

# Getting the right outsourcing mix



Loïc Dunand

Photo: Steve Eastwood

**Out-sourcing, in-sourcing, multi-sourcing... there are many ways to slice and dice an organisation to minimise costs and maximise efficiency. Loïc Dunand, the senior manager in charge of CIO Advisory at Ineum Consulting prefers the term 'smart sourcing' to describe the process to create the most added value for a company. "Sometimes the outsourcing project is not just about the IT and systems," he said. "It is multi-layered" involving skills, regulation, tax, legal..."**

"There is no one-size-fits-all approach," Dunand insisted. "The solution depends on the strategy and the type of company." With a clear idea of strategy, he said, approaches to maximise efficiency are constructed like a sandwich, with different slices of policy depending basically on IT constraints but also where this work is best organised.

## A delicate blend

For example, a group might have an off-shore centre which focuses on producing prices for a range of businesses: private banking, investment funds, investment banking... There might be significant tax implications for hosting certain processes in one or other country, or a territory might have unique expertise or the best performing platform. Process can be outsourced to a third party, in-sourced within a group or bought "as a service" from a provider.

"This multi-dimensional approach is where we come in," said Dunand, "giving substance to a strategy." He reckoned this is the key challenge for today's chief information officers: "what is the platform and what are the resources that can run together to provide the added value for the business." So whilst cost cutting is a major part of the story, he says there is increasingly a premium on demonstrating the contribution that can be made to senior management.

## Outsourcing the right data

Ineum Consulting Luxembourg works chiefly with private banks and investment funds on such projects. Dunand makes a distinction between the aspects of a business that can readily be outsourced and those where clients need to maintain their hold. "You out-source the less critical, more manpower-consuming processes with less value-adding possibilities, but you keep your local process in house."

So, to produce a high quantity of end-of-month reporting and transaction notifications, most of the data can be prepared by the service provider, with the end client enriching what is sent to the client. Dunand says it is important to stay in control of the most sensitive data and to know that it can be retrieved if there is a change of direction. This could be historical data in many formats going back the legally-required ten years archive. He notes that this latter point is one of the risks of cloud computing, with data spread on multiple systems.

But everything is out-sourcable: ranging from front office functions like CRM, through to trading/order entry or portfolio management. Care has to be taken with information secrecy laws and making sure that value creation remains in house.

Text: Stephen Evans

## Ineum to merge with Kurt Salmon

Part of the Management Consulting Group for over two years, Ineum Consulting and Kurt Salmon Associates are set to merge, bringing together, respectively, 1,100 and 500 consultants in Europe, USA, Japan, China, Australia and North Africa. Working under the Kurt Salmon Associates brand, they will specialise in services for a range of areas: consumer products, financial services, communication and media, healthcare...