

## The benefits of collaborative outsourcing

*Collaborative outsourcing, or knowledge-based outsourcing, will be next phase of the outsourcing wave. It is the stage at which organisations work on the basis of deep mutual knowledge, and ensure that the client's knowledge is enhanced, not lost, as a result of outsourcing. These are some of the issues that will be explored at a one-day symposium on Collaboration in Financial Services to be held on June 16 in the City of London.*  
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The argument in favour of collaborative outsourcing is expounded in the book *Developing Knowledge-Based Client Relationships: The Future of Professional Services (second edition)* by Ross Dawson\*, moderator at the symposium. In this book he argues that the next phase of outsourcing will be highly collaborative. This is where companies and outsourcers share information, integrate processes, and collaborate to achieve outcomes.

He explains the different phases this way: “In the first phase of outsourcing, organisations simply paid outsourcing companies to take over selected business processes. In the second phase, clients became more sophisticated, and specified in detail how the companies would work together to create results, and integrated the processes into their operations.” The third wave is collaborative outsourcing and this will be knowledge-based and synergistic. As John Blackwell, CEO of UK-based consultancy JBA, says: “Collaboration is about getting people onto the same wavelength and to work synergistically.” But how do you do this within organisations that are not known for their collaborative behaviour and have been very reliant upon technology for their success?

Before the financial services industry can embrace collaborative technologies wholeheartedly, the individual companies, not famed for their co-operative approach, must want to adopt collaborative behaviour.

And there is another hurdle to jump. Financial institutions choosing to embrace collaboration more enthusiastically must make a compelling business case for investment. Collaborative outsourcing is one way of doing this. The competitive environment is increasingly forcing firms to differentiate themselves in how they create value with and for clients. And embracing collaborative outsourcing is a compelling way to be competitive.