



CIONET

DISCUSSION SUMMARY

OPTIMISING IT SOURCING FOR BUSINESS AGILITY



Business

On 7 May 2024 the Telenet Business Leadership Circle, organised and moderated by CIONET and Hendrik Deckers at the invitation of Telenet Business, took a deeper look at the optimisation of IT sourcing in the search for greater business agility. A diverse panel of CIOs shared their insights on how they organise IT sourcing, what they consider best practices and how they cope with the challenges of today's IT labour market.



Luc Verdegem
Head of IT

Facilitair Bedrijf: flexible IT sourcing at the Flemish Government

Facilitair Bedrijf manages the buildings of the Flemish government. It also oversees a purchasing center. Through a set of approximately 250 framework contracts, Flemish government services have access to, among other things, the purchase of IT and telecom services. Facilitair Bedrijf supervises all telecom and IT for the buildings, including a fleet of 82,000 SIM cards, 30,000 information telephone lines, 950 hybrid meeting rooms, and much more besides.

There are three possible options for staffing Facilitair Bedrijf. First, it can attract staff already under civil service contracts through internal vacancies within the Flemish government. A second way is through the USG Public Sourcing framework contract. This is usually done to hire (often expensive) profiles that are difficult to find on the regular labour market.

Best of both worlds

The third possibility is to recruit on the market yourself. However, the framework within which the Flemish government recruits is limited in order to offer market-rate remuneration. That's why Facilitair Bedrijf developed a solution via Vlaanderen connect. "This is a non-profit organisation that recruits IT profiles and pays them the prevailing market rate," says Luc Verdegem, head of ICT at Facilitair Bedrijf. "It essentially 'rents' them to the Flemish government. In this way, they form part of the operating budget rather than adding to the payroll. It's a way of working that gets the best of both worlds."

This method offers IT professionals the opportunity to work on government projects but at the same time enjoy all the benefits of a job in the private sector. And the formula appears to work. So far, Flanders connect has managed to recruit 400 IT profiles, without any staff turnover. It achieves this feat by putting extra emphasis on staff well-being and employer branding.

One team

The combined approach of Facilitair Bedrijf makes it possible to deploy sufficient people on every project, despite the war for talent. "We use a clear indicator," says Luc. "We must ensure that a new building can be put into use on the planned date." The success of the approach is down to the fact that Facilitair Bedrijf treats all employees equally: civil servants, employees from Vlaanderen connect, and those from USG Public Sourcing all come together to form one team. By viewing this whole as one ecosystem, Facilitair Bedrijf avoids internal competition and employees wanting to switch from one formula to another.



Internal or external?

A common scenario is that an IT profile starts working for a company on a "detour", for example through a collaboration with an external partner, an outsourcing company, or a framework contract. If that employee is happy in their position, the logical question might be whether they can become a direct member of staff.

That could create a delicate situation. The provider doesn't want to lose its employee, but at the same time it doesn't want to antagonise its customer. The customer above all wants as much continuity as possible in service and quality. The roundtable participants were familiar with this situation and they recommended covering it in their staffing contracts.

This can be done in very different ways. For example, a contract often states that after you resign from the provider, you're not allowed to immediately start working for that provider's customer. A waiting period of one or two years is stipulated. Until that period is up, the provider offers the client a comparable IT profile.

Internal mobility

IT profiles have been particularly scarce on the Belgian labour market for quite some time. This has led to an unusual situation. In practice, it's not so much the company that chooses the successful candidate as the IT professional who chooses from the selection of offers they receive. Skilled negotiators can pit companies against each other to land better deals.

However, surveys have repeatedly showed that salary isn't the most important driver for IT professionals. The job itself carries much more weight. This usually gives larger organisations more ammunition in the fight against turnover. These companies often lower the threshold for internal mobility, so that those looking for a new challenge or a different way of working can find it more quickly in-house. The government is also making internal mobility a spearhead of its policy.

Working from home

IT professionals are among the first profiles for whom working from home became possible. Today this seems obvious, although in practice we see that companies — especially in the aftermath of the coronavirus — have started looking for more balance. The roundtable participants revealed that work-from-home policies differ widely between companies. Some companies allow 100% home working in principle but find this to be impractical. When, as a result of this finding, spending two days in the office became mandatory, there was some initial resistance.

In practice, most IT professionals work from home two or three days a week. An important motivation for going into the office is to support the efficiency and cohesion of the team. At the same time, companies are absolutely not asking their staff to spend more time in the office again, for the simple reason that their buildings are no longer equipped for it. Modern offices are generally designed to accommodate up to half of all employees at once. If everyone came to the office at the same time, there would be a problem.

Women in IT

Some participants in the roundtable said that they focus specifically on communication and perception around women in IT. Attracting women to apply for IT vacancies appears to work quite well in practice, but it does require extra attention. The companies are happy to make that effort. Experience shows that highly committed and motivated female IT professionals tend to stay on board longer than their male counterparts. Specifically targeting young people in recruitment campaigns is a good way to attract more women applicants.

The impact of agile on sourcing

Many companies have adopted the agile methodology for their IT activities. However, the roundtable participants didn't want to be dogmatic about it. "Smart agile" is then the term they used. And also "agile is a mindset." In terms of sourcing, chapter leads are typically given full autonomy within a specific salary plan. It's also typical that business and IT work very closely together, for example with a delivery manager as head of the process.

When it comes to application development — the domain in which agile emerged — agile is in most cases the default choice. But much depends on the nature of the project. For the development of a mobile app, for example, agile is often the preferred approach, but for other, less obvious processes — the relocation of a data center, — the waterfall approach remains popular.





Laetitia Dierinck
Chief Digital B2B

Telenet Business: IT in the business

Telenet Business has implemented a major transformation. Since 2020, the company has been working in an agile way. That has also had a clear impact on its IT sourcing. “I worked in the finance department for years,” says Laetitia Dierinck, VP B2B Solutions, Digital Strategy & Transformation. “In those days we, on the business side, needed IT development, we had to contact the IT department.” If the required expertise wasn’t available, demand flowed on, for example to HR to recruit new IT staff, or to the purchasing department to hire in expertise from an external partner. Now, Telenet Business has a completely different approach. All application ownership now resides with the business itself. Typical for this transformation is that there is no longer a CIO.

“We still manage a number of large systems centrally, but all specific applications for supporting the professional market are part of the business.” Telenet Business now has a pool of talent that product owners from the business can utilize. There are also agreements with various external service providers who have staff available. “In concrete terms, the product owner talks to the talent lead,” explains Laetitia. “Together they map out which expertise or which profiles are needed for a project. The talent lead then looks at how the implementation can be done using a mix of employees from the talent pool and external providers.”

“The whole idea of this transformation is to create more decentralised decision-making power,” says Geert Degezelle, Executive VP. “But of course there are guardrails built in. We monitor the balance between the freedom of the business units on the one hand and the business architecture on the other.” The fact that Telenet Business pursues an agile approach works in two directions. “It allows us to work on a small scale when we need to, but also to intervene when a broader, larger approach is necessary.” Moreover, the company maintains sufficient flexibility. “There’s always room to make adjustments, especially when it turns out that some services or functions don’t lend themselves to going fully agile.”

Nearshore and offshore

In the search for specialised and affordable IT profiles, companies have for many years been looking abroad. It was interesting to see how the different companies around the table deal with this. A player from the financial sector explained how they developed a strategic multi-year plan for IT sourcing that phases out offshoring and focuses more on a combination of recruitment in Belgium and nearshoring. This solution turns out to be not only cheaper but also, more importantly, a way to rejuvenate their team, anchor internal knowledge, and create greater agility. The latter aspect in particular was mentioned as an essential differentiator. According to one of the participants, an important factor in this approach is to support all expertise internally. That might lead to more insourcing, however, which can be challenging.

Companies that assumed flat capacity for their own IT team in recent years have seen costs increase significantly due to inflation. A changed mix of local, nearshore, and offshore — for example by replacing more expensive offshore employees with young, cheaper internal staff members — allows the budget to be adjusted and even reduced. This results in different budgetary options. There is also a real business case for sourcing, although it presents a challenge when it comes to maintaining the quality and maturity of the team. You cannot simply replace all offshore experience with internal new starters.

Experience in India

For outsourcing, India remains a valued supplier of high-quality IT expertise. Several of the participants have experience with Indian partners. One of them established a partnership in the context of application development. Later a second partner was added, but the collaboration always proved to be quite difficult. Ultimately, the company started its own subsidiary in India, not only because it turned out to be cheaper, but also because it created more impact as you can develop your own corporate culture at your own company.

The participants in the debate all shared the same advice: you should always consider the employees of your offshore partners to be your colleagues. Only this leads to really successful cooperation. And of course you can't ignore cultural differences. Take these into account and build cultural understanding, again based on the principles of inclusive talent management. It's essential to not only lead your offshore team from Belgium, but also to be physically present there on a regular basis so that you can really focus on the people.

In summary

The roundtable provided some fascinating insights into the way companies deal with IT sourcing today:

- Within the government, a high degree of flexibility is indeed possible when it comes to IT sourcing.
- Attracting more female IT professionals is possible, but it requires role models and sustained effort around employer branding.
- It is essential to view your own employees, consultants, and freelancers — local, nearshore and offshore — as a single team.





About CIONET

CIONET is the leading community of more than 10,000 digital leaders in 20+ countries across Europe, Asia, and the Americas. Through this global presence CIONET orchestrates peer-to-peer interactions focused on the most important business and technology issues of the day. CIONET members join over a thousand international and regional live and virtual events annually, ranging from roundtables, programs for peer-to-peer exchange of expertise, community networking events, to large international gatherings. Its members testify that CIONET is an impartial and value adding platform that helps them use the wisdom of the (IT) crowd, to acquire expertise, advance their professional development, analyse and solve IT issues, and accelerate beneficial outcomes within their organisation.

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About Telenet Business

Telenet Business, part of the Telenet Group, is so much more than connectivity. As a managed service provider they help Belgian companies turn their digital challenges into business opportunities. They support and unburden, large and medium-sized enterprises as well as small entrepreneurs. You can count on them for high-quality managed services such as internet, telephony, solutions to collaborate and communicate digitally, cybersecurity and smart displays.

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