Experiences with Multi-site Implementation of eSCM-SP

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Accenture, as a global organization that places priority on delivery excellence, subscribes to a number of industry standards to guide corporate and Operating Group quality initiatives. Choice of standards is guided by business norms in particular geographic locations, client needs, and Accenture’s continuing programs to achieve delivery excellence in all aspects of its business. This paper describes experience in one of these models in particular, the eSourcing Capability Model for Service Providers (eSCM-SP)\(^1\).

As a quality philosophy, Accenture believes in driving behavior by having a globally consistent methodology that is used by all personnel. Whether personnel are working at a client site in Cincinnati or a Delivery Center in London or Bangalore, personnel should use the same terminology, processes, and best practices. This philosophy has permeated the corporate culture since the early days of METHOD/1, one of the most widely used systems integration methodologies in the world, when the company arguably defined systems integration best practices in the industry. The current methodology, Accenture Delivery Methods (ADM), is the single, integrated methodology that is used for all work performed in the 48 countries where Accenture does business. The philosophy of having globally consistent methods sets the stage for implementation of all industry standards within the company, including eSCM-SP.

**Introducing eSCM-SP into Accenture**

Accenture first learned about the eSourcing Capability Model work in 2001, shortly before version 1.0 of the model was released by Carnegie Mellon University. With outsourcing being a significant and fast-growing part of Accenture’s business, a quality model focused on outsourcing was immediately of interest. Accenture had applied other models to outsourcing, such as ISO® 9001\(^2\), Six Sigma\(^3\), Information Technology Infrastructure Library (ITIL\(^4\)), Software Capability Maturity Model (SW-CMM\(^®\)), and the newly released Capability Maturity Model Integration (CMMI\(^®\))\(^5\). However, Accenture had come to the same realization as Carnegie Mellon: existing industry standards did not fully address the issues that are unique to outsourcing. Accenture quickly recognized the value of the eSCM-SP work and joined as the second corporate sponsor of the eSCM consortium, lending Carnegie Mellon a full-time outsourcing and quality model expert who later co-authored eSCM-SP version 1.1 and 2.

Accenture immediately began to look at ways to utilize eSCM-SP and completed a mapping to its global methodology within a month after eSCM-SP v1.0 was released. Shortly after version 1.1 was released, Accenture launched a global initiative to achieve eSCM-SP compliance, starting with delivery centers focused on infrastructure and business process outsourcing. Accenture continued by incorporating eSCM-SP version 1.1 and then version 2 into Accenture Delivery Methods and by launching a certification effort within Bangalore, whose Accenture Financial Services group became the first Business Process Outsourcing (BPO) organization in the world to achieve eSCM-SP certification.
Consistent with Accenture’s philosophy of having globally consistent methods, it was always clear that it was important for Accenture Delivery Methods to be the single place for all best practices used in the company, including those best practices aligned to eSCM-SP. In fact, employees may or may not be aware of eSCM-SP or any other standards that are addressed by ADM – what is important is that they follow Accenture’s processes, not whether they are experts in any given industry model. Having each site pursue stand-alone process improvement initiatives is likely to result in unnecessary variation between sites. It is more important to ensure global processes are used and that they address best practices important to Accenture. However, in order to ensure those global processes are useful, it is critical that they be populated with proven best practices rather than just those that sound good on paper. Therefore, a pilot project was launched to implement eSCM-SP and identify changes needed to the global processes.

Accenture has a global Certification Program which sets corporate direction for industry standards. The Certification Program funded the initial eSCM-SP pilot and identified pilot participants. Two business units quickly expressed interest in participating in the pilot: Business Process Outsourcing and Infrastructure Outsourcing. Because all delivery centers use the same standard processes, we had flexibility in choosing geography. The Infrastructure Outsourcing organization had process experts available from the Help Desk Services business line, so we conducted a baseline assessment of Help Desk Services in Dallas and then launched an effort to address gaps using process experts in Ottawa. BPO provided a process expert to participate in the effort and ensure the results were globally applicable.
After the first phase of process development was complete, the pilot implementation location was decided. Because of the high growth of Accenture’s business in India and the availability of highly skilled and inexpensive process experts, the Bangalore Delivery Center was selected to be the pilot implementation site for the new eSCM-compliant processes. The initial scope was on finance and accounting services as well as centralized functions, such as facilities management, human resources, finance, and legal.

**Implementation 1: Bangalore AFS**

Bangalore AFS was selected as the initial implementation site for primarily three reasons: (1) Strong sponsorship by AFS leadership who wanted to demonstrate the quality of the work being done in Bangalore; (2) Bangalore was the largest BPO facility in Accenture and continued high growth was expected; (3) India had access to deep process improvement experts at attractive cost rates.

**Approach**

Accenture’s implementation was one of the first implementations of eSCM-SP in the world, so there was little experience in the best way to implement the model’s Practices. Since Level 3 focuses on cross-engagement Practices, and Bangalore had multiple engagements, we decided to focus on implementing all Level 2 and 3 Practices. The work in Ottawa had resulted in draft processes that met the Level 2 requirements, so Bangalore’s quality team needed to work on finalizing those processes as well as updating existing processes to meet Level 3 requirements. Several alternatives were considered and it was decided to start with a focus on eSCM-SP’s “Support Practices.”

eSCM-SP has thirteen Practices that are foundational to any kind of improvement effort. These “Support Practices” include topics such as training and knowledge management which can support the implementation of all other Practices. As such, it was decided that implementing these Practices first would help support all further implementation.
Besides focusing first on Support Practices and then on the rest of the Level 2 and Level 3 Practices, we grouped related Practices into 10 implementation groups. This allowed us to assign executives as Process Owners who could ensure that any changes we made to our standard processes were changes that made sense and were aligned to our business model. At the time of the initial implementation, we were using eSCM-SP v1.1 and the model did not include Capability Areas yet. Accenture provided feedback to Carnegie Mellon based on our experience with implementation groups, and with the release of eSCM-SP v2, the model introduced Capability Areas that were very consistent with our approach to grouping Practices.

Compliance with eSCM-SP requirements was initially gauged by the Bangalore quality team but was formally verified on a quarterly basis through assessments. These assessments involved auditors external to the implementation team who were trained by Carnegie Mellon and used the Carnegie Mellon Capability Determination Method process. This was particularly helpful as the team was implementing eSCM-SP v2 before the model was publicly released and having audits by people working with Carnegie Mellon allowed up-to-date understanding of model interpretation. Bangalore underwent the first ever Capability Determination against eSCM-SP v2, having started the assessment two days before the model was released to the public and using the final eSCM-SP version as soon as it was available.

**Implementation Results**

The eSCM-SP pilot within Bangalore started in November 2003 and ultimately completed in May 2005 when Bangalore AFS became the first BPO organization in the world to achieve eSCM-SP certification. At its height, the quality team had 21 people involved full-time in the project as well as 11 Process Owners involved on a part-time basis. Because other quality initiatives were also being undertaken in Bangalore, including Six Sigma, ISO® 9001, and COPC®, it is difficult to quantitatively ascribe benefits specifically to eSCM-SP. However, four main benefits have been attributed to the program: (1) start-up of new engagements has not only increased in rigor but also decreased in length of time; (2) the focus on cross-engagement consistency has enabled personnel to move easily between engagements and for engagements to better share lessons with each other; (3) executives have better visibility of dependencies and commitments across all engagements in the center, and ultimately across centers in the network; (4) the effort prompted establishment of a global network of process owners who were able to improve use of best practices and reduce deployment and acceptance time.
Beyond the First Implementation

As mentioned above, Accenture’s philosophy in using industry standards is that they should be incorporated into the global methodology and only implemented in stand-alone initiatives on an exception basis, such as for initial pilots or for sites pursuing certification. This philosophy was also applied to eSCM-SP after the pilot implementation in Bangalore. Accenture Delivery Methods was updated based on the results from Bangalore, so that any outsourcing engagements within Accenture will use the updated best practices regardless of whether or not they are pursuing eSCM-SP certification or are even aware of eSCM-SP requirements. In addition, the BPO organization now has a tailored version of Accenture Delivery Methods referred to as the BPO Blueprint. The primary focus within BPO is on ensuring the BPO Blueprint is being used, not on auditing eSCM-SP compliance.

Within the BPO organization, while eSCM-SP compliance was de-emphasized in favor of compliance to the global processes, each delivery center did select those eSCM-SP Practices that were most critical and did undergo assessments to prove compliance to those Practices. For instance, the Manila Delivery Center selected the 55 Practices deemed most critical to them and the global quality team verified that operations were compliant to those 55 Practices. Other eSCM-SP Practices are also addressed by the processes in the BPO Blueprint, but the eSCM-SP audits did not focus on them.

Implementation 2: Prague

At the time of the implementation, Accenture’s Prague Delivery Center consisted of 3 buildings with approximately 1250 people. The Prague Delivery Center uses the BPO Blueprint, the tailored version of Accenture Delivery Methods. However, for purposes of the eSCM-SP project, process implementation and verification was focused
on the central support functions. The intention in Prague was not to formally achieve eSCM-SP certification, so implementation focused on a selected set of 53 Practices which were deemed to be most important.

The BPO Blueprint processes updated from the Bangalore AFS pilot were able to be reused for Prague. The primary changes were related to processes specific to recruitment, legal, and tools which needed to be tailored for local differences. The tailoring and implementation effort began in January 2005. Two audits were performed by the local quality team and compliance to the identified eSCM-SP Practices was achieved in February 2006, and confirmed by a full assessment by the global quality team in March 2006.

Implementation 3: Manila

At the time of the implementation, Accenture’s Manila Delivery Center had 770 employees in 5 locations. As with Prague, the Manila Delivery Centers uses the BPO Blueprint for all relevant processes. However, for purposes of the eSCM-SP project, process implementation and verification was focused on the central support teams including Mobilization, Service Management, Quality and Continuous Improvement, Finance, and Business Continuity Planning. The intention in Manila was not to formally achieve eSCM-SP certification, so implementation focused on a selected set of 55 Practices which were deemed to be most important.

The BPO Blueprint processes updated from the Bangalore AFS pilot were able to be reused for Manila. Human Resources and Technology processes required some updates to meet local business requirements and eight additional processes required some terminology tailoring. Otherwise, the standard processes were used. The tailoring and implementation effort began in March 2005 and completed in September 2005, after compliance was confirmed by an assessment conducted by the global quality team.

Implementation 4: Bangalore AHRS

While implementation had been occurring in Prague and Manila, the scope was also expanded in Bangalore to include Accenture Human Resource Services (AHRS) as well as Accenture Finance Solutions. At the time of the implementation Bangalore AHRS had 200 employees. Because local conditions are identical to the Bangalore AFS pilot, the existing processes were able to be used without any tailoring. Bangalore AHRS also elected to pursue the identical eSCM-SP scope as AFS, and so all Level 2 and Level 3 Practices were verified. The effort began in March 2005 and completed in September 2005, after compliance was confirmed by an assessment conducted by the global quality team.

Results and Observations

The primary benefit from the eSCM-SP program was that it enabled improvement of the BPO Blueprint, the tailored version of Accenture Delivery Methods, into a globally consistent set of BPO processes that use both industry and Accenture best practices. The project resulted in creation of a process owner network, where experts from all centers meet with each other and share best practices that are then incorporated into the Blueprint. Accenture views global consistency as a very important objective, and this project enabled us to stay focused on achieving that consistency while also continuing to improve and evolve best practices.

Additional benefits were very similar to those achieved by the Bangalore AFS pilot. The eSCM-SP project resulted in a more rigorous and robust process to bring new engagements to each delivery center, ensuring that both the on-shore and delivery center teams had a common understanding of commitments and expectations. While the initial expectation is that this additional rigor would increase overhead and slow start-up, in fact the opposite occurred. New engagements were able to start-up in as much as half the time as previous engagements, since less time was spent on trying to understand expectations. The process resulted in clear documentation of those expectations.
Executives also observed that the improvement in process consistency across engagements meant that personnel could be more easily moved between projects when needed, such as when productivity gains in one project meant that fewer people were needed to support it. The improved management processes also led to executives having better insight on dependencies and commitments across all of the engagements in a center, and ultimately across all engagements in the Delivery Center Network.

**Key Observations**

As expected, the initial pilot implementation in Bangalore AFS took considerably more effort than subsequent implementations. The subsequent savings were primarily due to the fact the processes and approach could be almost entirely reused by later implementations. Another factor in the savings was the reduced focus on certification, which can cause costs that you would not otherwise incur. For instance, you either ‘pass’ or ‘fail’ certification, and all eSCM-SP Required Activities have equal weight in the certification process. Therefore, it was critical to ensure the site would pass all Required Activities, even though some would be obviously less critical than others. This means that equal effort was sometimes devoted to Required Activities that did not provide equal benefit. When focusing on process improvement rather than certification, you have full power to prioritize the Activities and even add in content that is not covered by the model. This results in less effort spent on low-value items.

Besides the obvious cost of certification in terms of paying for an audit team and paying a fee to Carnegie Mellon, there is also a cost in planning for certification and mitigating any risks of not passing the audit. For instance, Bangalore AFS has a complex organization structure, with relationships to Operating Groups, Service Lines, geographies, on-shore teams, and global support functions. Scope decisions need to be carefully weighed for each of these to gauge the impact on certification. When focusing on process improvement, scope decisions do not have the impact of possibly causing a certification risk and so it is easier to focus on doing the right thing.

A final set of observations relate to treating the eSCM-SP like any change management program. It is critical to have executive sponsorship from the beginning, and for management to regularly demonstrate commitment to the program to their teams. This includes talking about the program in status meetings, giving the team time to review and comment on processes, and being involved as process owners. When team members see their managers taking an active role in the program, they become much more interested and involved in the program themselves.

We also found it critical to have regular, independent progress checkpoints. On approximately a quarterly basis, members of the global Certification Program would travel to the site to conduct assessments. These ranged from spot checks of critical processes, to mini assessments, to full appraisals using the Carnegie Mellon appraisal methods. These checkpoints helped to make sure not only the processes had a proper Accenture business focus, but also that they met the requirements of eSCM-SP.
Learn more

• To learn more about eSCM-SP and to download the model, go to http://www.itsqc.cmu.edu

• To learn more about Accenture, including Accenture’s global delivery network and quality activities, go to http://www.accenture.com

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