

ADM STAFFING AND SKILLS
CHALLENGES REQUIRE A
TEAM EFFORT

Clients and
Service
Providers
Must Share
Responsibility

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INTRODUCTION

Large companies must maximize the value of their applications environment to compete in today's business environment. Because application development and maintenance (ADM) is so intricately tied to bottom line results, many organizations seek specialized service providers to ensure best-in-class capabilities.

However, transitioning to an ADM outsourcing contract can be challenging, as it requires the staffing and onboarding of a significant set of new skills under a tight time frame. Critical to the healthy start of an ADM outsourced relationship, successful staffing remains important long after the end of transition. Constructive second- and third-generation ADM outsourcing efforts often depend on timely and effective staffing as well.

This ISG white paper explores the dynamics that can keep clients and service providers from optimizing staffing opportunities in ADM outsourcing contracts, and outlines remediation strategies to ensure an effective transition and healthy long-term relationship.



COMMON MISUNDERSTANDINGS

Clients often complain about the service provider's inability to staff and provide suitable skills in a timely manner. When a client approaches the service provider with ways to address these issues, the client often hears about their own lack of resource planning. Plenty of blame can undoubtedly go around, and the issues cited by both clients and service providers are often key contributors to poor delivery of services, which negatively affects both parties.

Client complaints often include:

1. The service provider does not provide skilled resources in the time required.
2. The service provider does not provide timely information about unfilled resource requirements.
3. The client's team does not understand how to navigate the service provider organization to escalate staffing issues.
4. The service provider resources don't understand the environment, solution or service level agreements (SLAs) when they come on board.
5. The service provider moves resources off of the contract with little advance warning.

Service provider complaints include:

1. The client cannot predict or forecast their resource needs.
2. The client provides little to no notification when resources are needed.
3. The client is not providing adequate skilled resources to fulfill its roles (e.g., project roles).
4. The client wants resources to stay "indefinitely" and does not support the rotation of service provider skills necessary for career growth.

Problems underlying these complaints affect the abilities of both parties to fulfill their respective staffing responsibilities in a timely manner, to predict and communicate their future resourcing plans, and to onboard the staff once they are identified and assigned to the contract. A variety of approaches and opportunities that encourage the parties to work together can address these problems.



Both parties must have a common understanding of the full skill sets needed, an understanding of the risks associated with not fulfilling the needs in the required time frame, mitigation plans to address the risks, and a shared approach to effectively completing the staffing.

MANAGE STAFFING LIKE A PROJECT

Fulfilling staffing requirements in a timely manner is critical to getting an ADM project underway and is equally important when providing consistent ADM support and maintenance. The service provider has the primary responsibility to provide staff with the right mix of skills by the due date required. The client is responsible for staffing certain roles, such as business analysts, especially for ADM enhancement or development projects. To do this well, both parties must have a common understanding of the full skill sets needed, an understanding of the risks associated with not fulfilling the needs in the required time frame, mitigation plans to address the risks, and a shared approach to effectively completing the staffing.

For significant staffing requirements, a project management approach can provide the necessary discipline to facilitate successful staffing. The skills, the number of resources, and the time frame in which they are required can be treated like project deliverables. Consistent and frequent communications and status updates, as in a well-run project, will make both parties fully aware of the staffing progress. A risk assessment helps both parties understand the risk and identify mitigation actions to avoid the risks. An issue management process can address problems by defining specific actions, assignments and due dates, and tracking until the issue is closed. When deliverables are in jeopardy, a per-defined escalation process can ensure both parties are aware and that staffing needs are receiving the correct level of attention from both the service provider and client management.

PREDICTING FUTURE RESOURCING PLANS

Too often clients work in a reactionary mode when requesting staff from a service provider. The client business organizations come to IT with an urgent need, and the client IT organization turns to the service provider with a resource request that has very little lead time to secure the right skills. While service providers can carry some resources “on the bench,” the bench can’t always meet the needs when the majority of requests require an urgent response. Forecasting ADM staffing needs into the future allows the service provider the necessary lead time to plan for the required skill sets and number of resources to provide staffing when needed. With a demand management process, the client and the service provider can work together to put plans in place to recruit and acquire the staff with the right skills.

ADM outsourcing contracts often last at least five years and can be longer with renewals. The same ADM staff that started the contract will likely not be performing the services for the entire term. Clients often have a difficult time letting a skilled ADM resource move on to another assignment after he or she has proven to perform well. The natural fear is that the next person may not be as capable, that it will take time to get this new person “up to speed” in providing the same level of support, and that, ultimately, the ADM service will

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The rotation plan should include some form of succession planning to guarantee that potential skilled resources are prepared when the time arrives.

suffer. The reality is that – as does the client – the service provider must create career growth opportunities for its employees or risk losing them to competitors. Resisting service provider rotation could actually backfire if a skilled ADM person leaves the service provider and provides only a two-week notice. To minimize this risk, both parties must work together to develop and deploy a rotation plan that meets the needs of the client and the service provider. The rotation plan should include some form of succession planning to guarantee that potential skilled resources are prepared when the time arrives. Communicating this plan to all parties involved and then periodically updating and reviewing it will ensure that everyone takes the necessary actions when required. Working together to plan and implement a well thought out rotation approach can reduce the fear, anxiety and risk when ADM resources are replaced.

ONBOARDING OF STAFF

Once the service provider or client staff is brought on to the ADM project, they need the necessary information to successfully do their job. Both parties should work together to create effective training materials to initiate the new resources onto the ADM team as soon as they are assigned. The material should be up-to-date and re-distributed to the team members when important new information is added. Posting this material in a team room allows for easy access; project leaders should also review key points periodically with the entire team.

In an ADM project, each team member needs to have a sound understanding of the solution. Too often, team members receive a project overview and information about their particular piece of the project, which does not allow them a full understanding of the entire solution. Typical orientation topics should include information about the client, the business functions, the objective of the project, and the technical aspects of the project or maintenance efforts. Well-informed team members make better decisions for the project when performing their project roles.



Each ADM team member should have individualized delivery targets that are directly tied to the SLAs.

Service level agreements (SLAs) are commonly included in training materials, but usually at such a high level that team members don't get a full appreciation of how their individual actions can impact them. In these cases, SLAs can become an abstract delivery goal that is not internalized by the team members. Each ADM team member should have individualized delivery targets that are directly tied to the SLAs, making it clear how their individual day-to-day performance affects the client's and service provider's ability to achieve the delivery targets. As simple as it may seem, emphasizing individual responsibility for SLAs has improved delivery on many ADM contracts.



CONCLUSION

Pointing fingers is easy when situations arise that make it difficult to achieve mutually important staffing goals. Clients and service providers are both keenly interested in finding the right staff with the right skills, bringing them onto the team in a timely manner and making them productive as quickly as possible. Recognizing that the goals are the same for both parties is a key step to finding common approaches and opportunities to address staffing issues and achieve a positive result for all.

ABOUT THE AUTHOR

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Doug brings clients more than 30 years of IT leadership in ADM delivery, global resourcing and delivery, design solutions, and transition and risk management. His clients span a wide range of industries around the world, particularly in Europe, South America and Asia. He backs his strategy, transaction and transition knowledge with practical experience. With his reputation as a troubleshooter, he has taken on troubled projects and reversed the trajectory of unprofitable contracts, saving his clients millions of dollars. Doug holds a degree in accounting and is certified in ITIL v3. His work in predictive analytics with a team of business owners and engineers resulted in two U.S. patents.



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