



## Nordic IT Outsourcing 2007

Managing outsourcing relationships

***Are Nordic companies with a single vendor outsourcing approach more likely to reach their various IT objectives than those with a best-of-breed strategy?***

***How do Nordic companies manage multiple outsourcing vendors and how does it affect success?***

***How does contract length affect reaching the companies' outsourcing objectives?***

- ***Methods for managing outsourcing relationships***
- ***Single-vendor vs. best-of-breed vendor strategy***
- ***Approach to managing multiple vendors***
- ***Impact of outsourcing contract length***

Choosing the right vendor is only one requirement in order to succeed with outsourcing. It is at least as vital that the client company creates an outsourcing vendor strategy that fits the company's needs, capabilities and goals. Setting up a structure and method for managing the vendor relationships is also essential for success.

### Single vs. multiple-vendor strategy

There are two main types of vendor strategies to consider for any company that wants to outsource: Selecting a single-vendor that can fulfil all or most of the outsourcing needs of the company or to pick and choose different vendors that are experts in their own field, a so called "best-of-breed strategy". Each strategy comes with its own challenges and issues. Studying the experience of other Nordic companies can be valuable tool in deciding what is best for one's own company.

### Managing vendor relationships

While most companies typically invest considerable time and efforts in finding the most suitable outsourcing supplier to their needs, many of them spend little or no time thinking about how they will manage the relationship. However, the inability to build and manage relationships is a major cause of failure to reach the intended benefits of outsourcing. While managing a single vendor can be challenging, the complexity increases with the number of vendors. Companies with a best-of-breed outsourcing strategy therefore need to spend even more time and effort in structuring and managing the outsourcing relationships in order to maximise the chances of success.

The report maps out Nordic companies' approach to managing both outsourcing relationships in general and multiple-vendors in specific. This entails looking at such areas as who in the company is in charge of managing the relationships, use of guidelines, training etc.

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## About Waagstein Research

Waagstein Research is an independent research company that provides IT governance services. Our focus is on the business and financial aspects of corporate IT operations.

Our customers are large Nordic companies and organisations and our target audience is decision-makers such as IT managers, IT strategists, financial managers and controllers.

Waagstein Research's industry-specific analysis, competitive insight and strategic advice give businesses the tools they need to optimise their IT operations.

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Furthermore, the report looks at outsourcing contract length and its impact on success as well as outsourcing prevalence and trends among Nordic companies.

The report is designed to:

- Aid in determining which outsourcing vendor strategy is most likely to fit the individual client company and its objectives by showing how the strategy chosen by Nordic companies has affected the success in reaching various outsourcing and IT goals.
- Help to improve the management of outsourcing relationships in general by present the experiences of Nordic companies.
- Show how Nordic companies manage multiple-vendors and how it affects outsourcing outcome.
- Provide a basis for deciding whether it would be beneficial to reduce or increase contract length in order to increase the success of outsourcing.
- Show what IT goals are most likely to be positively affected by outsourcing.

## Method

The survey, which is quantitative, has been carried out by means of a survey of leading decision makers such as CIOs, IT strategists, CFOs and CEOs in large (+500 employees) Nordic companies. The interviews were made in May 2007. The results from the survey is presented and analysed broken down by industry (Trade, Services, Manufacturing)

## Target Group

The report is written based on mainly the needs and requirements of the IT management of large Nordic companies. The target group of the report is primarily: CIO/IT managers, CFOs, Controllers, IT strategists, Consultants and CEOs. The report will however also be of interest for vendors of IT products and services in order to better understand their customers.

## Price and delivery

The price of the report is EUR 1,950.

The report is delivered in both printed format and in a digital copy in PDF-format for free distribution within your organisation.

To order or get more information contact John Karlsson at +358-40-5545333 or e-mail [john@waagstein.se](mailto:john@waagstein.se)

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