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Managing outsourced relationships

In the last few years, the quantity of work that has been outsourced and offshored has grown exponentially. Typically the work is outsourced to countries like India, China, Philippines, Bulgaria, and Malaysia and so on. Large companies have dedicated managers to look after this important interface. Functions that are outsourced include design, development, research, IT and data, finance, administration and a host of other related areas.

Recently we outsourced our graphic design and website re-development work to a company in India. In handling the relationships and managing the work, I realised that in spite of having pretty high cross-cultural skills and awareness, and being familiar with the Indian cultural context, there were still areas that could have benefited from closer attention. This article is to help you in managing the complexities of an outsourced relationship. I hope there will be something useful for any reader, but I imagine it is mainly the independent consultant and small business owner that will benefit.

Managing an outsourced relationship can be frustrating & challenging, but the benefits are equally significant. Cost savings are important, but that is increasingly becoming less of a dominant factor. You also get to:

- Focus on your core business
- Invest more time in building strategic relationships
- Build new skill sets for yourself and your team

All are activities which will serve you well in maintaining your competitive edge.

Here now are seven key points in managing the relationship effectively. I am referring specifically to the Indian context; however, there will be applications in other cultures as well.

1. **Use a comprehensive brief.** Draft the product / design / work brief before the work even begins. Be very clear about what you want and what your success criteria are. The more clear and specific you can be up front, the better you will understand each other and therefore improve the chances of success. Ask for small deliveries so you can provide immediate feedback on quality issues.

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2. **Holistic thinking** - An Indian cultural characteristic is to naturally excel at a holistic thinking pattern. Indians see the bigger picture and the connections between things rather than the detailed, linear structure. Of course, it may be that the person you are dealing with doesn't fit this norm! In order to manage this, you need to get the detail right in the brief, and pay attention to it as you progress.
3. **Avoid patronising.** Realise that you are dealing with professionals and do not patronise them or talk down to them. This will jeopardise your working relationship and therefore the quality of the outputs.
4. In India, the **use of English** is significantly different. Therefore avoid assumptions about intelligence. Indian English can be wordy, generalised, verbose and old-fashioned.
5. **Do some cultural homework.** Learn about key Indian values. This is just "due diligence" as an integral part of planning for success in this outsourcing venture. For e.g., if your Indian designer says to you, "As per whatever minimum knowledge I have ..." you might think she doesn't really know her stuff. However, if you'd done your 'due diligence', you'd realise that humility is a core Indian value and your designer was expressing that.
6. **Management practices** - Before you contract, ask a few questions about this. You're trying to get a feel for how much of a "learning organisation" is it – do they conduct project debriefs, seek continuous improvement, how do they deal with mistakes, etc. Make sure you have a clear and transparent understanding about contractual issues i.e. how will re-workings be handled if the brief is not followed.
7. **Accept that you have to manage the outsourced relationship differently.** You'd interact differently with a sub-contracted professional in your own country. Realise that your Indian colleagues might not have had any 'cross-cultural training' – therefore the onus is on you to appropriately change your behaviour and approach. In fact, see if you can develop the skill of "style switching" – consciously adapting your speaking, listening and operating style in a way that is geared towards your Indian colleagues' cultural preferences.

Communication is always at the heart of every task, so whatever effort and energy you expend in improving the communication will pay off handsomely. It is also wise to build in reviews periodically, especially if the relationship is an ongoing one.

Here's to productive and successful outsourcing!

