

Agile Outsourcing Partnerships



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Overview

Outsourcing is undergoing a transformation. Disruptive outsourcing has usurped traditional outsourcing. In today's globally competitive world, organisations are beginning to understand that strategically partnering with specialists to gain a competitive edge, access a new market, or capitalise on new opportunities is critical to future success.

A Deloitte survey of more than 500 executives from leading organisations found that disruptive outsourcing solutions—led by cloud and automation—are fundamentally transforming traditional outsourcing.

According to Deloitte, disruptive outsourcing solutions provide competitive advantage by accelerating changes within organisations that have “the audacity and skill to leap over the technology chasm”.

Instead of handing over the issue to be outsourced, such as a new IT system as in the past, companies are now looking to buy in the capabilities because it can be achieved and is more scalable than developing capabilities or hiring staff in house.

“The focus has shifted from traditional work transfer to upfront transformation and automation. Emerging solutions incorporating cloud and automation are empowering organisations to work smarter, scale faster, reach new markets, increase productivity and, ultimately, to gain competitive advantage,” the Deloitte Global Outsourcing Survey finds.

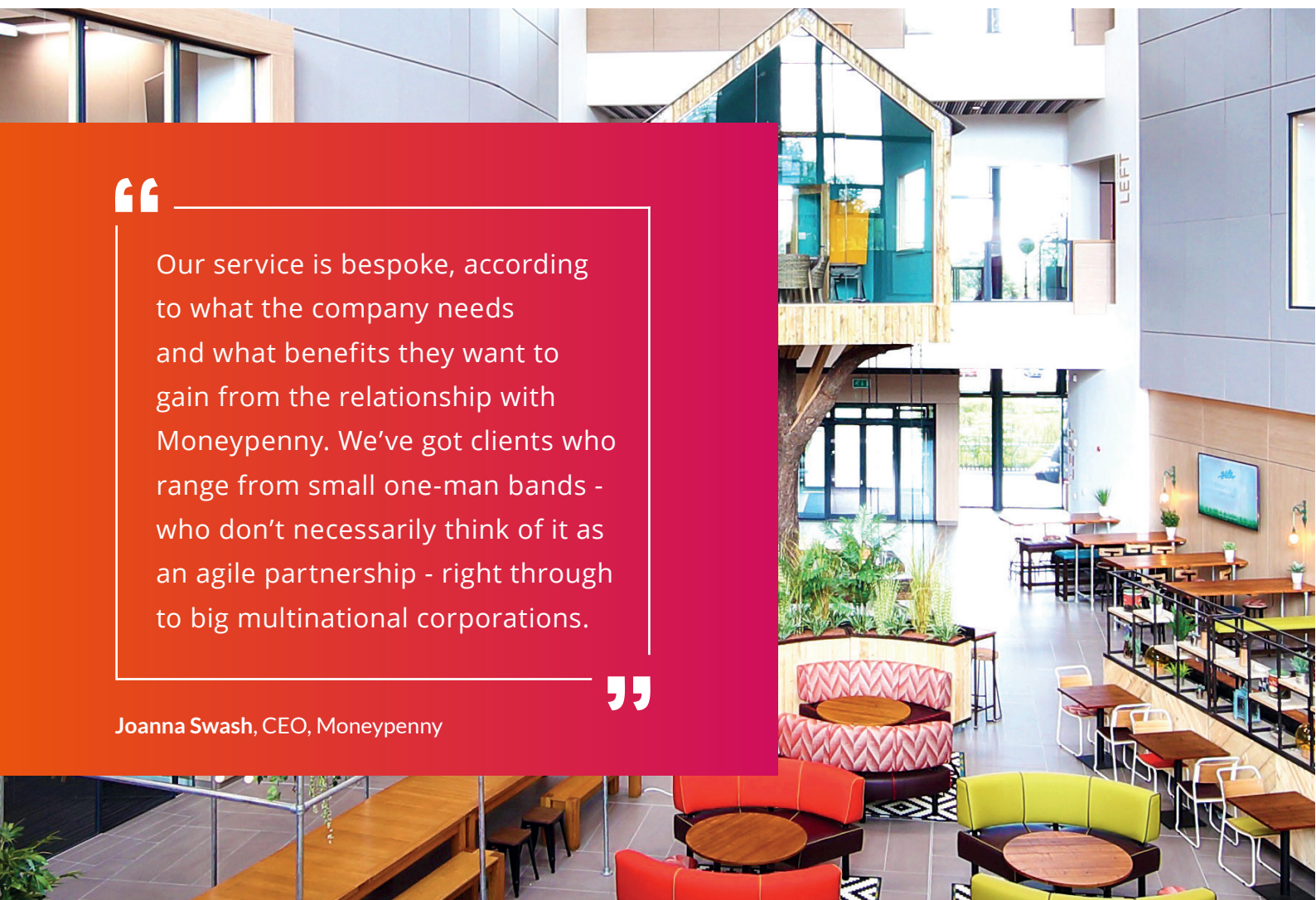
The best-of-breed services companies understand what their clients want and employ the latest technology to provide it. But not enough companies across industry sectors are taking advantage of agile partnerships.

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Our service is bespoke, according to what the company needs and what benefits they want to gain from the relationship with Moneypenny. We've got clients who range from small one-man bands - who don't necessarily think of it as an agile partnership - right through to big multinational corporations.

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Joanna Swash, CEO, Moneypenny



What is an agile partnership?

An agile partnership is where one company buys in expertise, services or products from a specialist to gain a competitive edge, increase market share or enter a new market. The partnership is based on trust, designed for mutual gain and must be beneficial to both organisations' strategic goals.

Agile has become the latest business buzzword and its intended business meaning – to be able to adapt to constant change – is at risk of distortion. Originally, agile referred to the methodologies that software companies used to develop products in incremental iterations. Today, it has come to be more commonly used to refer to a change in company culture to boost productivity and collaboration both internally and externally.

To nurture agile partnerships, it is vital to first become an agile business – one that can adapt quickly and smoothly to business or market change. Companies only become versatile when they adopt an agile way of working and culture – allowing staff to work in adaptable ways to optimise business performance and deliver best in class value and customer service.

Whereas agile was once the preserve of IT departments looking to transform or update technology, as businesses grow, change, and adapt to today's dynamic business environment, we are beginning to see more and more agile methodologies adopted across entire organisations.

Accenture finds in its research 'Be Agile – Taking the Transformation Journey,' that once you become an agile organisation, it is not a permanent state. Agility is an ongoing process that has to be regularly nurtured, encouraged and evaluated to ensure it fits with a business' overarching strategic goals.

Boston Consulting Group (BCG) explains agile as such: "Agile demands that an interdisciplinary team works closely together during agile sprints (development intervals of one month or less). Agile maintains that a team shares information, solves problems, creates minimum viable products, and fails fast. And it asks that team members work as equals and that they be given the flexibility to change direction quickly.

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Agility is an ongoing process that has to be regularly nurtured.

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“To foster this working relationship, companies should partner with vendors, tearing down the walls and enabling agile team members to work side by side, whether virtually or physically, to achieve their goals. This approach, which we call distributed agile, creates squads that are composed of company and vendor staff members. All team members participate as equals and work with a one-team mindset to understand the end user's needs and to find solutions,” adds BCG in its 'When Agile Meets Outsourcing' study.

The Accenture logo, featuring a stylized purple chevron above the word "accenture" in a bold, black, sans-serif font.

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For the agile model to succeed, one team cannot punt to another; the members of both must execute together.

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The BCG logo, with "BCG" in a large, bold, green sans-serif font, and "BOSTON CONSULTING GROUP" in a smaller, green, all-caps sans-serif font to its right.



Why does it matter?

Business agility is crucial to maintaining momentum to outpace competitors in an increasingly dynamic business world. This may be by bringing new products or services to market quicker than rivals, or establishing new business strategies.

More and more, we see companies establishing new partnerships to achieve customer-centricity and unlock new technological capabilities, rather than simply to cut costs – which was one of the main aims of outsourcing in the past.

The future belongs to the best-of-breed service providers who understand what their clients want and use the latest technology to provide it.

What does agile look like?

The Global Sourcing Association (GSA) research shows that agile partnerships are becoming simultaneously more collaborative and more competitive. Both companies buying services and service providers are focused on basing contracts on outcomes rather than outputs, choosing to share risk in order to reap greater rewards.

The research also found that notice periods and contracts are becoming shorter, with industry giants choosing to partner more often with smaller, sleeker challengers. Contracts are often month-by-month, or one or two years in length. In fact, agile organisations say the length of the contract isn't an issue because if you want to retain that partnership, you make sure you're achieving the outcomes in order to secure the repeat business. In some cases, contracts as we know them will go out the window in favour of rolling agreements with no notice period.

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Both clients and service providers are focused on basing contracts on outcomes rather than outputs.

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Business productivity and efficiency can be hugely boosted by outsourcing. Business can spend more time on providing core money earning services if they outsource support tasks such as invoicing, capturing new sales enquiries, maintaining their website, and finding new employees or customers. It's a myth that outsourcing simply means more expenditure to pay someone else to do a job.

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Kate Cox, CMO, Moneypenny





As 2020 approaches, the NOA, which is part of the Global Sourcing Association, says it expects to see an increasing number of organisations outsourcing primarily for service improvements and other value-adding benefits

70%

of buyers plan to increase their use of outsourcing, with

35%

planning to significantly.

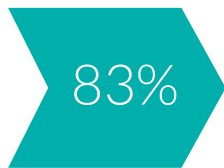


83%

of service providers expect the outsourcing industry to grow, with

37%

expecting it to grow significantly.



believe robotic process automation (RPA) will be of greater significance in the next decade.



said the same of artificial intelligence (AI).

Only 4%

expect the outsourcing industry to get smaller.



The traditional prime reasons for companies to outsource:

Cost savings

Increasing operational flexibility

Accessing new skills

Organisations say they outsource for the following reasons:

- Cost saving is cited as the prime driver for outsourcing

35%



- Improving the customer experience

23%



- Transitioning from legacy IT to as-a-service models

17%

Getting Started

Outsourcing decisions are driven by the size and life stage of a company, so a company in its first year of trading is most likely to outsource its accountancy, legal and reception services, while a more established company with turnover of between £1 million and £9 million may add website management to its outsourcing list. Yet there are many more functions such as marketing, sales generation, HR and customer support that could be handled more cost-effectively and efficiently through partnering with a specialist company.

[\(Source: Moneypenny Outsourcing survey whitepaper\)](#)

So, what's holding back business leaders from taking the plunge? As we have seen, agile transformation isn't just about technology. It's about a new approach to business. It's more collaborative, more open, more creative, and much more efficient. Applying this approach internally is one step but applying this methodology to external companies can often feel like a great leap of faith to the unconverted.

Understanding the services that are non-core to the business could be your starting point.

Establish the business case for change and customise a model to monitor and measure success. Consider available providers and talk to other business leaders about their experiences of agile partnerships and how to approach them. Once you have picked a few preferred providers, go and speak to them. Collaboration is key. Together you can plot a course and pilot a service or product together.

Choosing the right approach

You may choose to pilot a partnership in a specific area or for a specific product, allowing the organisation the chance to evaluate the approach and measure its benefits before launching it organisation-wide. Afterwards you can then apply lessons to the wider business and to follow-on projects.

You could also create an agile partnership that introduces specialists to your business who can then move from one section to another to apply their knowledge, experience and skills toward transforming the entire organisation— business unit by business unit, according to Accenture's 'Be Agile'. Accenture outlines below some hurdles that may be necessary to overcome along the way.

Obstacles ahead

- > A lack of coordination in the strategic planning stage could jeopardise the entire process, so strategic planning requires a strong linkage between technology and the rest of the business.
- > Budgeting issues should be addressed upfront as well, to avoid a gap between traditional budgeting and controlling processes and funding an agile implementation.
- > Misalignment, misperceptions, conflicting priorities, or failure to execute can stall or stop the process.
- > It's important to set realistic deadlines and delivery times so the project doesn't drift or get forgotten altogether.
- > A lack of automation in testing, deployment and infrastructure can slow or stall agile development processes.
- > Inflexible schedules can both impact and reflect slow development speed.
- > Fundamental culture shift and a strong leadership commitment are required to push outsourcing through.
- > Outsourcing can falter if you don't have the right team for the job from day one, so develop the right skills, knowledge and talent to sustain agile partnerships.

Respondents of Deloitte's Global Sourcing Survey said:

Spend more time in RFP or service provider selection



Use a competitive bidding process



According to Deloitte, this may be due to the increasing maturity of both the procurement and vendor management functions within organisations. Many clients use a sole source approach to service provider selection, likely with the expectation that it is faster to execute the process with a single service provider, however, they will likely pay the price through higher fees, lower service levels and less favourable terms. And, counterintuitively, it usually takes longer, since a competitive process creates more sense of urgency than a sole source approach does (though, of course, a poor deal can always be done quite quickly).

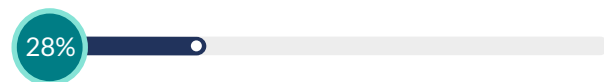
Strategic planning approach

When taking a more strategic approach to planning a new outsourcing initiative, survey respondents said:

Increase the scope of service



Transform the process rather than simply lifting and shifting



Invest in more robust service integration and transition



Use a third-party advisor



Deloitte suggests that organisations are coming to recognise the value that transformation, improved processes, experienced counsel and transition play on the success of their outsourcing programs, though often too late.



Disruptive outsourcing solutions are challenging traditional outsourcing and driving competitive advantage. More than half of the organisations surveyed are adopting, or are considering adopting, disruptive solutions to drive performance, improve speed to market and increase innovation. The focus has shifted: yesterday, outsourcing was about cutting costs and improving service in the back office. Today, disruptive outsourcing is about collaborating with partners in the marketplace to integrate services an organisation cannot quickly build on its own to innovate, transform, propel its growth, and unnerve its competitors.



Global Sourcing Survey, Deloitte

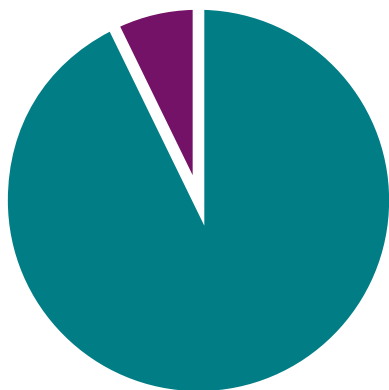
Six steps to an agile partnership



Spotlight: Cloud adoption

Cloud is now an integral part of many organisations' business and technology strategies, according to Deloitte's Global Outsourcing Survey.

93%
of its survey respondents report that their organisations are considering, or have already adopted, cloud services.



Primary reasons for adopting cloud technology:

catalyst for IT innovation

64%

improve time to market

63%

improve performance

56%

and rapid scalability

54%

Innovative examples of agile partnerships

Electricals retailer AO partners with grocer Aldi

AO has announced a new three-year partnership deal to deliver Aldi's bulkier online purchases, such as barbecues, patio furniture and sports equipment, that require two-person home delivery. The partnership follows a strategic focus by AO in recent months to offer a range of services, from logistics to recycling, to third-party retailers.

The German discount grocer Aldi has grown from strength to strength since it first opened in the UK in 1990. Aldi, now the UK's fifth largest supermarket, doesn't offer a full online grocery ordering service in the UK, but it does sell wine and spirits, a range of clothing, garden equipment, DIY and other 'special buys' online for home delivery.



Our online Specialbuys are going from strength to strength and this partnership with AO will allow us to offer customers even more options for our larger products that require home delivery.



David Barter,
Managing Director of
National IT, Aldi

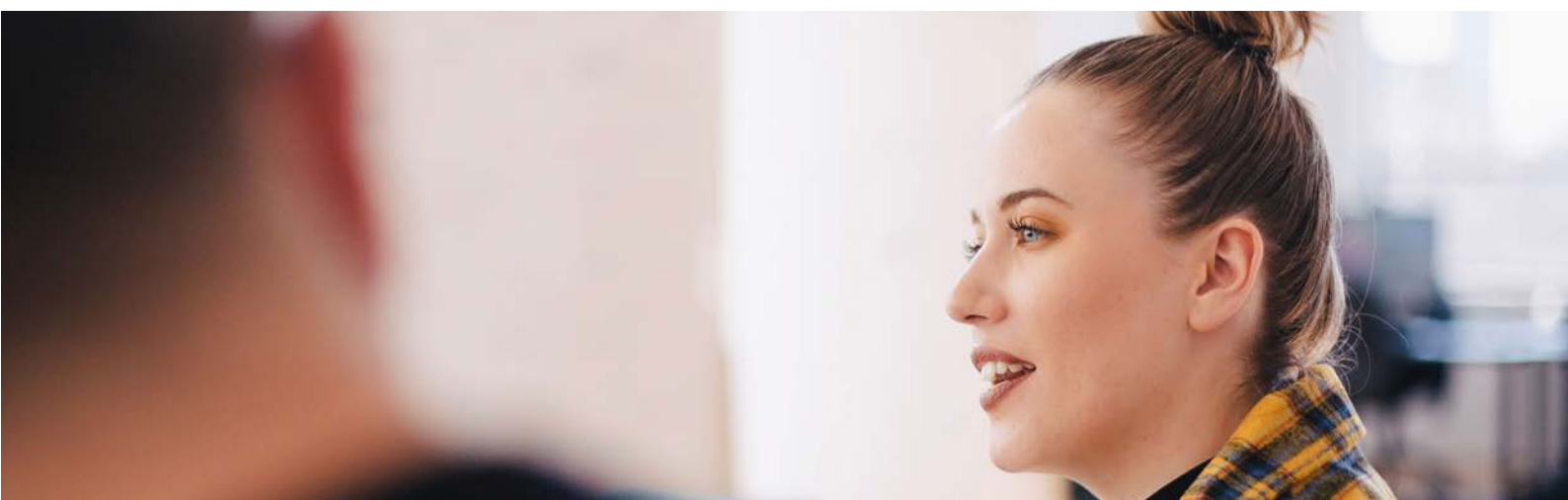
Marks & Spencer to partner with Richer Sounds

Beloved high street retailer Marks & Spencer is set to introduce Richer Sounds as a concession partner as part of the retailer's ongoing overhaul of its store proposition.

Hi-Fi, home cinema and TV specialist Richer Sounds will open a concession in M&S' York Vangarde Retail Park branch, where M&S frequently tests new ideas.

The tie up follows the appointment of Richer Sounds founder Julian Richer having been drafted into M&S by chairman Archie Norman to help with a major overhaul of the company's business culture.

M&S has traditionally only sold its own brands but it has recently experimented with a variety of partners in a bid to breathe new life into its trading space in response to growing ecommerce, changing consumer habits and to boost footfall.



Menzies and venue management agency GSP Venues

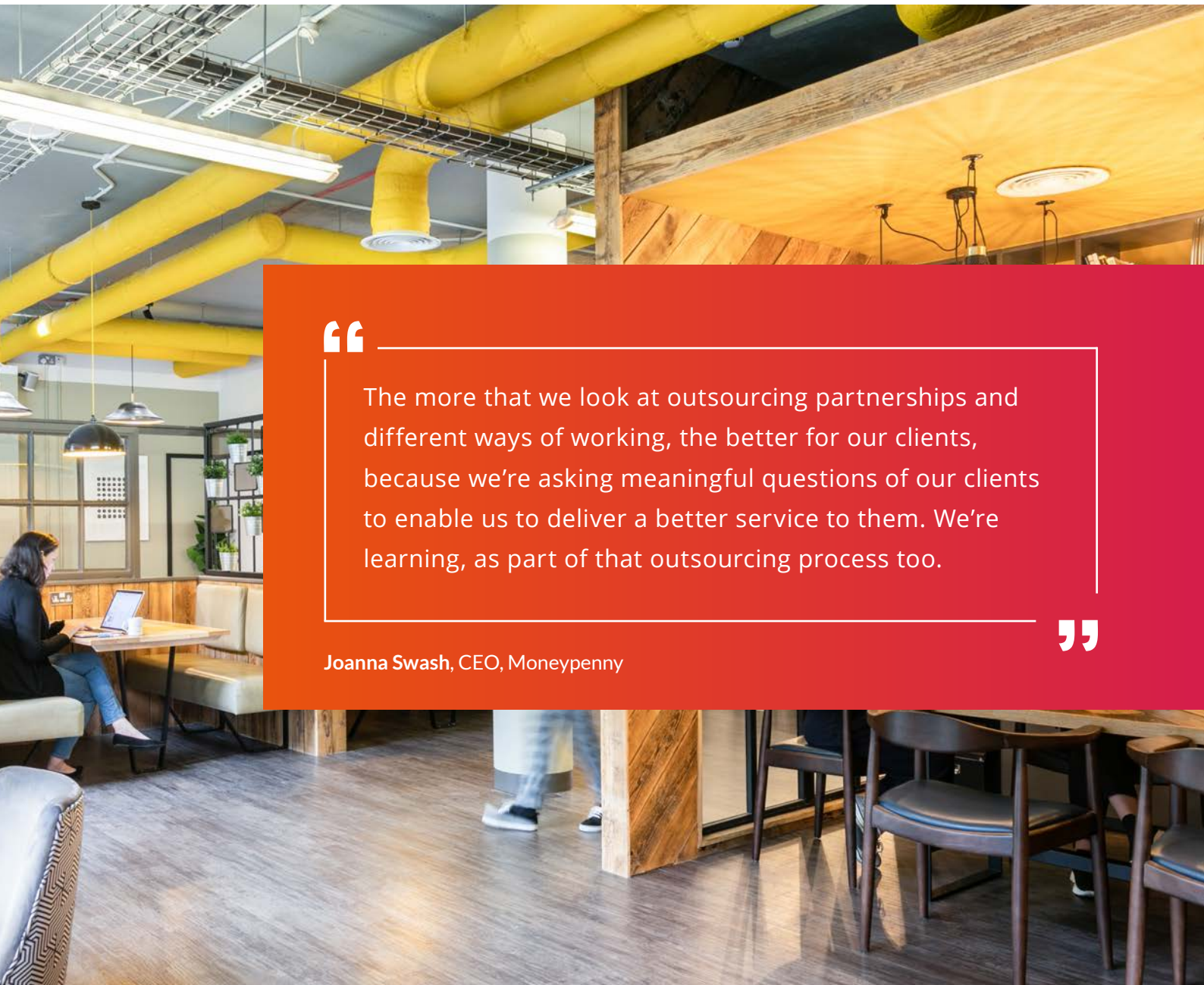
Accountancy firm Menzies offers outsourced accounting services for organisations to streamline their processes, allowing them to build in efficiencies, improve profitability and focus on core activities such as sales, people management and investment decisions.

Menzies implemented online accounting platforms, such as Xero and AutoEntry, to improve GSP Venues' visibility of key financial information, giving business leaders real-time, mobile access to data insights across areas such as debt management and cash flow. Since the first partnerships, GSP Venues has gone on to outsource other areas of the business, such as payment runs and VAT returns. This has cut the administrative burden on the management team and freed up time to focus on long-term strategy.

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For venues management agency GSP Venues, the decision to outsource its accounting was prompted by the need to reduce its exposure to the risk of disruption following the departure of a key member of staff. Menzies helped take pressure off the business at this critical time by introducing some much-needed flexibility.

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The more that we look at outsourcing partnerships and different ways of working, the better for our clients, because we're asking meaningful questions of our clients to enable us to deliver a better service to them. We're learning, as part of that outsourcing process too.

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Joanna Swash, CEO, Moneypenny

Money Penny has been able to offer many of its clients strategic outsourcing solutions for many different reasons: from driving cost efficiencies for a business, helping them improve their customer experience or handling periods of unforeseen high call demand, such as during a particularly successful marketing campaign or dealing with the fall out from former customers of company closures. Working in an agile partnership with a specialist provider also enables companies to access new technology that they may not ordinarily choose to invest in on their own account due to capital cost, which can drive substantial operational benefits for the firm.

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Our skill is matching the right people to the right company and being able to do this across a wide range of businesses. Instagram stars looking to handle enquiries about high profile brand sponsorship contracts; companies looking to grow quickly and capture every new sales enquiry; enterprise corporations who want a professional front of house and switchboard service - it takes a skilled HR recruitment team to recruit based on empathy and positive attitude. We match businesses with the right people, trained to deal with a wide range of situations effectively. Scale is also important in order to manage demand from our customers. Investment in the very best technology allows us to route callers to the right employees at the end business, ensuring happy customers every time.

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Joanna Swash, CEO, Money Penny



The benefits of Agile Partnerships

1. Driving cost efficiencies for a business



Chartered accountants and business advisers Moore Kingston Smith were experiencing capacity issues at peak times, particularly as their smaller sites had limited resources and sometimes only a single receptionist. With high volumes of callers, they were in search of a smart solution of the highest quality. Calls now come through to Moore Kingston Smith in the first instance but if they're unable to answer, Moneypenny are on hand. At any time of the day or night, calls are routed to Moneypenny in a matter of seconds. It's completely seamless.

"When I look at what we set out to achieve, we've done it all - we've found an affordable, quality service to support us around the clock and deliver a personal and professional touch with every interaction. We've found a partner in Moneypenny, not just a service provider."

Simon Booth Head of Premises & Facilities, Moore Kingston Smith

2. Improving customer experiences

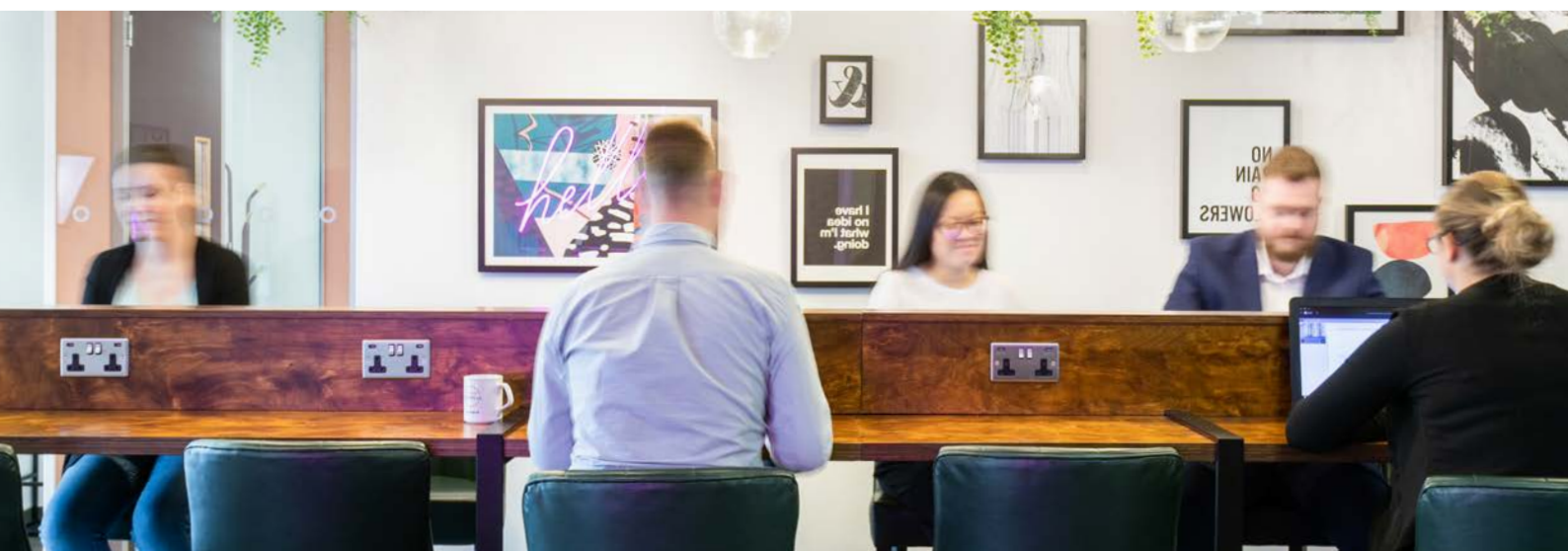
The logo for Cooper Parry, featuring the company name in white, uppercase, sans-serif font on a solid magenta rectangular background.

'The rebels of accountancy' Cooper Parry like to build relationships with their clients that break the mould. With this in mind they always wanted to ensure that they had less than 5% call abandon rates, recognising how frustrating this was for clients. However, with their in-house team busy with calls this was proving challenging. Moneypenny was approached as a fellow winner at the 'Best Companies to Work For' awards. They wanted to work with a company that understood their approach to people and service.

Moneypenny now effortlessly manages all the overflow calls so that Cooper Parry has a 0% call abandon rate, ensuring it maintains its reputation for excellent customer service.

"The transition to Moneypenny couldn't have been easier. They asked all the right questions and went out of their way to understand how we work. Now, our in-house team can focus on their job whilst Moneypenny takes care of our calls – I would absolutely recommend Moneypenny to other businesses, the quality of the service is amazing."

Joanna Giles Head of Facilities, Cooper Parry





LivePerson Automotive was looking for a partner to help manage the conversational relationship with consumers by helping dealers build relationships with their customers through the lifecycle of the car, from sales to servicing and maintenance.

Money Penny were able to provide LivePerson Automotive with a managed service solution, offering 24/7 live messaging for auto dealers. The strategic partnership allows dealerships to engage, nurture and monetise consumer conversations around the clock.

From sales support to booking test drives, this collaboration can run a dealership's entire messaging operation or cover nights and weekends.

"We're excited to bring two great companies together to provide even better service to our dealer customers, OEM partners and consumers. Allowing customers to contact brands in the messaging channels they prefer, at the times they prefer, is essential to building strong relationships."

Thom Coupar-Evans Sales Director for LivePerson Automotive UK

3. Enabling an organisation to adapt to changing market conditions and driving greater flexibility for a business



RSM, a leading provider of audit, tax and consulting, partnered with Money Penny as they needed support in place quickly to manage the company collapse and subsequent business administration of a client who had over 10,000 investors. RSM knew that their in-house staff wouldn't be able to manage the high call volume expected and, after researching, it was clear that Money Penny was the best provider.

The Money Penny team answered questions investors had and managed their expectations. Callers were often anxious or agitated, but the fact that they were able to speak to a real person who could provide them with the information they were looking for, put them at ease. With Money Penny's support RSM were able to dedicate more time and attention to wrapping up the administration process itself, knowing that the calls – no matter how difficult they could be – were in safe hands.

"The turnaround was impressive – we'd sent over a large amount of information to our Money Penny Receptionist, Stacey, so her supporting team could field calls efficiently. Everything was set up within 48 hours. Money Penny's ability to understand the needs of callers is impressive."

Matthew Foy Assistant Manager, RSM UK





Operating the BMW and MINI franchises across the North West of England and North Wales, Halliwell Jones were receiving an unprecedented amount of calls, and even with the support of an expanding internal contact centre, they were unable to answer every one. They knew they needed to outsource some support to this area of the business; Moneypenny was the quick solution to their problem.

Whenever Halliwell Jones experience a peak in calls, the overflow are simply diverted to Moneypenny who answer calls within seconds. With Moneypenny taking precise information from the caller such as vehicle make, model, registration number and contact details, Halliwell Jones are able to return calls, confident that they have all of the vital information about the enquiry.

“Not a single call slips through the net, which has improved our customer service level. The data Moneypenny captures is detailed, meaning we’re much better prepared when we return the call. The flexibility of the service works so well for us. The fact that we can pick up and resume the service whenever we need the extra support is fantastic.”

Jim Houghton Group Sales Director, Halliwell Jones

4. Access to new technologies to drive operational benefits with no capital investment



Award-winning Mercedes-Benz dealership, Northside Truck and Van Ltd, has over 50 years’ experience in the industry. Understanding the value in capturing enquiries online, they tried to manage a live chat function on their website in-house. With their team busy focusing on other areas of the business, live chat wasn’t being used. Knowing potential new business was being missed, they agreed they needed to find an outsourced live chat solution so their team could focus on the customers in-store.

Moneypenny now manages their live chat on a 24/7 basis, ensuring every single lead is secured. A complete solution, including real people, gold-standard software and a dedicated Account Manager on hand whenever they need, Northside Truck and Van Ltd can get on with what they do best, leaving their website visitors in the capable hands of Moneypenny Receptionists. Moneypenny’s flexibility means their customers always receive the very best service and their employees aren’t under pressure to multitask responsibilities.

“With Moneypenny, we’ve been able to fully understand the level of demand for live chat on our website. We use the online portal to monitor chat volume and trends, giving us a greater insight into how the service is working and how many leads we’re converting. Moneypenny has the technology, skills and time that we don’t have to make live chat a success, and what’s more, we’re selling vehicles on the back of their messages so we know it’s working.”

John Davis Head of Marketing, Northside Truck and Van Ltd - Mercedes-Benz



Partnering with Moneypenny to enable access to AI and integrated customer services solutions to drive operational benefits.



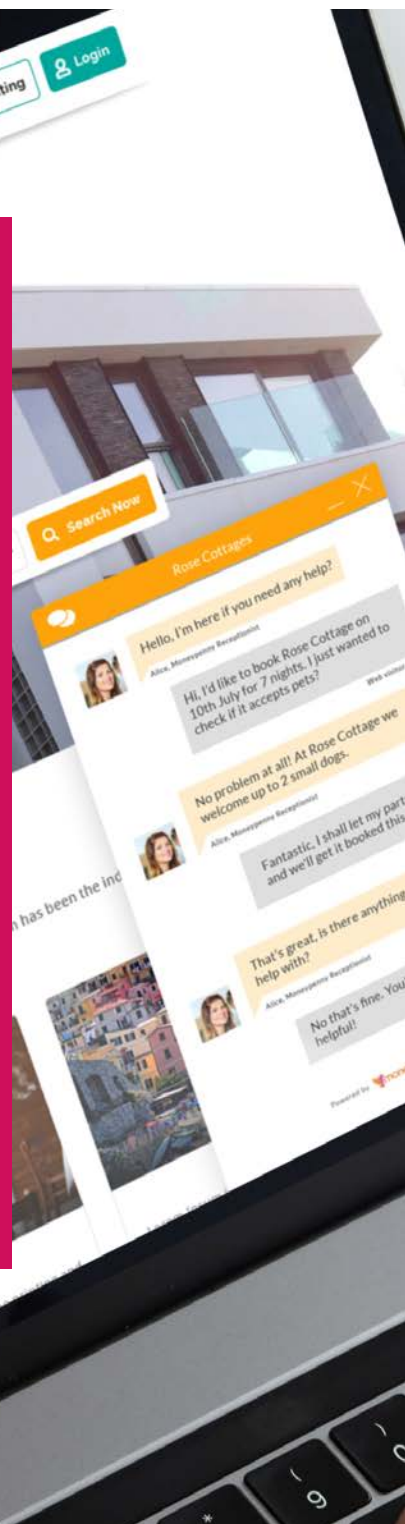
Moneypenny invested in Twilio's advance customer interaction technology platform across their operations because it enhances their clients' customers experience and further strengthens their ability to use Artificial Intelligence (AI) to handle calls and messages more effectively. This technology is leveraged by Moneypenny to deliver even more efficiency for its clients such as filtering out automated calls and sending repeat callers back to the Moneypenny Receptionist who took the previous calls to maintain relationships. Twilio also allows seamless integration between the UK and US systems thus further streamlining operations.

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With Twilio we are able to streamline our communication services, such as Telephone Answering, Live Chat and WhatsApp, into one integrated interface, which will assist our ability to use AI capabilities even further to drive brilliant customer interactions. Our partnership with Twilio allows us to work closely together throughout the iterations and to ensure we are constantly striving to improve the best and most bespoke customer experience available. We are also exploring Twilio Media Streams which will allow us to analyse the quality of a call, in real-time, through sentiment analysis, allowing us to adapt according to the callers needs.

Sarah Baker, Product Manager, Moneypenny

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Future of Outsourcing - How Moneypenny can help

Moneypenny is a leading outsourced communications provider, delivering Telephone Answering, Live Chat, Switchboard and multichannel customer services. We work with businesses of all shapes and sizes, from sole traders right up to multinational corporations.

In the UK, Moneypenny has over 700 staff. It also has offices in Charleston, USA. The company was founded by a brother and sister team in 2000 and currently handles over 15 million customer communications a year for 13,000 businesses.

We are proud to have won the Queen's Award for Enterprise and recognised six times in The Sunday Times '100 Best Companies to Work For'.

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Our recent research has shown that 93% of large companies have seen an increase in calls over the last five years. In a time when consumers are buying experiences and not just products, it is essential that calls are promptly and professionally answered. In addition, the value of enquiries and sales are estimated at over £1,000 for large businesses. Can companies afford to miss a call in our very competitive market?

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Joanna Swash, CEO, Moneypenny



For more information about Money Penny, visit **money Penny.com**

Or contact

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We regularly share our story at events and conferences. If there is an event you'd like us to speak at, please get in touch.