



*When Recognition Matters*



# **EXAM PREPARATION GUIDE**

**PECB Certified Outsourcing Manager**

The objective of the “PECB Certified Outsourcing Manager” examination is to ensure that the candidate has the knowledge, and competencies to participate in the implementation of an effective outsourcing management framework and to be able to manage all the key elements of the procurement lifecycle. Other examination objectives include: ensure that the candidate has acquired the expertise to advise an organization on outsourcing and supplier management best practice, ensure that the candidate has mastered the concepts, approaches, standards, methods and techniques to effectively manage an outsourcing project, transition and supplier throughout the procurement lifecycle.

**The target population for this examination is:**

- Project managers or consultants wanting to prepare and to support organizations on outsourcing their activities
- Decision makers and their authorized representatives
- Stakeholders engaged in outsourcing arrangements based on ISO 37500
- Individuals responsible for outsourcing within an organization
- Professionals interested in earning certification related to outsourcing
- Risk managers
- Professional consultants
- Expert advisors in outsourcing
- Persons and organizations involved in outsourcing tasks

**The exam content covers the following domains:**

- Domain 1: Fundamental principles and concepts in Outsourcing
- Domain 2: Outsourcing best practices based on industry standards
- Domain 3: Designing and Implementing an Outsource Governance Framework
- Domain 4: Procurement Lifecycle for Outsourcing ( Initiation through to termination)

The content of the exam is divided as follows:

## Domain 1: Fundamental principles and concepts in Outsourcing

**Main objective:** To ensure that the Outsourcing Manager candidate can understand, interpret and illustrate the main outsourcing concepts.

Competencies	Knowledge statements
<ol style="list-style-type: none"> <li>1. Ability to explain and illustrate the main concepts in Outsource Management</li> <li>2. Ability to understand the different Outsourcing models and their advantages and disadvantages.</li> <li>3. Ability to understand outsourcing governance framework</li> <li>4. Ability to understand the issues and challenges faced by organizations involved in outsourcing</li> <li>5. Ability to understand the relevant legal, regulatory and contractual issues related to outsourcing</li> <li>6. Ability to understand the risks and opportunities presented by outsourcing</li> </ol>	<ol style="list-style-type: none"> <li>1. Knowledge of the main standards related to Outsource Management</li> <li>2. Knowledge of the different models for outsourcing including offshoring, near shoring, co-sourcing, crowdsourcing, multi-sourcing and cloud computing</li> <li>3. Knowledge of the main outsourcing concepts and terminology</li> <li>4. General knowledge of outsourcing lifecycle, outsourcing governance, outsourcing strategy analysis, initiation and selection, transition and deliver value</li> <li>5. Knowledge of the strategies and approaches to develop and implement an effective framework for outsourcing and managing suppliers</li> <li>6. Knowledge of the relevant legal and regulatory requirements related to outsourcing</li> <li>7. Knowledge of the concept of risk and its application in outsourcing, supplier selection and management</li> </ol>

## Domain 2: Outsourcing best practices based on industry standards

**Main objective:** To ensure that the Certified Outsourcing Manager candidate can understand, interpret and provide guidance on how to implement and manage Outsourcing projects

Competencies	Knowledge statements
<ol style="list-style-type: none"> <li>1. Ability to detail and illustrate the outsourcing governance framework</li> <li>2. Ability to compare possible solutions to Outsourcing and Supplier Management issues of an organization</li> <li>3. Ability to select and demonstrate the best outsourcing solution in order to address business and its objectives stated by the organization</li> <li>4. Ability to create and justify an action plan to implement an Outsource Management Framework by identifying the stages and key components</li> <li>5. Ability to prepare a credible Outsource Management Framework that can be incorporated into an operating environment</li> </ol>	<ol style="list-style-type: none"> <li>1. Knowledge of outsourcing governance framework</li> <li>2. Knowledge of risk assessment and outsourcing strategy analysis</li> <li>3. Knowledge of business and outsourcing strategy</li> <li>4. Knowledge of outsourcing initiation and selection</li> <li>5. Knowledge of establishing and implementing supplier management procedures</li> <li>6. Knowledge of establishing, negotiating and monitoring supplier agreements</li> <li>7. Knowledge of the outsourcing transition, deployment and testing</li> <li>8. Knowledge of change management processes</li> <li>9. Knowledge of organizing and conducting due diligence exercises</li> <li>10. Knowledge of outsourcing best practices</li> </ol>

## Domain 3: Designing and Implementing an Outsource Governance Framework

**Main objective:** To ensure that the Certified Outsourcing Manager candidate can design and implement a framework for governing outsourcing projects.

Competencies	Knowledge statements
<ol style="list-style-type: none"> <li>1. Ability to manage a project to develop an effective Outsourcing Governance Framework following project management best practices</li> <li>2. Ability to gather, analyze and interpret the necessary information to plan the implementation of a Outsourcing Governance Framework</li> <li>3. Ability to gather the necessary information to contribute to the design of an effective and aligned Outsource Governance Framework</li> <li>4. Ability to understand, analyze needs and provide guidance on the attribution of roles and responsibilities in the context of the implementation and management of an outsourcing process</li> <li>5. Ability to define and design procurement controls &amp; processes which support Outsource Management and document them</li> <li>6. Ability to define and implement a Governance Framework based on industry best practices</li> </ol>	<ol style="list-style-type: none"> <li>1. Knowledge of the main project management concepts based on ISO 10006, Prince 2 or PMI</li> <li>2. Knowledge of the main concepts and terminology related to organizations</li> <li>3. Knowledge of the main interested parties related to an organization and their characteristics</li> <li>4. Knowledge of techniques and models to gather information necessary to design an Outsourcing Governance Framework</li> <li>5. Knowledge of the main organizational structures applicable for an organization to effectively manage outsourcing</li> <li>6. Knowledge of document and record management processes and the document management life cycle</li> <li>7. Knowledge of controls and processes deployment techniques</li> <li>8. Knowledge of the characteristics and main processes related to outsourcing management framework</li> <li>9. Knowledge of change management techniques best practices</li> </ol>

## Domain 4: Procurement Lifecycle for Outsourcing (Initiation through to termination)

**Main objective:** To ensure that the Certified Outsourcing Manager can understand and lead each stage in an Outsourcing project ensuring that all relevant details are considered based on the guidance of ISO 37500.

Competencies	Knowledge statements
<ol style="list-style-type: none"> <li>1. Ability to develop specific supplier requirements from an outsourcing strategy</li> <li>2. Ability to deliver outsourcing value</li> <li>3. Understand the contract formulation and development process</li> <li>4. Ability to deliver services, monitor and review service performance</li> <li>5. Ability to manage relationship and agreement</li> <li>6. Ability to develop plans for transitioning from an existing environment into an outsourced environment</li> <li>7. Ability to manage relationships</li> <li>8. Ability to manage the agreement</li> <li>9. Ability to plan for contract termination and migration</li> </ol>	<ol style="list-style-type: none"> <li>1. Knowledge of ISO 37500 and the application of its guidance in an Outsourcing project</li> <li>2. Knowledge of transition of people, process and technology</li> <li>3. Knowledge on test service delivery capability</li> <li>4. Knowledge of techniques applied to relationship management</li> <li>5. Knowledge of outsourcing performance during the initiation of the outsourcing relationship</li> <li>6. Knowledge of procedures to deliver extensive modifications of current services</li> <li>7. Knowledge to build confidence and trust with all stakeholders</li> <li>8. Knowledge of procedures for managing the outsourcing agreement throughout the “deliver value” phase</li> <li>9. Knowledge of best practice relating to change and transition management</li> <li>10. Knowledge of exit and migration strategies and how they can be applied</li> </ol>

Based on these 4 domains and their relevance, 5 questions are included in the exam. The passing score is established at **70%**.

		Level of Understanding (Cognitive/Taxonomy) Required						
		Points per Question	Questions that measure Comprehension, Application and Analysis	Questions that measure Synthesis and Evaluation	Number of Questions per competency domain	% of test devoted to each competency domain	Number of Points per competency domain	% of Points per competency domain
Competency/Domains	Fundamental principles and concepts in Outsourcing Manager	10	X		1	20	10	20
	Outsourcing nest practices based on industry standards	10		X	1	20	10	20
	Designing and developing an outsource governance framework	20	X		2	40	20	40
	Procurement lifecycle for Outsourcing(Initiation through to termination)	10		X	1	20	10	20
Total points		50						
Number of Questions per level of understanding			3	2				
% of Test Devoted to each level of understanding (cognitive/taxonomy)			60.00	40.00				

After successfully passing the exam, the candidates will be able to apply for the credentials of PECB Certified Outsourcing Manager, depending on their level of experience.

**TAKE THE CERTIFICATION EXAM**

Candidates will be required to arrive at least thirty (30) minutes before the beginning of the certification exam. Candidates arriving late will not be given additional time to compensate for the late arrival and may be denied entry to the exam room (if they arrive more than 5 minutes after the beginning of the exam scheduled time).

All candidates will need to present a valid identity card with a picture such as a driver’s license or a government ID to the invigilator.

The exam duration is two (2) hours.

**The questions are essay type questions.** The questions are essay type questions. This type of format was chosen because the intent is to determine whether an examinee can write a clear

coherent answer/argument and to assess problem solving techniques. Because of this particularity, the exam is set to be “open book” and does not measure the recall of data or information. The examination evaluates, instead, comprehension, application, analysis, synthesis and evaluation, which mean that even if the answer is in the course material, candidates will have to justify and give explanations, to show they really understood the concepts. At the end of this document, you will find sample exam questions and their possible answers.

As the exam is “open book” the candidates are authorized to use the following reference materials:

- Course notes from the Participant Handout,
- Any personal notes made by the student during the course and
- A hard copy dictionary

**The use of electronic devices, such as laptops, cell phones, etc., is not allowed.**

All attempt to copy, collude or otherwise cheat during the exam will automatically lead to the exam’s failure.

PECB exams are available in English. For availability of the exam in a language other than English, please contact [examination@pecb.com](mailto:examination@pecb.com)

## **RECEIVE YOUR EXAM RESULTS**

Results will be communicated by email in a period of 6 to 8 weeks, after taking the exam. The results will not include the exact grade of the candidate, only a mention of pass or fail.

Candidates who successfully complete the examination will be able to apply for a certified scheme.

In the case of a failure, the results will be accompanied with the list of domains in which the candidate had a low grade, to provide guidance for exams’ retake preparation.

Candidates who disagree with the exam results may file a complaint. For more information, please refer to [www.pecb.com](http://www.pecb.com)

## **EXAM RETAKE POLICY**

There is no limitation on how many times a candidate can retake the same exam. However, there are some limitations in terms of allowed time-frame in between exams.

When candidates fail the examination, they are only allowed to retake the examination once within 12 months after the first attempt. If second examination is unsuccessful, candidates will be allowed to retake the exam only after 1 year (12 months). Retake fee applies.

Only candidates, who have completed a full PECB training but fail the written exam, are eligible to retake the exam for free, under one condition:

“A candidate can only retake the exam once and this retake must occur within 12 months from the initial exam’s date.”

When candidates fail the same examination for the second time, their file is automatically closed for 1 year.

### **CLOSING FILES**

Closing a file is equivalent to rejecting a candidate’s application. As a result, when candidates request that their file be reopened, PECB will no longer be bound by the conditions, standards, policies, candidate handbook or exam preparation guide that were in effect before their file was closed.

Candidates who want to request that their file be reopened must do so in writing, and pay the required fees.

### **EXAMINATION SECURITY**

A significant component of a successful and respected professional certification credential is maintaining the security and confidentiality of the examination. PECB relies upon the ethical behaviour of certificate holders and applicants to maintain the security and confidentiality of PECB examinations. When someone who holds PECB credentials reveals information about PECB examination content, they violate the PECB Code of Ethics. PECB will take action against individuals who violate PECB Policies and the Code of Ethics. Actions taken may include permanently barring individuals from pursuing PECB credentials and revoking certifications from those who have been awarded the credential. PECB will also pursue legal action against individuals or organizations who infringe upon its copyrights, proprietary rights, and intellectual property.

## **SAMPLE EXAM QUESTIONS AND POSSIBLE ANSWERS**

### **1. Reasons to consider outsourcing**

Please identify potential benefits that organizations could gain from properly managed outsourcing.

Possible answer:

- **Reduced cost**- *by getting the job done at lower cost and at better quality*
- **Raised efficiency**- *years of experience in business practices and expertise in delivering complex outsourcing projects*

### **2. Development of performance indicators**

For each of the following outsourced services please identify at least two performance indicators that would be suitable to ensure performance of the specific area:

- a) Outsourcing of IT Helpdesk
- b) Outsourcing of software development
- c) Outsourcing of network support

*Possible answer:*

#### **1. Outsourcing of IT Helpdesk**

- *Average response time to calls.*
- *Levels of customer satisfaction.*
- *% of calls closed within the required timeframe*
- *% of calls which are recurring e.g. the problem has not been addressed.*

#### **2. Outsourcing of software development**

- *Number of projects delivered on time and in budget*
- *% of quality targets met*
- *Results of testing and security testing*

#### **3. Outsourcing of network support**

- *Average network performance*
- *Average response time to address network incidents*
- *Results from customer feedback*