

# Rightsourcing

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# Shared Issues

- Quality Standards: Do you get what you pay for? Can you build this into a contract, job description, SLA?
- Prices: How well can you negotiate? Should the internal IT shop bid?
- Contracting out: Have you anticipated every eventuality in the contract? Do you monitor your contracts?
- Developing internal expertise: Do you have an internal skill deficit? Can you get HR on your side?

# Setting the scene for discussion

- Terminology
- Discussion questions

# What is Rightsourcing?

- One service vendor's definition:  
"RightSourcing brings the customer the most suitable and optimal combination of our onsite, offshore and offsite or near shore delivery capabilities to provide the best cost and time advantage given existing applications/systems, infrastructure, competencies and expertise."

# What is Rightsourcing?

- Another vendor's definition:

"A balance should be sought between those processes that must be executed using internal resources and those that should be outsourced. The objective [...] of Rightsourcing is to support management in striking this balance, optimising resources and internal investments while considering the advantages offered by a specialised company."

# What is Outsourcing?

- Wikipedia definition:

“Outsourcing is defined as the management and/or day-to-day execution of an entire business function by a third party service provider.”
- Wikipedia distinction between outsourcing and buying services.

“Outsourcing and out-tasking involve ***transferring a significant amount of management control to the supplier***. Buying products from another entity is not outsourcing or out-tasking, but merely a vendor relationship. Likewise, buying services from a provider is not necessarily outsourcing or out-tasking. Outsourcing always involves a considerable degree of two-way information exchange, co-ordination, and trust.”
- Management control = responsibility

# Discussion Questions

- Are you currently outsourcing any elements that make up your web service offering? E.g.
  - ◆ Network, infrastructure
  - ◆ System development, maintenance
  - ◆ Support, training
  - ◆ Data processing
  - ◆ Quality assurance
  - ◆ Others

# Discussion Questions

- Why did you outsource?
  - ◆ Save money
  - ◆ Supplement skill set
  - ◆ Improve service or quality
  - ◆ Improve process and time to market
  - ◆ Political decision
  - ◆ Other

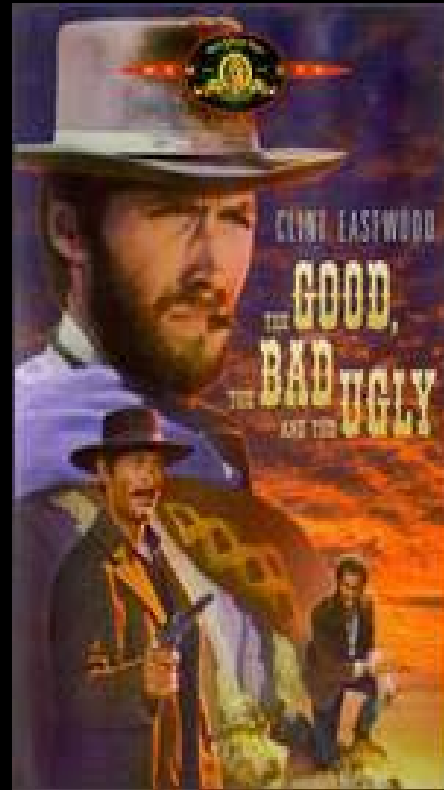


# Discussion Questions

- How did you conclude that outsourcing was a viable and cost-effective solution for the service?
- How do you know it's working?
- What were the most critical factors in success/failure?
- Have you carried out a post-outsourcing review?
- What resources are dedicated to monitoring the outsourcing arrangement?

# OECD and Vignette

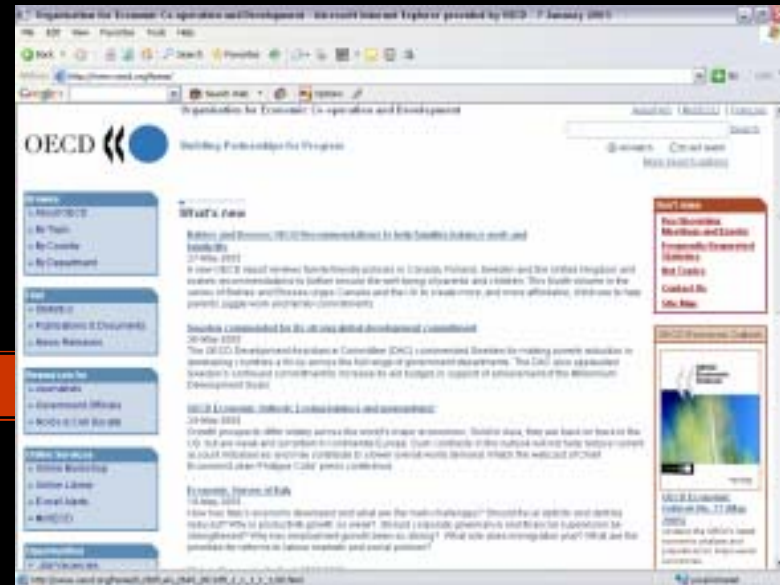
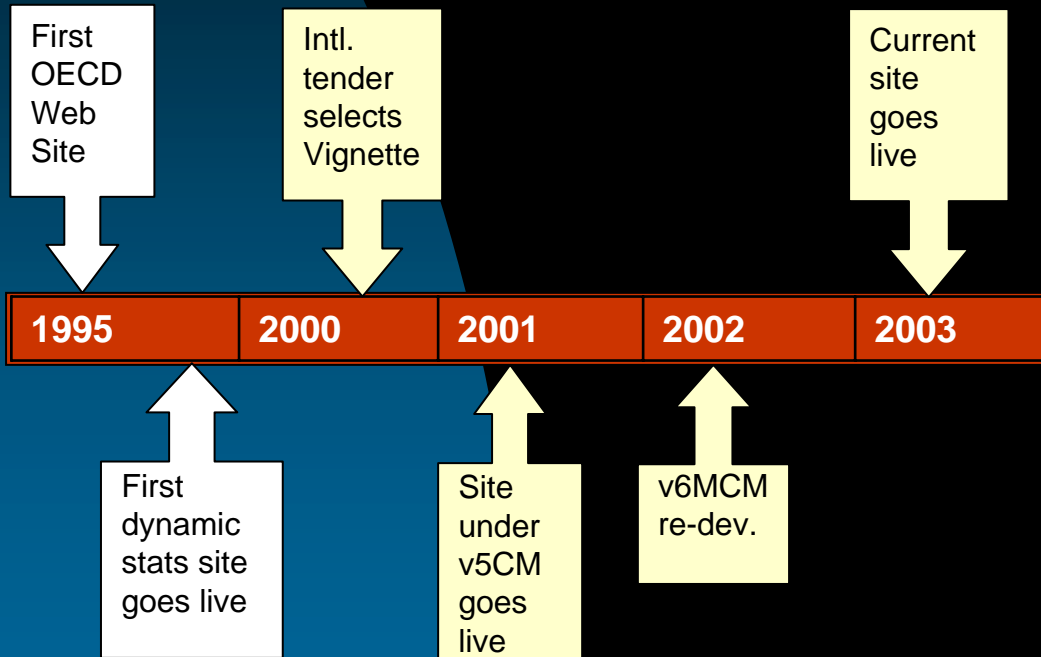
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Or, as you will see – **the Ugly, the Bad and the Good**

# The Story Unfolds...

- Result – a really good and fast site!



Intranet dev. under VCMv7

Now it's your turn...