

Single, Shared or Married

matching service needs for two INGOs

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- What do you want from your service relationships?
- How faithful are you to tradition?
- What level of commitment are you ready for?



World Agroforestry Centre
TRANSFORMING LIVES AND LANDSCAPES

ILRI
INTERNATIONAL
LIVESTOCK RESEARCH
INSTITUTE

A young boy with blonde hair, wearing a blue short-sleeved shirt and light-colored shorts, is walking away from the camera on a paved boardwalk. He is carrying a small, light-colored board under his feet. The boardwalk is bordered by a concrete curb on the left, with utility poles and houses with red roofs visible. In the background, the ocean is a deep blue, and a tall, narrow structure, possibly a lighthouse or tower, stands on the shore. The sky is clear and blue.

**Weibe Boer
at the
age of 5 years**

**An accomplished
risk taker!**



It is one thing knowing where you are.

.....but more important is to know where you want to be.

The Google-O-Meter

(out of a total global 37.5 billion urls)

Poverty	51,500,000
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Hunger	36,300,000
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Social Responsibility	11,100,000
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Call centre	6,310,000
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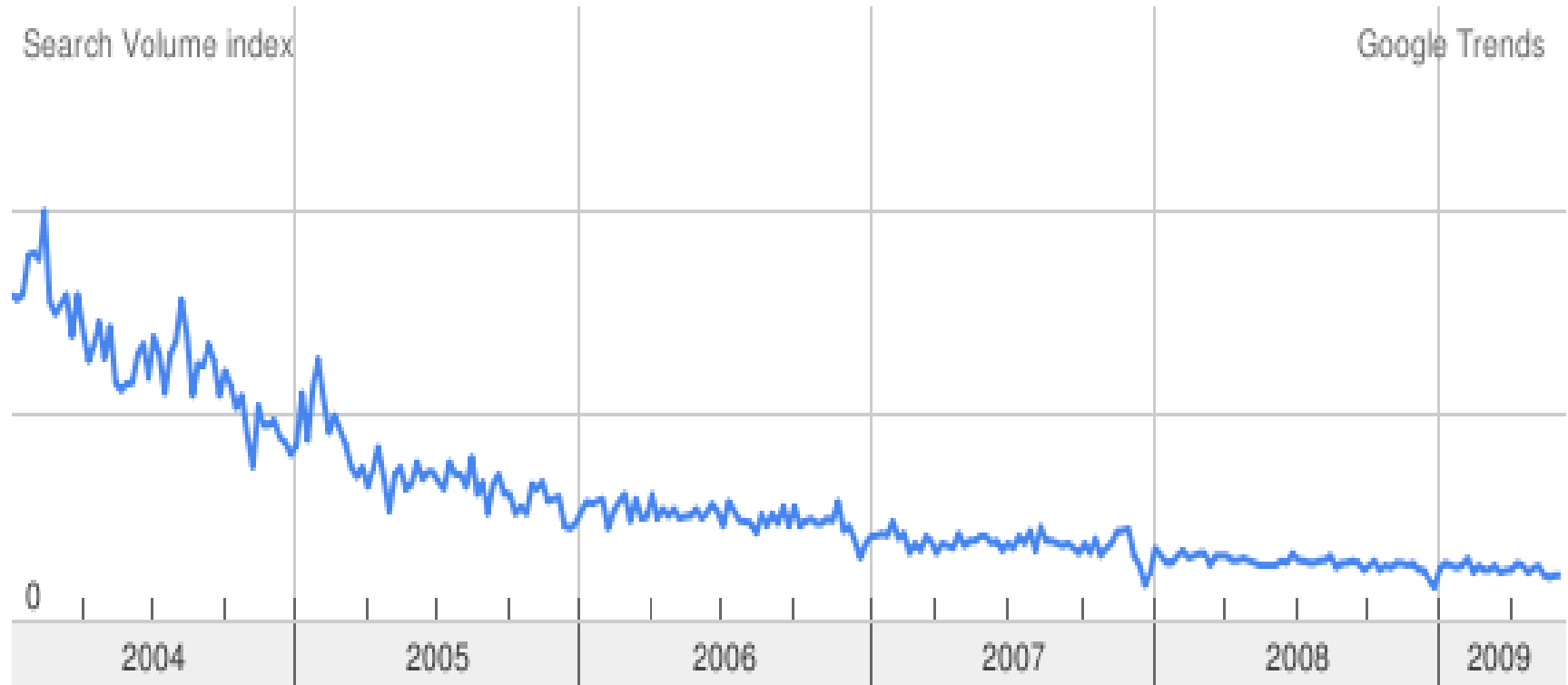
Business process outsourcing	2,470,000
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Shared Services	2,100,000
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Fibre Optic Cable	268,000
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Paris Hilton	53,900,000
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Business Process Outsourcing



No data available

<http://www.google.com/trends>

Single - and free to mingle

Insource

- confidential aspects (donor relations)
- comparative strengths
- retain high risk/threat
- recouping past investment
- small marginal costs
- complacency of single sourcing

Outsource

- turn fixed costs to variable costs (transport, catering)
- flexibility of choice (service and provider)
- set minimum performance standards
- allows high independence
- not going to solve all our problems
- may not be cheaper
- not all aspects will work well



For quality service delivery it is important that people take collective responsibility.

The attitude of “that is not my job” won’t help us progress.

Share - but be aware (*njoo tukae*)

Insource

- **cost efficiencies**
- **complementary service strengths**
- **internal benchmarking**
- **creates some dependencies**

Outsource

- **joint tendering**
- **wider network/options**

Married - happily or otherwise

Insource

- critical processes
- joint decision making
- greater design inputs (two heads)
- creates interdependencies

Outsource

- joint tendering
- wider network/options
- big customer treatment
- collective responsibility for choice

Stimulus and Motives to Change for ILRI/ICRAF

Internal:

- Efficiency gains
- Institutional learning opportunities
- Linked to greater programmatic collaboration
- Interest of Senior Leadership and Board to test it

External:

- Perception of administrative inefficiencies and redundancies
- Financial incentives to support alignment (\$900,000 WB)
- Support wider CGIAR reforms

**But with the current world economy how can we
afford to experiment with costs??**



Outsourcing, In-sourcing or Joint sourcing *(some, all or none)*

		Insource	Outsource	Joint Source
Front Office	Customer Relations			
	Investor Relations			
	Partnerships			
	Communications			
	Training			
Back Office	Legal Services			
	Human Resources			**
	Finance			*
	Operations			*
	IT Services			***
	Technical/Research Support			***

Quick Wins, Prioritisation and Scheduling

IT Services - One team, and one supervisor

- Specialisation through critical mass (applications specialist)
- Shared software , infrastructure
- Shared costs
- Joint outsourced computer service & maintenance

Research Support

- Quality Systems
- Project Design
- Data Management
- Analyses

Human Resources

- Job Grading and Job Groups
- Annual Job Market Competitiveness payments
- Job Market Survey
- HR Software and Management System (HR4U)
- Medical insurances

Finance

- Financial systems, and oversight
- Accounting procedures
- HSBC joint investments
- Joint payroll

Operations

- Security tendering
- Procurement (common items)
- Travel
- Maintenance/Engineering

Mid-term report card

Direct Benefits

- service delivery quality (competition = internal/external)
- fewer distractions for stretched staff
- cost reductions (modest so far)

Indirect Benefits

- staff realisations (time sheets)
- double accountability/oversight (performance increase)

Areas to improve

- prioritising of remaining gaps
- setting benchmarks of performance (balanced scorecard)
- total process mapping (pick and choose)



**NGOs should in future be less timid
when faced with business process service providers**

Remember, people who outsource

1. Live longer

2. Have more friends

3. Enjoy a better love life

Don't believe it, then try it and see