



IT & Operating Model

BANKS NEED AN “HOLISTIC” APPROACH TO SET UP OUTSOURCING SUPERVISION AND MONITORING SYSTEMS

Many European financial players are thinking of outsourcing large components of their operational and ICT services, as a consequence of a widespread trend to “focus on core business”.

This strategy needs the implementation of an “outsourcing supervision and monitoring system”.

This topic is subject to specific domestic and EU provisions which underline its growing importance in the broader context of the so-called “responsibility discipline” of financial players.

New regulations, combined with the increasing managerial need of supervision and monitoring for the performance of the “operating machine”, led Be Consulting to develop a flexible and scalable “holistic” approach to the Outsourcing Management topic. It is a six-step approach:

1. Definition of the project perimeter: in this step we clearly identify the outsourcing providers to be supervised, the services to be monitored and the “customers” of those services (who will then be responsible for controlling and monitoring the outsourcers);
2. Assessment of the current situation: as a second step, a quick analysis of the current situation of the outsourcing management framework is needed to identify and define the entire spectrum of project activities (see picture);



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3. Organisation and internal regulation: in this phase we design the project organisational structure to carry out the relevant processes with particular focuses on the so-called 'Retained Organization' (RTO) and the relevant internal regulation/ policy;
4. Harmonisation/ integration of information baselines: we address and bridge the mismatch between how SLA/ KPI are measured and how the outsourcing costs are determined. Mismatches can also arise due to different suppliers covering the same service;
5. Contract Management: in this step we define the optimal contractual architecture (e.g. protocol agreements vs individual contracts) and consequently update processes and repositories to keep a clear reference to the outsourcing services contracts/ catalogues;
6. Monitoring and Reporting: we finally focus on creating a customised reporting system to periodically provide key indicators on the actual outsourcing cost and performance. Our support includes the design of the reporting template as well as the implementation of the IT tool and the start-up of the distribution process. As for the tool, we are in a position to market our own solution (developed by Be Solutions) which, according to the specific requirements, can also be integrated with market packages.