

## Niche Outsourcing Advisors: Just one of the “little guys”?

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Like many of you I frequent a number of business networking sites to meet new and interesting people, exchange ideas and trip over the occasional business opportunity. Some of these offer members a chance to post challenging and sometimes obscure questions to prompt debate.

I recently posted a reply on one such popular site to the following question:

“The low-cost outsourcing advisors are on the march...what's your opinion?”

The main thrust of the question was to compare advisory practices in major global professional services companies with specialist outsourcing, shared service and offshoring consultancy and advisory companies like Alsbridge plc – the so-called “little guys” as one other respondent mistakenly commented.

I guess as one of the so-called ‘little guys’ that the misinformed individual was referring to I felt I had to say something in reply and set the record straight – after all, as a senior member of Alsbridge - an award winning global advisory firm with a presence across Europe, North America and Asia Pacific – I took a slight offence to any suggestion that having in excess of 100 time-served expert and pragmatic advisors that cut their teeth at Big-4 consultancies and Blue Chip companies and provide a global reach is really that small.

The question was deliberately confrontational in order to get a discussion going. I'd like to share my response with you as there are some important messages that need to be set out.

Whilst the main focus of the original question was cost – I felt that a number of other aspects needed to be explored in order to demonstrate the true value of an independent approach.

Cost is always a result of a number of different factors including scope, scale, responsibility, process, pace and good old fashioned programme management. It's also about behaviour and philosophy – depending on what your own philosophy is and how well you execute your sourcing programmes, costs will vary dramatically.

The traditional arms-length approach that promotes driving detailed specifications, engaging in adversarial negotiations and squeezing the last penny out of the process simply creates a 'last man standing' scenario, which is counter productive to all parties involved. It is also very expensive.

Rather than focus on purely cost (either the cost of executing the programme or cost as a main driver for the programme itself) any sourcing programme should be about creating sustainable outcomes and getting to the most effective outcome for the client in the optimum time – and then ensuring that the client is capable of managing the relationship effectively once the advisor's primary role has been completed.

Each advisory company's approach and philosophy will be different – successful organisation find the one that matches their culture and objectives, that can demonstrate excellent delivery capabilities and credentials and that has a set of principles that they would like to aspire to.

It's not just about the sourcing company though – it's also about individuals. Any client needs to have the confidence that the individuals being proposed are people that they can work effectively with and that they have the confidence in to deliver. So much advisory work is conducted on the basis of referrals for this very reason.

One final set of thoughts that you may find useful with whoever you work with – these

principles go to the heart of what we do at Alsbridge and have enabled us to create many successful and sustainable sourcing arrangements for our clients. They're not a magic formula, just sound advice but they may help make your journey far less painful and the outcome more certain and sustainable.

They cover three sets of principles that your advisor(s), your prospective service providers and you as the client organisation should aspire to and demonstrate:

- Make sure that your advisor(s) give a commitment to clients and respective bidder(s) alike to:
  - enable and facilitate a full, collaborative and non-restricted interaction between all parties
  - promote a fast, efficient and effective process without excessive tender documentation
  - encourage the supplier to co-design the solution
  - not waste the supplier's time
  - promote interest based, not adversarial, negotiations
  
- Make sure that you and your advisors select a Service provider that:
  - does not promise what it will not contract for
  - is clear and complete about the service and pricing
  - involves delivery staff early and puts the solution before the deal
  - ensures deal economics are aligned and sustainable
  - recognises the negotiating process needs give and take
  
- We also expect our clients to step up to mark also to:
  - dedicate quality time, and take decisions promptly
  - be open and honest about the baseline costs and services
  - be realistic about future service improvements and how they are created and delivered
  - recognise the economics and expect a fair rate for the services; and
  - recognise the negotiating process requires flexibility from all parties

If you or your organisation are looking for a sourcing advisor to help you execute or improve a shared service, outsourcing or offshoring relationship then visit our website [www.alsbridge.eu](http://www.alsbridge.eu) or email me on [john.sheridan@alsbridge.eu](mailto:john.sheridan@alsbridge.eu) ... just one of the "little guys".

*John Sheridan is a Managing Consultant with Alsbridge plc, the award winning advisors on outsourcing, shared services and offshoring.*