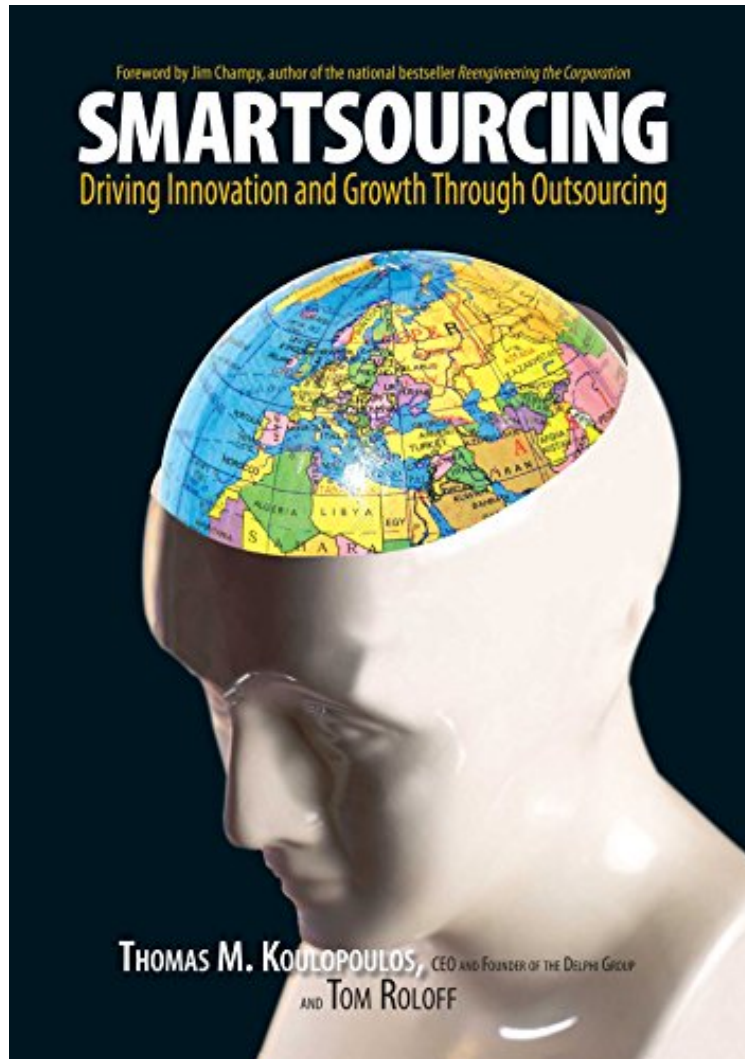


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# Smartsourcing: Driving Innovation And Growth Through Outsourcing

*Thomas M Koulopoulos, Tom Roloff*  
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**Thomas M Koulopoulos, Tom Roloff : Smartsourcing: Driving Innovation And Growth Through Outsourcing** before purchasing it in order to gauge whether or not it would be worth my time, and all praised Smartsourcing: Driving Innovation And Growth Through Outsourcing:

1 of 1 people found the following review helpful. MindblowingBy AstierDriving Innovation and Growth Through OutsourcingSmartsourcing by Thomas M. Koulopoulos and Tom Roloff - is sub-titled 'Driving innovation and Growth through Outsourcing' this goes straight to the point which seems to be an habit of the authors who does not beat around the bush and dive directly into the nuts and bolts of their subject, which makes Smartsourcing a very insightful read.Like Thomas Friedman, the authors agree that the world is flat, that we are now evolving in a global economy

where work flows like water along the path of least resistance, leading jobs to be moved out of the United States and Western Europe and to be reallocated to Asia or whatever other places where wages are more attractive. That is what offshoring and outsourcing are all about, cost reductions. Smartsourcing presents a different approach and is based on the premise that outsourcing for the only intend of cost reductions is highly dangerous and does not yield the return on investment it promised. In the Smartsourcing framework, in order to outsource any organization has to go through a strategic reorganization of itself, to understand what could be, and more importantly what should be outsourced, and of course what is core to the enterprise and therefore should be not only kept in-house, but also invested in. The point is simple, in order to success on a global scale an organization must focus on what it does the best, and to do so it must shift from the traditional Functional thinking to a Process thinking. Indeed, processes offer visibility, agility and a set of metrics can be used to evaluate their performance and therefore compare them to the industry standard. Doing so, an organization can understand what its strength and weaknesses are. Outsourcing or offshoring non core processes will boost the efficiency of the complete value chain, since the sourcing partner will execute those processes more efficiently because what is non core to an organization should be core to its sourcing partner. Of course this is an high level view, Smartsourcing provides the tools by which organizations can thrive in this new framework, creating value by: keeping the light on for less, creating more innovation for the given dollar, transferring risk between the partners and optimizing risks transference. After a keen analyze of the technical solution available to organizations nowadays, the Authors share their view on that market and the way it will evolve to a new generation of BSPs creating a new generation of smartsourcing hubs orchestrating business components across executable business processes. According to the Authors, the evolution of the software industry will "dwarf the technology industry of the next fifty years" and B2B vendors have a key role to play in that move to a purely efficient market where the transfer cost, that is the cost of "unplugging and plugging back to another ecosystem" would no longer be a measurable impediment. Once a process has been identified as core to an organization, the rate of the innovation on that given process must increase, allowing it to keep its competitive advantage. And the cash flow to alimnt the innovation trend comes directly from the money made out of outsourcing. According to the Authors, for every dollar of work offshored \$1.20 to \$1.40 is created in additional return and this money should be the venture capital of the innovation economy. Don't underestimate this point, after an agricultural based economy, followed by an industrial age, followed by a service based economy, we are now entering the area of innovation and the "invented in" label will have more value attached to it than the "made in" label. Therefore the innovation process becomes a challenge, and it requires its own set of skills. It is vital for our economy that we learn how to innovate through learning tools such as CPS - Creative Problem Solving for the future begins with the challenges we face today. Smartsoucing is a hell of a good read and is fascinating because of the insightful, visionary comments of its writers. Thomas M. Koulopoulos, is known for his colon in The Economist, BusinessWeek, The Wall Street Journal and his broadcasts on CNBC and CNN. He is also the CEO of the Delphi Group. Tom Roloff is a leading business strategist, Vice President and CTO of EMC corporation. Both made a very good work with this wake-up call book offering us a glance at what will be the future of the software industry as well as the way businesses will evolve. As they wrote: "We apologize for sounding the fire alarm. But don't confuse the inconvenience of being awoken from a sound sleep with the greater threat posed by the flames at your backside." 0 of 0 people found the following review helpful. Road Map for Companies That Want to Thrive by Doing Outsourcing the Right Way By Meryl K. Evans Outsourcing is here to stay, regardless of how employees feel about it since businesses continue to save money as a result. It is, however, evolving into something less threatening to employees as companies discover savings--by using other companies to manage a part of the business that's not considered one of their core processes. Smartsourcing looks at the why and how of this new take on outsourcing -- where all involved benefit and innovate. The authors state that companies aren't realizing the full benefits of outsourcing, as most simply send a process to another company and leave it at that. Smartsourcing adds innovation to the outsourcing formula as companies consider outsource firms as partners. This leads to the creation of more American jobs, not just the loss of jobs overseas as many fear. Implementing a smartsourcing strategy takes time, but companies that want to grow and compete need to carefully review their outsourcing strategy, find gaps and outsource the right processes the right way. One of the most important things to do in planning a smartsourcing strategy is to review a company's existing processes, determining which are core and which are non-core. Companies have been surprised to find out which processes fall under which category. For example, a hospital may think information technology is one of its core processes only to find out it's not, and instead their essential process is patient care. Some of these concepts can be difficult to grasp, but executives and managers who read Smartsourcing will gain insight on how to intelligently outsource so that they can increase innovation and effectiveness while getting ahead of their competitors. 0 of 0 people found the following review helpful. This is a great book about the fascinating current trend in the global market By Bertrand Barthelemy This is a great book about the fascinating current trend in the global market. Personally, one point I found interesting was about innovation; it gives us a new outlook on outsourcing and off-shoring. In our company we are talking about "Right Shore": the right resources at the right location at the right time. If reorganization is done successfully and strategy is right, then come Right Shore and smart-sourcing. They leverage the capacity, capabilities, cost advantages and competencies of your company across geographies. Vital factors in this process of outsourcing are

the choice of an outsourcer and the location chosen for outsourcing. The authors remind once again that the trend toward offshore/outsourcing is a lot more complex than simply seeking skills and resources in the lowest-cost locations. For instance the driving forces in the IT outsourcing market are quality and speed to market, not just cost of services. Last but not least, the book is easy to read and without too much of abbreviations and MBA jargon.

Outsourcing is the most popular movement of the new global business economy. In fact, the typical executive will soon spend one-third of their budget on outsourcing! Smartsourcing is the next evolution in outsourcing. Traditional outsourcing reduces costs by moving the work to where the least expensive workers are. While that may cut costs, it simply replicates the status quo. Smartsourcing goes a step further by showing companies how to partner with service providers to not only cut costs, but also increase innovation across the full spectrum of their business. Smartsourcing is the first book on the market to be ahead of the curve on one of the most important shifts in business today.

"... a must-read for any executive tasked with leading his or her organization into the Innovation Age economy." -- Patricia Brown, senior executive editor, Optimize Magazine  
About the Author Thomas M. Koulopoulos is the CEO and founder of the Delphi group, the technology and management arm of Perot Systems. He is a recognised authority on the implications of information technology on global organisation. His articles and insights are regularly featured in international print and broadcast media such as Business Week, The Wall Street Journal, Forbes, The Economist, CNBC, CNN and NPR. He has also been a guest lecturer at the Boston University School of Management and Harvard University.