

ISO 37500

A perspective on Standards for Global Outsourcing (Business and IT)

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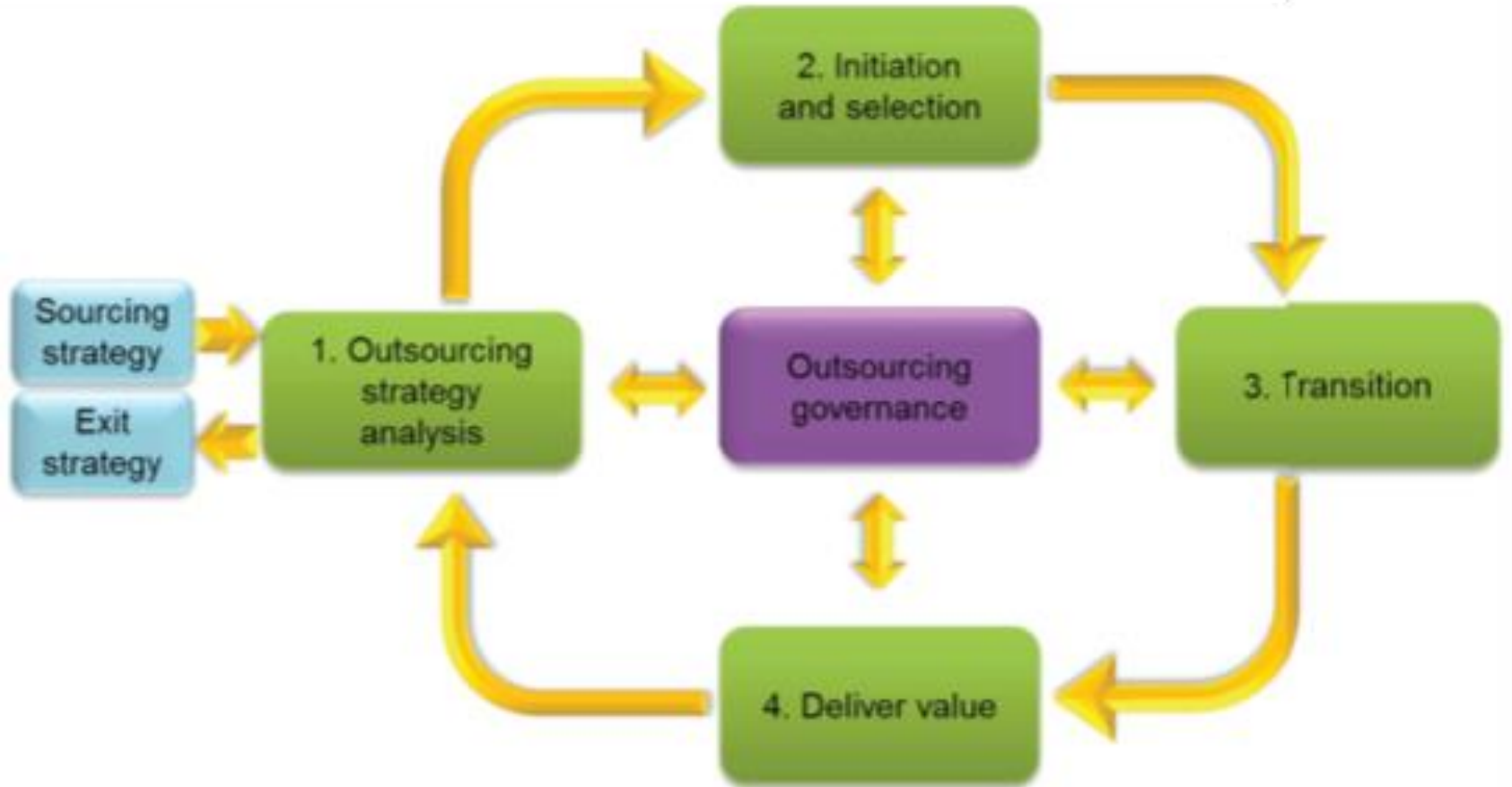
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ISO 37500 - Purpose

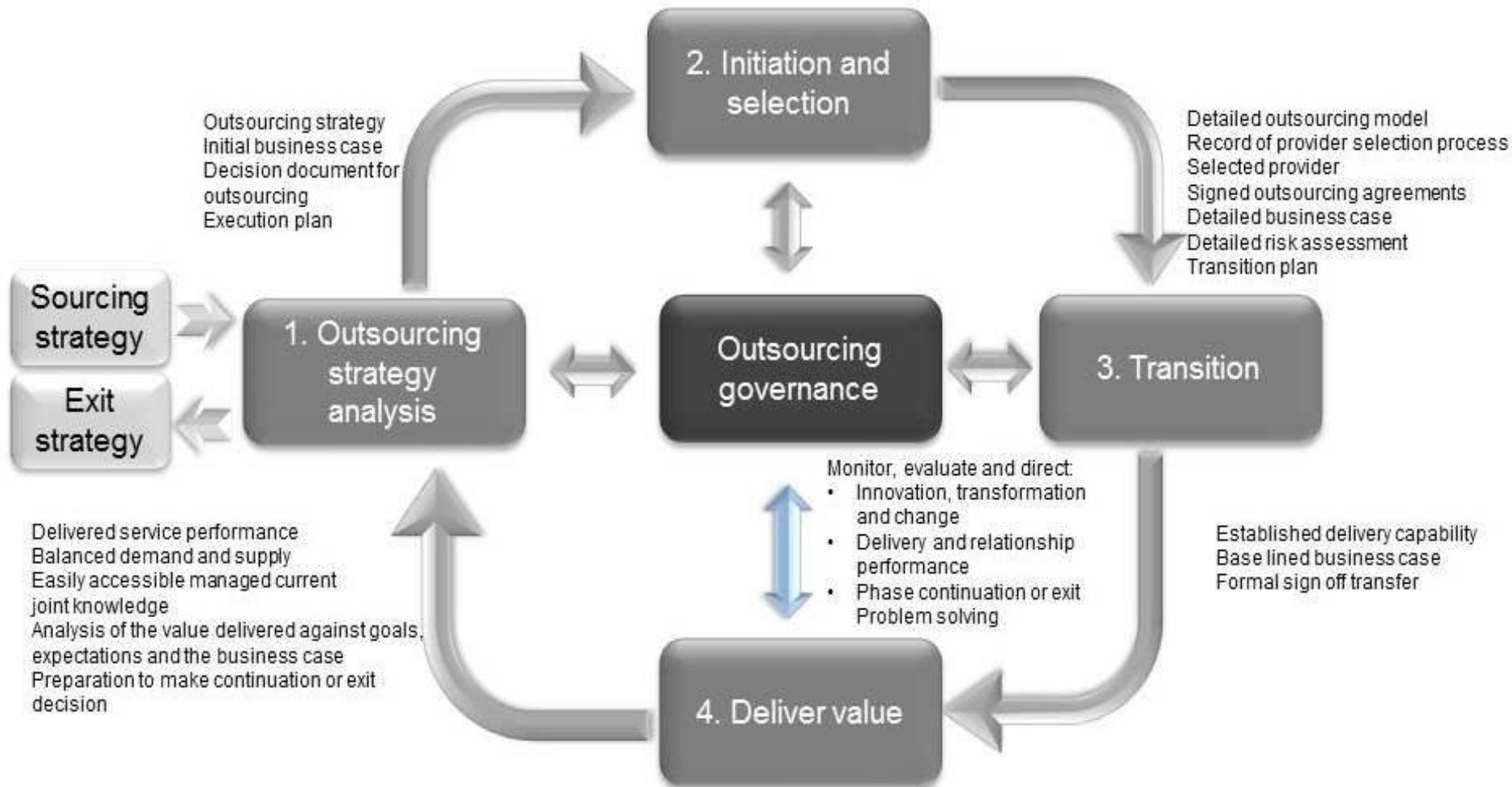
“ISO 37500 is intended to provide a foundation to enable organizations to enter into, and continue to sustain, successful outsourcing arrangements throughout the contractual period. This guideline gives guidance on:

- outsourcing governance for mutual benefit for client and provider;
- flexibility of outsourcing arrangements, accommodating changing business requirements;
- identifying risks involved with outsourcing;
- enable mutually beneficial collaborative relationships.”

ISO 37500 – The Life Cycle Model



ISO 37500 – The Life Cycle Model



ISO 37500 - Overview

This guideline:

- covers the entire outsourcing life cycle and provides definitions for the terms, concepts, and processes that are considered good practice;
- provides detailed guidance on the outsourcing life cycle, processes and their outputs;
- provides a generic and industry independent foundation. It may be supplemented and tailored to suit industry-specific requirements;
- can be used before, during and after the outsourcing decision-making is done;
- aims to enable mutually beneficial collaborative relationships.

ISO 37500 – International Approval

Four years to develop ISO 37500; published Nov 1 2014.

PC 259 members from standards bodies of Bulgaria, Canada, Denmark, Finland, France, Germany, India, Malaysia, Netherlands, Russian Federation, South Korea, Spain and the United Kingdom participated to varying degrees in work of the Technical Committee.

The standards bodies of eight other countries (Australia, Czech Republic, Ireland, Israel, Italy, Norway, Poland and Sweden) had Observer status entitling them to work as observers with the right to receive documents and submit comments but not to vote.

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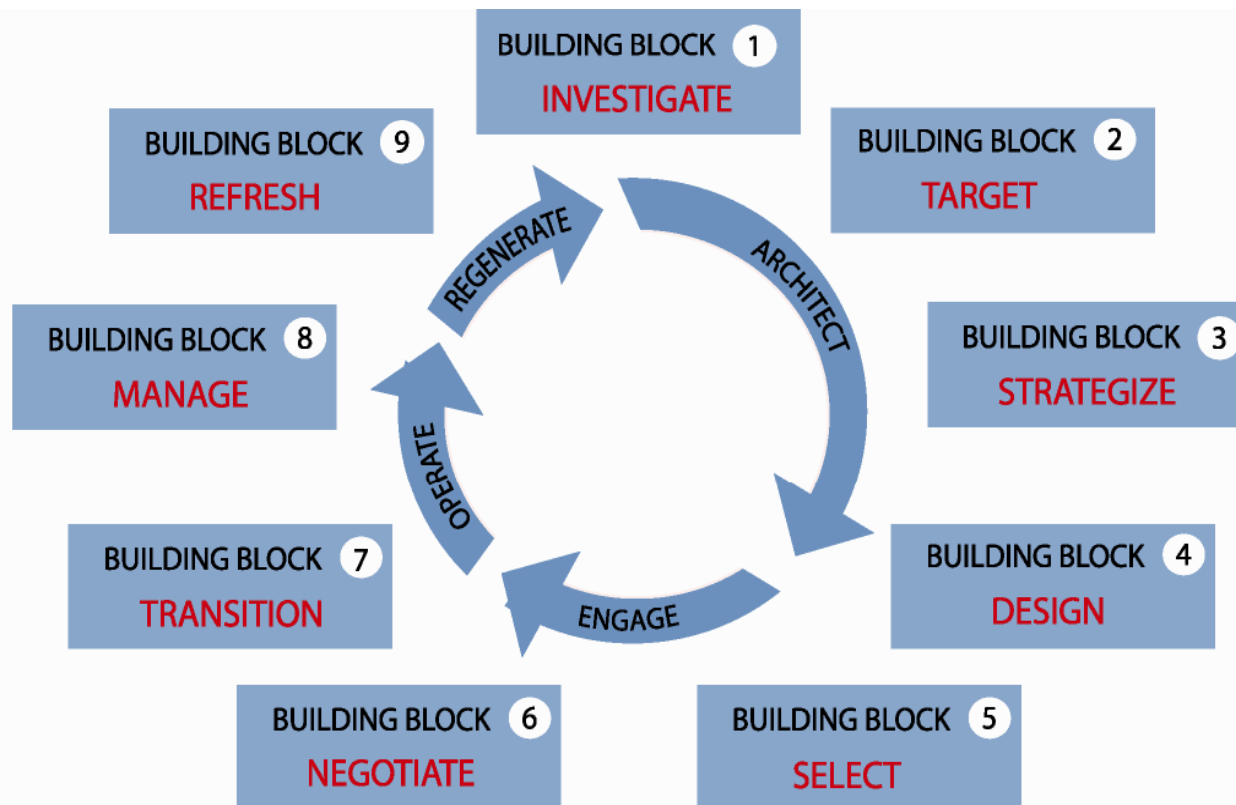
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Very strong support from these delegations

Alternatives to ISO 37500

1. “Managing Outsourcing: The Lifecycle Imperative” (London School of Economics working paper 139)
2. “Outsourcing Professional’s Body of Knowledge” (IAOP)
3. “Vendor Sourcing and Management Model” (International Data Corporation – IDC)
4. “The Outsourcing Lifecycle” (National Outsourcing Association – NOA)

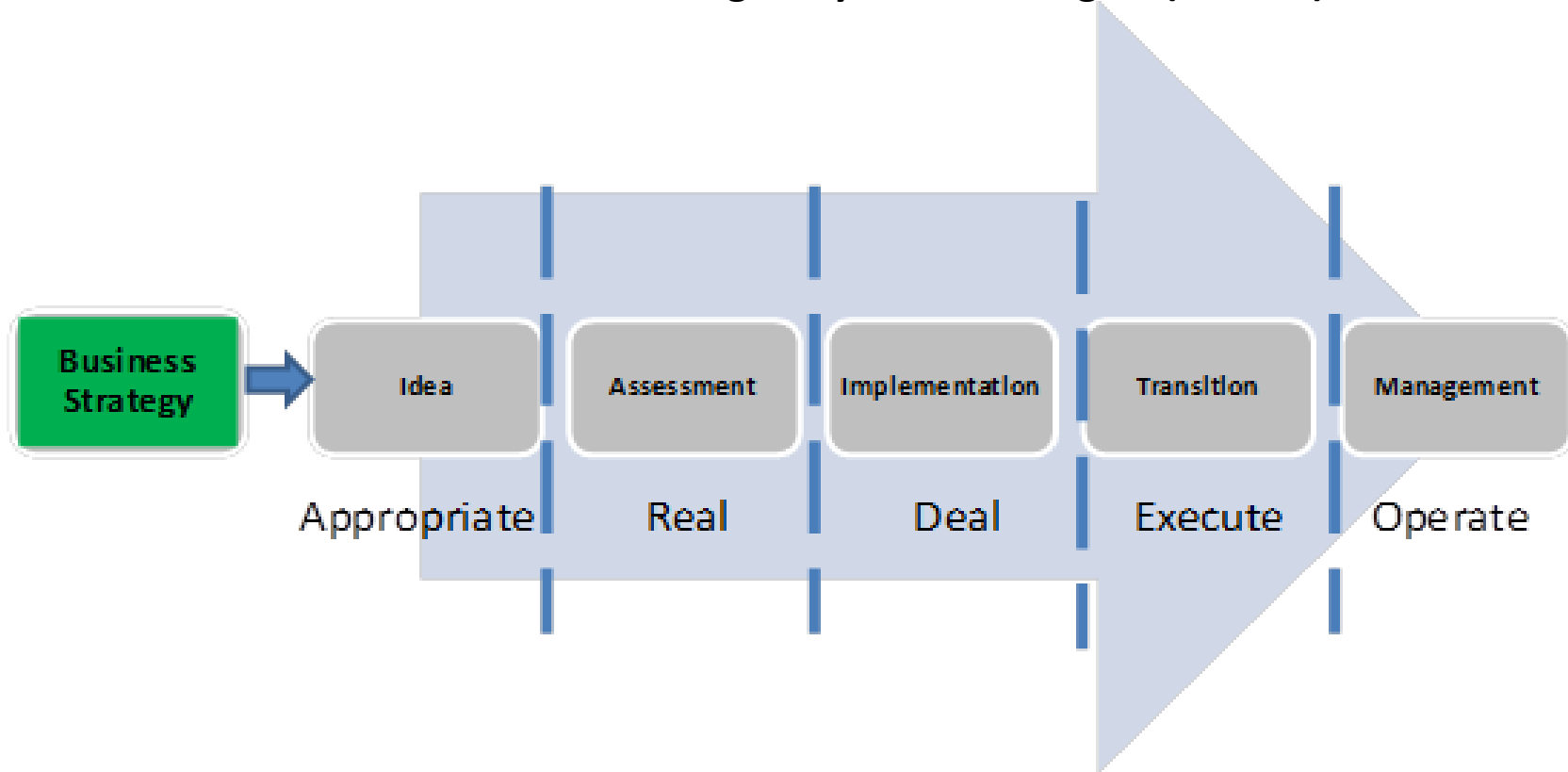
The LSE Outsourcing Lifecycle Model



- 54 specific activities, within 9 building blocks, within four phases.
- Each Building Block has a clear set of objectives to be achieved
- Authors : Leslie Willcocks, Sara Cullen (2005)

International Association of Outsourcing Professionals (IAOP)

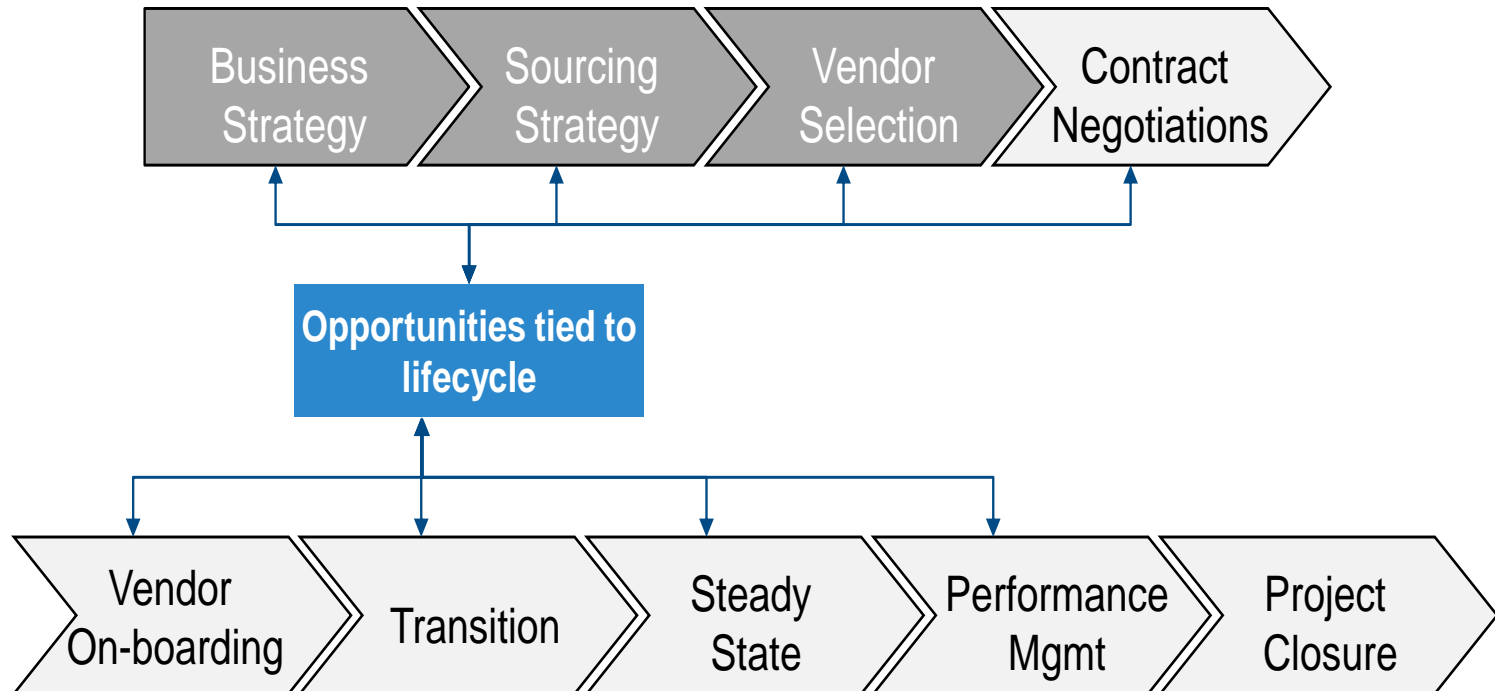
The Outsourcing Body of Knowledge – (OPBOK)



The overall outsourcing process has five stages and the end of each stage has a gate (go/no go decision point) that the project must successfully pass through before entering the next stage.

International Data Corp (IDC)

Vendor and Sourcing Management Life Cycle



National Outsourcing Association (NOA)



- The Life Cycle “maps the outsourcing process from its initial strategic discussions to the final termination of a relationship.
- It provides a framework for a complex set of activities that are undertaken by at least two parties and many individuals, over many years.
- To maintain a degree of simplicity the perspective of the client organisation is used.”

Outsourcing Life Cycle Comparison

Organization	Name of Life Cycle / Document	Current version published	Education available	Updated or revised
ISO	ISO 37500	2014	No	Yes
LSE	(i) The Lifecycle Imperative (working paper) (ii) The Outsourcing Enterprise (book)	2006 2011	No	No
IAOP	Outsourcing Professional Body of Knowledge	2014	Yes - Certified Outsourcing Practitioner Classes	Yes (10 th edition published in 2014)
IDC	Vendor and Sourcing Management Life Cycle (IDC Document #247458)	2014	Not yet	TBD
NOA	Outsourcing Life Cycle	2012	NOA Pathway Programme	Yes

Perspectives on the value of ISO 37500

- ISO is a highly respected organization that sets international standards
- Governments (e.g. Standards Council of Canada) support ISO standards, especially in Europe
- The global outsourcing market is \$450 billion and continues to grow
- The need for a recognized international standard suggests that large organizations, and governmental organizations (particularly in Europe) will adopt ISO 37500
- Adoption may be driven by risk management concerns

Concerns

regarding the adoption of ISO 37500

- The United States (ANSI) has not participated and may not support ISO 37500
- Large global corporations (buyers) may have already defined their own outsourcing life cycle
- Similarly, outsourcing providers and advisors have defined their proprietary life cycle models
- Several alternative models are already in the market
 - LSE, IAOP, IDC, NOA, etc.
- ISO 37500 does not address issues of:
 - Security and privacy
 - Cloud sourcing
 - Social responsibility

The future of ISO 37500

- Canada Committee for the Adoption of ISO 37500 is being formed with support from Canadian Standards Association (CSA)
- Expectation that other countries such as UK, India, Germany will advocate adoption of ISO 37500
- Within two-three years, expect revisions will be needed to flesh out the standard, to address new issues e.g. security, privacy, cloud, social responsibility, etc.
- Commercial and proprietary life cycles will align with ISO 37500 (e.g. IAOP OPBoK)

ISO 37500

Thank you

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