

WHITE PAPER

Business Process Services: A Successful Transition Is the Foundation of World-Class Outsourcing

A summary of the key transition questions asked by our clients

In this paper, we examine five of the key transition-related questions that clients ask us during the Request for Proposal (RFP) process. The answers to these questions lie at the heart of what constitutes a successful business process services (BPS) transition, which in turn provides the foundation for a world-class BPS outsourcing engagement capable of achieving the client's business case.

We examine the influence of the BPS solution on the transition approach and highlight the role of the client in transition activity. The need for an expert team, robust governance model, mature transition framework, effective change management mechanism, together with a critical focus on business and service readiness testing, is discussed.

In answering the following questions, we show how it is imperative that we understand not only the tools and techniques of managing a successful transition, but also how to use them in a commercial context to achieve the ultimate outcome of a successful business case.

TABLE OF CONTENTS

HOW DO YOU DEFINE A TRANSITION, AND WHY DO I NEED IT?	3
HOW WILL CGI'S APPROACH HELP US MEET OUR BUSINESS CASE?	3
Transition planning and management	3
Expert team.....	4
Transition framework	4
Governance model.....	4
Case study	5
Change management	5
HOW WILL CGI'S DELIVERY TEAM LEARN OUR BUSINESS?	5
Recruitment and training.....	5
Case study	6
Process documentation and information control	6
HOW WILL CGI MINIMIZE DISRUPTION TO OUR OPERATION?	6
Communication and stakeholder management	6
Testing, service readiness and quality control.....	6
Case study	7
AS A CLIENT WHAT IS MY ROLE IN THE TRANSITION?.....	7
Collaboration and partnership.....	7
Organizational change	7
SUMMARY	8

How do you define a transition, and why do I need it?

A transition is traditionally viewed as the activities that translate an agreed upon BPS solution and commercial arrangement into a set of planned and measured tasks that implement the people, processes and technology required to deliver the operational service. However, to be truly successful, a transition must achieve more than implementation of the service. It must look beyond the management of task delivery and address the required business outcomes of the client.

Genuinely successful transitions are the linkage between the solution, contract, business case, and the steady state service, laying the foundation required to deliver and manage operations based on the client's business case. How many times has an operation been disadvantaged because of a decision made by a transition manager that resulted in on time and on budget delivery, but ultimately impacted the ability of the operation to meet the required client outcomes?

Success should be based not only on the traditional factors of cost, quality and speed, but also in providing the service delivery and account management capabilities necessary to deliver the client's business case throughout the lifetime of the outsourcing arrangement.

CGI transition managers have deep experience in delivering many successful transitions across our global delivery network. These managers are commercially aware and constantly refer to the client's business case when assessing risk, mitigating issues or managing change. This requires true client collaboration—a partnership where the impact of transition decisions on the wider business case are openly discussed and appropriate actions are taken. The effective use of CGI transition tools and techniques and the agile commercial management of business outcomes provide the foundation for a world-class BPS outsourcing engagement able to deliver the client's business case.

How will CGI's approach help us meet our business case?

CGI utilizes a mature transition process and rich toolset to manage the transition of a BPS service from a client to one or more CGI global delivery centers. We continually assimilate learning from each transition to improve future implementations. Above all, our transition personnel are trained to look at the big picture and to make all decisions throughout the transition with the end business case in mind.

TRANSITION PLANNING AND MANAGEMENT

The transition plan allows for robust transition management. It covers the details of all of the workstreams, activities and dependencies required to implement the agreed upon solution together with the resources required to undertake those activities. It defines the initial scope of the transition and provides a clear view of accountability, allowing both the outsourcing service provider and the client to own and manage their respective deliverables.

Planning must be risk aware and incorporate contingency steps where appropriate. The resulting critical path is a key management tool, providing transition and workstream leads with the time and cost impact of scope changes or activity slippage.

The use of the CGI transition framework and toolset to manage and mitigate risk, address issues, manage change, track cost and report status is key to our transition approach. Our experienced transition managers understand that change and risk are inevitable. Early identification provides for appropriate impact assessment on both the immediate transition and the overall business case. Using the governance model described below, mitigating action is discussed with the client team to ensure that it supports the current business case and is fully understood at the point of decision.

Genuinely successful transitions are the linkage between the solution, contract, business case and the steady state service...

EXPERT TEAM

The execution and management of a transition requires specific tools and techniques used by experienced professionals with program, project and commercial management skills and with the specialized knowledge needed to address the implementation of a BPS outsourced service. These resources will be drawn from both the service provider and the client, with the transition plan determining when the resources are required. Our transition leaders possess the depth and breadth of experience required to manage implementations involving personnel from CGI, our clients and third-party partners, often in multiple geographies and with a range of technical, commercial and business skills.

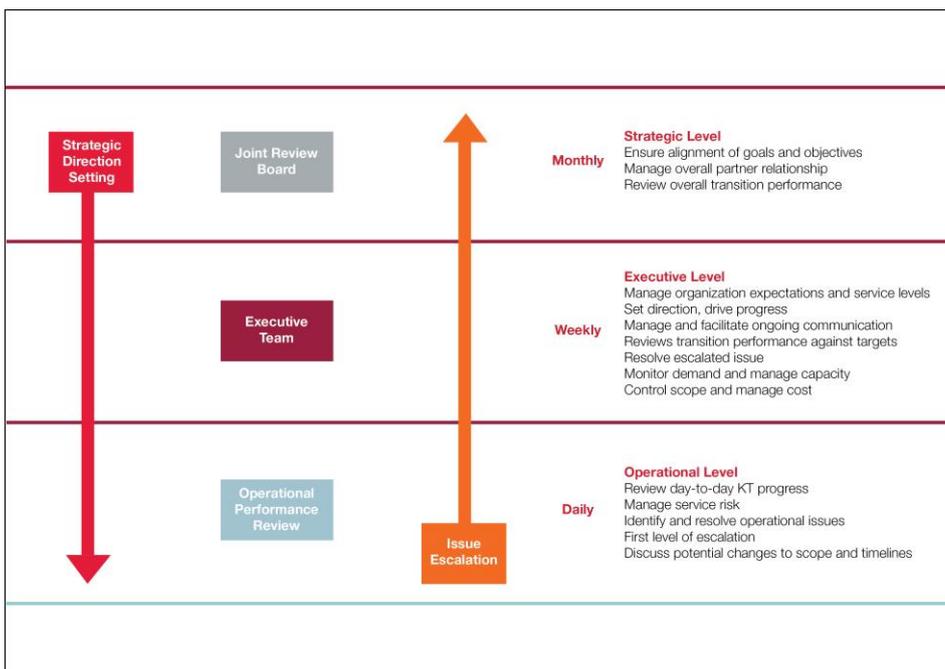
TRANSITION FRAMEWORK

A proven transition framework is the foundation of all transitions. It ensures consistent and predictable execution of transition activity. CGI has developed its framework over many years through numerous outsourcing arrangements in a number of service areas. At its core are tools and techniques that provide risk and change management, cost and schedule tracking, stakeholder reporting, governance, quality assurance, service testing, readiness assessments, and audits. We implement workstreams based on a transition framework that is flexible to meet both client and solution needs. For example, the service might be managed out of one or many delivery centers and from a combination of nearshore or offshore locations.

GOVERNANCE MODEL

The transition governance model must provide clear accountability while fostering collaboration between the service provider and client. It should be multi-layered, allowing decisions to be addressed at an appropriate level of management and providing for escalation. The immediate transition team should handle day to day transitions decisions while tactical and strategic decisions should be escalated to more senior leaders. The transition team must be experienced in utilizing the model and understand the impact of risk and change, as well as when to take action and when to escalate. To be effective, the governance model must be supported by a management operating system that manages each governance forum together with the attendees, inputs, decisions and outputs. The governance model must also be fully supported by both the service provider and the client in terms of engagement and participation.

A proven transition framework is the foundation of all transition activity. It ensures consistent and predictable execution of transition activity.



CGI employs a three-tier strategic, tactical and operational governance model. This structure empowers the transition team to effectively perform day to day management while providing for the escalation of risks, issues or changes that will impact the success of the transition and ultimately the delivery of the business case.

Case study

Working with one of our UK partners, CGI managed a payroll services transition for the UK Department of Health (DoH) that involved the transition of 12 Arms Length Bodies (ALBs)—autonomous entities operating under the DoH umbrella organization. Our governance model was expanded to address the challenges associated with 12 independent transitions, and hence 12 clients operating under one umbrella client. The implementations were complex, with each client undergoing significant organizational change. Our governance model allowed us to address issues at the right level of management, minimize transition impact and focus on the vital communication required between CGI, DoH, the ALBs, and our partner. The success of the overall transition was attributed to the strength of the CGI governance process to effectively manage the complexity.

From the smallest amendment of a business process to the expansion of scope to include an additional operational area, all change must be managed.

CHANGE MANAGEMENT

Our transition leaders understand that change is inevitable in any outsourcing arrangement. From the smallest amendment of a business process to the expansion of scope to include an additional operational area, all change must be managed. Our change controls are implemented on day one of the transition, and all change is addressed through these controls.

Change control involves more than handling the high impact, big ticket scope changes. It must provide a record of all agreed upon changes, large and small, starting with the solution design and ending with the delivered service. Low impact changes, such as minor changes to process design, are dealt with at the operational level while larger scale changes, such as changes to the timeline or organizational design, are assessed at the strategic level to ensure the any impact on the business case is considered.

CGI implements a robust change control mechanism that, when aligned with the three-tier governance model shown above, provides the correct level of informed decision making to maintain the integrity of the transition schedule and outsourcing business case.

How will CGI's delivery team learn our business?

RECRUITMENT AND TRAINING

The people aspects of any BPS service transition are of paramount importance. It is essential that the right people with the right skills are made available at the right locations in line with the transition schedule. CGI understands the local demands of its global delivery centers when recruiting and training BPS staff. Our transition leads ensure that the schedule accommodates recruitment, staff transfer, onboarding and training activities to meet the requirements of the individual solution design and choice of delivery.

Our approach to training is flexible and designed to accommodate the specific needs of the solution design and the client's business. Where resources must be moved from the client to the CGI delivery team, the main focus is on integrating the new resources into CGI's organization and culture.

When we use our offshore operations, we may bring resources onshore to learn the client's processes before training the remainder of the delivery team offshore. Alternatively, the client may directly train our team either via remote access tools or by attending one of our offshore centers. The demands of the solution design and client preference often require a blend of training approaches, and we are skilled in creating the right mix of recruitment, transfer and training to meet all requirements.

Case study

CGI transferred more than 30 staff from a U.S. bank as part of the delivery of oil and gas related business process outsourcing (BPO) services. Our BPO team worked in partnership with the bank to facilitate the distribution of royalties from the production and sale of natural resources to bank managed trusts. With the implementation of the CGI service and workflow applications, the transfer of experienced staff allowed for a relatively short transition timeline and service quality from day one.

Training is only as good as the content delivered and therefore documentation that details the processes to be delivered is an essential element of the transition.

PROCESS DOCUMENTATION AND INFORMATION CONTROL

Training is only as good as the content delivered and therefore documentation that details the processes to be delivered is an essential element of the transition. This documentation may reside in the client organization but often is not current or contains gaps.

In every transition, CGI seeks to document and improve processes and will review current operations to identify processes and improvements. We also make process adjustments to accommodate the changes in activities, ownership and data flows that an outsourcing engagement introduces.

Our transition leaders ensure that adequate time is scheduled to undertake this process review and documentation both before our service delivery team completes onboarding and during training when customs and practices are often captured and documented.

Our detailed documentation describes the service to be outsourced and is reviewed on an ongoing basis to ensure that it continues to support the solution design and business case. Deviations from the solution design are noted but only if substantive and are discussed at the steering group level to determine if changes to the solution or business case are required ahead of training the team.

How will CGI minimize disruption to our operation?

COMMUNICATION AND STAKEHOLDER MANAGEMENT

A transition should focus not only on the new service delivery and client team but also on other areas of the client organization impacted by the BPS engagement. Finance and accounting outsourcing arrangements, for example, may involve invoice processing workflows that impact other operational areas of the client's business. HR outsourcing arrangements, as another example, often implement employee self-service processes that impact the entire employee base.

CGI undertakes a formal stakeholder analysis to identify the people and groups that are impacted by or need to be informed about the transition. This analysis supports a formal communications plan that is aligned to and incorporated into the overall transition schedule. This plan encompasses both CGI and client communication activities, including the development of key messages, content production, and the execution of planned communications.

TESTING, SERVICE READINESS AND QUALITY CONTROL

CGI ensures day one service delivery quality through a combination of stringent testing and readiness assessments.

Our detailed testing approach ensures that the end-to-end outsourcing engagement is ready for service delivery by testing and stressing our service applications, infrastructure, service team work environment, BPS processes, service delivery team capability, governance, and service management. This is achieved by module testing as we build capability, e.g., application testing or team member training testing. It's followed by formal service assurance prior to implementation through a combination of specific

testing, parallel running, and rehearsal simulations that span not only the CGI service team but also the client organization in its wider context.

Case study

In a recent transition of payroll operations in the UK, CGI successfully commenced service for more than 4,500 employees for a County Council. The transition was made more difficult with the need to transform the service to include government-led pension initiatives, and our rigorous approach to testing was a key success factor.

Formal business readiness assessments are undertaken as we approach the implementation date and immediately prior to go live.

Formal business readiness assessments are undertaken as we approach the implementation date and immediately prior to go live. Our readiness assessment is designed to determine the completeness of the individual components that make up the service. We look in significant detail at all components of the solution, including the technology implemented to deliver the service and the completeness of the process documentation together with the status and capability of the new service delivery team.

The wider business context is included with a formal assessment of the client organization and its readiness to receive the outsourced service. We share these assessments with our client and, in the case of the pre go live assessments, work collaboratively to bridge any gaps. The final assessment is used as input into the individual and joint go live decisions.

As a client what is my role in the transition?

COLLABORATION AND PARTNERSHIP

Transition is not just about the service provider delivering its people and processes. While CGI will take the lead and drive the bulk of transition tasks, our clients are responsible for activities in each transition workstream and need to collaborate in the overall governance of both the transition and the resulting service to deliver the business case.

Clients play a key role in the delivery of client side technology, infrastructure access, and the setup of user ids and profiles. The training of the CGI service delivery team will depend on either accessing the client staff who currently deliver the service—we can learn by watching them perform their tasks (“work shadowing”)—or the client can deploy its subject matter experts to directly train our staff.

As process documentation is reviewed and updated, we will capture missing details, customs and practices from the client team, as well as changes to processes required to support the outsourcing arrangement. We work with our clients to effect the necessary changes within their organizations to accommodate the outsourcing arrangement and may additionally supply consulting services to undertake specific areas of design or change.

We manage this set of client dependencies and deliverables under the same governance model and plan used by the CGI transition team. We firmly believe in one plan, one approach and one collaborative management group. In doing this, we are able to bring tools, processes and an approach matured over many years of outsourcing. CGI and our clients must be successful both in delivering quality service on day one of go live and in meeting the ongoing business case.

ORGANIZATIONAL CHANGE

The impact of the outsourcing arrangement on the wider client organization is often underestimated and, in worst cases, overlooked. The immediate effect of the outsourcing engagement on the client retained organization is more readily understood and most

transitions include the organizational design, process change, training and HR considerations required to support the new outsourced operation.

However, the wider impact is less easily understood, and it is this failure that can dramatically impact the business case outcome. The impact of an outsourcing arrangement will be felt well beyond the client function being outsourced, and there will be ripples of change throughout the client's business.

With the focus required to implement the immediate transition, the wider organizational change requirement may often take a back seat and be the cause of client business case leakage in the early stages of the outsourced service. CGI is experienced in assessing the impact of outsourcing and in constructing an approach to address the wider organizational change, whether it will be managed by our clients or undertaken by our consulting teams. It is essential that the business case, supported by the solution design, accommodates this activity, and most importantly that it is tracked throughout the transition and into steady state operations.

Summary

The transition of a service from a client's service team to an outsourcing service provider is a critical activity and one that must be successful to ensure an effective operation from day one and throughout the life of the service. It ensures the implementation of the agreed upon service solution, including people, processes and technology, and the contract framework, which are the building blocks of BPS success.

CGI has more than two decades of successful transition delivery experience and has a global network of specialized resources with deep industry, operational and BPS proposition knowledge to ensure that we deliver not only a successful transition but also implement the foundation of a world-class outsourcing engagement

Experience shows that a number of factors influence the success of a transition. An agreed upon plan is essential to ensure accountability and detail dependencies, resources and schedules. This must be underpinned by a specific toolset and methodology with a standard approach honed through many successful engagements and with the flexibility to accommodate the nuances of the specific service to be transitioned.

However, of utmost importance, is close collaboration between the client and service provider. There are few, if any, workstreams within transitions that do not require client involvement, and there several that require a dedicated team of professionals from the client organization to address the required tasks.

Most notably is the management of change across the wider client organization. The technology used, service processes implemented and delivery personnel to be trained also require significant focus.

This complex set of accountabilities, interdependencies and resources will be managed through the transition management function but to ensure effective operational, tactical and strategic decision making an appropriate and effective joint governance model must be implemented.

CGI's team of transition professionals manage our rich toolset and methodology, honed over many outsourcing engagements across a number of industry sectors, within the commercial context of the end-to-end outsourcing engagement. Each decision taken, each risk managed and each change agreed upon is considered in the context of the client's business case and desired outcomes. We advocate early adoption of the CGI transition governance model and change control process to provide transition teams, managers and executives in both the CGI and client organizations with the right level of governance to effectively manage the transition.

The transition of a service from a client's service team to an outsourcing service provider is a critical activity and one that must be successful to ensure an effective operation from day one and throughout the life of the service.

CGI not only delivers transitions on time, on budget and with quality but we also ensure that the resulting steady state service is able to deliver to the agreed business case over the life of the contract to the mutual benefit of both CGI and our clients.

To discuss in more detail the topics addressed in this white paper, please contact CGI's global BPS group at info@cgi.com.

cgi.com

© 2013 CGI GROUP INC.

With 69,000 professionals operating in 400 offices and 40 countries, CGI fosters local accountability for client success while bringing global delivery capabilities to clients' front doors. Founded in 1976, CGI applies a disciplined delivery approach that has achieved an industry-leading track record of on-time, on-budget projects. Our high-quality business consulting, systems integration and outsourcing services help clients leverage current investments while adopting new technology and business strategies that achieve results. As a demonstration of our commitment, our average client satisfaction score for the past 10 years has measured consistently higher than 9 out of 10. For more information about CGI, visit www.cgi.com or contact us at info@cgi.com.