



BPO & Relationship Management

If Yogi Bera were asked to introduce this topic, he might say: "Selling outsourcing is 70% delivery and the other 70% is about relationship". Not taking this Yogi Beraism lightly, my experience, as a provider, buyer and now as a consultant, has shown that the relationship plays a vital role in winning outsourcing business. I have seen outsourcing deals won and lost on the basis of the relationship a service provider builds with the prospective client, and relationship is more critical in BPO than in the Information Technology field.

When discussing relationship, the word "partnership" commonly appears. This oft-

used, sometimes well-intentioned, but many times a catch phrase, is an indicator of the highest level of relationship desired between a buyer and a provider. Sharing common objectives and goals, assuring ongoing success and being there for the "partner" are the foundations of the partnership. It is almost like a marriage –

through thick and thin, in health and sickness till the contract us do part.

What is this relationship? It is not about buying lunches and dinners or sharing personal stories. It is all about building confidence and trust! Confidence and trust starts the relationship, sustains it through negotiations and transition and becomes the foundation for success during delivery of services. It is also essential if things go wrong. In my last

article, published in the February issue, I discussed how BPO deals are won on the basis

Sources for Research

- Annual reports (ideally last 2 years to see the trend)
- SEC filing reports (10-K,10-Q etc)
- Press releases (especially appointments of executives and their backgrounds)
- Related stories (or news items) in publications
- Their Web site
- Yahoo and other message boards
- Reports from investment research houses
- Local newspaper stories

What are you researching for?

- Business drivers (what they are telling the Wall Street about their business priorities)
- What would make them more competitive in the marketplace
- What do executives believe are their issues
- What are the biases of the executives based on their previous experiences
- Company culture and how they react to stories
- How do analysts and home town news reporters treat them.

of "risk management" and not just a superior delivery proposition. Trust and risk are the two sides of a coin.

This article addresses how to develop this trust, overcome barriers and leverage for success throughout the entire life cycle of the relationship: prospecting, transitional



and mature periods of the business agreement.

During the prospecting phase, there is no relationship, so confidence has to be created and trust built with the prospective client. My experience has shown that if one develops this trust in the initial stage, it forms a solid foundation for the future and smoothes the way for developing the business relationship.

First and foremost, building trust requires professional and ethical behavior! There are enough jokes and stories about “snake oil salesmen” who have few ethics and no basis for conviction in their own product. Selling services, IT or BPO, requires that you thoroughly understand the offering, its potential benefit and even its shortcomings. Selling these types of services is not done by buying lunches and dinners or sending gifts. In fact, such actions can backfire and undermine the relationship if trust is not already established.

The most obvious way to build trust is to have credible references. These can be from industry sources (such as publications) or from other clients. A reference from a current client creates instant trust and opens the door more easily than a “cold call”. If the prospect knows about your capabilities and track record, he or she will be more open to your sales presentation. In BPO, this may mean having “domain expertise” acknowledged by others. I have seen some of the largest IT service providers have difficulty with prospects because, despite their overall track record, the providers can not demonstrate their experience in a particular domain the client views as important. They must earn the trust by demonstrating their

other capabilities and proving that they can learn and deliver services, as promised, without having proven domain experience.

Another way to build trust is to make sure that you understand the prospect’s needs, wants and, most importantly, what is crucial to them. This requires heightened skills in researching and listening. One of the most effective approaches, I have used, is to do a thorough research on the company. The attached table shows various sources one can use to do this research. I have found that research helps you prepare yourself and understand the client’s needs, even before you meet. I remember one time when I met with a senior executive; I had done the research and knew exactly what the financial drivers were, and I quoted the Chairman from the company’s Annual Report. It was a very successful “cold call” which resulted in winning the business over a period of time. Also, the research allows you to find other industry sources and relevant references. I have seen successful service providers examine the backgrounds, even the psyches, of key executives, so the providers can pick the “right” person to lead their sales effort. Perhaps one doesn’t need to go that far, but it always helps to have a deeper understanding of the client’s likes and dislikes.

Another aspect of building trust, early on, is knowing when to say, “we don’t do that, I don’t know or may be our offerings are inappropriate for your needs”. Sort of like the old song “know when to hold them and know when to fold them.” Currently, one of my best clients is a company I had approached several years ago in my role at PricewaterhouseCoopers. At that time, I told them that the PwC offering was not



the right strategy for them, and I walked away wishing them luck. However, when they needed a consultant, they remembered my polite exit and immediately awarded us with a contract. Trust builds relationship and relationship builds business.

Sustaining the Relationship

Once the prospect has turned into a client, the relationship changes somewhat. Now the trust must deepen, and this happens as delivery begins to meet expectations and promises. In most outsourcing engagements, the crucial period begins as soon as the contract is inked. This is the time of greatest risk for the client and especially for the executive, who, in most cases, became an internal champion in recommending the service provider. A detailed approach to assuring success during this early period, delivering on promises for the near term results and delighting the customer beyond “stated” expectations, will cement this trust and help create a long term relationship with the client.

Another aspect of building and maintaining the relationship is making sure that there is open and frequent communication. This usually takes the form of monthly status



reports, quarterly reviews and, often, annual visits to the operation centers. At times, some of these communications may look like marketing, but their importance must not be minimized. It is smart to “advertise” a good relationship, market the achievements and use them to deepen the trust. After all, BPO is all about risk management, and if the risk is managed well, it should be turned into a “reference” call for the next prospect. The strong relationship with one customer then helps develop a network of customers over the long run.

One of the adages I like to use is the joy of “no surprises”. In any business venture, there will be times when things do not go as planned and results may not be what was promised. These are the times when the trust must be shored up and not undermined. Early warning of a problem, extra efforts to avoid the problem and going the extra mile to minimize the impact of the problem will earn greater trust.

As in a good marriage, the partners in an outsourcing agreement must trust one another through good times and bad, and have confidence that both sides are committed to the relationship. Once this level of trust is reached, the customer becomes a customer for life.

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