eSCM-SP - Sourcing Best Practices and Benefits

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This Presentation:
What are the eSCMS?
How are eSCMs used?

Introduction of Panel Members
Origins of eSCMs

The eSourcing Capability Models (eSCMs) were originally developed by the ITSqc (Information Technology Services Qualification Center) at Carnegie Mellon University.

They are “Best Practices” Models for sourcing.

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eSourcing Capability Models - 1

• Address the entire Sourcing Life-cycle

• Provide necessary coverage of Analysis, Initiation and Completion phases of the Sourcing Life-cycle – not just delivery!

• Are designed to be *complementary* to existing quality standards and models, e.g., ISO 9001, 20000, 27001, etc.

• Contain a set of practices that encourage provider and client organizations to continuously improve and innovate
eSourcing Capability Models - 2

• Provide an indication of an organization's capabilities with respect to the rest of the industry

• Are a tool for clients and service providers to consistently and comparably evaluate their sourcing capabilities

• Provide risk mitigating information to clients about their capabilities and the capabilities of potential service providers/suppliers.
The eSCM-SP and eSCM-CL are designed to be complementary Models, addressing best practices for both sides of a sourcing relationship.
Using the Models – Two ways organizations benefit:

1. **Capability Determinations (organizational diagnostics)**
   A formal and reliable method for determining the compliance of an organization with the Practices of an eSCM (either eSCM-SP or eSCM-CL)

   Types of Capability Determinations include certification of service providers (see website for list)

2. **Capability Improvement (guiding improvement)**
   The Models serve as a set of requirements for an organization’s sourcing processes

   Organizations use the eSCMs as a roadmap or guide to improve their processes and to mitigate sourcing risk
Benefits of Organizational Certification with eSCMs

• **Major benefits of eSCM-SP certification:**
  – objective, consistent means of service provider evaluation/selection
  – risk mitigation mechanism providing customers with detailed analysis of provider capabilities
  – process alignment between customers and providers is facilitated (having complimentary processes for each)

• **Major benefits of eSCM-CL certification:**
  – basis for negotiating better rates with providers (will offer better deals to customers where processes are certified by a known standard)
  – leadership as best customers and benchmarking with competitors - attracting best providers
  – encourages agile and innovative customer/supplier relationships
Two examples of eSCM-SP Adoption*

1. Carvajal Tecnologia y Servicios, Colombia
   • Diego Ossa Carvajal
2. IBM Global Delivery Center, Argentina
   • Jorge Osinski

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*The eSCMs are also in use in 45 countries globally