Cellulus
Delivering Operational Innovation

Governing the deal

By Paul Munday

What is Governance?

The use of the word 'Governance' is, to most of us at least a little confusing. We hear and use the word 'Government' in our everyday language and not always in a positive light.

In the Concise Oxford Dictionary, the definition of the word Governance is: Act, manner, fact, or function of governing.

This definition is fairly clear, and therefore can be easily used to describe the management of any corporate function. It provides an architecture of accountability and the structures and processes to ensure that the enterprise component at which it is directed are managed in the interests of all parties.

It can also be used to describe the processes that are put in-place to allow control of an Outsourced service.

Where Governance fits

For a complex outsourced Operational environment, there will be a need for many forms of Governance that all interact and form part of an overall Governance model.

The areas in which Governance will be needed are:

- ★ Strategic Direction
- ★ Contract and Commercial
- ★ Operational Management
- ★ System and Service Design
- ★ Change Control

In all cases the functions of governance are there to ensure that the correct controls are in-place in order to manage risks.

How Governance is implemented

In any situation, the Governance structure centres around a series of control and review Boards.

The Boards have specific responsibility for reviewing deliverables, metrics, proposals etc and satisfying themselves that the operation is functioning as it should and that risks are being mitigated.

In all cases, the Boards will either review and pass information between them, or to and from the Operational environment. An example of this would be a Change Control Board which would receive proposals of changes to be implemented to the Operational Environment and will return a decision on how and when to carry out the change, to the Operational environment. In the case that the Change Board are not able to decide on this, they will pass it as an escalation to an Operational Management board.

When dealing with an Outsourced environment, it is critical than the Governance model is not only put in-place, but it is reviewed in order to ensure that it delivers the appropriate control, and that there are no issues that cannot be handled.

The implementation of a good governance model will require that there are appropriate processes and measures in-place within the Operational environment so as to allow the Boards control and steer. These measures may be financial ones accompanied by monthly reporting, or they may be quantitative and qualitative service performance measures.

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How can Cellulus help?

At Cellulus we specialise in Operational Efficiency and Outsourcing, working with companies to identify the best way of delivering benefits through process improvements, tool introduction and enhancement, and the optimisation of the Human capital of the company.

We have gained a great deal of experience working for both Suppliers of services and their customers in both sides of the Outsourcing contract and through involvement at all levels and in all phases of the process. This provides us with a unique insight to this complex environment.

Cellulus can perform in a number of roles, from Advisor and Mentor during all phases of Efficiency and Outsourcing projects, to directly managing some or all phases, and contributing to the others.

Our aim is to provide the best possible outcome from any project and to deliver value far above our fees to the Client organisation.

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