

Commentary

IT Services Contracts — Communication Plan

Complexity increases when working in an environment where a service recipient and one or more service providers coexist. We identify the importance of a communication plan and how to contractually ensure communication flow.

The communication process can make or break the execution of projects or outsourcing relationships. We identify how to design a communication plan to maximize effectiveness when deploying a mixture of internal and external resources.

Purpose

An effective communication plan describes the approach for disseminating contract-related information to all of the parties involved in the relationship. The plan identifies the informational needs of all stakeholders, as well as the approach and medium in which communication will flow. It serves many purposes that are important at various levels of the enterprise. Initially, the plan communicates the intention behind the sourcing decision, including the decision drivers, as well as the business benefits that are anticipated. Communication throughout the project — or as part of an outsourced relationship — ensures that:

- Issues are documented and communicated as they occur.
- Affected parties are informed.
- The responsibility for resolution is identified.

By including a communication plan as part of the contract document, the service recipient (SR) and service providers (SPs) ensure that responsibility for communication is a visible and important element of the relationship — and they will resource accordingly.

Importance

If you talk to 20 people that have attended an internal meeting, you will get at least three versions of what was communicated. Add external resources to that mix, and the problem is exponentially inflated. In such a situation, communication standards and documented communication processes facilitate consistent knowledge for affected stakeholders. Communicating early, rather than later, particularly when considering an outsourced relationship, minimizes the chance that inaccurate information gains

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credence (see “Effective Communication for External Sourcing,” SPA-08-1639). Communicating more, rather than less, creates an environment that encourages ongoing input and fosters cross-functional investment in the success of the relationship.

A robust communication plan will place emphasis on intensive communication flows during the early phases of the relationship. This emphasis helps all parties work together to ensure common understandings of operational definitions (e.g., if the SR and SPs have the same conception of what constitutes a process flow). Additionally, intensive communication in the early phases of the relationship provides ongoing opportunities for management to systematically coach the SR and SPs on the goals and priorities of the relationship.

Structure

- Statement of communication objectives
- Statement of the communication policy
- Organizational reporting structure
- Identified communication initiatives/initiative owners
- Identified recipients for various communication initiatives
- Communication schedules
- Communication mediums
- Processes for evaluating changes and exceptions to the plan

Example

A high-level example of the “guts” of a communication plan might look like the example in Figure 1.

Figure 1
Example of a Communication Plan

Communication Initiative	Initiative Owner	Attendees/ Recipients	Medium	Schedule
Project kickoff meeting	Project sponsor	Executive staff (SR and SPs); IS management; financial, HR and business unit representation	Premeeting e-mail on project background; in-person meeting, also available via ATC/UTC	Prior to project start date
Project status meetings	Project executives (SR and SPs)	All project staff initially; team leads after one month	In-person meeting, available via ATC/UTC; meeting notes posted to electronic bulletin board and e-mailed to recipients	Weekly for eight weeks; biweekly thereafter
Formal project reviews	Project executives	Executive staff (SR and SPs)	In-person meeting/ available via ATC/UTC	Biweekly going to monthly, based on volume of ongoing/open issues

Source: Gartner Research

All formal communication initiatives need to have set agendas and resources allocated for documenting and distributing all of the decisions reached in the course of the initiative. All of the issues identified need to have owners assigned who are responsible for resolving the issue. The more expansive the relationship between the SR and SPs, the greater the need for the early adoption of standardized communication protocols.

Bottom Line: Effective communication is at the heart of any well-run enterprise. When entering into a multisourced environment that is focused on achieving a predetermined set of business objectives, it is irresponsible to assume that communication will work well solely as a byproduct of ongoing interaction. By including a communication plan as part of the contract document, contract parties will increase their commitment to taking communication seriously and, therefore, increase the likelihood of a successful relationship.