



APMG-InternationalTM
Sourcing

Sourcing Governance Foundation

Syllabus

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1 Introduction

The primary purpose of the syllabus is to provide a basis for accrediting people involved with the Sourcing Governance Foundation course. It documents the learning outcomes of this course and describes the requirements a candidate is expected to meet to demonstrate that these learning outcomes have been achieved at each qualification level.

The target audience for this document is:

- Exam Board
- Exam Panel
- Accredited Training Organizations

This syllabus informs the design of the exams and provides accredited training organizations with a more detailed breakdown of what the exams will assess. Details on the exam structure and content are documented in the Sourcing Governance Foundation Designs.

2 Foundation Qualification

2.1 Purpose of the Foundation Qualification

The Sourcing Governance Foundation Certificate qualifies staff to work in the field of outsourcing, from both the client and suppliers' perspectives. It provides professionals in both client and supplier organizations with a basic understanding of how to source Information Services and the governance and management of these Information Services by a Demand Supply Organization.

2.2 Target Audience

The target group for the Sourcing Governance Foundation Certificate consists of all professionals playing, or aspiring to, a role in managing IT Services offered in a contractual relationship between customer and supplier organizations. This includes staff from IT providers as well as customers who need an understanding of IT services management, the role of a demand supply organization and the role of best practices and frameworks in a sourcing context.

2.3 High Level Performance Definition of a Successful Foundation Candidate

The candidate should understand the key principles and terminology within the Sourcing Governance guidance. Specifically, candidates will have acquired and demonstrated knowledge and understanding in the following areas:

- Recognize and understand the key concepts of outsourcing and sourcing Governance;
- Understand the changing role of the IT organization when outsourcing;
- Understand the challenges of implementing and operating a sourcing governance function;
- Learn the terminology and definitions related to outsourcing and sourcing governance.

3 Learning Outcomes Assessment Model

A classification widely used when designing assessments for certification and education is Bloom's Taxonomy of Educational Objectives. This classifies learning objectives into six ascending learning levels, each defining a higher degree of competencies and skills (Bloom et al, 1956, Taxonomy of Educational Objectives).

APMG has adapted this into a four-step variation of the Bloom's model – The APMG Learning Outcomes Assessment Model, which defines the standard for each qualification's Learning Outcome Assessment Model. The Model is used as a basis for classifying learning outcomes when developing exam qualification schemes and syllabi.

This structured approach helps to ensure:

- There is a clear delineation in learning level content between different qualification levels
- Learning outcomes are documented consistently across different manual areas
- Exam questions and papers are pitched consistently and appropriately for each of the learning levels.

3.1 Sourcing Governance Foundation Learning Outcome Assessment Model

Two levels of learning outcomes are shown below for the Sourcing Governance Foundation. These learning outcomes are independent of the method used to assess whether a qualification level has been achieved.

Sourcing Governance Foundation Learning Outcomes Assessment Model		
	1. Knowledge	2. Comprehension
Sourcing Governance Learning Outcome Assessment Model	Know facts, including terms, concepts, principles, model types and components, tools, techniques, roles and responsibilities from the manual/guidance.	Understand the concepts, principles, processes, organizational factors and roles and can explain how these are applied to justify, design and implement a structured outsourcing process, including the design of a Demand Supply Organization.

4 Syllabus Presentation

For each of the above learning levels, the syllabus defines the individual learning outcomes required for the qualification. Each learning outcome is then supported by a description of the requirements that a candidate is expected to meet to demonstrate that the learning outcome has been achieved at the qualification level indicated. These are shown as syllabus topics.

Each of the syllabus areas is presented in a similar format as follows:

1. Syllabus Area Unit of learning – e.g. a chapter of the manual/guidance document.
2. Learning Outcome A statement of what a candidate will be expected to know, understand or do.
(topic header shown in bold)
3. Level Classification of the learning outcome against the APMG Learning Outcomes Assessment Model.
4. Topic Description of what is required of the candidate to demonstrate that a learning outcome has been achieved at the qualification level indicated,

5 Source Materials

For the Sourcing Governance Foundation the following source materials are available:

1. Outsourcing Professional Body of Knowledge. Published by Van Haren Publishing. ISBN 9789087536138
2. The Balancing Act of Demand Supply Governance . Expert paper published by Quint Wellington Redwood.

6 Syllabus Areas

Syllabus Area Code	Syllabus Area Title
IO	Introduction to Outsourcing
PO	Preparing for Outsourcing
SD	Supplier Selection and Due Diligence
FP	Developing the Outsourcing Financial Case and Pricing
CN	Contracting and Negotiating for Outsourcing
TR	Managing the Transition to an Outsourced Environment
DF	Demand Supply Governance Framework
DO	Design of a Demand Supply Organization

Syllabus Area Code		Syllabus Area :	Primary Manual Reference
IO		<i>Introduction to Outsourcing</i>	
Level	Topic		
Know facts, terms and concepts relating to Outsourcing as a business practice. Specifically, to recall the:			
01	01	Definitions of Outsourcing	OPBOK 1.2
01	02	Responsibilities in an outsourcing relationship	OPBOK 1.2
01	03	Types of Business Relationship	OPBOK 1.2.1
01	04	Forms of Outsourcing	OPBOK 1.2.2 OPBOK 1.6 OPBOK 1.6.1 OPBOK 1.6.2 OPBOK 1.6.5
01	05	Stages in the Outsourcing Process model	OPBOK 2.3
Understand why organizations decide to outsource and how the Outsourcing Process Model, Outsourcing Business Plan and assessment of readiness are used to assist with this. Specifically, to identify the:			
02	01	Reasons and objectives behind a decision to outsource, and benefits to be achieved	OPBOK 1.3 OPBOK 1.3.1 OPBOK 1.3.2 OPBOK 1.3.4 OPBOK 5.2
02	02	Purpose of each of the stages of the Outsourcing Process model	OPBOK 2.3
02	03	Steps involved in implementing the Outsourcing Process model	OPBOK 2.3
02	04	Purpose of the Outsourcing Business Plan	OPBOK 2.4
02	05	Factors to be considered when assessing organizational ability to manage outsourcing	OPBOK 2.5/2.6
02	06	Differences between onshore and offshore outsourcing and the implications for the customer	OPBOK 1.6.5
02	07	Importance of critical business factors for outsourcing	OPBOK 1.6.1
02	08	Purpose of the Build-Operate-Transfer (BOT) outsourcing model	OPBOK 1.6.6
02	09	Barriers to Outsourcing and how they can be overcome	OPBOK 1.7
02	10	Differences between the various sourcing alternatives	OPBOK 2.2

Syllabus Area Code		Syllabus Area: <i>Preparing to Outsource</i>	Primary Manual Reference
PO			
Level	Topic		
Know facts, terms and concepts relating to developing an outsourcing strategy, managing risks and scoping opportunities. Specifically, to recall the:			
01	01	Two approach options to integrating outsourcing into the overall business strategy of an organization: <ul style="list-style-type: none"> 1. Top-down 2. Bottom-up 	OPBOK 3.2 OPBOK 3.2.1 OPBOK 3.2.2
01	02	Definition of terms used in the management of outsourcing Risks: <ul style="list-style-type: none"> 1. Strategic risks 2. Operational risks 3. Result risks 4. Transactional risks 5. Financial risks 6. Additional risk considerations 7. Risk identification 8. Risk quantification 9. Risk mitigation 	OPBOK 3.7
Understand the concepts relating to developing an outsourcing strategy. Specifically, to identify:			
02	01	The purpose of the Top-down and Bottom-up approaches	OPBOK 3.2
02	02	The purpose of the Outsourcing Decision Matrix	OPBOK 3.3
02	03	How to perform a Stakeholder Analysis	OPBOK 3.5
02	04	How to define a communication approach for each Stakeholder	OPBOK 3.6
02	05	The purpose of risk management in outsourcing	OPBOK 3.7
02	06	The steps involved in creating a Risk Management Framework	OPBOK 3.7.2
02	07	The importance of scoping and prioritizing outsourcing opportunities	OPBOK 3.8/3.9

Syllabus Area Code SD		Syllabus Area : <i>Supplier Selection and Due Diligence</i>	Primary Manual Reference
Level	Topic		
Know facts and terms relating to scoping outsourcing requirements, defining the current costs, the Provider Selection and RFP processes. Specifically, to recall the:			
01	01	Definition of terms used when defining detailed outsourcing requirements: <ol style="list-style-type: none"> 1. Prequalification Letter 2. Request for Information (RFI) 3. Request for Proposal (RFP) 4. Request for Quotation (RFQ) 	OPBOK 5.3
01	02	Definition of the terms used when baselining current costs <ol style="list-style-type: none"> 1. Current cost baseline 2. Performance levels 	OPBOK 5.4
01	03	Definition of the terms used when defining required results <ol style="list-style-type: none"> 1. Critical Success Factors 2. Key Performance Indicators 3. Attributes 	OPBOK 5.5
Understand concepts relating to scoping outsourcing requirements, defining the current costs, Provider Selection and RFP processes, and the mechanisms for communicating outsourcing requirements and information. Specifically, to identify the:			
02	01	Steps within the Detailed Requirement process	OPBOK 5.3
02	02	Purpose of baselining current costs	OPBOK 5.4
02	03	Purpose of Critical Success Factors	OPBOK 5.5
02	04	Purpose of documents used in the gathering of Provider information and communication of Provider proposals: <ol style="list-style-type: none"> 1. Prequalification Letter 2. Request for Information (RFI) 3. Request for Proposal (RFP) 4. Request for Quotation (RFQ) 	OPBOK 5.6
02	05	Purpose of the: <ol style="list-style-type: none"> 1. RFP Process 2. Provider selection process 	OPBOK 5.7 OPBOK 6.3, 6.4
02	06	Steps in the assessment of potential providers and purpose of the Due Diligence Framework	OPBOK 6.5
02	07	Steps in the scoring and selection of service providers	OPBOK 6.6
02	08	Factors to consider when selecting offshore service providers	OPBOK 6.7

Syllabus Area Code FP		Syllabus Area : <i>Developing the Outsourcing Financial Case and Pricing</i>	Primary Manual Reference
Level	Topic		
Know facts and terms relating to capturing current and projected costs, and pricing for outsourcing services. Specifically, to recall the:			
01	01	Definition of the terms used when capturing current costs 1. Activity-Based Costing 2. Overhead costs	OPBOK 7.2
01	02	Definition of terms used when managing the future Business Relationship': 1. Planning costs 2. Transition costs 3. Governance costs 4. Termination costs 5. Oversight costs	OPBOK 7.2
01	03	Definition of terms used in Pricing and Price levels 1. Cost plus 2. Unit pricing 3. Fixed price 4. Incentive-based 5. Gain-sharing 6. Achievement bonuses 7. Risk/reward sharing 8. Additional Resource Charges (ARCs) 9. Reduced Resource changes (RRCs)	OPBOK 7.3
Understand terms and concepts relating to capturing current costs, application of pricing models, and development of the financial case for outsourcing. Specifically, to identify:			
02	01	The purpose of, and the steps involved in capturing current costs	OPBOK 7.2
02	02	The challenges in creating current costs and establishing a financial baseline	OPBOK 7.2.1
02	03	The purpose of Activity-Based Costing	OPBOK 7.2.2
02	04	The purpose of Pricing Structures for an Outsourcing Contract	OPBOK 7.3 OPBOK 7.3.1
02	05	Steps involved in applying the different pricing models in outsourcing contracts	OPBOK 7.3
02	06	How a service provider develops the basis for pricing and the economics of pricing	OPBOK 7.4

Syllabus Area Code FP		Syllabus Area : <i>Developing the Outsourcing Financial Case and Pricing</i>	Primary Manual Reference
02	07	How to project the baseline and outsourcing costs for the benefit of management	OPBOK 7.5
02	08	How to project outsourcing benefits for senior management	OPBOK 7.6

Syllabus Area Code		Syllabus Area : <i>Contracting and Negotiation</i>	Primary Manual Reference
CN			
Level	Topic		
Know facts and terms relating to Contracting and Negotiation. Specifically, to recall the:			
01	01	Definition of terms used in Contracting: 1. Contract terms 2. Scope of Services 3. Pricing 4. Key Performance Indicators 5. Offshore contracts	OPBOK 8.2, 8.3
01	02	Forms of contracts 1. Multi-process 2. Multi-provider	OPBOK 8.3.1 OPBOK 8.3.2
Understand concepts relating to preparing for contract negotiation, the common areas for negotiation, managing contract change, risk and re-negotiation. Specifically, to identify:			
02	01	The principles of preparing to negotiate an outsourcing relationship	OPBOK 8.4
02	02	Common areas of negotiation	OPBOK 8.5
02	03	The reasons and considerations for contract termination	OPBOK 8.5.1
02	04	How to manage contract change	OPBOK 8.5.2
02	05	How to manage contract risk areas	OPBOK 8.5.3
02	06	The points for consideration when managing contract re-negotiation	OPBOK 8.5.4

Syllabus Area Code		Syllabus Area : <i>Managing the Transition to an Outsourced Environment</i>	Primary Manual Reference
TR			
Level	Topic		
Know facts and terms relating to Transition Management. Specifically, to recall the:			
01	01	Definition of Transition Management 1. Transition 2. Transfer 3. Transformation	OPBOK 9.2
Understand concepts relating to Transition Management. Specifically, to identify:			
02	01	The reasons for Transition Management failure	OPBOK 9.2.1
02	02	The purpose of developing and managing a Transition Plan	OPBOK 9.3
02	03	The purpose of a test plan and pilot test	OPBOK 9.3.1
02	04	The purpose of Training	OPBOK 9.3.2
02	05	The purpose of key post-cutover activities	OPBOK 9.3.3
02	06	How outsourcing impacts the organization	OPBOK 9.4
02	07	The steps to be followed to ensure effective employee communications	OPBOK 9.4.3 OPBOK 9.4.4

Syllabus Area Code		Syllabus Area : <i>Demand Supply Governance Framework</i>	Primary Manual Reference
DF			
Level	Topic		
Know facts and terms relating to the Demand Supply Governance Framework. Specifically, to recall the:			
01	01	Definition of Demand Supply Governance / Framework	Expert paper page 5/6 page 19/20
01	02	Definition of the three domains	Expert paper page 19-20
01	03	Definition of the three levels	Expert paper page 19-20
Understand terms and concepts relating to the Demand Supply Governance Framework. Specifically, to identify the:			
02	01	Topics which need to be considered for successful DSG management	Expert paper page 8-10
02	02	Purpose of the key focus areas at the strategic level	Expert paper page 20-21
02	03	Purpose of the key focus areas at the organize level: 1. Innovation 2. Demand 3. Supply	Expert paper page 21-22
02	04	Purpose of the key focus areas at the operational level	Expert paper page 22
02	05	Purpose of the three delivery flows	Expert paper page 11-14
02	06	Purpose of the three governance hotspots	Expert paper page 15-18
02	07	Purpose of the key tasks and activities of DSG in managing: 1. Standard services 2. Changes 3. Projects	Expert paper page 12-13 page 13-14 page 14
02	08	Purpose of the key tasks and activities of DSG in: 1. Governance Hotspot - Demand Management 2. Governance Hotspot - Supply Management	Expert paper page 15/16 page 16/17
02	09	Purpose of Governance Hotspot - Matching Demand and Supply	Expert paper page 17
02	10	Purpose of the Customer Order Decoupling Point	Expert paper page 17/18
02	11	How to operationalize the Governance Hotspots	Expert paper page 17/18

Syllabus Area Code		Syllabus Area : <i>Design of a Demand Supply Organization</i>	Primary Manual Reference
DO			
Level	Topic		
Know fact, terms and concepts relating to designing a Demand Supply Organization (DSO). Specifically, to recall the :			
01	01	Key responsibilities of a DSO	Expert paper page 7/8
01	02	Roles and competencies within a DSO	Expert paper page 23/24
01	03	Three organizational structures of a DSO	Expert paper page 25
01	04	Six 'organize and control' Boards in a DSO	Expert Paper page 26
Understand terms and concepts relating to designing the DSO. Specifically, to identify:			
02	01	How to identify roles and operationalize the Governance Hotspots	Expert paper page 23/24
02	02	The purpose of a contextual analysis when designing a DSO	Expert paper page 25
02	03	The considerations for choosing the right organizational structure of a DSO	Expert paper page 25
02	04	The eight steps involved in designing a DSO	Expert paper page 26
02	05	The competencies needed in a DSO	Expert paper page 23-25
02	06	The factors to consider when combining roles in a DSO	Expert paper page 23
02	07	The purpose and focus points of the 6 operational and 'organize and control' Boards in a DSO	Expert paper page 26-27
02	08	The importance of the eight critical success factors in implementing a DSO	Expert paper page 28
02	09	The objectives of the guidelines for DSO meetings	Expert paper page 27