

Value Leakage Rapid Assessment (VLRA)

Are you receiving the full value of your sourcing contracts?

Tuesday, October 31, 2017



Avasant Managed
Governance Services (MGS)

Are you receiving the full value from of your sourcing contracts/relationships?



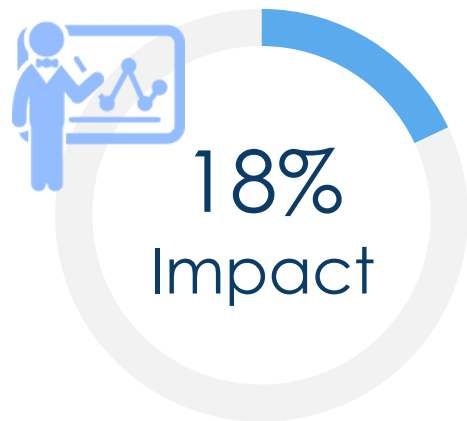
Communication Breakdown

Problems during the steady state service delivery can be attributed to the lack of communication and reporting between buyer and service provider



Poor Baseline & Requirements Gathering

Delays in sourcing transition programs and subsequent delivery can be traced back to lack of proper requirement gathering and upfront planning



Poor Reporting & Training

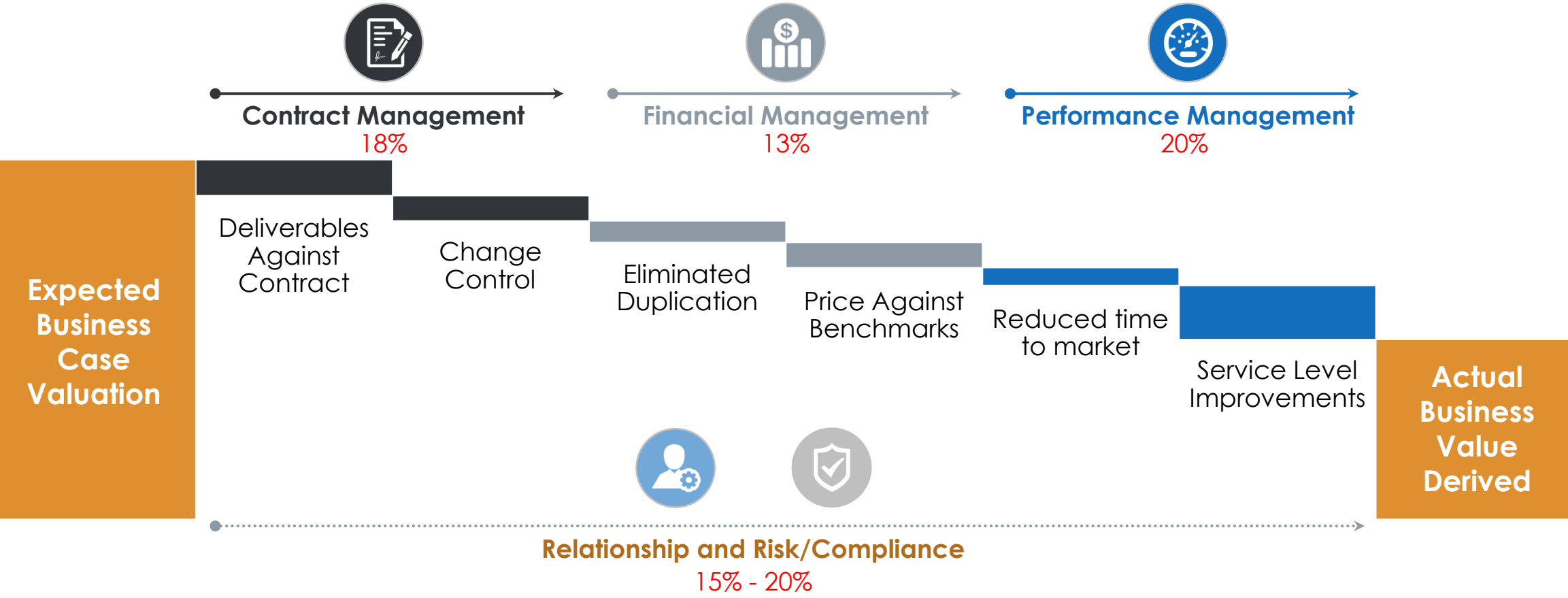
Lack of compliance to SLAs can be attributed to insufficient knowledge and understanding of KPIs and lack of skilled Workforce, both at the buyer and service provider organization



Inadequate Governance Model & Unprepared Company Culture

Many organizations face challenges with establishing the right governance model and evolving the organizational culture

Avasant's applied research proves that outsourcing relationships can lose from 20% to 60%+ of their expected value due to poor governance practices.




A Value Leakage Rapid Assessment (VLRA) will provide you with critical insights!

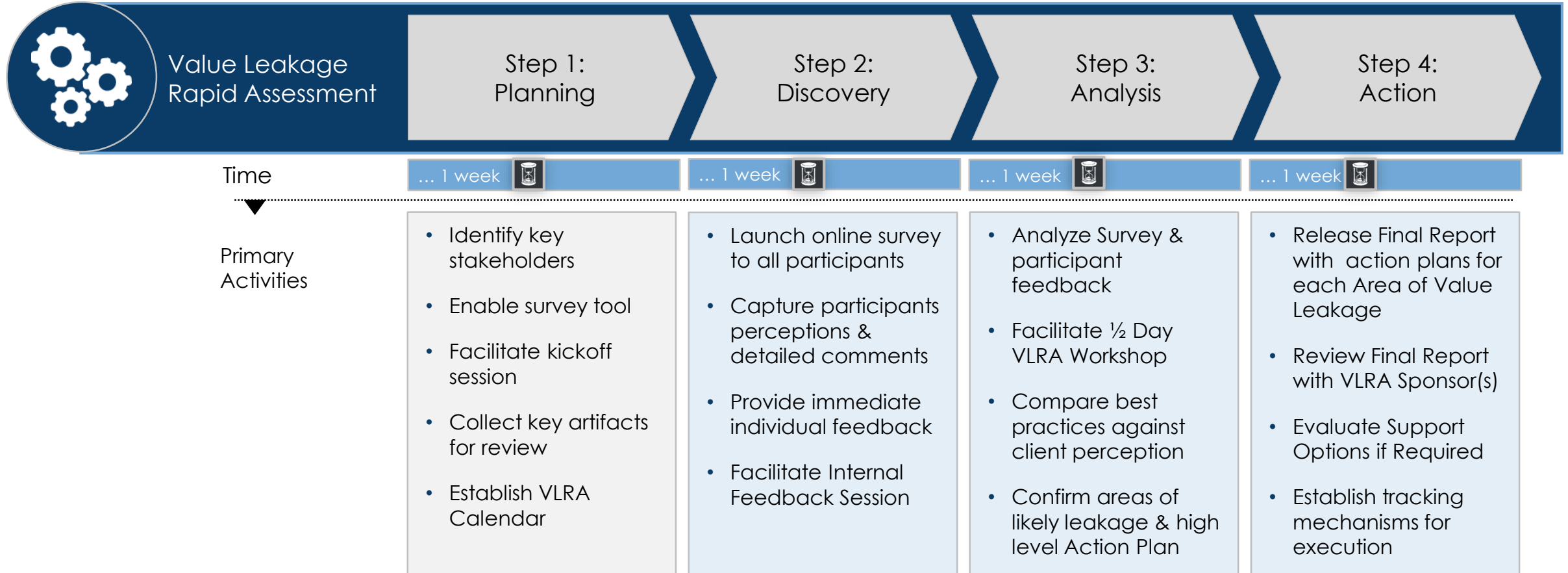
Value Leakage Rapid Assessment (VLRA) Overview

Avasant's Value Leakage Rapid Assessment is a quick, low-cost diagnostic of an outsourcing relationship with your 3rd Party Service Provider. The goal is to identify likely areas of value leakage in the following areas of governance:



	<p>Financial Management</p> <ul style="list-style-type: none"> • Invoices not based on performance related metrics • No proper validation of invoices • No tracking of project spend to contract TCO
	<p>Relationship Management</p> <ul style="list-style-type: none"> • No overall strategy for supplier management • No tracking of personnel issues related to onsite resources • No defined Issue Management Processes
	<p>Performance Management</p> <ul style="list-style-type: none"> • No comprehensive SLA metrics tracking • Improper issues and escalation • No clearly defined or followed RACI
	<p>Contract Management</p> <ul style="list-style-type: none"> • No comprehensive review of MSA's and SOW's • No monitoring of change requests, renewals and termination
	<p>Risk/Compliance</p> <ul style="list-style-type: none"> • No periodic non-SLA contract compliance reviews • Suppliers are located in high geo-political risk zones

Value Leakage Rapid Assessment (VLRA) Steps



Avasant's VLRA approach enables a quick, painless and affordable approach to identify exposures to value leakage in your outsourcing relationship(s).

Value Leakage Rapid Assessment (VLRA) Final Report

The Final Report & Recommendations are actionable and may be complimented by Optional Avasant Advisory or Managed Governance Assistance.



Performance Management - Business Case Realization - Action Description		
There is no business case realization reporting. Client does not have the processes, adequate resources and tools to implement such capabilities. The original business case is no longer valid given the business and marketplace changes since the inception of the contract		
Sponsors / Execution Responsibility	Time Frame	Critical Success Factors
CFO / Director of Vendor Management	45 Days	<ul style="list-style-type: none"> Access to expertise and resources Tool to access to critical contract data Processes to enable support functions
Primary Activities		
<ul style="list-style-type: none"> Collect & evaluate contract performance reports Determine validity and accuracy Compare performance vs. business case 	<ul style="list-style-type: none"> Identify gaps and communicate to all parties Establish plan to implement capabilities for analysis Establish remedies and mechanism for monitoring 	
Benefits	Investment Estimates	
<ul style="list-style-type: none"> Realize maximum value potential from the contract Provide early warning if/when issues are threatening the ROI 	<ul style="list-style-type: none"> 2 months of 2 domain expert resources from IT and Finance Mechanism for monitoring business case realization and overall performance management 	

What are the Benefits of performing an Avasant VLRA?

Quick & Painless

Ability to quickly determine if there is exposure to value leakage in your outsourcing relationship(s),

Quantified Impact

Get an understanding of the quantifiable impact of the value leakage exposure,

Stakeholder Alignment

Quickly gain agreement with your key stakeholders on specific actions needed to address the issues,

Focused & Realistic

Have a focused Plan of Action ready to execute in a matter of weeks not months at a low fixed fee,

Optimize Sourcing Value

Dramatically improve the likelihood your sourcing contract(s) deliver optimum business value.

AVASANT



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