

## Hosting a global event - what can we learn about outsourcing governance?

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As you read the headline, you're probably wondering what hosting a global event and sourcing have got to do with each other. Well if I said Delhi 2010 Commonwealth Games, then you will get the picture.

If major sourcing programmes were run like this event, we'd all be forced to carry a warning sign across our necks. The sourcing community expected more and had high expectations from a country that is at the leading edge of outsourcing.

If you think about the games in traditional outsourcing language - the strategy phase, the contracting phase, the planning phase, the transition phase, the steady state and for some, the final exit phase - the games have not performed well in any of these stages, while the exit phase can only be judged by the legacy the massive investment (60-fold higher than original estimates) leaves behind.

### Let's take each in turn:

- the strategy phase – what was meant to be the goal of holding these expensive games? For some to line their pockets, for others national pride with India being beamed globally, others to promote participating sports (outside of cricket) to the nation, others to improve the infrastructure of the city, others to promote tourism.... You get the picture – there were multiple aims and I'm not sure if they ever arrived at what exactly was meant to be achieved; certainly, none of these have been communicated to the various stakeholders (not least the poor who have been shifted from the shiny new infrastructure for not fitting with this new image);
- the contracting phase – well a 60-fold increase in the cost from original estimates, suggests something has gone seriously wrong (or right in the case of those getting a slice of this huge cake). It is the government that has had to foot the bill – there doesn't appear to have been any serious thought to allocate risk between the various stakeholders and parties involved;
- the planning phase – there is no doubt that the monsoons have been heavier than most years; however, unlike the UK, one thing is for sure - give or take a week, the monsoon rains start around the same time each year. So why wasn't this taken into account in the planning? It is worth stating that with India being a democracy, things will always not be as straightforward as similar exercises in China, for instance, where command and control is a lot easier than a model based on negotiation (this is a general observation of outsourcing – the model of control changes from one of control to one via a contract – is a democracy not the ultimate contract between the state and the individual?);
- the transition phase – one of the key risks in the transition phase is the impact this has on quality of service delivery to the end-users – in the case of the Games, what we have had is a bridge collapse, the odd ceiling-fall, uncleanness, huge disruption to the local residents and some serious PR damage – this is not a good example of how to manage transition – this phase needs a huge amount of oversight, real-time reporting and issues management;
- the steady state phase – with the rush to get the transition over, what we have are empty seats across the venues – something that has been overlooked in the adrenaline-fuelled, hyper-charged transition environment - something that is not too uncommon in the outsourcing world either;
- the exit phase – well it's a little early to judge this, but like all good outsourcing programmes, one hopes this will have been given serious consideration.

Above all, what I find amazing is how it is the Games organisers in Delhi who have been blamed (in the



traditional outsourcing world, this is akin to the senior management team in the vendor) - shouldn't the client (the Commonwealth Games Federation) take some of the blame?

As I'm sure you will agree, successful outsourcing engagements work where you have a smart client. These clients roll up their sleeves and get involved proactively in governance – making sure things are progressing as planned, ensuring any issue that arises is resolved at the soonest, ensuring any major issue is escalated up the chain of command, and holding the supplier to account in terms of the quality and SLA schedule.

The old model where the Commonwealth Games Federation (the client) would agree the programme with the hosts (suppliers) and manage purely through the agreement may have worked where the hosts (suppliers) were Manchester, Vancouver, etc.

But here the hosts (suppliers) were India – where an agreement can be treated merely as broad guidelines, where quality standards may be somewhat different (i.e. different standards of cleanliness...), where time is treated in a similar way to how Stephen Hawking may treat time – something that is elastic and can be bent.

Surely, the Commonwealth organisers must have been aware of the cultural differences and what this meant in terms of how you manage the host country (supplier) – i.e. how the governance structure, model and control mechanisms must have been adapted to manage the specific challenges that were to be presented, instead of rolling out the old colonial model (one that may have been used to manage other suppliers or internal departments). Should some serious work not have been done at the very beginning to ensure both parties were singing from the same hymn sheet and used terminology that was agreed – i.e. what a good standard of cleanliness meant?

Personally, I think the Delhi 2010 games should be a MBA case study – a huge amount can be learnt from it!

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