

IT Outsourcing competence rating

The outsourcing rating grid is a management tool for **ITO service providers** in order to improve their IT outsourcing capabilities, market potential and monitor improvement progress. The rating model can accommodate self-assessment as well as rating by an external advisor.

In the process, beside the rating one should also use prioritization and action planning techniques.

What is the recommended management process?

1. Conduct initial rating
2. Prepare a SWOT analysis and review the rating
3. Based on the result of the first assessment round identify and prioritize key areas where improvements are necessary.
4. Prepare an Action Plan for improvements
5. Carry out the Action Plan and monitor progress
6. 6 - 8 months after the first assessment carry out the second assessment and analyze results
7. Adjust the action plan
8. Carry out the action plan and monitor progress
9. 6 - 8 months after the second evaluation round carry out the third assessment.

User's manual

IMPORTANT! All worksheets are protected without a password. Modify them on your own risk.

The system contains five worksheets;

ITO grid

This is the main evaluation grid. It can accommodate three evaluation rounds (both self-evaluation and rating by external advisor). Type the **COMPANY NAME** and the **DATE** of rating.

There are two types of questions:

1. Questions where 0-1-3-5-7-9 values can be used.
2. Yes/No questions here only 0 (No) or 9 (Yes) can be used.

Beside numeric rating colors are also used to identify and highlight problematic areas.

- Green = no problem
- Yellow = some improvements are necessary
- Red = serious issues which need attention

The model contains questions in six categories:

- Company and reputation
- Management
- Marketing and markets
- Personnel
- Technology & Processes
- Offshore IT outsourcing

Based on the answers the system will calculate the rating of every category. In our practice we consider a company **competent** if it reaches at least **5 in every category**.

Often external evaluators can not answer all questions in every category. External evaluators rate only the individual categories. We consider a company **competent** in ITO if the external evaluator's rating reaches at least **5 in each category**.

The system combines the self-rating and the external evaluator's rating and creates the overall rating result.

Management dashboard

This sheet combines the result of each rating round and visualize the results for each category. This helps to monitor progress and changes.

Competence graph data

On this sheet the user can only change the number of the data set ("Which evaluation to show") to be used in creating a competence chart.

Competence graph

The graph shows all six categories and the difference between the self-rating and the external evaluator's rating.

Lookup sheet

This sheet is not accessible by users.