

Multi-sourcing is here to stay but it increases complexity – eSCM reduces the business risk of multisourcing significantly.

## Carnegie Mellon best-practice model for sourcing management

# eSCM eSourcing Capability Model

*If you are responsible for managing, delivering or planning outsourced or shared services and business processes, then this training program is for you.*

- Transform your management processes for improved service, greater profit, lesser risk and better long-term business relationships.
- Benefit from the eSCM guidance and make immediate improvements to your sourcing practices – whether you are a client or a service provider.

The eSourcing Capability Model (eSCM) is the new industry standard for effective management of IT enabled services. It is a best practice framework developed by a consortium of leading service providers, clients and advisors and represents practical experience earned through billions of dollars of engagements. The eSCM covers both the service provider and client sourcing life-cycle.

This three-day training program provides a thorough explanation of eSCM for both client and service provider. The course is presented in association with SourceWorks Pty Ltd, leading practitioners of eSCM and trained and accredited by Carnegie Mellon University.

*Developed under the governance of Carnegie Mellon University (also developers of the universally accepted CMM model), eSCM contributors include organisations such as Accenture, American Express, Boeing, BP, Deloitte, CIBC, EDS, HP, IBM, itSMF, L'Oreal, PNC Bank, Satyam, TPI, The Outsourcing Institute.*

Please refer to our website for dates



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- How do you align the sourcing strategy to meet business needs?
- How do you keep multi-million dollar contracts from souring?
- How do you keep disparate service providers focused on your core objectives?
- How do you ensure parties meet their obligations?

The eSourcing Capability Model (eSCM) has been developed by a consortium of leading outsourcers and large client organisations under the governance of Carnegie Mellon University specifically to address the many issues and difficulties involved in eSourcing. It is a set of best practice capabilities that give service providers and clients a basis for establishing successful relationships over the life-cycle. For outsourcing agreements that have become dysfunctional, eSCM provides a framework to get rid of the gremlins and get the engagement back on track. The eSCM structure complements most existing models such as: ISO 2000 (ITIL), ISO9000, ISO17799, CMMI, COBIT and COPC-2000.

## Key Challenges of Sourcing Management

Outsourcing has been changing dramatically in the past few years. Large contracts controlled by a few dominant companies are being broken up into smaller, more focused tasks spread over multiple service providers. While the potential benefits are very significant, the management and integration challenges are equally great and high levels of dissatisfaction are being encountered on both service provider and client side. Recent research indicates more than 70 percent of outsourcing experiences do not meet the client's expectations. Some of the key issues are:

- Little client experience in outsourcing and no standard criteria for selecting a provider
- Success criteria for relationships is not well understood or agreed by both parties
- Client's changing expectations
- Client's service and quality needs change radically over the agreement term
- Changing nature of services, due to rapid shifts in technology and tools
- Transfer of personnel, equipment and knowledge between client and provider is often problematic
- Getting the service provider to supply clients with meaningful analysis and progress reporting
- Real unit-cost of services becomes visible allowing end-users to trade off between cost and quality

## Course Objectives

This in-depth three-day course introduces the concepts, terminology and structure of the eSCM model. You will gain an understanding of the value of eSCM for both service providers and clients in delivering more effective sourcing results for their organisations. By the end of the course you will be able to:

- Describe what causes the sourcing of IT-enabled services to succeed or fail
- Describe the value of eSCM to service providers and clients
- Understand the structure of eSCM and the interrelationship of its components.
- Understand practices for capability levels 2, 3, 4 and 5
- Understand how eSCM can be used by service providers and clients to achieve greater levels of sourcing success
- Gain a high level understanding of the Capability Determination Process
- Develop an initial plan of how to introduce the eSourcing Capability Model into your organisation

## Who Should Attend

- Senior managers responsible for providing or purchasing IT-enabled outsourcing services
- Service providers and clients who are interested in quality improvement or planning improvement programs
- Clients seeking risk mitigation and consistent criteria for selection of providers
- Service providers who will be participating in an eSCM capability determination or self-appraisal
- Service Providers and Clients implementing eSourcing agreements
- Service Providers and Clients whose existing relationships are failing to meet stakeholder expectations
- Service Providers and Clients planning eSourcing initiatives in the future
- Those who have found benefit in the ITIL model and wish to provide comparable discipline to the management of outsourcing relationships

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## Course Contents

### 1. What is eSourcing

- Define "eSourcing"
- Understand how sourcing services is different from buying products
- Appreciate the market growth in outsourcing

### 2. Inhibitors and Drivers

- Understand the reasons that motivate organisations to outsource
- Understand what is driving and inhibiting outsourcing

### 3. Successes and Failures

- Understanding why outsourcing relationships fail
- Understand the critical issues for success in outsourcing

### 4. eSCM Background

- Development history
- Scope
- Principles underpinning the eSCM
- Relationship to other quality frameworks
- Capability measurement options

### 5. Using eSCM to Measure and Guide

- How eSCM provides guidance
- How eSCM measures - capability determination options

### 6. eSCM-SP Model Structure

- Awareness of the 3 dimensions of the model

### 7. eSCM-CL Model Structure

- Awareness of the 3 dimensions of the model
- Structure is same in CL and SP but content is different

### 8. eSCM Practice Structure

- Awareness of how each Practice is structured
- Understand the intent of the major activities
- Understand the practice types

### 9. eSCM Support Practices

- Understand how support practices are used within eSCM

### 10. eSCM-SP Capability Areas

- Understand the arrangement of Capability Areas for CL
- Understand which Capability Areas are Ongoing vs Phase Specific

### 11. eSCM-CL Capability Areas

- Understand the arrangement of Capability Areas for CL
- Understand which Capability Areas are ongoing vs Phase Specific

### 12. Interface between CL and SP

- Understand that the interface points are documented and how they can be useful

### 13. Determination Overview

- Understand the objectives of an eSCM Capability Determination
- Recognise the high level steps of a Capability Determination

### 14. Implementation Overview

- Understand 3 requirements for every project
- Gain an overview of an implementation approach

## Learning Method

The course is instructor led with a limited class size. Participants undertake practical activities to ensure understanding of concepts and terminology. There is an optional SourceWorks examination at the end of the course to assess participant understanding and application of the model. A certificate will be issued to successful candidates.

## Testimonial

While running major projects that outsourced their IT services I faced many challenges resulting from misunderstandings, ill-founded expectations, poorly measured performance, lack of productive engagement, and lack of clarity about the structure and intent of the outsourced agreement. The issues were on both the service provider and client sides.

The eSCM model as demonstrated in this course was enlightening and provided an excellent complete lifecycle approach with a roadmap for setting up and managing successful outsourcing arrangements. The Sourceworks consultants were able to highlight the advantages of eSCM and its practical application. A great course!

— John Velik  
Senior Project Contractor -  
Qantas Business Services

