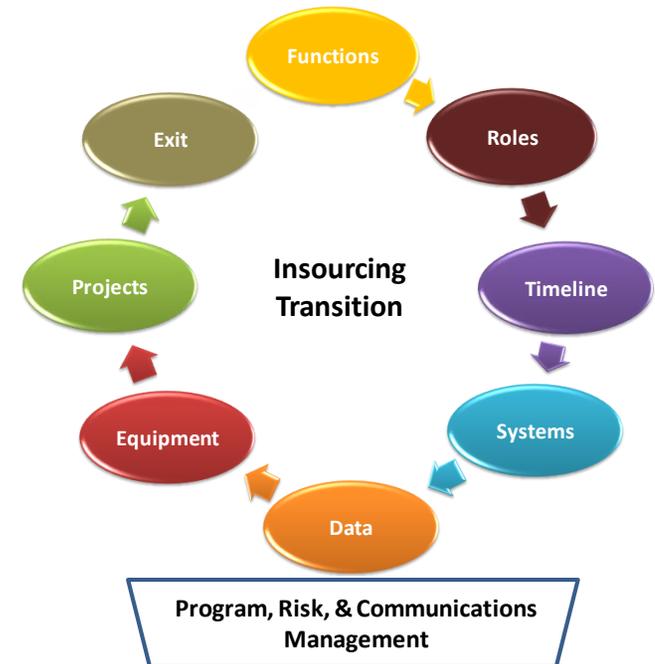
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LWK Consulting, LLC

Insourcing Transition

INSOURCING OUTSOURCED JOBS: DISNEYLAND IS IN THE DETAILS

Check out this three-condition scenario: Condition 1…your organization has outsourced non-core functions (for example, I have helped companies move Finance, Accounting, Purchasing, Human Resource, Training, and Information Technology non-core jobs to off-shore centers in India, the Philippines, and Europe as well as near-shore delivery centers in Texas and Oregon). Condition 2…the business case for keeping those jobs off-shore has dramatically changed. Condition 3…your organization has decided to bring outsourced jobs back in-house. What are you going to do next? (I doubt you will be going to Disneyland.) Effectively managing the details of your insourcing program can earn you that vacation after all.

COMMUNICATIONS MANAGEMENT MODEL
Eight sequential steps define a comprehensive model for effectively managing an insourcing program. Here are the eight steps and their key activities:

1-Functions *Determining what work will be brought back in-house.*	**5-Data** *Documenting how client and other data handling will change.*
2-Roles *Specifying jobs to be in-scope for the insourcing program.*	**6-Equipment** *Planning for changes to physical facilities and inventories.*
3-Timeline *Establishing budgets, program plans, and calendars.*	**7-Projects** *Ensuring knowledge transfer and other work gets done.*
4-Systems *Identifying hardware and software changes needed.*	**8-Exit** *Executing the final transition and ensuring service readiness.*

Insourcing Transition: Functions → Roles → Timeline → Systems → Data → Equipment → Projects → Exit

Program, Risk, & Communications Management

1. FUNCTIONS

Starting at the very beginning is a very good place to start. The *Functions* step is where the business case for bringing outsourced jobs back into the fold is documented. It goes without saying that the business case must be congruent with the organization's overall strategy. The business case must document how the insourcing program will impact your end-users/customers as well as your bottom-line financials.

At this stage think through and document how insourcing will impact the people, processes, and technology across your organization.

2. ROLES

At the *Roles* stage, you need to analyze the number of jobs that will be impacted across all of the organization's in-scope functions:
- Roles that will be brought in-house
- Roles that will remain outsourced
- Roles that will no longer be required.

In order to get to the bottom-line business case results of your insourcing, the details of this stage should include the level of each full-time equivalent (FTE):
- Executives
- Managers/Supervisors
- Technical/Staff
- Secretarial/Clerical

3. TIMELINE

Now that you know the scope of the program (think in terms of people, process, and technology) the *Timeline* stage includes setting aside budgets to get the work done. And I am not just talking about dollars. Just as important is granting everyone enough time to get the insourcing program work done. Finally, program management resources need to be planned for.

This is also the stage when you must consider ongoing work, ensuring that it continues with minimal disruption. Avoid disaster by effectively planning for the insourcing program's success while ongoing work is successfully getting done, as well.

The outputs of this stage are not easily produced. Now is when service readiness criteria and measures are established…basically establishing how you will know you are ready to make the final switch. The Program Plan and Program Calendar will form the foundation for an effective insourcing transition.

4. SYSTEMS

Once the Program Plan is in place, your *Systems* task is to document the systems elements that will be brought in-house, such as software, hardware, physical/logical Security, and process/procedure documentation.

The subtasks at this step must be fully fleshed out and added to the Program Plan.

5. DATA

Systems which are in-scope for insourcing will determine what you address at the *Data* step. You must Document the data elements that will be brought in-house, including (but not limited to) customer data, confidential data, contracts, accounting and financial data, and service management data.

The subtasks at this step (seeing a trend here?) must be fully fleshed out and added to the Program Plan.

6. EQUIPMENT

The *Equipment* stage is comprised of determining whether any physical facilities will be brought in-house, such as computing hardware, office furniture, physical inventories, and transportation.

And, yes…subtasks need to be added to the Program Plan.

7. PROJECTS

Depending on the functional areas being brought in-house and the number of roles within each function, the *Projects* stage is used to ensure the project work gets done. Here is a sample list:

- Process Documentation
- Client Data
- Software Licensing
- Disaster Recovery Handover
- Off-site Storage
- Third-Party Contracts
- Knowledge Transfer
- Training
- Account Reconciliation
- Physical Security

8. EXIT

Congratulations, your transition tasks are nearly complete! This *Exit* stage is when the successful achievement of all service readiness criteria and measures are documented. All system and data changes are made here. Finally, this is when the physical moves, including former and current employee changes, are executed.

PROGRAM, RISK, & COMMUNICATIONS MANAGEMENT

A quick note should be added here emphasizing the importance of program (leadership and status reporting), risk (discovery and mitigation), and communications (knowing your audiences and meeting their needs) management. They are all important. 'Nuf said.

KEY SUCCESS FACTORS

After you have taken on the responsibility for an insourcing program's success and effectively handled all of the details, keep the following keys in mind so you can enjoy your well-earned Disneyland vacation:

- Build a business case strong enough to justify the effort and ensure broad-based support
- Ensure highly detailed advance planning with ample resource (time, money, and program management) budgets
- Provide thorough stakeholder analysis and communications planning
- Execute consistent risk management (no surprises).

Let's talk about organizational change coaching. Click the phone.