METHOD 1 2 3
empowering managers to succeed

As a Project Manager, you'll often have to outsource all or part of a project to an external supplier. Outsourcing can be a way of saving you time and hassle, while still achieving a great result. To help you do this, we listed 3 very important...

Tips for Outsourcing Your Projects

Outsourcing is a term used when an external supplier (i.e. vendor) is responsible for delivering a set of goods and services to your business. Follow these tips, when outsourcing to an external company:

Step 1: Put a Stake in the Ground

The single most important step to take when appointing a supplier, is to define your outsourcing requirements by documenting them in a "Statement of Work". In this document, you will describe in depth the; goods and services that must be provided, the delivery process, terms and conditions, and timeframes for providing them.

You should then release the document to your supplier to see if they can actually meet your requirements. If they can, then you have a clear "stake in the ground" around which you can create a supplier contract. But if they can't meet your needs, then at least you know upfront, and you can then go about finding a more suitable supplier to work with.

Step 2: Get Formal

Even if the supplier is 'your best mate', 'an expert in the market' or 'someone you've worked with before', you still need to *get formal* by creating a Supplier Contract with them. The contract is needed in case things get messy. It's a great tool for clarifying all of the deliverables up front, and for setting out the terms and conditions for delivery.

Every contract should include a set of delivery milestones, which state the dates for delivery of the goods and services to your project. And if you're smart, you'll add supplier reviews straight after those dates and then schedule payments to suppliers around those dates as well. In that way, everyone knows what will be delivered, by when and when they will be paid.

Step 3: Manage Milestones

You then need to manage each milestone, as though your life depended on it. Schedule time in your diary to make sure that a supplier milestone NEVER slips, and make sure you have penalties in your contract in case it does.

Sure, it might be your fault that the supplier hasn't met their target delivery date, but even if this happens, still run the milestone reviews regardless. The review can determine how late they are going to be, the cause of the delay and the effect on the project timeline and budget.

By always running the reviews on time, your supplier will quickly learn that late delivery is unacceptable, and your whole team will be motivated next time round to helping the supplier to deliver their part of the bargain. In this way, a true supportive partnership can be established.

The process of managing suppliers is more of an "art than a science", but only by being supportive, yet firm, will you promote the right supplier behaviour and boost your chances of achieving project success.

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