Pervasive Outsourcing™

A Pragmatic new strategy for enterprise competitiveness

• Improve ROI by maximizing cost and efficiency gains

• Tap new customers in mature and emerging markets

Pervasive Outsourcing™ Diagnostic

Complete instructions and survey form

Instructions

Welcome to the Pervasive Outsourcing™ Diagnostic, which works with the Pervasive Outsourcing™ Enterprise Roadmap to assist executives with improving enterprise ROI on their outsourcing activities.

The goal of the Diagnostic is to place your company within the appropriate stage of the Enterprise Roadmap in order to begin transformation work. It works by asking questions that relate to the major milestones of each Transformation Stage. Of course, some companies have achieved milestones in several stages, but your responses will clearly place you in a Transformation Stage. Once the Diagnostic places you in a stage, you can focus on attaining the milestones required to progress to the next Transformation Stage.

This version of the Diagnostic is derived from a much more rigorous version that we use when consulting to clients, and it is meant to be illustrative yet meaningful.

Self-administering the Survey

Answer each question by entering the value of the "Yes points" or "No points" number in the "Score" cell. The questions have been written to optimize your time and to return a meaningful result. Many respondents find that they can satisfy part of a question but not all of its conditions. When this is the case, please enter the "No" value.

In this paper version, you will need to total the score of each of the 4 Stages and calculate its average in the cell to the right of each total.

Your company's scores in each Stage will fall at the minimum threshold of the higher stages and within one of the lower stages. For example, the minimum threshold score of Stage IV is 49, Stage III is 55 and Stage II is 20. A company scoring 1.75 in Stage I would be between its minimum threshold of 1.25 and its maximum of 2.88. Such a company would typically score 20 for Stage II, 55 for Stage III and 49 for Stage IV. Since its score falls *within* Stage I, it would begin work at Stage I of the Enterprise Roadmap.

It is also possible to score within the thresholds of two different Transformation Stages. For example, many companies score 2.13 for Stage I and 4.20 for Stage II. In this case, the lower Stage score usually takes precedence because there are several milestones to go in Stage I.

Understanding Results

Once you have calculated your company's score, please refer to http://www.pervasiveoutsourcing.com/diagnostic.html for further suggestions about using the Enterprise Roadmap. Thank you for your interest.

Survey	No pts	Yes pts	Score	Avg. Score	Comp. Score		
Stage I							
Our company has an average of 5 outsourcing projects per year or more	1	3					
75% of outsourcing projects achieve goals set forth in business cases	2	3					
The CIO is directly engaged in our outsourcing projects	1	3					
Our outsourcing projects span several disciplines, like IT, HR, F&A (Finance & Acctg)	1	2					
Outsourcing projects are usually sponsored by department managers	3	1					
Our projects have a range of goals; however, the primary goal is cost reduction	2	1					
Our company has a Project Management Office for outsourcing projects	2	3					
We have a strategic outsourcing plan with quantitative metrics for business case attainment; every outsourcing project is accountable for meeting department and enterprise goals	1	4					
Total			0	0.00	0		
Stage II							
Our quantitative goals increase every year	4	5					
We have a team that solicits outsourcing teams at least quarterly for their good/best practices; it shares good/best practices with outsourcing teams at least quarterly	4	6					
We have established quantitative and qualitative measures that measure the performance of outsourcing projects real-time	4	6					
Our outsourcing project teams detail in reviews why they get the results they do, including adjustments they are making to address gaps; their adjustments regularly succeed	4	5					
The ROI of our outsourcing projects has increased over 30% during the past 3 years	4	6					
Total			0	0.00	0		
Stage III							
We have enterprise standards that limit the number of vendors we can hire	9	7					
We think carefully before changing vendors because it usually takes 6-24 months to onboard new vendors	9	7					
More than 75% of our outsourcing projects follow an enterprise standard partner onboarding process that counsels rejected partners in detail on reapplying	7	8					
More than 75% of our outsourcing projects follow an enterprise standard partner termination process that counsels rejected partners in detail on reapplying	7	8					
We have terminated 3 or more outsourcing projects prematurely during the past 3 years	7	8					
We have renegotiated more than 25% of our outsourcing contracts during the past 2 years	7	8					
We have delegated project management to vendors; we let vendors manage their relationships with us	7	9					

Survey		No pts	Yes pts	Score	Avg. Score	Comp. Score		
	We have had an Enterprise Architecture team for the past 5 years	6	9					
	They have a defined model of the enterprise that defines our organizations as inter-related business components	7	9					
	We define all interactions between business units as business services	7	9					
	We define all interactions between us and vendors as business services	7	9					
	Total			0	0.00	0		
Stage IV								
	We use a strategy to make our company virtual in order to increase agility and innovation; it is sponsored by a C-level executive and features at least quarterly performance reviews	10	12					
	We externally source at least five specialized services that have a direct impact on our value proposition and competitiveness; partner selection has C-level attention	10	12					
	More than 33% of our new service/product introductions have been led by vendors during the past 2 years	10	12					
	More than half of the initial ideas for our new service/product introductions have originated with vendors during the past 2 years	10	12					
	The CEO is present in our annual outsourcing strategy meetings in which we revisit our strategic outsourcing plan	9	10					
	Total			0	0.00	0		
	Grand Total			0	0.00			