Pragmatic approach for supplier onboarding

"Progress, Not Perfection"

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The increase in complexity of today's IT environments managed by various suppliers requires a structured and robust supporting model that can be provided to customers toward delivering services in an effective and collaborative manner.

The SIAM (service integration and management) capability provides valuable insights and acts as a guide in setting up a SIAM organizational structure.

Through this whitepaper, we would like to share our practical experiences of the approach taken to onboard suppliers in an SIAM ecosystem. Effective onboarding can improve collaboration between the customer, service integrator, and suppliers. It will also ensure that suppliers feel welcome and prepared, in turn giving them the confidence to deploy the right level of resources to make a positive impact within the SIAM model.

Key stakeholders

Stakeholders are those who may be impacted by or influence supplier onboarding. Identifying the right stakeholders is an important element in this approach. We suggest identifying stakeholders based on the degree of influence they would have on the entire supplier-onboarding process vis-à-vis the impact it would have.
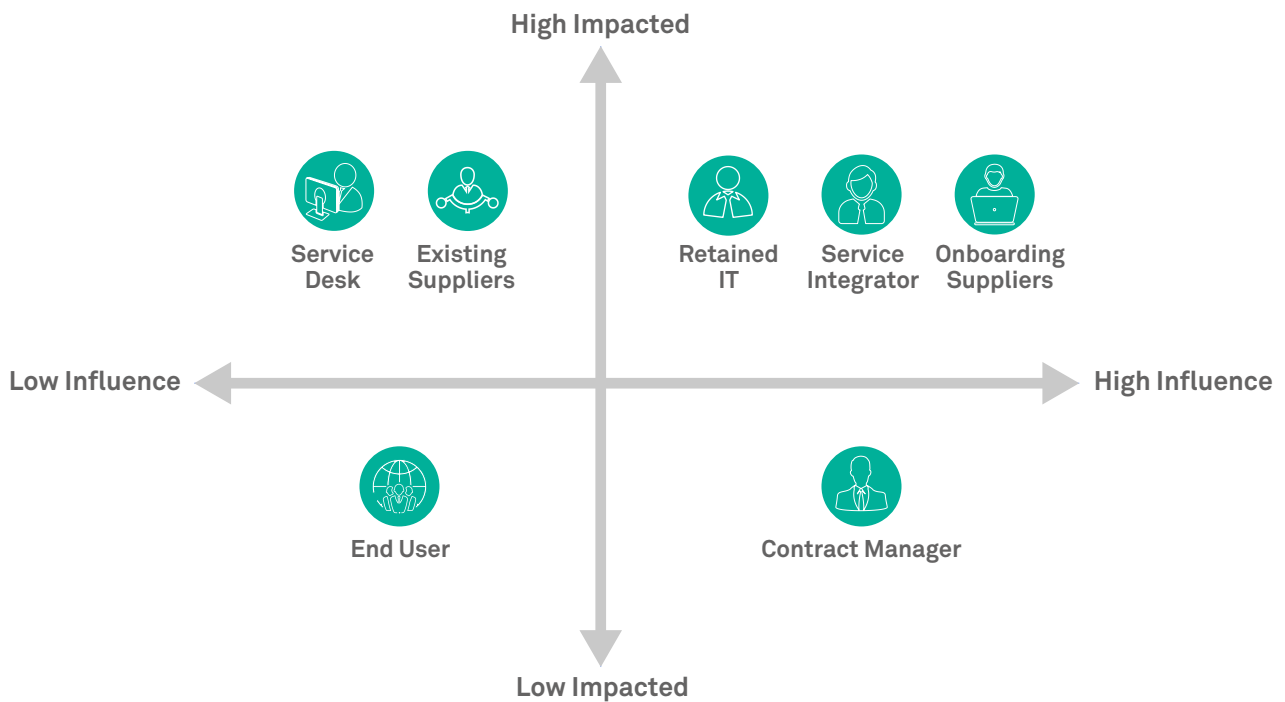
Below are some of the key activities of potential stakeholders for effective supplier onboarding.

Retained IT

Key Activities
- Ensure compliance to policies
- Onboarding sign-off

On boarding Supplier

Key Activities
- Contractual commitment
- Active participation in onboarding

Service Integrator (SI)

Key Activities
- Process, Tool integration
- E2E Supplier Onboarding

Service Desk

Key Activities
- Align SD activities for supplier onboarding
- SPOC for end users

Contract Manager

Key Activities
- Management of contracts
- Conflict Resolution

Existing Suppliers

Key Activities
Analyze dependencies and collaborate

End Users

Key Activities
Adapt to organizational change

Onboarding process

"Articulating business goals is a primary concern, so the customer organization and its business goals should be understood. It is great to have technology, tools, and processes in place, but understanding business goals can ensure that the onboarding process is in line with what really matters."

– SIAM Professional BoK

Onboarding allows the service integrator to welcome, educate the suppliers, and set expectations so that all parties can work together effectively. Onboarding is also about providing and receiving information, and setting the tone for a successful relationship.

The following outlines the pragmatic approach for onboarding suppliers:

- Sequencing the appointment of the suppliers

- Creation of a standardized onboarding plan

- Understanding of supplier contractual processes and tools agreement

- Scheduling of an onboarding workshop with all key stakeholders

- Formal agreement with suppliers on a collaborative approach

- Onboarding completion sign-off from the customer and suppliers

Sequencing the appointment of suppliers

Suppliers are broadly classified into three types:

Core SIAM suppliers	Non-core SIAM suppliers	Commodity suppliers – (OEMs)

Prioritizing the onboarding of core SIAM suppliers first, followed by non-core SIAM suppliers, and finally the commodity suppliers is the recommended approach.

This sequence is based on the below matrix of 'Business Value Contribution' versus 'Overall Risk on the Systems/Business' and is helpful in minimizing the risks associated with the transition of such an activity.
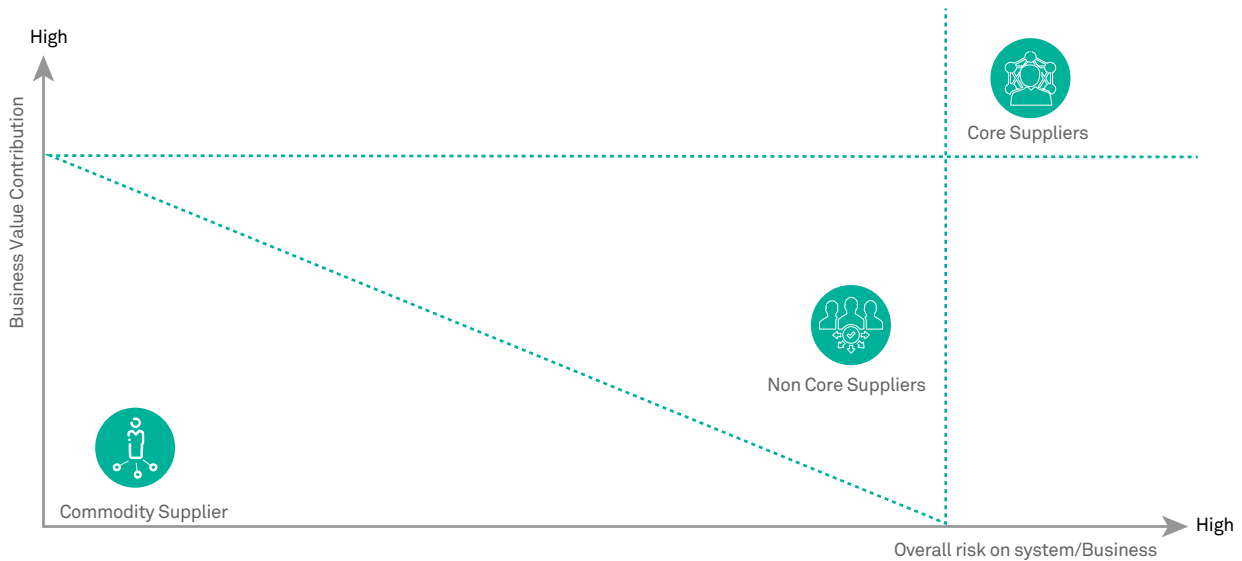
In addition, here is a short list of recommendations to consider while evaluating the onboarding of suppliers:

• Those who have the technology in place to connect to existing organizational tools

• Those that already exist in the environment, which means lesser effort spent in managing their onboarding

• Most inter-connected suppliers first and then focus on the simpler suppliers

Standardized onboarding plan

An onboarding plan aims at making new suppliers familiar with the overall strategy formulated to onboard suppliers and get them acquainted with processes and tools. It also acts as a reference document to track the progress of the supplier's onboarding.

The owner of this plan is the service integrator.

• Process of articulating a formal agreement between the service integrator and the supplier(s) on alignment with the SIAM model

• Processes and tools onboarding

• Onboarding of SIAM / contractual service levels and reporting mechanisms

• Process operationalization

• Governance model

• Alignment with service-desk operations

• Process to evaluate supplier performance

Supplier contractual processess and tool alignment

As a prerequisite, the service integrator should work with suppliers to understand their contractual processes and tools agreement with the customer.

The objective is to design an integrated process supported by tools that will ensure all suppliers are engaged properly in the service-delivery model and are able to provide value.

Before the planned supplier onboarding workshop, a draft version of the process documents and tool integration plan should be ready.

Supplier onboarding workshop

The objective of the workshop is to introduce new approaches and working models and resolve operational details of the implementation.

These workshops require extensive preparation. The retained customer organization, service integrator, and suppliers should all have a clear, mutual understanding of the contractual commitments. The service integrator is responsible for driving the workshop.

The below-mentioned actions should be carried out during the workshop:

- Service Integrator – Should provide an over view of the SIAM model and onboarding plan

- Retained IT – Provide approval of the onboarding plan

- Contract Manager – Should drive activities related to the contract

- SIAM Process Owners – Should provide an overview of the agreed processes

- SIAM Tools Team – Should provide an overview

of the tool design and integration including SLA configuration

- Suppliers – Should provide an overview of the contractual commitments. Should also provide concurrence on the processes, tool design and integration plan as well as the onboarding plan. Existing suppliers should provide an overview on in-scope services and callout dependencies with other supplier services.

- Service Desk – Should provide an overview of service-desk operations and elaborate on the requirements to manage ticket flow for the respective suppliers.

Formal agreement between service integrator and suppliers

Post conclusion of the workshop and after agreement of the onboarding plan, a formal agreement between the service integrator and the suppliers should be facilitated by the retained IT. There are various names for such agreements, including Joint Way of Working (J-WOW), Memorandum of Understanding (MOU), Information Sharing Document (ISD), etc.

The agreement should cover details on agreed processes, tools, governance, service levels, and reporting.

Onboarding sign-off

The service integrator should be responsible to get a sign-off from the customer and the suppliers on completion of the onboarding exercise.

The below verification should be performed at the final stage:

- All the acceptance gates have been passed per the onboarding plan.

- Both the parties have signed off on a formal agreement between the service integrator and the suppliers.

- A final approval of the completion of the Supplier onboarding activity from the Customer.

Customer Commendations:
"Successful onboarding of service providers in an organization's SIAM framework is key to achieving an efficient and effective multi-vendor operating model. This practical approach has allowed us to onboard our core SIAM service providers and provides the foundation to further extend this across our entire service-provider ecosystem, making it a key success factor for our service-delivery function."
- Service Delivery Manager, Mining Company based out of Belgium.

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