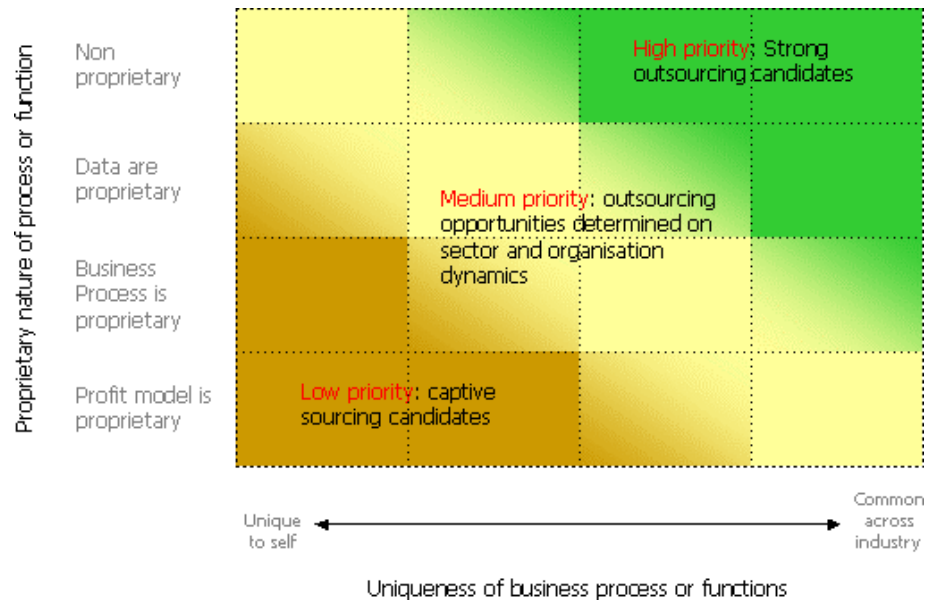


What should you outsource?

The simple outsourcing attractiveness matrix (opposite right) can be used to crudely determine which functions have the greatest outsourcing potential and which should remain in-house. The vertical axis measures how proprietary a function or capability is for your organisation. The horizontal axis measures how common the capability is within (or outside) your industry sector. The less proprietary and more common a function is, the stronger a candidate for outsourcing.



How strong are your capabilities?

Once you've determined which capabilities offer the highest potential value from outsourcing, you need to see how well and how efficiently your organisation currently performs each one relative to the industry benchmark. The exercise may well surprise you. If the cost per transaction is low enough and your quality high enough, you be thinking of selling the capability externally yourself.

