BS ISO/IEC 30105-5:2016

BSI Standards Publication

Information technology — IT Enabled Services-Business Process Outsourcing (ITES-BPO) lifecycle processes —

Part 5: Guidelines

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National foreword

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Information technology — IT Enabled Services-Business Process Outsourcing (ITES-BPO) lifecycle processes —

Part 5: Guidelines

Technologies de l'information — Processus du cycle de vie de la délocalisation du processus d'affaires des services activés par IT —

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Foreword

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The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular the different approval criteria needed for the different types of document should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

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For an explanation on the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT) see the following URL: www.iso.org/iso/foreword.html.

The committee responsible for this document is ISO/IEC JTC 1, *Information technology*, Subcommittee SC 40, *IT Service Management and IT Governance*.

A list of all parts in the ISO/IEC 30105 series can be found on the ISO website.

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Introduction

ITES-BPO services encompass the delegation of one or more IT enabled business processes to a service provider who uses appropriate technology to deliver service. Such a service provider manages, delivers, improves and administers the outsourced business processes in accordance with predefined and measurable performance metrics. This covers diverse business process areas such as finance, human resource management, administration, health care, banking and financial services, supply chain management, travel and hospitality, media, market research, analytics, telecommunication, manufacturing, etc. These services provide business solutions to customers across the globe and form part of the core service delivery chain for customers.

ISO/IEC 30105 (all parts) specifies the lifecycle processes requirements involved in the ITES-BPO industry.

— It provides an overarching standard for all aspects of ITES-BPO industry from the view of the service provider that performs the outsourced business processes. This is applicable for any ITES-BPO service provider providing services to customers through contracts and in industry verticals.

— It covers the entire outsourcing lifecycle and defines the processes that are considered to be good practices.

— It is an improvement standard that enables risk determination and improvement for service providers performing outsourced business processes. It also serves as a process reference model for service providers.

— It focuses on IT enabled business processes which are outsourced.

— It is generic and can be applied to all IT enabled business process outsourced services, regardless of type, size and the nature of the services delivered.

— Process improvement implemented using ISO/IEC 30105 (all parts) can lead to clear return on investment for customers and service providers.

— Alignment to ISO/IEC 30105 (all parts) can improve consistency, delivery quality and predictability in delivery of services.

Figure 1 illustrates the key entities and relationships involved in an ITES-BPO service. It includes the customer, the ITES-BPO service provider and various levels of suppliers. This is in line with the supply chain relationship depicted in ISO/IEC 20000-1:2011, 7.2.

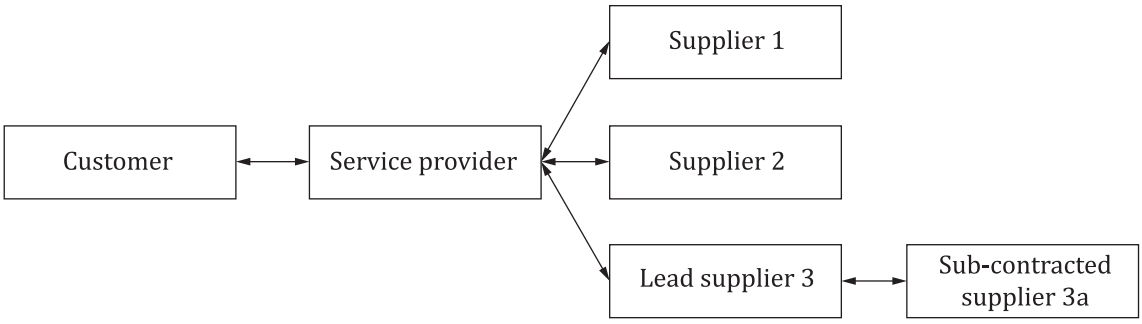

Figure 1 — ITES-BPO key entities

This document provides guidance to the other parts of ISO/IEC 30105 and the requirements for assessing processes. This document, in such a context, provides guidance on the application of the process assessment model, how to strategically leverage the assessment and then how to use it in the context of an improvement programme for an ITES-BPO organization.

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Information technology — IT Enabled Services-Business Process Outsourcing (ITES-BPO) lifecycle processes —

Part 5: Guidelines

1 Scope

ISO/IEC 30105 specifies the lifecycle process requirements performed by the IT enabled business process outsourcing service provider for the outsourced business processes. It defines the processes to plan, establish, implement, operate, monitor, review, maintain and improve its services. This document:

— covers IT enabled business processes that are outsourced;

— is not intended to cover IT services but includes similar, relevant process for completeness;

— is applicable to the service provider, not to the customer;

— is applicable to all lifecycle processes of ITES-BPO;

— provides guidance on application of the process assessment model, how to strategically leverage the assessment and to use it in the context of an improvement programme or risk assessment for an ITES-BPO service provider organization.

2 Normative references

The following documents are referred to in the text in such a way that some or all of their content constitutes requirements of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO/IEC 30105-2:2016, *Information technology — IT Enabled Services-Business Process Outsourcing (ITES-BPO) lifecycle processes — Part 2: Process assessment model (PAM)*

ISO/IEC 30105-3:2016, *Information technology — IT Enabled Services-Business Process Outsourcing (ITES-BPO) lifecycle processes — Part 3: Measurement framework (MF) and organization maturity model (OMM)*

ISO/IEC 33020, *Information technology — Process assessment — Process measurement framework for assessment of process capability*

3 Terms and definitions

For the purposes of this document, the terms and definitions given in ISO/IEC 30105-4, ISO/IEC 33001 and ISO/IEC 33020 apply.

ISO and IEC maintain terminological databases for use in standardization at the following addresses:

— IEC Electropedia: available at http://www.electropedia.org/

— ISO Online browsing platform: available at http://www.iso.org/obp

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4 Purpose

This document aims to provide guidance on the following:

a) the key parts of ISO/IEC 30105 (all parts), including the process assessment model, measurement framework and the organization maturity model;

b) how to undertake process assessment and determine organization maturity through assessment of process risk;

c) the approach to the organization maturity model (OMM), including the organization maturity rating scale. This scale represents the extent to which an organization is able to demonstrate its maturity through process quality. Process quality is demonstrated through assessment of the organization's ability to establish, manage and execute its processes with high capability;

d) use of the assessment and outcomes as part of a framework for performing process improvement (PI) in a continual cycle.

Assessment of process capability is concerned with analysing the output of conformant process assessments to identify the strengths, weaknesses and risks associated with deploying the processes to meet a specific requirement.

Assessment of process risk is applicable across all ITES-BPO domains and to any ITES-BPO service provider organization wanting to determine the process risks of its own processes.

PI uses the results of a current state assessment for an ITES-BPO service provider organization to formulate and prioritize improvement plans. These plans improve the processes, thus creating the inherent ability to support continual improvement.

Analysis of the output from a process assessment and process risk determination findings against an organizational unit's business goals and the joint business goals of a customer-service provider engagement will lead to identification of the strengths, weaknesses and risks related to the processes, operations, structure, etc. This can help to determine whether the processes are effective in achieving business goals and provide the critical triggers for making improvements.

The guidance on assessment of process risk covers the following:

— overview of process capability: target capability, process oriented risk analysis;

— guidance for conducting an assessment of process capability: core and extended.

The guidance on PI provides the following:

a) overview of PI: the factors which drive ITES-BPO process improvement and the underlying general principles;

b) methodology for PI: improving ITES-BPO processes within a continual improvement cycle;

c) measurement framework and management: ITES-BPO process improvement from a management perspective, including an overall framework for process measurement.

The PAM is designed to provide organizations with an integrated approach to organizational performance management that results in the following:

— delivery of increased effectiveness in driving outcomes to customers and stakeholders, contributing to organizational sustainability;

— improvement of overall organizational effectiveness and capabilities;

— organizational and personal learning.

These service provider improvements can be marketed to outsourcing companies (customers) and can provide increased value to customers and stakeholders.

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For all practical purposes, "value" can be considered as business outcomes achieved in line with the requirements of the customer contract or customer requirements.

The adoption and implementation of ISO/IEC 30105 (all parts) can lead to the following benefits:

a) a greater degree of standardization of base practices in this important industry segment;

b) benchmarking for useful comparisons across adopting service provider organizations;

c) improved process efficiency and productivity, improved asset utilization and reduced internal/external failures or potential failures, thereby improving the quality of output and services;

d) improved customer focus and customer satisfaction, leading to a clear return on investment from the maturity assessment journey. This also creates an ability to achieve and communicate the business benefits to the customers and all direct stakeholders;

e) reduced time to maturity for new start-up service providers and new services for existing service providers through the adoption of the ITES-BPO process reference model;

f) for customers (who use the ITES-BPO services), a mechanism to understand the capabilities of service providers through a common standard, leading to increased levels of transparency and trust. It also provides a mechanism to jointly solve issues proactively and to work on the strategic programmes;

g) over a period of time, improved processes, shorter transition lead time for new processes, reduced defect rates, improved cycle time, improved time to market, better risk determination, improved productivity, etc. This can then lead to direct/indirect benefits to outsourcing companies due to greater maturity and value from service providers, which can be further leveraged.

5 ITES-BPO process context

The processes in an ITES-BPO service provider organization have two distinct characteristics. Firstly, operational service delivery, i.e. process execution, happens in real time. Secondly, the processes are driven by service level agreements (SLAs) and key performance indicators (KPIs), which measure the performance and quality of delivery and the quality of experience.

ITES-BPO services are based on delivery of business process transactions, which are of varied complexity and have direct impact on the customer organization's business delivery. Typically, an outsourcing approach is adopted by a customer to gain overall process efficiency, economies of scale and transformation savings through an expert service provider.

This allows the outsourcing customer organization to stay focused on its core strategic goals, end-customer management and business growth, while the service provider organization takes full ownership of process delivery.

One of the key requirements in outsourcing is business continuity management (BCM) for the outsourced operations so that the overall system works at the desired level of assurance.

Figure 2 shows the service provider view for a typical customer engagement lifecycle.

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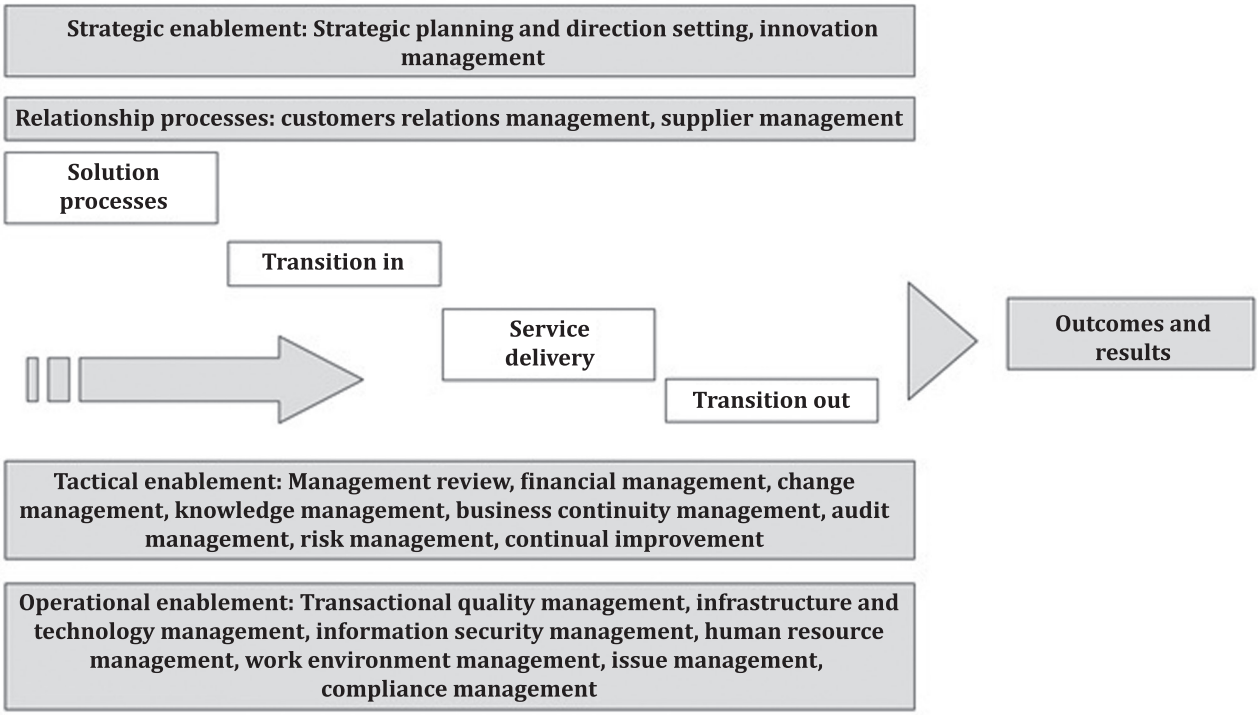

Figure 2 — End-to-end view of ITES-BPO engagement lifecycle

ISO/IEC 30105 (all parts) addresses the following key questions for an ITES-BPO organization.

— How to manage performance across the framework of people, process and technology?

— How to best stabilize and improve the processes?

— How to optimize and sustain the processes?

— How to align improvement and process efforts to desired results?

— How to ensure process improvement benefits and quality results?

— How to achieve a differentiated approach for maturity?

6 ITES-BPO process structure

Figure 3 lists the processes from ISO/IEC 30105-1 that are included in the process dimension of the process assessment model for ITES-BPO. It includes all aspects of an ITES-BPO outsourced service, from developing an ITES-BPO solution through service delivery and to transitioning out. It includes the leadership, relationship management and enabling processes which support the outsourced business across its lifecycle.

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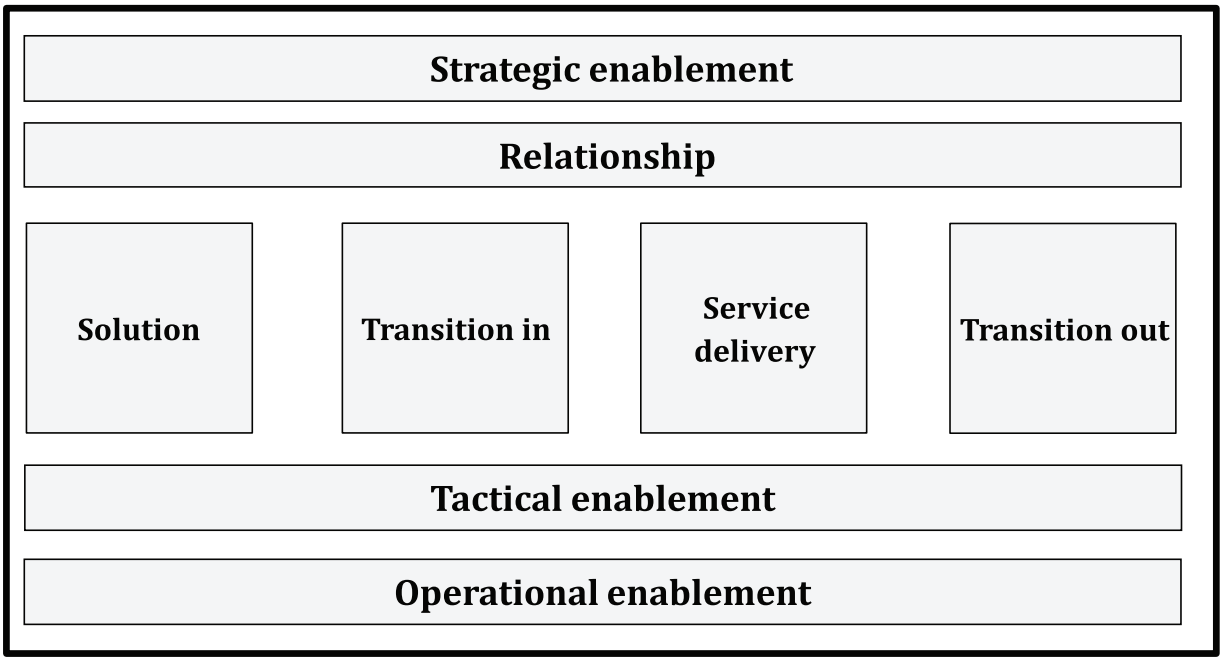

Figure 3 — ITES-BPO lifecycle process categories

The ITES-BPO process categories are as follows.

— **Strategic enablement processes**: include strategic direction and review of the business performance against plan for the service provider organization and Innovation process to bring in breakthrough changes.

— **Relationship processes**: cover the relationship of the service provider with the customer and the suppliers.

— **Solution processes**: include details on how the ITES-BPO solution is envisaged and the contract developed and managed.

— **Transition in processes**: cover the movement of business process delivery from the customer to the service provider, establishing the required management, people and infrastructure capability, and concluding with piloting the transitioned service.

— **Service delivery processes**: include all the processes that are required for the day to day management and delivery of ITES-BPO services.

— **Transition out process**: covers the movement of the business process delivery back to the customer or to a different service provider.

— **Tactical enablement processes**: involve a set of processes that enables achievement of the objective of the core service delivery processes. These are tactical in nature.

— **Operational enablement processes**: involve a set of processes that ensures day to day operations of service delivery are supported and are performed alongside the service delivery processes.

The process reference model, as shown in Figure 3, categorizes the ITES-BPO lifecycle processes:

— strategic enablement;

— relationship;

— solution;

— transition in;

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— service delivery;

— transition out;

— tactical enablement;

— operational enablement.

The purpose of the process categories is to give clarity on the ways of working, as a group of linked and inter-dependant processes within the process framework, for ease of understanding for the reader.

The ITES-BPO lifecycle processes have been categorized as below.

a) **Strategic enablement processes**: include strategic direction and review of the business performance against plan for the service provider organization and innovation process to bring in breakthrough changes.

   Senior leaders should set business objectives, create a customer focus, establish clear and visible organizational values and set high expectations for the workforce. The directions, values and expectations should balance the needs of all direct stakeholders. Leaders should ensure the creation of strategies, systems, organizational roadmap and methods for achieving performance excellence, stimulating innovation, building knowledge and capabilities and ensuring organizational sustainability. Senior leaders need to inspire and encourage the entire workforce to contribute, to develop and learn, to be innovative and to embrace meaningful change. Senior leaders need to be responsible to the organization's governance body for their actions, performance and conformance.

   There are two processes under this category. These are strategic planning and direction setting and innovation management.

b) **Relationship processes**: cover the relationship of the service provider with the customer and the suppliers.

   These processes are aimed at ensuring superior engagement with customers and suppliers for seamless business delivery.

   Performance and quality are judged by an organization's customers. Thus, the service provider organization should take into account all product features and characteristics, modes of customer access and support that contribute value to customers. This can lead to customer acquisition, satisfaction, preference and loyalty, to positive referrals and to business sustainability. Customer-driven excellence has both current and future components: understanding today's customer needs and anticipating future customer requirements and market place potential.

   This also includes managing any suppliers who are linked to the delivery and their performance. Service providers can also outsource some areas (e.g. invoice scanning, creating content) to a sub-contracting supplier if there is a further need for optimized value delivery.

c) **Solution processes**: detail how the ITES-BPO solution is envisaged and the contract developed and managed.

   This category covers the development of feasible solutions and proposals to transfer knowledge, mobilize people and create the infrastructure. It plans for transition, service delivery risk management, information security and business continuity.

   It includes the drafting, negotiation and agreement of a formal contract, and defining and monitoring obligations.

d) **Transition in processes**: cover the movement of business process delivery from the customer to the service provider, establishing the required management, people and infrastructure capability, and conclude with piloting the transitioned service.

   This category covers the mobilization of sufficient people with the required skills, creating the required infrastructure, transferring appropriate knowledge, planning for service delivery and

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piloting the service delivery on a limited scale. This should be achieved with minimal disruption to the customer's business performance during this activity. This establishes the operational ITES-BPO service for delivery from the service provider organization in line with the contracted commitments, including service performance and quality targets.

e) **Service delivery processes**: include all the processes that are required for the day to day management and delivery of ITES-BPO services.

This category of processes focuses on seamless operational delivery of business processes to achieve the required service levels and good customer experience. It aims to manage, operate and control the ongoing service delivery to achieve the desired performance levels. Service delivery is monitored against the operational performance targets, and a governance framework is implemented to produce timely and accurate service reports to support effective communication and decision-making.

These processes also help to manage delivery of business processes, aligned to customer requirements and related external requirements, where necessary, to ensure consistency, reliability, quality, efficiency, effectiveness, continual improvement and regulatory compliance.

Services are delivered continuously and in response to service requests, in accordance with service level agreements.

f) **Transition out process**: covers the movement of the business process delivery back to the customer or to a different service provider if needed.

This process defines how to transfer the services, in part or full, to meet defined requirements, sustained performance and contractual commitments with minimal disruption to the customer.

g) **Tactical enablement processes**: involve a set of processes that enable the achievement of the objective of the core service delivery processes. These are tactical in nature.

There are eight processes under this category. These are management review, financial management, change management, knowledge management, business continuity management, audit management, risk management and continual improvement.

h) **Operational enablement processes**: involve a set of processes that ensure day to day operations of service delivery are supported and are performed alongside the service delivery processes.

There are seven processes under this category. These are transaction quality management, information security management, compliance management, human resource management, infrastructure and technology management, work environment management and issue management.

Figure 4 shows the processes within the process categories in the ITES-BPO lifecycle.

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