



# Onsite Relationships: Challenging but Rewarding

By Chris Caplice and Dan Ryan

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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

pre-existing carrier relationship rather than switching to C.H. Robinson to find capacity for the client's loads. Decisions such as these are very important as they establish intent and are the foundation of trusting relationships. When preparing their staff for onsite roles, vendors should set expectations levels so that the client's interests take precedence.

## Challenges: Client Firm

The client firm also faces management and skills challenges when entering into these types of relationships. Managers must be comfortable with delegating commercially sensitive tasks to the onsite vendor team, and sharing confidential information with these professionals. The onsite unit is not a sales team; its primary role is to provide strategic and tactical expertise that delivers value for the client.

Again, setting expectations is important. The client needs to communicate at the outset the extent to which it wants to leverage the onsite team's strategic capabilities. These interactions could involve planning, operations, execution, sales, and finance strategies.

Managers in the client company should recognize that having an outside team of experts at their disposal brings tremendous opportunities for improving their own performance. For instance, the onsite personnel might identify ways to improve the supply chain that have been overlooked internally, simply because in-house managers are too close to the problem or are held back by organizational restrictions and biases.

Client company managers should be involved in the recruiting of the vendor's onsite team. These executives can define the breadth of the engagement and the degree of influence that the onsite personnel will have. Factors such as how success is to be measured, the duration of the relationship and associated milestones, transition guidelines for implementation and ending the arrangement, require the client's input. These factors will help to shape the qualities that prospective team members should bring to the table.

At C. H. Robinson we have found that a successful approach with shipper clients is to collaboratively prioritize the projects that the on-site professionals will work on and agree to the goals before day one of the engagement.

## Challenges: Vendor Firm

There are three key activities that a vendor needs to follow to sustain onsite successful relationships: develop a talent pool, support the professional while onsite, and maintain an appropriate career path for the onsite staff.

The vendor should develop their onsite talent through both formal and experiential learning. The vendor must

be aware of the varied onsite roles they will need to support across their client portfolio, and be nurturing their team through career path opportunities that develop the required skills. It should be noted that the onsite experience is extremely valuable for vendor staff members because it gives them the opportunity to see the business through the client's eyes. Helping the onsite professional understand how this experience contributes to their career opportunities is paramount to both retaining and leveraging the expanded talents of the individual when his or her onsite role is complete.

It is also advisable that the vendor select individuals for onsite teams who possess skills sets that are a notch above

**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.**

what is needed initially. At C.H. Robinson, we have found that client expectations tend to grow quickly and more advanced capabilities are soon required. The vendor onsite team should be staffed for the client's future service needs; not necessarily just today's.

## Going Forward

While the form and specific roles of onsite vendor teams will evolve over time, the critical leadership challenges remain the same. It is imperative that the following issues are resolved before an onsite assignment begins.

- The vendor and client need to clearly define the onsite roles and set the service expectations.
- The onsite vendor team needs to be fully informed of their role, responsibilities, and service expectations.
- The vendor needs to put strategies in place for ensuring that the onsite team stays connected to the parent company.
- The vendor needs to create and maintain a career development path for onsite professionals.

Onsite professionals need to be comfortable living with "two bosses" and able to navigate the waters between the two. The vendor firm has to be able to give their remote employees the decision-making autonomy they need while simultaneously ensuring they retain their home company perspective. The client firm has to be willing to share confidential information and to have an "outsider" make certain decisions for them. Only when all three parties are in synch can these onsite teams truly be successful.