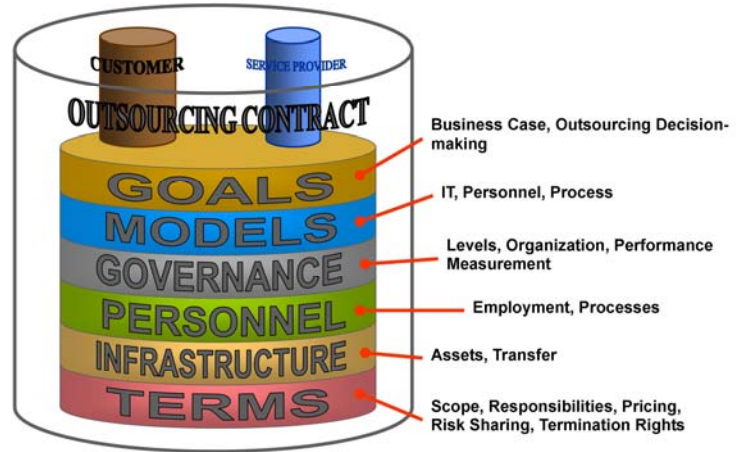


A professional services firm specializing in IT and business services contracts, outsourcing, on demand, e-contracting, contracts business processes, and contracts management staffing

Outsourcing Should Mean Doing More With Less Outsourcing started out as a fairly simple, common sense idea: Farm out what the company is not in the business of doing (non-core) and focus on what it does do (core). But something happened along the way.

At the macro outsourcing level, 10 year IT outsourcing contracts were signed without any way of tracking cost or service levels, ending in failure. Tired of paying more while technology costs steadily declined, customers then brought in advisory firms and imposed benchmarking clauses on providers, who in turn rebelled. Elaborate "relationship management" schemes came into vogue, but at an average cost of 3%-12% of the contract value. Most recently, companies have brought outsourcing governance back in-house and are "multi-sourcing" business processes.



At the micro or SMB level, HR related outsourcing ran into problems with professional employer organizations (PEOs) that failed to clearly define the legal relationship and that became insolvent.

Lately, SMBs have been opting for Software-as-a-Service (SaaS) based offerings as a lower cost but functionally limited form of outsourcing.

Outsourcing Modeling, Selection, Negotiation and Management

Going Back to the ABCs of Services Contracting The smarter approach to governance of outsourcing and long term, complex services follows tried and true contract management best practices and relational contract theory.



James River's outsourcing services have a common goal—make outsourcing safe, secure and efficient. We focus on minimizing transaction costs like competitive bidding and performance monitoring, and on what contract terms are most critical to successful outsourcing in a given service area. Effective solutions, value justified, and with no strings attached is our value proposition.

Continued on Other Side



Outsourcing Contract Services We bring our expertise in long, term complex services contract management to all stages of the outsourcing lifecycle:

Strategy and Modeling:

Outsourcing Contract Layers Analysis (OCLA) provides a framework within which basic decisions can be made about what the desired outsourcing arrangement will look like and what the outsourcing contract needs to cover. Commoditized service terms (e.g., SaaS) versus custom solutions can be weighed.

Vendor Selection and Negotiation:

Purpose Driven Outsourcing™ aligns strategic outsourcing goals with the RFP and selection process, maximizing the chances of success while keeping down transaction costs. Contract formation best practices from Best practices from Federal government source selection and from commercial outsourcing experience (e.g., Contract Scorecard) are brought together.

Service Performance and Change Management: Purpose Driven Governance™ is a decision making workflow that finds the optimal balance between utilization of negotiated contract terms and more relational forms of outsourcing governance, during negotiation and afterwards.

3rd Party Auditing and Assessment: Monitoring and guiding outsourcing contract negotiations, and managing and auditing compliance with service levels and regulations, by a third party such as James River, drives successful outcomes. Use of automated tools to collect and report performance data, verifying data validity, and analyzing causes for non-compliance are also offered.



Adapted from S. Cullen, P. Seddon, and L. Willcocks, "Managing Outsourcing: The Lifecycle Imperative," MIS Executive Quarterly Vol. 4, No. 1, March, 2005

Outsourcing Modeling, Selection, Negotiation and Management



Schedule an Office Visit We invite you to contact us for a no-charge, no sales pitch visit at your offices.

Eric Esperne, JD, CPCM, President of James River Consulting, has over 15 years experience in the negotiation and management of contracts and the development of contracts management solutions. Eric received his JD from the American University Washington College of Law, his BA from Northwestern University, and has completed LLM course work at Georgetown University Law Center and MS coursework at Drexel University. Eric has been widely published in magazines and periodicals on contract management and contributed a chapter on risk management in outsourcing to the book Greg Garrett, Risk Management for Complex U.S. Government Contracts & Projects (Ashburn, VA. National Contract Management Association). Eric can be reached at 703-850-7061 or eesperne@jamesriverllc.com