The eSCM Glossary
Terminology Used in the eSourcing Capability Models

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Abstract
This document contains a glossary of terms used in the eSCM Models - the eSourcing Capability Model for Service Providers (eSCM-SP) and the eSourcing Capability Model for Client Organizations (eSCM-CL). These terms and phrases are presented here to help the reader understand and interpret the Models.

The terminology used in the eSCMs that are included in this report are found in the glossaries of the eSCM-SP, the eSCM-CL, and the eSCM-SP Measurement report. Each term is listed and is accompanied with its definition.

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The eSCM Glossary

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Introduction

This document contains a glossary of terms used in the eSCM Models - the eSourcing Capability Model for Service Providers (eSCM-SP) and the eSourcing Capability Model for Client Organizations (eSCM-CL).

The eSourcing Capability Model for Service Providers (eSCM-SP) [Hyder 2004a, 2004b, 2006a, 2006b] is a “best practices” capability model developed to give IT-enabled sourcing service providers guidance toward improving their capability across the sourcing life-cycle. The eSourcing Capability Model for Client Organizations (eSCM-CL) [Hefley 2006a, b] is a “best practices” capability model developed to give clients of IT-enabled services guidance toward improving their capability across the sourcing lifecycle.

There are sets of terms and phrases that have special meaning in the eSCM Models. Some of these terms and phrases are defined in the discussion of the Model structure (e.g., Activities and Capability Areas). Other terms and phrases are commonly used in the Practices (e.g., stakeholders, process assets, and work products). These terms and phrases are presented here to help the reader understand and interpret the Models.

The terminology used in the eSCMs that are included in this report are found in the glossaries of the eSCM-SP, the eSCM-CL, and the eSCM-SP Measurement report [Paulk 2005]. Each term is listed and is accompanied with its definition. Many of the terms indicate the source document from which the definition was derived.

In some cases, a term has been given a slightly different definition in one or more of the source documents. This may be for clarity or because of the different emphasis of the Models on the best practices for service providers or for client organizations. When a term has multiple definitions, the source document is noted in bold before each definition.
eSCM Glossary of Terms

“As Is” process model
A model that portrays how a business process is currently structured. In process improvement efforts, it is used to establish a baseline for measuring subsequent business improvement actions and progress. [GAO 1998]

“To Be” process model
A process model that results from a business process redesign/reengineering action. The “to be” model shows how the business process will function after the improvement action is implemented [GAO 1998].

Activity
- **eSCM-SP**: One of the steps taken to implement a Practice. Activities are labeled with a number or letter within the text of the Practice details (a, a1, a2, b, etc.). See also Major Activity, Sub-activity, Required Activity, Recommended Activity.

- **eSCM-CL**: One of the steps taken to implement a Practice. Activities are labeled with a number or letter within the text of the Practice details (a, b, b1, b2, c, etc.). See also Major Activity, Sub-activity, Required Activity, and Recommended Activity. [Adapted from Hyder 2004a]

alignment
The degree of agreement, conformance, and consistency among organizational purpose, vision, and values; structures, systems, and processes; and individual skills and behaviors. [GAO 1998]

Analysis
The phase of the Sourcing Life-cycle that focuses on analyzing the client organization's business functions and business processes, and identifying potential sourcing opportunities. During Analysis, the client organization analyzes its operations and functions to identify those that could be sourced, and develops the approach to be taken to sourcing the identified opportunities.

artifact
A document that is generated as a result of performing the activities of the organization. Artifacts include records, reports, and work products. Most artifacts are linked to a guidance document that describes how that artifact is to be created and used.

attribute
A property or characteristic of an entity that can be distinguished quantitively or qualitatively by human or automated means.

base measure
A measure defined in terms of an attribute, and the method for quantifying it. (Based on International Vocabulary of Basic and General Terms in Metrology [ISO 1993].)

Note: A base measure is functionally independent of other measures.

BC/DR
Business continuity and disaster recovery.

benchmark
- **eSCM-SP**: (1) To measure or compare an entity to a reference standard. (2) A reference standard used for comparison.

- **eSCM-CL**: A reference point or standard by which something can be judged. (Adapted from [Camp 1989].)

benchmarking
(1) The search for industry best practices that lead to superior performance.
(2) The continuous process of measuring products, services, and practices against competitors or industry leaders.
best practice
An accepted and customary way of doing something that is expected to significantly improve the ability to meet objectives, typically expressed in terms of improved productivity, costs, schedule, quality, user satisfaction, or predictability.

BPO
See business process outsourcing.

business case
A structured proposal for business improvement that functions as a decision package for organizational decision makers. A business case includes an analysis of business process performance and the associated needs or problems, proposed alternative solutions, assumptions, constraints, and a risk-adjusted cost-benefit analysis [GAO 1998].

business function
eSCM-SP: A business unit within an organization, e.g., a department, division, or branch. [ITIL 2003]
eSCM-CL: A business unit within an organization, e.g., a department, division, or branch. [ITIL 2003] A collection of resources (e.g., equipment, networking, and individuals) in a single area of operations, such as finance, accounting, personnel, production, engineering, operations, development, and support. [SPC 2001]

business objectives
An informal set of business goals that are used to set long-term direction. Business objectives are similar to organizational objectives, but they are typically not formally stated and may not be quantified. For example, an organizational objective may be to increase market share by 2%, and a business objective may be to increase market share.

business process
A group of business activities undertaken by an organization in pursuit of a common goal. Typical business processes include receiving orders, marketing services, selling products, delivering services, distributing products, invoicing for services, accounting for money received. A business process usually depends upon several business functions for support, e.g., IT, personnel, and accommodation. A business process rarely operates in isolation, i.e., other business processes will depend on it and it will depend on other processes. [ITIL 2003]

business process outsourcing (BPO)
The delegation of one or more IT-intensive business processes to an external provider that, in turn, owns, administers, and manages the selected processes, based upon defined and measurable performance metrics. [Gartner 2000]

business unit
A segment of the business entity by which both revenues are received and expenditure is caused or controlled, such revenues and expenditure being used to evaluate segmental performance. [ITIL 2003]

CA
See Capability Area.

Capability Area
A Capability Area is a logical grouping of Practices that can help users better remember and intellectually manage the content of the Model. Capability Areas also provide a framework that organizations can use to build or demonstrate capabilities in each critical sourcing function.
eSCM-SP: One of ten logical groupings of eSCM-SP Practices that represent critical sourcing functions.
eSCM-CL: One of seventeen logical groupings of eSCM-CL Practices that represent critical sourcing functions.

capability baseline
A statistical description of the capability of a process at a point in time. It is derived from the analysis of measures of performance used by the organization in order to provide a measurement benchmark.
### Capability Determination
A set of five methods (Full Evaluation for Certification, Full Evaluation, Full Self-Appraisal, Mini Evaluation, Mini Self-Appraisal) used to determine the compliance of an organization with the eSCM-SP or eSCM-CL.

### Capability Level
The five Capability Levels in the eSCM Models describe a path of improvement for organizations.

**eSCM-SP:** One of the five Capability Levels of the eSCM-SP that describes an improvement path for a service provider: Level 1–Providing services; Level 2–Consistently meeting requirements; Level 3–Managing organizational performance; Level 4–Proactively enhancing value; Level 5–Sustaining excellence.

**eSCM-CL:** One of the five Capability Levels of the eSCM-CL that describes an improvement path for a service provider: Capability Level 1–Performing sourcing; Capability Level 2–Consistently managing sourcing; Capability Level 3–Managing organizational sourcing performance; Capability Level 4–Proactively enhancing value; Capability Level 5–Sustaining excellence.

### change
The addition, modification or removal of approved, supported, or baselined hardware, network, software, application, environment, system, desktop build or associated documentation. [ITIL 2003]

### change control
Making changes to selected work products by evaluating proposed changes, coordinating with relevant stakeholders, approving or disapproving the proposals, and implementing the approved changes.

### change management (infrastructure or service)
Process of controlling changes to the infrastructure or any aspect of services, in a controlled manner, enabling approved changes with minimum disruption. [ITIL 2003]

### change management (organization)
Activities involved in (1) defining and instilling new values, attitudes, norms, and behaviors within an organization that support new ways of doing work and overcome resistance to change; (2) building consensus among customers and stakeholders on specific changes designed to better meet their needs; and (3) planning, testing, and implementing all aspects of the transition from one organizational structure or business process to another. [GAO 1998] In eSCM-CL, this form of change management is referred to as organizational change management to distinguish it from change management of infrastructure or services. See Change Management (infrastructure or service).

### client
A person or organization who obtains sourcing services from a service provider.

### client interaction team
A team of personnel from the service provider, ideally representing multiple functions, established to interact with the client. The client interaction team may be formed before a formal relationship with the client exists and will remain in existence as long as the relationship with the client or potential client exists. The client interaction team may be only one of the teams interacting with the client (for example, the design team may interact with the client during design reviews), but the client interaction team is responsible for verifying that interaction is managed when it takes place.

### client organization
An organization which obtains sourcing services from a service provider.

### commitment
A pact that is freely assumed, visible, and expected to be kept by all parties [Paulk 1995].

### competency
The combination of experience, knowledge, and skills required to perform a task or role. Personnel competency is the competency of an individual employee. Workforce competency is the set of personnel competencies that exist in the organization.
| **Completion** | eSCM-SP: The phase of the Sourcing Life-cycle that focuses on ending the engagement. Completion occurs after the fulfillment of the contract obligations, at the end of the contract period, or upon termination (for cause or convenience) before the planned contract completion date.  

eSCM-CL: The phase of the Sourcing Life-cycle that focuses on ending the engagement. Completion occurs after the fulfillment of the obligations defined in agreements with the client organization, at the end of the period of the agreement, or upon termination (for cause or convenience) before the planned completion date of the agreement. [Adapted from Hyder 2004a] |
| confidentiality | (1) Assurance that information is not disclosed to unauthorized persons, processes, or devices. (2) The protection of sensitive information from unauthorized disclosure and sensitive facilities from physical, technical or electronic penetration or exploitation. [CIAO] |
| continuous process improvement | An ongoing effort to incrementally improve how products and services are provided and internal operations are conducted [GAO 1998]. |
| Contracting Capability Area (cnt) | The group of eSCM-SP Practices that focuses on the effective management of collection and analysis of client requirements, and the negotiation of a formal agreement that describes how the organization will meet those requirements. |
| core (or key) process | Business processes that are vital to the organization's success and survival [GAO 1998]. |
| cultural attributes | Characteristics of the clients, end-users, suppliers, and partners that can impact the quality and acceptance of the service being delivered. Cultural attributes can be either national or corporate, such as ethnicity, language, and behavioral norms. |
| cultural fit | The extent of the cultural compatibility between the client and the service provider. Similarities and differences influence how effectively the provider can deliver service according to agreed-upon service levels. |
| customer | Recipient of the service; usually the customer management has responsibility for the cost of the service, either directly through charging or indirectly in terms of demonstrable business need. [ITIL 2003] |
| **Delivery** | eSCM-SP: The phase of the Sourcing Life-cycle that focuses on service delivery capabilities. The Practices in this phase cover ongoing management of service delivery, verification that commitments are being met, and management of finances associated with service provision.  

eSCM-CL: The phase of the Sourcing Life-cycle that focuses on managing the delivery of sourced services to the client organization. The Practices in this phase cover ongoing management of service delivery, verification that commitments are being met, and management of finances associated with service provision. |
| derived measure | A measure that is defined as a function of two or more values of base measures. |
dimensions
Each eSCM Model has three dimensions: Sourcing Life-cycle, Capability Areas, and Capability Levels. Every eSCM Practice has a value along each of these dimensions.

eSCM-SP: The eSCM-SP has three dimensions: Sourcing Life-cycle, Capability Areas, and Capability Levels. All eSCM-SP Practices have a value along each of these dimensions.

eSCM-CL: The eSCM-CL has three dimensions: Sourcing Life-cycle, Capability Areas, and Capability Levels. All eSCM-CL Practices have a value along each of these dimensions.

document
Any lasting information used by the organization. It can be in either physical (i.e., hard copy) or electronic (i.e., soft copy) form. There are two types of documents: guidance documents and artifacts.

ever-user
The ultimate consumer of services provided by the service provider or client. For example, in the case of a software company sourcing its customer service call center, end-users are the customers who call into the call center run by the service provider. End-users may be part of the client organization, or may be customers of the client.

engagement
eSCM-SP: The relationship between the service provider and a current or prospective client that spans the entire Sourcing Life-cycle.

eSCM-CL: A relationship between the service provider and a current or prospective client that spans the entire Sourcing Life-cycle. [Hyder 2004a]

See also sourcing action.

engagement objectives
A set of goals that are used to set direction in the sourcing engagement. Engagement objectives should be measurable so that progress against them can be tracked. They are typically based on client relationship factors (for example, increase client satisfaction by x%) or on operational factors (for example, improve productivity by y%).

entity
An object that is to be characterized by measuring its attributes. An entity can be a process, product, project, or resource.

eSourcing
A type of sourcing that uses information technology in the processing and delivery of the service. These services are delivered through a telecommunications or data network or other electronic media. [Hyder 2004a]

establish and implement
To define, document, train personnel, provide resources, and put to use a procedure, policy, or guideline, with an aim of achieving intended outcomes.

framework
A general term including models, standards, and award criteria.

FSO
Future state of operation.

function
A set of related activities that is part of a process, often known as a subprocess within a process. Organizations often divide themselves into functional units, such as purchasing, product development, order fulfillment, etc [GAO 1998].

future process model
See “To Be” process model.

governance
A structure of relationships and processes to direct and control the enterprise in order to achieve the enterprise's goals by adding value while balancing risk versus return. [COBIT 2000]. Governance typically describes the ways in which rights and responsibilities are shared between the various participants, especially the management and the stakeholders.

Governance Management Capability Area (gov)
The group of eSCM-CL Practices that focuses on establishing organizational structure for sourcing and organizational process management for sourcing processes and procedures.
GRC  Governance, risk and compliance.

guidance document  A lasting record that provides guidance on how work should be performed. These include policies, procedures, guidelines, job aids, templates, and checklists. They can be electronic (e.g., soft copy, software) or paper (e.g., printed, bound).

guideline  A rule or principle that provides guidance to appropriate behavior.  [WordNet]

ICT  Information and communication technologies; the convergence of information technology, telecommunications, and data networking technologies into a single technology.  [Adapted from ITIL 2003]

incident  Any event which is not part of the standard operation of a service and which causes, or may cause, an interruption to, or a reduction in, the quality of that service.  [ITIL 2003]

indicator  A measure that provides an estimate or evaluation of specified attributes derived from a model, with respect to defined information needs.

informed customer  An individual, team or group with functional responsibility within an organization for ensuring that spend on IS/IT is directed to best effect, i.e., that the business is receiving value for money and continues to achieve the most beneficial outcome. In order to fulfill its role the ‘Informed’ customer function must gain clarity of vision in relation to the business plans and ensure that suitable strategies are devised and maintained for achieving business goals. The ‘informed’ customer function ensures that the needs of the business are effectively translated into a business requirements specification, that IT investment is both efficiently and economically directed, and that progress towards effective business solutions is monitored. The ‘informed’ customer should play an active role in the procurement process, e.g., in relation to business case development, and also in ensuring that the services and solutions obtained are used effectively within the organization to achieve maximum business benefits. The term is often used in relation to the outsourcing of IT/IS. Sometimes also called ‘intelligent customer’.  [ITIL 2003]

Initiation  The phase of the Sourcing Life-cycle that focuses on the capabilities needed to effectively prepare for service delivery.

eSCM-SP: The phase of the Sourcing Life-cycle that focuses on the capabilities needed to effectively prepare for service delivery. The Practices in this phase cover requirements gathering, negotiation, contracting, and service design and deployment.

eSCM-CL: The phase of the Sourcing Life-cycle that focuses on the capabilities needed to effectively prepare for service delivery. The Practices in this phase cover requirements gathering, negotiation, establishing agreements, and service design and deployment.

innovation  Innovation implies a major change in the way work is done to improve performance; it is a change major enough to require that it be planned and managed as a program. The change needs to be actively managed because of the learning curve associated with it. In some cases, major changes may be driven by customer or regulatory requirements, rather than by innovation.

insourcing  A sourcing relationship where a group within the client organization is selected to provide service but is largely managed as a separate entity.
institutionalization

The process of building infrastructure and corporate culture that support an organization's methods and procedures so that they become the standardized way of doing business. Colloquially, institutionalization captures the concept that "this is the way we do business."

eSCM-SP: The process of building infrastructure and corporate culture that support an organization's methods and procedures so that they become the standardized way of doing business. Colloquially, institutionalization captures the concept that "this is the way we do business." There are thirteen Support Practices in the eSCM-SP that provide support for the institutionalization of any eSCM-SP Practice.

eSCM-CL: The process of building infrastructure and corporate culture that support an organization's methods and procedures so that they become the standardized way of doing business. Colloquially, institutionalization captures the concept that "this is the way we do business." [Hyder 2004a] There are ten Support Practices in the eSCM-CL that provide support for the institutionalization of any eSCM-CL Practice.

intellectual property

Products of the intellect that have commercial value. Intellectual property may include proprietary software, hardware, designs, methodologies, service-related documents, data, training, trademarks, copyrights, drawings, layouts, processes, procedures, policies, and other proprietary technology or materials.

issue

Issues impact the relationship between the parties (end-user, Customer, client organization sourcing functions, service providers, and the service provider's suppliers and partners).

IT Infrastructure

The sum of an organization's IT related hardware, software, data telecommunication facilities, procedures and documentation. [ITIL 2003]

IT service

A described set of facilities, IT and non-IT, supported by the IT Service Provider that fulfils one or more needs of the customer and that is perceived by the customer as a coherent whole. [ITIL 2003]

IT-enabled service

See eSourcing.

IT-enabled sourcing

See eSourcing.

ITES

See IT-enabled service.

ITO

Information technology outsourcing.

Knowledge Management Capability Area (kmw)

eSCM-SP: The group of eSCM-SP Practices that focuses on the effective management of information and knowledge systems so personnel have easy access to the knowledge needed to effectively perform their work.

eSCM-CL: The group of eSCM-CL Practices that focuses on the effective management of information and knowledge systems so personnel have easy access to the knowledge needed to effectively perform their work.

knowledge system

A system that allows the organization to control and maintain relevant information and knowledge and allows personnel to easily locate required information. A knowledge system does not mean that the organization must have a central electronic repository of information but rather that it has a coordinated method for managing and communicating needed information. A system may be implemented through one or more databases, file systems, physical storage media, or other appropriate methods for systematically providing needed access and controlling information.

KPO

Knowledge process outsourcing.
lessons learned
The results of an analysis of the positive and negative experiences in engagements or other organizational activities that are used as the basis for learning and improvement in future performance.

Major Activity
One of the three labeled Practice Activities at the highest level of the Activity hierarchy (a, b, c).

measure
Noun: A variable to which a value is assigned as the result of measurement.

Note: The term “measures” is used to refer collectively to base measures, derived measures, and indicators.

Verb: To make a measurement [ISO 1996].

measurement
A set of operations having the object of determining a value of a measure.

Model scope
The eSCM Practices to be analyzed in a Capability Determination.

eSCM-SP: The eSCM-SP Practices to be analyzed in a Capability Determination.

eSCM-CL: The eSCM-CL Practices to be analyzed in a Capability Determination.

MSA
Master service agreement.

nonconformance
A failure to satisfy a requirement, which may be specified in a policy, procedure, standard, statute, regulation, service level agreement, or contract.

Ongoing

eSCM-SP: A classification of eSCM-SP Practices that are performed throughout the entire Sourcing Life-cycle. The Practices are typically performed on a periodic or as-needed basis, with the frequency being defined by client and organizational needs.

eSCM-CL: A classification of eSCM-CL Practices that are performed throughout the entire Sourcing Life-cycle. The Practices are typically performed on a periodic or as-needed basis, with the frequency being defined by client and organizational needs. [Adapted from Hyder 2004a]

organization

eSCM-SP: As used in the eSCM-SP Practices, an organization is an entity that provides sourcing services to one or more clients. Depending on its size or complexity, a single company may have one or more service provision organizations.

eSCM-CL: As used in the eSCM-CL Practices, an organization is an entity that engages in sourcing activities with one or more service providers. Depending on its size or complexity, a single company may have one or more sourcing organizations. See client organization.

Organizational Change Management Capability Area (ocm)
The group of eSCM-CL Practices that focuses on the change management process to guide the client’s adoption of new systems (organizational and technological) and new ways of achieving business objectives through sourcing.

organizational objectives
A formal set of objective or quantified business goals that are used to set long-term direction. Examples of organizational objectives include increasing client satisfaction by 5% based on feedback forms, maintaining client satisfaction, growing market share by 8%, and improving performance by 12%.
organizational span
The coverage of the organizational structure to be analyzed in an eSCM Capability Determination.

The coverage of the service provider's organizational structure to be analyzed in a Capability Determination.

The coverage of the client's organizational structure to be analyzed in a Capability Determination. [Adapted from Hyder 2004a]

organizational structure
The functions, business units, dependencies among entities and units, and reporting relationships, within the organization.

outsourcing
The procurement of services, which have historically been provided inhouse, from an outside supplier. See also eSourcing, sourcing.

partner
See supplier or partner.

peer group
A set of similar entities that can be considered a homogenous sample for a population being statistically analyzed.

peer group criteria
The characteristics that determine similarity of entities in a peer group.

Note: The peer group criteria for a service provider includes items such as market sector, service, size of service provider (or relevant organizational unit), complexity of service, and geographical location.

People Management Capability Area (ppl)

People Management Capability Area (ppl)
eSCM-SP: The group of eSCM-SP Practices that focuses on the effective management and motivation of personnel to effectively deliver services. This includes understanding the organization's needs for personnel and skills, filling those needs, and encouraging appropriate behaviors in personnel to effectively deliver services.

eSCM-CL: The group of eSCM-CL Practices that focuses on providing and managing skilled resources and the necessary environment for the organization's sourcing activities.

Performance Management Capability Area (prf)
The group of eSCM-SP Practices that focuses on the effective management of the organization's performance. Performance is managed to ensure that the client's requirements are being met, that the organization is continually learning from its experience, and that the organization is continually improving. Effective performance management is dependent upon effective capture, analysis, and use of data, including data on the organization's capabilities relative to its competitors.

personnel
The individuals and teams in an organization.

personnel competency
eSCM-SP: The combination of experience, knowledge, and skills an individual possesses, which may be related to performing tasks or roles for the organization. See also competency, workforce competency.

eSCM-CL: The combination of knowledge, skills, and process abilities an individual possesses, which may be related to performing tasks or roles for the organization. See also competency, workforce competency. [Adapted from Hyder 2004a]

plan
A formal, approved document used to guide both execution and control. The primary uses of the plan are to document planning assumptions and decisions, to facilitate communication among stakeholders, and to document approved scope, cost, and schedule baselines. [PMBOK 2000]

PMO
Present mode of operation.

policy
A guiding principle, typically established by senior management, which is adopted by an organization to influence and determine decisions [Paulk 1995].
Practice
A set of actions that should be performed by an organization to have successful sourcing relationships.

eSCM-SP: A set of actions that should be performed by an IT-enabled Service Provider to have successful sourcing relationships. The eSCM-SP v2 is composed of 84 Practices that are arranged along each of three dimensions: Sourcing Life-cycle, Capability Area, and Capability Level.

eSCM-CL: A set of actions that should be performed by a client organization to have successful sourcing relationships. The eSCM-CL is composed of 95 Practices that are arranged along each of three dimensions: Sourcing Lifecycle, Capability Area, and Capability Level. [Adapted from Hyder 2004a]

Practice Rating
A Practice Rating indicates the effectiveness of an organization’s implementation and institutionalization of an eSCM Practice. Practice Ratings are determined as part of a Capability Determination.

eSCM-SP: A Practice Rating indicates the effectiveness of a service provider’s implementation and institutionalization of an eSCM-SP Practice. Practice Ratings are determined as part of a Capability Determination.

eSCM-CL: A Practice Rating indicates the effectiveness of a client’s implementation and institutionalization of an eSCM-CL Practice. Practice Ratings are determined as part of a Capability Determination. [Adapted from Hyder 2004a]

Practice Satisfaction Profile
A Practice Satisfaction Profile shows the Practice Ratings for each Practice within the Model scope of a Capability Determination.

privacy
For individuals, freedom from unauthorized intrusion and the ability to limit who has access to personal information. For organizations, privacy involves determining what information is gathered, how it is used, and how customers are informed and involved in this process.

problem
eSCM-SP: Problem is broadly defined in the eSCM-SP as a state of difficulty that needs to be resolved [WordNet]. Problems can range from simple human errors to system-wide failures.

eSCM-CL: Unknown underlying cause of one or more incidents. [ITIL 2003] Problem is broadly used in the eSCM-CL as a state of difficulty that needs to be resolved. Problems can range from simple human errors to system-wide failures.

procedure
A documented description of a course of action to be taken to perform a given task [IEEE 1990].

process
eSCM-SP: A set of actions that is performed to achieve a given purpose, along with the assets that support that performance, such as tools and other resources.

eSCM-CL: (1) A set of activities that produce products and services for customers [GAO 1998]. (2) A set of actions that is performed to achieve a given purpose, along with the assets that support that performance, such as tools and other resources. [Hyder 2004a]

eSCM-SP Measurement: (1) A set of actions that is performed to achieve a given purpose, along with the assets that support that performance, such as tools and other resources. (2) A set of interrelated activities that transform inputs into outputs [ISO 1998].
<table>
<thead>
<tr>
<th><strong>term</strong></th>
<th><strong>definition</strong></th>
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<tbody>
<tr>
<td><strong>process assets</strong></td>
<td>Any guidance documentation (e.g., processes, policies, procedures, guidelines, job aids, templates, checklists), or infrastructure needed to perform the work described in the guidance documentation (e.g., repositories, training, and tools). See also <em>guidance document</em>.</td>
</tr>
<tr>
<td><strong>process capability</strong></td>
<td>The range of expected results that can be achieved by following a process. The process capability of an organization provides one means of predicting the most likely outcomes to be expected from the next project the organization undertakes [Paulk 1995].</td>
</tr>
<tr>
<td><strong>process management approach</strong></td>
<td>Approaches, such as continuous process improvement, business process redesign, and reengineering, which can be used together or separately to improve processes and subprocesses [GAO 1998].</td>
</tr>
<tr>
<td><strong>process model</strong></td>
<td>A formal description of a set of activities performed to achieve a given purpose. A process model typically includes at least inputs, activities, and outputs. Depending on the formalism used, it may include entry criteria, verification steps, exit criteria, and other attributes of the process or the resulting work products. Example formalisms include ETVX and IDEF0.</td>
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<tr>
<td><strong>program</strong></td>
<td>A group of related projects that are managed in a coordinated way, and are described primarily in plans and business cases.</td>
</tr>
<tr>
<td><strong>quality specification</strong></td>
<td>A document created as part of service design that describes the quality attributes to be monitored and the service levels that have been agreed upon for each of those attributes.</td>
</tr>
<tr>
<td><strong>Recommended Activity</strong></td>
<td>Any sub-activity two levels below a Major Activity (for example, a2b). While Recommended Activities are not required, it is suggested that the organization implement them. Only Major Activity b contains Recommended Activities.</td>
</tr>
</tbody>
</table>
| **relationship**         | eSCM-SP: A relationship may have multiple activities (which could include agreements or contracts, services, or from an service provider perspective, engagements) within that relationship. Relationships may be structured in one of the categories defined in the eSCM-SP, which could include Traditional, Co-sourcing, Multi-sourcing, Alliance, Joint Venture, or Insourceing.

  eSCM-CL: A relationship may have multiple activities (which could include agreements or contracts, services, or from an service provider perspective, engagements) within that relationship. Relationships may be structured in one of the categories defined in the eSCM-CL, which could include Traditional, Co-sourcing, Multi-sourcing, Alliance, Joint Venture, or Insourceing. |
| **Relationship Management Capability Area (rel)** | eSCM-SP: The group of eSCM-SP Practices that focuses on the active management of relationships with stakeholders, including the client and suppliers and partners who are integral to the delivery of services to the client.

  eSCM-CL: The group of eSCM-CL Practices that focuses on establishing and managing long-term relations with the service providers, and developing relationships with service providers. |
**Required Activity**
eSCM-SP: Any sub-activity one level below a Major Activity (for example, a1, a2). For an Evaluation for Certification there must be positive evidence of all the Required Activities in order for the organization to be compliant with the eSCM-SP.

eSCM-CL: Any sub-activity one level below a Major Activity (for example, a1, a2). For an Evaluation for Certification there must be positive evidence of all the Required Activities in order for the organization to be compliant with the eSCM-CL.

**requirement**
(1) A condition or capability needed by a user to solve a problem or achieve an objective. (2) A condition or capability that must be met or possessed by a product or product component to satisfy a contract, standard, specification, and/or other formally imposed documents. (3) A documented representation of a condition or capability as in (1) or (2). [IEEE 1990].

**resources**
eSCM-SP and eSCM-CL: Resources include all of the following: people, skills, experience, knowledge assets, intellectual property, processes and guidelines, repository, solutions, documents, infrastructure, computers, storage, networks, data, applications, facilities, and financial. [IEEE 1990].

eSCM-SP Measurement: (1) Resources include all of the following: people, skills, experience, knowledge assets, intellectual property, processes and guidelines, repository, solutions, documents, infrastructure, computers, storage, networks, data, applications, facilities, and financial [IEEE 1990]. (2) The assets available for providing a product or service, including people, knowledge assets, infrastructure, and finances.

*Note 1:* People resources may be characterized by skills and experience.

*Note 2:* Knowledge assets include intellectual property, processes, solutions, and documents.

*Note 3:* Infrastructure includes facilities, networks, computers, applications, and other aspects of the work environment. [Paulk 2005]

**RFI**
Request for information.

**RFP**
Request for proposals.

**RFQ**
Request for quotations.

**risk**
eSCM-SP: Exposure to loss, injury, or destruction. Risks are potential problems, which may be associated with security, privacy, confidentiality, protection of intellectual property, or disasters.

eSCM-CL: Exposure to loss, injury, or destruction. Risks are potential problems, which may be associated with security, privacy, confidentiality, protection of intellectual property, or disasters. [Hyder 2004a] Risks represent the possibility that an event will occur and adversely affect the achievement of objectives. [COSO 2004]

**risk appetite**
The broad-based amount of risk a company or other entity is willing to accept in pursuit of its mission or vision. [COSO 2004]

**risk response**
The actions taken by the organization in response to identified risks.

**risk tolerance**
The acceptable levels of variation relative to the achievement of objectives, and are often best measured in the same units as the related objectives. [COSO 2004]
Security provides four types of control: confidentiality, integrity, availability, and accountability. Confidentiality means that only authorized users can access information. Integrity means that the accuracy and completeness of information is maintained and not changed without authorization. Availability means that the service or information is available to authorized users when needed. Accountability means being able to trace the source of changes in controlled resources. Security management covers the security of people, technology, work environment, and information.

Senior management
To identify appropriate management individuals and to not limit critical sourcing activities to being performed by just executive management, the term senior management is commonly used throughout the eSCM-CL to refer to those organizational leaders who may have responsibility for sponsoring, supporting, and providing guidance and review of the client organization's sourcing activities. These individuals may also include C-level positions, or corporate positions, included in executive leadership, such as Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Information Officer (CIO); or the Board of Directors. Senior management in the context of the eSCM-CL ensures that objectives, resources, and processes and procedures are established for the organization's sourcing activities, and that sourcing activities are integrated and aligned with the business objectives and strategies.

Service catalog
A written statement of services, default service levels, and options. [Adapted from ITIL]

Service commitments
Service commitments represent the service providers' commitment to meet service level agreements, performed within identified service conditions. These are based on the agreement but may also include any promises or commitments that are not contractual but have been agreed upon by the client and service provider.

Service component
Any item that is used in the delivery of service. Components can include specific user interfaces, customized software, data storage mechanisms, work instructions, process specifications, quality specifications, and privacy or security mechanisms. These components can change during the delivery of service. A service component is a type of work product.

Service Delivery Capability Area (del)
The group of eSCM-SP Practices that focuses on ongoing delivery of service according to the commitments made to the client and based on the service design. This includes ongoing planning and tracking of service delivery activities.

Service deployment
The process of putting services or assets and related support infrastructure in place so that service delivery can begin. This includes putting in place an adequate physical environment, personnel structure, training, technology infrastructure, and process assets such as policies, procedures, and guidelines to enable personnel to effectively deliver service.

Service Design & Deployment Capability Area (sdd)
The group of eSCM-SP Practices that focuses on translating the client requirements and contract language of “what” will be provided into a detailed design for “how” it will be provided and for effectively deploying that design. This is closely related to the Contracting Capability Area.

Service levels
The performance values expected by a client for service delivery during an engagement. For example, service levels are often determined for bandwidth availability, response times for routine and ad hoc queries, response times for problem resolutions such as network downtime and machine failure, and client satisfaction levels.

Service modification
The controlled change to a service, regardless of the size of the change.
service provider
eSCM-SP: An entity that provides IT-enabled sourcing services to a client. The service provider is managed as a separate entity from the client organization.

eSCM-CL: An entity that provides sourced services to a client. The role of service provider is performed by any organizational units, whether internal or external, that deliver and support IT services to its customer(s). The service provider is managed as a separate entity from the client organization. [Hyder 2004a, ITIL 2003]

Service Provider Evaluation Capability Area (spe)
The group of eSCM-CL Practices that focuses on soliciting potential service providers, screening the set of potential service providers, and selecting the preferred service providers.

service specification
A comprehensive document that describes the services that the organization provides to the client and how end-users request services. It describes all services available, any agreed-upon service levels for those services, and the interfaces between the organization, clients, and end-users.

Service Transfer Capability Area (tfr)
eSCM-SP: The group of eSCM-SP Practices that focuses on transferring resources between the organization and the client, or its designee.
eSCM-CL: The group of eSCM-CL Practices that focuses on successfully transferring resources between the client organization and its service providers by creating and implementing a transfer plan; creating client/service provider teams; identifying key skill sets/personnel to retain in-house or transfer to the service providers; ensuring service design meets the client's needs; and transferring resources, personnel, and knowledge to service providers.

SLA
Service level agreement.

sourced service
As used in the eSCM-CL Practices, a sourced service is a service which the client organization has engaged with a service provider to provide for, or on behalf of, the client organization.

Sourced Services Management Capability Area (mgt)
The group of eSCM-CL Practices that focuses on having the capability to manage service providers, and the issues and challenges that arise after the agreement has been reached.

sourcing
eSCM-SP and eSCM-CL: The procurement of services, which have historically been provided in-house, from another provider. The provider can be external to the organization (i.e., outsourcing), internal (i.e., insourcing), or a combination of the two. See also outsourcing, insourcing.
eSCM-CL: Sourcing, as used in the eSCM-CL, refers to any and all of these types of relationships: Traditional, Co-sourcing, Multi-sourcing, Alliance, Joint Venture, or In-sourcing. See also Relationship.

sourcing action
As used in the eSCM-CL Practices, a sourcing action is the initiative to obtain sourced services from a service provider. A client organization engages in a sourcing action when it prepares to source or sources a specific service or services to service providers.

sourcing activity
As used in the eSCM-CL Practices, a client organization engages in sourcing activities in performing its sourcing actions. Some sourcing activities occur within engagements managing a sourcing action within a relationship with service providers. eSCM-CL Practices are subset of the sourcing activities that a client organization may implement.
**Sourcing Agreements**

**Capability Area (agr)**

The group of eSCM-CL Practices that focuses on carrying out service confirmation, negotiating terms and conditions of the agreements (including SLAs, etc), and entering into an agreement with the selected service providers.

**Sourcing Approach**

**Capability Area (app)**

The group of eSCM-CL Practices that focuses on deciding on the type of sourcing for a specific sourcing opportunity.

**Sourcing Completion**

**Capability Area (cmp)**

The group of eSCM-CL Practices that focuses on planning and making provisions for the closure of the relationship/project and ensuring that the hand off is smooth.

**Sourcing Life-cycle**

**eSCM-SP:** The eSCM-SP dimension that indicates when a Practice is performed. This dimension is divided into Ongoing, Initiation, Delivery, and Completion. Ongoing Practices span the entire Sourcing Life-cycle, while Initiation, Delivery, and Completion occur in specific phases of the life-cycle.

**eSCM-CL:** The eSCM-CL dimension that indicates when a Practice is performed. This dimension is divided into Ongoing, Analysis, Initiation, Delivery, and Completion. Ongoing Practices span the entire Sourcing Life-cycle, while Analysis, Initiation, Delivery, and Completion occur in specific phases of the life-cycle.

**Sourcing Opportunity Analysis**

**Capability Area (opa)**

The group of eSCM-CL Practices that focuses on the functional analysis of the current operations of the organization and identification of potential functions, processes or services that could be sourced.

**Sourcing Planning**

**Capability Area (pln)**

The group of eSCM-CL Practices that focuses on planning for implementation of the sourcing approach for a planned sourcing initiative.

**Sourcing Strategy Management**

**Capability Area (str)**

The group of eSCM-CL Practices that focuses on determining the sourcing strategy and setting organizational objectives or goals for sourcing.

**stakeholder**

An individual or group with an interest in the success of an organization in delivering intended results and maintaining the viability of the organization's products and services. Stakeholders influence programs, products, and services [GAO 1998].

**stakeholders**

The group of individuals who are affected by, or are in some way accountable for, the outcome of an undertaking. Stakeholders can include clients, prospective clients, end-users, shareholders, suppliers and partners, and employees of all organizations involved in an engagement.

**Sub-activity**

Any Practice Activity at a level below a Major Activity (for example, a1, b2c, c1). See also Major Activity, Required Activity, and Recommended Activity.

**Supplemental Information**

**eSCM-SP:** A section within an eSCM-SP Practice that provides explanatory information that is intended to help convey the intent of the Activities and provide examples of how those Activities could be implemented.

**eSCM-CL:** A section within an eSCM-CL Practice that provides explanatory information that is intended to help convey the intent of the Activities and provide examples of how those Activities could be implemented.

[Adapted from Hyder 2004a]
supplier or partner
One or more entities that are working with the organization to provide support or to deliver service. This includes subcontractors, vendors, alliances, joint ventures, co-sourcing, multi-sourcing, or combinations of these. Suppliers and partners may become involved at any time during the sourcing process, depending on the relationship between the organization, supplier or partner, and client. The focus of the eSCM-SP is on suppliers or partners that are considered to be critical for the client engagement or contract. For example, under the eSCM-SP, a paper clip supplier is not considered a critical relationship for most service providers whereas a technology infrastructure supplier is likely to be considered critical for most service providers.

Support Practices
The Practices in the eSCM Models that provide support for Practice institutionalization. These Practices are referenced by the Required Activities under Major Activities a and c.

eSCM-SP: The thirteen Practices in the eSCM-SP that provide support for Practice institutionalization. These Practices are referenced by the Required Activities under Major Activities a and c.

eSCM-CL: The ten Practices in the eSCM-CL that provide support for Practice institutionalization. These Practices are directly linked to the eight Support Attributes that are implemented by Major Activities a and c.

tailoring
Customizing process assets to meet the needs of a particular group.

TCO
Total cost of ownership.

TCV
Total contract value.

technical architecture
A technical architecture identifies and describes the types of applications, platforms, and external entities; their interfaces; and their services, as well as the context within which the entities interoperate. A technical architecture is based on a taxonomy of services specific to those needed to support the technology computing style (e.g., distributed object computing) and the industry/business application needs (e.g., mining, oil, financial, and military C4I) and the selected standards that further constrain the architecture. The technical architecture is the basis for selecting and implementing the infrastructure to establish the target or operational architecture. [Adapted from SPC 2001]

technology infrastructure
eSCM-SP: The technological facilities, services, and installations needed for the functioning of an organization, including email servers, internet access, telecommunications, computers, and local networks.

eSCM-CL: The technological facilities, services, and installations needed for the functioning of an organization, including email servers, internet access, telecommunications, computers, and local networks. See also IT infrastructure.

Technology Management Capability Area (tch)
eSCM-SP: The group of eSCM-SP Practices that focuses on managing the availability and adequacy of the technology infrastructure used to support delivery of service. This includes control of existing technology, managing changes to that technology, and appropriately integrating the technology infrastructure with the client and suppliers and partners to effectively deliver service.

eSCM-CL: The group of eSCM-CL Practices that focuses on monitoring and managing the technology infrastructure.
<table>
<thead>
<tr>
<th><strong>technology separation</strong></th>
<th>The process of separating the service provider's technological assets from those of the client and other stakeholders. This usually happens during Completion.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Threat Management</strong></td>
<td><strong>eSCM-SP</strong>: The group of eSCM-SP Practices that focuses on identifying, and actively managing, threats to the organization's ability to meet its objectives and the client's requirements. This includes an active focus on risk management, with a particular focus on risks associated with security, confidentiality, infrastructure, and disasters that may disrupt service or cause the organization to fail to meet the client's requirements.</td>
</tr>
<tr>
<td><strong>Capability Area (thr)</strong></td>
<td><strong>eSCM-CL</strong>: The group of eSCM-CL Practices that focuses on identifying and actively managing threats to the client organization's ability to meet its business and sourcing objectives and requirements. This includes an active focus on risk management, with a particular focus on risks associated with security, confidentiality, and privacy; business continuity, disaster recovery and development of contingency plans; and protection of intellectual property.</td>
</tr>
<tr>
<td><strong>transfer</strong></td>
<td>To change responsibility for providing the personnel, and/or other assets, including intellectual property, technology, and other infrastructures from the client, or its designee, to the service provider, or vice versa.</td>
</tr>
<tr>
<td><strong>TUPE</strong></td>
<td>The Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) (often referred to TUPE 2006) is the main piece of UK legislation governing the transfer of an undertaking, or part of one, to another [HMSO 2006]. The regulations were designed to protect the rights of employees in a transfer situation enabling them to enjoy the same terms and conditions, with continuity of employment, as they formerly held.</td>
</tr>
<tr>
<td><strong>user</strong></td>
<td>As used in this report, users are the end-users, consumers of the services provided by the service providers. See also end-user.</td>
</tr>
<tr>
<td><strong>value</strong></td>
<td>Value is the relative worth or importance of an investment for an organization, as perceived by its key stakeholders, expressed in financial and non-financial terms. [ITGI 2006]. Value, or business value, is a measure of the benefit to the stakeholders (including client organization, service providers, and end-users, but which may also include others in the value chain, such as stockholders).</td>
</tr>
<tr>
<td><strong>value creation</strong></td>
<td>An opportunity to increase the business benefit to the client or other stakeholders.</td>
</tr>
<tr>
<td><strong>value delivery</strong></td>
<td>Value delivery is about executing the value proposition throughout the delivery cycle, ensuring that the promised benefits are delivered against the strategy, concentrating on optimizing costs and proving the intrinsic value of the delivered service. [Adapted from ITGI 2003] Value delivery is one of the five domains of governance alongside strategic alignment, performance management, resource management, and risk management [ITGI 2005a].</td>
</tr>
<tr>
<td><strong>Value Management</strong></td>
<td>The group of eSCM-CL Practices that focuses on fostering and managing the culture of continuous improvement so that the client derives value from the sourcing engagement, and ensuring ongoing alignment of the sourcing strategy and the organization's sourcing performance with the organization's objectives.</td>
</tr>
<tr>
<td><strong>Capability Area (val)</strong></td>
<td><strong>verification</strong> The process of ensuring that tasks are performed in compliance with the established process, or ensuring that service commitments are being satisfied. Verification typically encompasses review and audits by management or designated personnel.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>----------------------</td>
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<tr>
<td>version control</td>
<td>An informal level of configuration management in which a work product is changed in a controlled manner and the version of the work product in use at a given time (past or present) is known.</td>
</tr>
</tbody>
</table>
| work environment     | eSCM-SP: The physical and cultural surrounding within which an organization works. The work environment includes issues with workspace as well as corporate culture.  
                         eSCM-CL: The physical and cultural surrounding within which an organization works. [Curtis 2001] |
| work product         | Any asset produced by performing work, or in order to help perform work. It is either produced as a final work product delivered to the customer (e.g., a software application for an application service provider) or an interim work product that is purely internal (e.g., a software design). Work product most often refers to written documentation, but could also be used to refer to tools and software. |
| workforce competency | The set of personnel competencies that the organization has or needs in order to meet organizational objectives. |
References


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