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Outsourcing training needed by organisations

Posted by admin on Tue, 17/08/2010 - 09:30

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More than half of organisations admit that they require better training and support to improve the effectiveness of outsourcing initiatives in order to boost bottom line performance.

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These are the findings of a survey undertaken among 615 contractor managers, sub-contractor buyers, project managers and senior decision-makers from organisations from across the world by Informa's ESI International subsidiary, which specialises in project and contract management training.

The study entitled '*Risky Business: Organisational Effectiveness at Managing Risk of Outsourced Projects*' revealed that, of the 95% of organisations that either purchase or provide outsourcing services, less than half were able to effectively manage the risk involved in such projects. This is despite the fact that nearly two thirds spent up to half of their budgets on outsourcing.

But some 55% of respondents admitted that they were either 'not very' or only 'somewhat' effectual at risk assessment, while a mere 35% believed they were successful in this area. A tiny 6% proclaimed themselves 'extremely' competent, however.

In terms of risk management, some 54% said they were either 'not very' or only 'somewhat' effective, while only 37% claimed to be effectual. Again a mere 6% deemed themselves 'extremely' successful here.

J Leroy Ward, ESI International's executive vice president, said: "The ubiquity of project outsourcing creates opportunities for, and demands on, organisations to better develop and refine the outsourcing competencies."

The top outsourcing risk identified by 70% of respondents was managing product or service quality. Some 63% cited vendor delays as a key concern, 61% having a clearly defined project scope and 50% poor vendor management.

But three quarters of those questioned admitted that they did not always clearly define project requirements despite the importance of this activity for later project management. Only a third always clearly articulated and defined financial goals for outsourcers, while 32% failed to continually evaluate how well their outsourcing initiatives met their original goals and objectives.

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Editor's Manifesto: HP sauce - the CEO and the Cougar



"The fall from grace of a highly regarded CEO, sexual harassment accusations from a soft porn actress-turned reality TV dating show 'cougar', some fiddled expenses and a breach of a 60 plus year old corporate ethical code:

the events of the past week at Hewlett Packard (HP), one of the founding fathers of Silicon Valley, reads more like a Jackie Collins potboiler than the day to day life of one of the most conservative companies in the hi-tech industry." [Read more](#)

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The Dispatch Box: Have we gone monitoring mad?



Gayna Hart, managing director of systems integration and messaging services provider, Quicksilva, discusses the balancing act of targets in the UK

As a result, 61% admitted that they required more risk management training and information. Some 53% needed better development of risk assessment skills, while 51% wanted help in managing service quality. Some 49% were keen to get more training in relation to requirements management and development and a further 47% said they would benefit from obtaining best practice advice.

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[Outsourcing without abdication](#)

Wed, 18/08/2010 - 09:33 — adam.wilkinson

It's worrying that so many organisations are not feeling confident about their outsourcing relationships. From our perspective this indicates not just that organisations need training, but that outsourcers themselves need to work more closely with their clients to help them plan service delivery and predict risk. Our organisation offers consultancy as well as outsourcing services so that our clients can gain an understanding of how an outsourcing relationship can work effectively as a partnership rather than an arm's length abdication of the outsourced function. It's as much outsourcer's responsibility to help clients understand how to maintain the relationship for best results as it is theirs.

For more information about how to outsource without losing touch please see our [blog](#) on the subject from our website.

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public healthcare system.

"Call me old fashioned, but what needs to happen is a drive towards improving patient care. To my mind, sensible targets are about outcomes, not timescales. Aggressive targets around how long a patient waits do not drive the right staff behaviours or encourage quality." [Read more](#)

Innovation: A step too far in the austerity age?



Complete and enter our draw to win a free seat at the e-Government Awards. The public sector is already perceived to be lacking in innovation, but is that a

fair assessment, and what role could it play in helping the government meet efficiency targets? What do people working on the frontline of ICT in public sector organisations think? [Take part and share your views](#)

James Gardner, CTO at the Department for Work and Pensions discusses his thoughts on innovation in the public and commercial sectors.



Source: [K2 Advisory](#)

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