



Exit Management and Transition Checklist

Outsourcing arrangements are often at the core of a customer's business, given their long-term nature and the increasing trend to outsource business-critical functions. As a result, retaining the flexibility to transition smoothly between suppliers and solutions, while ensuring continuity and quality of service is critical, and having effective exit arrangements in place to provide this flexibility is an important part of any customer's longer-term outsourcing strategy.

NOA end user members put together the following points to aid during the planning and process of exit management and transition.

Exit Management

Exit Governance

- Establish exit management governance; agree meeting attendees, agendas & frequency
- Define and acquire resources to carry out customer obligations within the exit plan
- Identify risks and issues associated with each workstream and track within an agreed management tool
- Educate all parties of security, confidentiality, audit and exit / transition governance of which they must comply
- Monitor (via regular exit governance meetings and offshore presence) the behaviour of the outbound supplier and their adherence to the exit agreement

Exit Agreement

- Legal documentation / agreement
- Understand contractual obligations for providing notice and construct a day-by-day diary of activities to be followed to ensure obligations are met and the outbound supplier is treated fairly
- Construct an exit agreement framework that will have the capacity to define the exit obligations to be fulfilled outbound supplier, the mechanism to be used to measure completion

Prepare requirements for agreement

Iteration 1

- Identify risks and issues associated with each work stream and track within an agreed management tool
- Provide list of outbound supplier staff authorised to access customer locations
- Construct a list of software, scripts, tools or command procedures required by the outbound supplier to perform the services being terminated
- Construct a list of processes, standards, procedures, manuals and any associated reference material that are employed by the outbound supplier to provision services being terminated
- Construct a list of all in-flight projects and changes scheduled during termination period
- Construct a list of resolver groups in operation to provide the services being terminated.
- Construct a list of existing known errors
- Construct a list of open problems pertaining to the services being terminated
- Construct a full list of assets wholly owned by the customer in the possession of the outbound supplier

- Identify all third party contracts and licences owned or operated by the outbound supplier group into those that are transferable (with associated costs) and those that are not. For those that are not, outbound supplier MUST provide an alternative
- Plan for removal all outbound supplier external interfaces with customer systems according to risk and service provisions
- LOI

Iteration 2

- Commence transition planning with inbound supplier
- Identify customer roles and activities to be performed and delivered by the inbound supplier (possible TUPE)
- Provide any relevant documentation pertaining to transferable contracts/licences as required by the inbound supplier
- Agree permitted levels of access to inbound supplier office space by all other parties
- Discuss inbound suppliers anticipation resource requirements from the outbound supplier
- Agree knowledge transfer and education mechanisms between inbound supplier
- Outgoing supplier informed

Iteration 3

- Customer and outbound supplier agree the scope of termination (which services) and agree objectives, timescale & contractual obligations
- Agree permitted levels of access to outbound supplier office space by all other parties
- Identify geographic locations that are acceptable by both outbound and inbound suppliers to perform KT transition task
- If required, agree location of neutral territory and negotiate procurement of temporary office space
- Define and agree process to transition transferable contracts/licences to Incoming supplier
- Define and agree resource requirement from outbound supplier (assuming inbound supplier resource requirement are already agreed as part of contract negotiation). These must, at a minimum, meet the outbound suppliers contractual obligations for termination
- Define and agree data/information exchange process between all parties
- Define and agree terms for the transfer of in-house developed software, scripts, tools or command procedures required by the outbound supplier to perform the services being terminated that are not covered by the customers IP rights
- Agree date and time for outbound supplier to cease providing in-scope services
- Agree date and time for outbound supplier to vacate occupied space in customer offices
- Agree suspension or relaxing of SLA's with outbound supplier (if applicable, use as a negotiation tool to reduce outbound suppliers costs)
- Agree with the outbound supplier, the mechanism to remove or archiving customer documents & data held on assets that do not belong to the customer and are not transitioning to the customer
- Agree knowledge transfer and education mechanisms between outbound supplier and inbound supplier
- Agree transfer mechanism for in-house developed software, scripts, tools or command procedures required by the outbound supplier to perform the services being terminated either owned or not owned by the customer
- Customer, outbound and inbound supplier commercial groups to agree any transferable asset values
- Customer and outbound supplier to agree the contents of an exit agreement and intellectual property rights licences agreed between the parties
- Agree costs to by customer and outbound supplier (assuming inbound supplier costs have been negotiated into the tender price)
- Agree payment schedule with outbound supplier for all exit costs and outstanding service invoices

- Review access for outbound supplier staff and arrange for these to be removed during the appropriate exit phase
- Once scope for exit management have been agreed, plan out the activities agreeing timelines, deliverables and measurement of success / completion – transition planning
- Populate framework exit agreement with agreed / negotiated position
- Outbound supplier and customer to sign exit agreement

Exit Agreement Complete

- Joint agreement that exit planning is complete

Service Closure

- Execute transition plan as agreed with all parties during exit planning
- Transfer privileged and shared user IDs and passwords where they are still required to support operations of the customer environment from the outbound supplier to the inbound supplier
- Outbound supplier to return all secure access encryption devices at the appropriate exit phase without impacting the continuing delivery of terminating services
- Organise the correct disposal of any hardcopies of customer documents
- Outbound supplier staff to return all access permits / passes issued by the customer for access to customer locations
- Vacate customer offices
- Remove access for outbound supplier staff to customer locations
- Verify that all outbound supplier accesses (both physical and logical) has been removed.
- Full and final settlement of any outstanding disputes between customer and outbound supplier
- Outbound supplier ceases to provide service

Transition

Transition programme

- Prepare scope for transition planning

Transition Planning

- Provide Customer with a detailed organisation chart of the inbound suppliers FOM for service delivery
- Agree the main accountable owners for each transition work stream
- Provide customer and inbound supplier with access to outbound supplier personnel to enable inbound supplier to undertake detailed due diligence
- Agree plan and timelines to transition in-flight projects including planned projects to commence during transition period or after the outbound supplier has been exited
- Agree timelines to transfer in-house developed software, scripts, tools or command procedures required by the outbound supplier to perform the services being terminated either owned or not owned by the customer
- Agree plan with timelines and success measures to transition all in-scope services from outbound supplier to inbound supplier, utilising artefacts and agreements provided during the exit planning phases
- Define dependencies between inbound supplier transition plan and outbound supplier exit activities
- Acquire resources to carry out outbound supplier obligations with the exit plan
- Conduct workshop between customer, inbound and outbound suppliers ensuring all parties understand agree to the exit / transition plan and the governance of such

Knowledge Transfer

- Review all documentation being transitioned to inbound supplier. Should be checked for accuracy, relevance
- Inbound supplier review of outbound supplier processes, procedures. Outbound supplier to answer all questions resulting from review
- Inbound supplier satisfied that outbound supplier processes, procedures are complete and up-to-date
- Confirm suitability of existing procedures post transfer. Propose any transformation plans
- Execute knowledge transfer phase as defined in the transition plan agreed between all parties
- Joint agreement of completion of knowledge transfer phase of the transition plan

Shadow KT

- Execute shadow KT phase plan as agreed between all parties during the transition planning and exit planning phases
- Joint agreement that shadow KT is complete

Primary KT

- Execute primary KT phase as defined in the transition plan agreed between all parties during the transition planning and exit planning phases
- Joint agreement that primary KT is complete

Service Activation

- Review inbound supplier ability to commence steady state
- 'Go' and 'No-go' discussions and decision between all parties
- Send notification of intentions to all affected Third Parties
- Novation and transfer of contracts
- Service transferred to inbound supplier
- Notice of termination communicated to outbound supplier by customer
- Outbound supplier to complete and execute its own internal communications plan
- Conduct workshop between customer, inbound and outbound suppliers ensuring all parties understand agree to the exit / transition plan and the governance of such
- Outbound supplier to complete (with agreement from all parties) and execute external communications plan
- Inbound supplier to complete (with agreement from all parties) and execute external communications plan
- Customer to complete (with agreement from all parties) and execute external communications plan