



Strategic Partnering in Outsourcing

What it looks like and how to make it work

Leading organisations are moving from traditional outsourcing to Strategic Partnerships

Organisations are increasingly reconsidering their traditional outsourcing arrangements and are moving towards more strategic partnerships. Over the last 18 months, there has been accelerated evolution of the outsourcing landscape with strategic partners broadening capabilities, value propositions and moving up the value chain.

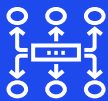
The key differences lie in how the outsourcing partner's experience in transformation, innovation and end-to-end technology enablement is leveraged.



Lead Transformation



Drive end-to-end technology enablement



Deliver integrated multi-function solution



Adopt joint 'go to market' propositions

The Strategic Partner:

- Delivers ongoing innovative solutions to transform process and functions
- Brings integrated solutions with multi-provider collaboration
- Enables transformation more effectively through process and technology platform ownership
- Enables agile projects to increase speed and realise transformation value
- Drives business outcomes throughout the back, middle and front office
- Enables further leveraging of scale and capability
- Optimises the existing technology ecosystem with advanced solutions and capabilities.

Strategic Partners have evolved their capabilities to move up the value chain and offer more integrated solutions and end-to-end service offering



Data and analytics



Industry specific operations support



Legal support services



Creative marketing services



Complex judgement-based finance activities



Risk management services including financial crime and KYC



Supply chain



Web design & enablement



Procurement services including category and contract management



Report production, including board reports, prospectus preparation, etc.

... and invested significantly in innovation, technology and GenAI

Strategic Partnering shifts the outsourcing focus from cost to value

Cost focus

Traditional drivers

Cost reduction
 Capital avoidance
 Access to talent
 Labour arbitrage
 Technology development
 Work instruction execution



Value focus

Contemporary drivers

Simplicity & agility
 Risk mitigation & quality
 Access to innovation
 Expanded capability
 Cloud enablement
 Value delivery
 Leading practice processes

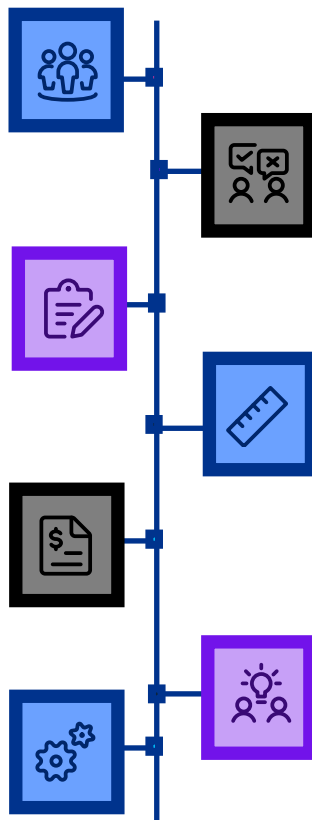
How to make Strategic Partnering work

Select the right partner that best aligns with your strategic objectives and culture.

Adopt contemporary, flexible contracts, aligned to your partnering objectives and enable the best commercial value.

Consider the appropriate **co-investment and gain sharing** arrangements.

Define scope of outsourcing in terms of **end-to-end process** and enable strategic partner to drive outcomes.



Change behaviours. Drive collaboration at all levels, build relationship as a partner (as opposed to a vendor) and use the strategic partner's best people, process and technology ecosystem.

Measure yourself and the strategic partner. e.g. how many CI, transformation and changes recommended have been adopted, measure your strategic partner's contribution to enhancing your NPS and be as specific as possible.

Align strategic partner's contribution to your strategy and make them be / feel a part of the achievement of outcomes.



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