

Characteristics of Successful and Unsuccessful Outsourcing Arrangements

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What disciplines have you outsourced?

1. Application Development
2. Help Desk/ Data Center Ops/Network Ops
3. Web Hosting
4. All of the above
5. None of the above

What was the main reason you outsourced?

1. Lower IT Costs – Save Money
2. Lack of Staff or Core Expertise
3. Improve Quality
4. Faster Time to Market
5. Other

Key Factors Pre Agreement

- Relationship
- Methodology
- Selection Criteria
- Staffing
- Definition
- Deliverables



Key Factors Post Agreement

- Relationship
- Communication
- Integration
- Seamless
- Measurements
- Reporting



When is the decision final?

1. RFP is issued
2. Negotiation is initiated
3. Savings are budgeted
4. Contract Signed
5. When your boss says we are going to outsource

Strategic Sourcing Lifecycle

- **Sourcing Strategy**
- **Evaluation & Selection**
- **Contract Development**
- **Sourcing Management**



Why Do Agreements Fail?

- **Customer service adversely affected**
- **Costs higher than expected**
- **Outsourcer does not understand core business**
- **Relationship has not evolved**



Best Practices

- **Outsource and maintain quality**
- **Outsource now but plan for the future**
- **Outsource and maintain control**



Will the Yankees choke again?

1. Yes
2. No
3. Probably
4. I hope so

Thank You

Questions

