

A close-up photograph of two hands shaking in a firm grip over a dark wooden table. The hands are wearing grey business suits. In the foreground, there are several sheets of white paper with blue charts and graphs, and a blue pen. The background is blurred, showing other people in business attire in a bright, modern office setting.

Deloitte.

Smarter Sourcing Governance
Improve the value of your
service provider relationships

Why not realise the full potential of your outsourcing?

Most likely your company is using outsourcing of IT or business processes without realising the full value of the outsourcing relationship.

Why is this?

If your company is like many others, building the business case to change the situation is not trivial, not to mention finding the right capabilities and resources to change the existing governance structures.

Thus, even though sourcing governance and vendor management are recognised as critical factors, the primary focus is still on controlling the vendor in general and managing the contract in particular.

Value leakage not just erodes the business case, it also impacts the realisation of business strategies, user satisfaction and organisational agility.

Now it is time to rethink existing vendor management and sourcing governance initiatives to reflect the strategy, capabilities and maturity of your business – as well as those of your service providers.

Deloitte's Smarter Sourcing Governance ...

... balances demand and supply management and introduces tools, one truth of data and robust processes combined with skilled resources.

According to Deloitte's global insourcing and outsourcing study:

49%

of the respondents say they are not adequately staffed with the right skilled resources.

72%

of the respondents say they do not have the right tools and processes to manage vendors.

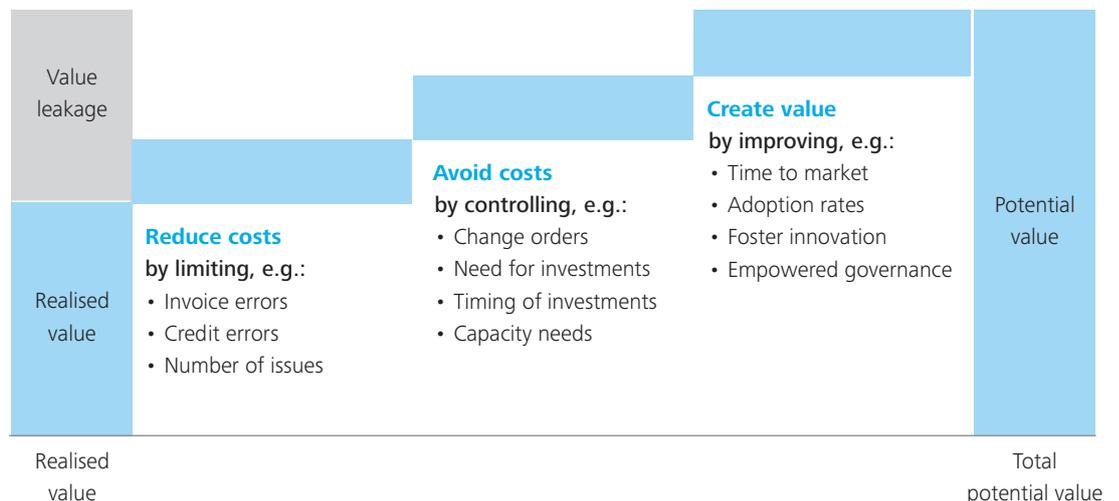
34%

of the respondents say they have considered outsourcing their vendor management functions.

WIN-WIN-WIN

Businesses applying Smarter Sourcing Governance experience less value leakage due to levers such as cost reductions, cost avoidance and increased value creation. At the same time, they experience higher satisfaction with the services delivered as well as with their service provider.

The figure below illustrates the typical levers for your business to realise the full potential of your service provider relationships.



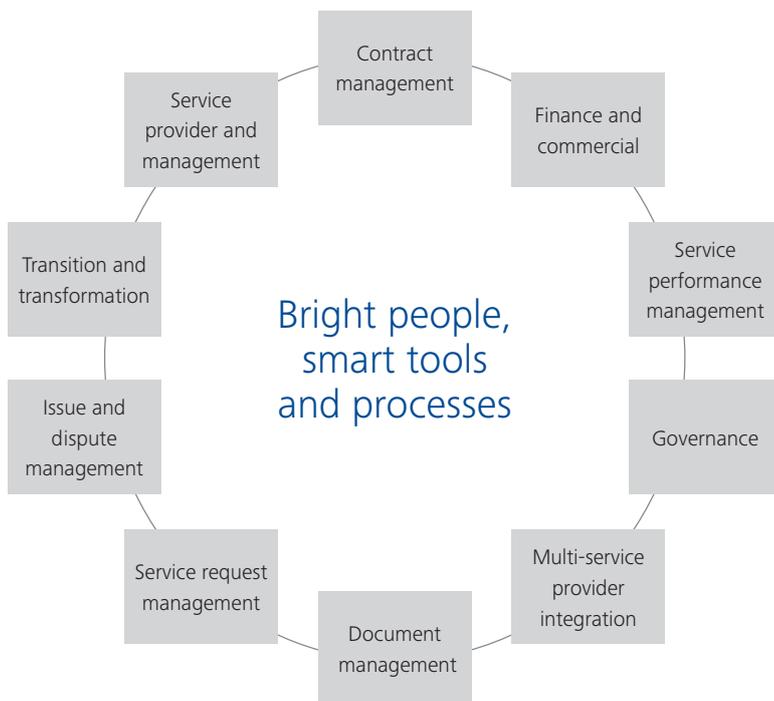
Smarter Sourcing Governance helps your business realise its full potential of sourcing

Deloitte's Smarter Sourcing Governance is based on our expert knowledge, integrated specialised tools and the best-in-class processes outlined in Deloitte's market-leading Vendor Management Handbook.

Our Smarter Sourcing Governance concept allows us to tailor a solution to the needs of your organisation, while offering you a lean implementation. This provides you with more value of your sourcing relationships – faster.

The Smarter Sourcing Governance concept supports the differences in clients' target operating models as well as differences in their readiness, system stability, support process maturity, availability of skills in the local marketplace, business criticality, risk aversion, etc.

Deloitte's scalable models enable your business to effectively evolve to meet the changing needs and strategic direction of your business tomorrow – starting today.



Process-optimised vendor management

Improving your processes and organisation set-up, utilizing Deloitte's accelerators and Vendor Management Handbook.



Tool-enabled vendor management

Implementing best-in-class tools on premise or cloud-based, automating your processes and mapping your service provider relations, etc.



Managed services for vendor management

Some or all of our best-in-class processes for vendor management are provided to you as a managed business process as a service, including a pre-packaged cloud offering and process specialists, utilising the breadth of Deloitte's offshore and local presence.

Are you experiencing any of the leakage symptoms below, reach out to Deloitte's sourcing professionals to discuss your options:

Value leakage	Costs are higher than anticipated, whereas benefits from innovation is lower
Lack of overview	Contracts, change notes, issue logs are not shared effectively
Access to skills	Specialised resources are not available – or are dedicated to specific contracts
Flexibility	Scaling up and down is hard and costly using solely local resources
Compliance issues	Cannot document compliance with legal, regulatory or company policies
Risk management	Limited and retrospective management of strategic and operational risks
SIAM de facto disabled	Service integration and management role without end-to-end authority and OLAs
Performance and satisfaction	Service providers' performance and consumers' satisfaction are not managed

For more information on Deloitte's Smarter Sourcing Governance concept, please contact:



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