

## Technology sourcing for large and strategic projects

This document describes sourcing's role in large strategic initiatives.

### Co-ordinate and manage supplier selection

- ❑ Act as single point of contact between the project team and prospective suppliers during evaluation stage
- ❑ Initiate requests for information for new suppliers or suppliers outside the existing preferred supplier network
  - Review supplier skills in the area of specified need
  - Ensure supplier financial stability
  - Review potential merger and acquisition activities which may impact candidate suppliers, *this is essential when dealing with cloud-based start-ups*
  - Understand supplier's prior experience with projects similar in scope and scale
- ❑ Request for Proposal and selection process
  - Coordinate with Project Leadership and Project Management to obtain:
    - Project Goals, Objectives and Guiding Principals
    - Desired project outcomes
    - Requirements and delivery timetable expectations in sufficient detail to facilitate a supplier quote
  - Manage the supplier response evaluation process
    - Coordinate, guide, support the independent scoring of written responses
    - Coordinate supplier presentations to Project Leadership
    - Coordinate supplier reference checks and document feedback received
    - Establish supplier face-off sessions
    - Solicit third party analyst input as appropriate
  - Coordinate formal supplier selection documentation with project leadership
    - Score written responses (per above)
    - Score supplier conference room presentations and meetings with the project team
    - Conduct reference checks

### Co-ordinate and manage contract process

If a new supplier relations or new engagement establish the Master Services Agreement (MSA) in conjunction with the project team, Legal and Finance. For new engagements coordinate the Statement of Work with project team, Legal and Finance.

- ❑ Terms and conditions
- ❑ Rates
- ❑ Other needs
- ❑ Framework for service level expectations and penalties for non-performance, SLAs themselves are associated with individual SOWs

## Establish relationship management and supplier governance

- ❑ Facilitate the establishing of appropriate desktop and infrastructure requirements, liaise between supplier and client infrastructure support
- ❑ Encourage project leadership to formalize project management meetings via the program or project charter:
  - Daily and weekly interaction between project stakeholders to cover operational needs
  - We recommend global enterprises establish a local sourcing relationship management and governance presence convenient to major off-shore providers to attend weekly operational governance meetings to understand current issues and challenges, and to ensure effective operational communications and supplier relationship management.
  - Project management logs issues—both client or supplier-- and escalates to sourcing weekly or sooner depending on severity and level of concern.
    - Sourcing then escalates concerns to client and supplier leadership as appropriate.
  - Review aspects of the program/project charter dealing with supplier relationship management including adequate definitions for:
    - Roles and responsibilities for supplier management, and
    - Governance processes covering operational, tactical and strategic supplier requirements.
- ❑ Establish monthly governance meetings to review tactical issues involving the specific supplier's performance for all engagements across within the client enterprise:
  - Review overall client-wide supplier performance
  - Review specific issues and escalated concerns, both client and supplier originated, to ensure appropriate remediation plans are enacted and underway
- ❑ Establish periodic steering committee meetings, 3 to 4 annually, to review client's strategic objectives and challenges in which the supplier may play a significant implementation role
- ❑ Perform periodic reviews of supplier off-site/off-shore project team operations:
  - General overview of operations and solicitation of supplier team view of project performance and challenges,
  - Specific and targeted discussions of specific project concerns and escalated issues,
  - Document meeting results and distribute to project leadership.

## Large and strategic projects team member

- ❑ Participate as a member of the program/project steering committee.
- ❑ Participate in project team governance meetings to ensure clarity of issues arising that may require intervention with the supplier, further escalation, or client action.

The role of the supplier management lead for large and strategic projects includes:

- ❑ Manage the relationship between the client and any third party suppliers engaged on the project. Hold the supplier accountable for their responsibilities as defined in the SOW, assuming Pearson has fulfilled our obligations.
- ❑ In cases of conflict, bring both sides to the table to constructively resolve problems.
  - This does not take primary responsibility for conflict resolution away from the project management and project team.

- ❑ Act as ombudsman for success of the project:
  - Ensure clarity of expectations and commitments from **both client and supplier**, and
  - Work actively with both sides to remedy impediments to success.
  - This is why sourcing must be *empowered to effect change* within the organization, rather than act simply a process shepherd.

## SUMMARY

Sourcing is a **service organization** ensuring successful client-supplier engagements. It:

- ❑ Works with appropriate client and supplier personnel to establish and deploy supplier governance. The mission of sourcing is to ensure supplier success in delivery products and services to the client.
- ❑ Oversees development of Statements of Work and contract updates.
- ❑ Identifies appropriate metrics, Service Level Objectives, and Service Level Agreement for project tracking and management.
- ❑ Monitors and tracks supplier performance.
- ❑ Is the escalation point for the project manager relating to client and supplier management issues.
- ❑ Ensures client management awareness and engagement via the governance communications model.
- ❑ Invokes contract penalty clauses if required.

Sourcing **does not**:

- ❑ Select the supplier—sourcing supports and manages the selection process, analyzes supplier materials, creates comparative analyses, and provides active support to the supplier selection decision process, for example, stakeholder questionnaires to guide discussion. Sourcing will provide its opinion and guidance, but does not “vote” in final selection.
- ❑ Create the business case—sourcing supports through Requests for Information and other supplier capabilities gathering means.
- ❑ Coordinate daily or weekly operational meetings between the project team and the supplier. As we indicated earlier, we do recommend that in the case of major off-shore relationships, sourcing maintain a local presence, which includes their periodical participation in weekly operational meetings to insure awareness of circumstances which may require follow-up action by sourcing.

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