

2810 IT Outsourcing and Vendor Management

Introduction

2810 IT OUTSOURCING AND VENDOR MANAGEMENT highlights the potential benefits and risks of IT outsourcing. The subject presents methods and techniques to select the right vendor and to manage outsourced IT projects. It provides the essential skills and expertise needed for the successful implementation of outsourced IT projects by getting it right from the start and managing it well to the end. As more and more organisations outsource the development and implementation of their IT applications, the skills required to manage an outsourced project is crucial for the success of the project.

Case studies

Real-life case studies are incorporated into the subject to provide opportunities for students to apply theory into practice in an authentic context. Examples of cases include

Duffy, N. and C. Gordon-Brown
IT Outsourcing at Old Mutual
 Case #903-036-1
 Wits Business School, University of the Witwatersrand
 2002

Gupta, V and J. Joseph
JPMorgan Chase-IBM: The Outsourcing Journey
 Case #905-034-1
 ICFAI Centre for Management Research
 2005

Robertson, D. and H. Bourgeois
Liverpool City Council (A): The ICT Outsourcing Decision
 Case #IMD-3-1289
 IMD, International Institute for Management Development
 22 June 2004

Who should attend

- Managers wishing to enhance their understanding of the issues and challenges involved in IT outsourcing
- Supervisors seeking to effectively select, manage and evaluate the role of vendors
- Information technology professionals seeking to refresh their knowledge of current best practices
- Decision makers in charge of planning, co-ordinating and implementing tasks

Learning objectives

Upon completion of the subject, students should be able to

- understand the key concepts of outsourcing
- select the appropriate IT services and applications to outsource
- define the required products and services
- apply appropriate techniques in evaluating and selecting the vendor
- monitor, track and control vendors' work

Delivery method

The subject is delivered online over a 12-week period, with an assigned Professor acting as mentor. The class will comprise students from different countries and industry backgrounds. Practical case studies and discussions help to stimulate learning and knowledge exchange, while an examination at the end of the subject will help students review and apply the knowledge and skills learnt.

Assessment

Case analyses (team and individual)	45%
Discussion board activities	30%
Final examination	25%

Prerequisites

None

Syllabus

Segment 1: Introduction

Students are introduced to the syllabus, the resources and communication tools available within the course.

Segment 2: Sourcing Strategy and Planning Initiatives

The segment discusses the emerging sourcing options and the techniques for deciding which IT services or systems should be outsourced or kept in-house. The trends of outsourcing, insourcing and offshore outsourcing are discussed, with attention to the potential risks and benefits involved. Students learn how to evaluate whether a project should be outsourced, insourced or kept in-house. The segment covers the steps to identify and select possible candidates for outsourcing based on business, technical and market factors. The various types of sourcing relationships are covered.

Segment 3: RFP Development

The segment explains how to develop the Request for Proposals (RFP), which would include creating vendor selection criteria. The RFP defines the scope of work and Service Level Agreements (SLA) that will be embedded in the contract and used to measure vendor performance. Students learn to plan and prepare the RFP, highlighting the criteria for selecting the project team and the importance of a Request for Information (RFI). The advantages and disadvantages of various information gathering strategies are discussed. Students also learn how to develop the evaluation criteria used to evaluate vendors based on their capabilities to meet the objectives of the project.

Segment 4: Vendor Selection

The segment discusses the fundamentals of developing a vendor selection strategy. It applies the selection criteria to evaluate and select the most suitable vendor, as well as provides a cautionary guide to decode vendor claims. Students learn how to request for vendor proposals by issuing RFP, planning for vendor briefings and dealing with vendor questions. Students also learn how to assess vendor proposal presentations and vendor project managers, leading to the selection of the right vendor by performing detailed proposal evaluation, quantifying evaluation criteria and assessing the overall risk.

Segment 5: Contract Formulation and Negotiation

The segment provides basic knowledge on contracts and the strategy of formulating the right contract for the outsourcing scenario. It also discusses how to negotiate the best terms while recognising the need to remain focused on the primary objectives. Different types of contracts are presented. Students learn how to develop effective contracts, handle non-compliance to contracts and determine penalties. The segment elaborates on the roles and responsibilities of the parties involved, as well as contract procedures and guidelines. Students also learn about various negotiation scenario types, negotiator strategies and negotiation tactics.

Segment 6: Contract Execution and Management

The segment addresses the issues that occur during the transition period, presenting techniques for managing vendor progress by measuring service-provider performance against service level agreements. Students learn about the essential tasks in initiating the outsourcing project, how to form a transition team and develop a transition plan to ensure a smooth transition. The segment gives an overview of the vendor management process, including how to create and maintain a progress reporting process. Students also learn how to analyse and assess vendor progress, evaluate deliverables and monitor the quality of service.

Segment 7: Contract Termination and Migration

The segment deals with issues concerning terms of contract renewal and termination. Such issues should be thought through upfront before the contract is signed and definitely before the contract nears the endpoint. Students learn how to plan for contract completion and termination. The segment highlights the options available at contract termination.

Required textbook

None

Global Faculty

Subject Authors

U21Global subjects are created by acknowledged experts in their field, usually senior academics who have strong understanding of postgraduate requirements. The subject content is further reviewed by academic specialists who appraise the subject from an independent perspective, ensuring a high-quality, professional product.

2810 IT OUTSOURCING AND VENDOR MANAGEMENT was jointly developed by U21Global and the Institute of Systems Science (ISS), National University of Singapore. ISS specialises in providing professional information technology continuing education to managers and IT practitioners. NUS ranks as one of the top global universities in Asia and Australia.

Professors

Students' progress will be guided by dedicated Professor Facilitators based around the world. They provide an international perspective and impart knowledge through a wealth of experience in their field of specialisation. Our Professor Facilitators will help students make sense of the information to enable students to transform the information into knowledge and creative solutions.



Marianna SIGALA

Marianna Sigala is a Lecturer in Operations and Production Management at the Department of Business Administration, University of Aegean, Greece. She is also a Visiting Professor in Operations and Technology Management at the University of Fan S. Noli of Korca, Albania. She previously taught at the University of Strathclyde, Glasgow and the University of Westminster, London in the UK. She has published two books related to information and communications technologies applications and management. Dr Sigala earned her PhD in Technology Management and Operations Management from the University of Surrey, UK.



M SCALEM

M Scalem is a faculty member in Information Technology at Indian Institute of Management, Indore in India. He has won accolades and scholarships throughout his academic career, which include best thesis proposal award from ACME USA, AMDISA-Commonwealth Doctoral Fellow (SAARC), Gold Medal in Electrical Engineering, National Young Engineering Fellow Award (IISc Bangalore). Dr Scalem was awarded Fellow of the Indian Institute of Management Calcutta in India in 2006.