Companies commonly use outsourcing as a means to lower costs or cover an area of supply chain expertise they currently lack. These relationships also bring opportunities to collaborate on ways to improve operational efficiency.

A type of outsourcing that offers these benefits and takes collaborative relationships to a higher level finds an individual or team of professionals from the vendor embedded in the client company’s organization. The onsite vendor team is physically based on the client’s premises. It functions like an in-house unit even though it is still part of the provider’s organization.

An onsite vendor resource can come in various configurations ranging from a single liaison role to a large multi-skilled team. While this arrangement ensures tight coordination between the vendor and client firms, it does pose some unique talent management challenges for all of the involved parties.

General Challenges

Variables including the scope of services, cultural elements, objectives, skill levels, and professionalism of both the buyer and seller companies shape this type of relationship. Both companies have a stake in the success of the onsite professional and ultimately the program.

Success starts with collaboration both before candidates are selected for this type of assignment, and throughout the engagement. The parties should keep in mind that as the relationship becomes more intimate, each organization will find itself offering an additional lens to its business. They must use this perspective responsibly and deliver value for both companies as the demarcation between the two blurs.

Given the closeness of the arrangement, it is important to agree on the relationship guidelines and expectations up front. It is equally important to have capable professionals on both sides who are supported by respective leaderships.

Key to that support is accepting the onsite personnel as an extension of the client company’s management; the vendor professional or team can become an island if the individuals are disconnected from the client’s organization. When there is a lack of trust, the vendor team and its parent organization are not empowered to fulfill their dedicated roles.

Each of the three parties has unique challenges as well.

Challenges: Onsite Professional

The onsite professional has the unique challenge of working for two organizations at the same time. He or she needs to be able to “wear two hats” comfortably and know which hat to wear when. On occasion, the objectives of the vendor and the client firm will not be aligned. In these situations, the onsite professional needs to consider the strategic and tactical implications from both sides.

At the same time, it is important that the onsite team retains its outside perspective, because a valuable part of the service is being able to view client issues with fresh eyes. It’s easy for an onsite professional to absorb the culture and constraints of the client organization and thus limit the benefit of this outsider’s perspective.

The vendor professional who can continue to strike such a balance will earn the respect and trust of the client, and also be considered exceptionally valuable by the vendor.

A requirement—and even a test—of the relationship will occur when the onsite team is required to make a recommendation to the client that is not necessarily in the vendor’s best interest. The vendor needs to support these decisions, as they support the client and build trust.

As an example, during standard analyses of its clients’ business networks, C.H. Robinson onsite teams will sometimes recommend leveraging a
When the onsite option works, it can be extremely rewarding for both the buyer and seller—and for the teams of professionals that serve both parties.