

Play Nice, Outsourcing Providers. There will be life after COVID-19

By Deborah Kops

You can tell that there's been some level of stabilization in our crazy post COVID-19 era because the tom-toms are starting to relay stories about outsourcing providers *who are*, and *are not*, playing nice.

While many providers have become heroes by working with clients constructively, others have taken a different tack. Given the challenges inherent in implementing their BCP plans, it's a bit rich to get aggressive with clients that have been working to get laptops to now-remote workers, or have been reasonable when it came to missing a few SLAs in the rush to execute business continuity plans.

It's time for providers to go beyond platitudes and demonstrate the "partnership" and "trust" they all espouse on their websites.

Times are tough for just about everyone in the global business services delivery world – there's no corner on the pain that COVID-19 is causing. While the vast majority of the outsourcing industry is working hand-in-glove with their clients to confront the crisis together, the market is beginning to swap stories about outsourcers who are having challenges in facing off to their clients within a new context.

And that's a shame.

COVID-19 will likely cause a major rethink of global business services delivery, putting everything on the table: in- or outsource; Bangalore or Boise; automate or operate.

However, if providers think that getting laptops to staff, ensuring adequate connectivity, and a minimum level of productivity, is the only tick-the-box in the war against COVID-19, I'd disagree. One of the greatest tests of this crisis will be **provider loyalty** – defined here as the willingness to share pain, collaborate to find new solutions, and put long-term relationships with customers ahead of short-term profits, whenever possible.

Providers who demonstrate **9 critical behaviors** will find themselves well-placed to play a major role in the next iteration of global business services delivery – a flexible, agile, more resilient model, where every one of its components is re-imagined.

What behaviors will resonate with outsourcing clients?

1. Care for the team

About the only good news about COVID-19 is that it has put a spotlight on the relationship between the health and welfare of people, and productivity. Suddenly, the ability to communicate, support, engage and align with employees has taken on paramount importance. Clients are taking note; after all, their success is tightly tied to the way providers manage their teams. While, in the main, providers have done a good job of implementing work from home, the next period may be more difficult for team members, as other institutions are disrupted.

Although we obsess about automation and lights out, outsourcing is fundamentally a people business.

2. Care for community

Perhaps all the congratulatory posts on LinkedIn featuring provider investment in the communities in which they operate will finally pay off. COVID-19 is heightening the imperative for corporate social responsibility.

Ensure that your social contract goes well beyond platitudes and stays relevant and consistent; clients will take notice.

3. Obsession with security

Outsourcing clients' worst nightmares are data breaches, so security and data privacy is table stakes. Security hacking is on the rise, per various reports; since large branded companies are prime targets, it makes outsourcing providers a soft target.

Make sure your WFH operating environment is unassailable.

4. Complete transparency

Full disclosure should be the watchword of every outsourcing provider. If your cash flow position is straining your operations, let clients know. If your staff's productivity is dropping, keep the client in the loop. If connectivity is spotty, sound the alarm.

Finding out that there's a challenge after the fact won't wash.

5. Partnership

Now is not the time to demand reduction in service levels, transference of risk, or pull the trigger on a *force majeure* clause. More likely, clients will seek price adjustments as their business volumes are affected.

Proving to the client that you are all in and working collaboratively to solve any problem that arises will be rewarded on a post-COVID-19 day of reckoning – when enterprises put their heads above the parapet and rethink their operating models.

6. Deep understanding of client challenges

Most companies are focused on conserving cash, while a fortunate few are more concerned about delivering to spikes in volume. Each industry will have different trajectories, each client will respond differently.

Taking the time to understand the larger enterprise picture is critical to put delivery demands in context. The crisis is also a great opening to show how you can harness the power of analytics in real time to support scenario planning.

7. Selling restraint

Believe it or not, stories now abound about providers who are in active selling mode, often at the same time that their delivery leaders are asking for forgiveness as targets are missed. Clients are focused on keeping teams together and obtaining some reasonable level of productivity, not expanding scope into new towers or regions.

Today's best sales strategy is to be a good partner for the duration.

8. Flexibility and agility

Having options at the ready is critical. Meeting the demands of ramp up and ramp down means adjusting scope as clients' business volumes change, so flexibility will be imperative, perhaps shifting staff between clients. Holding clients to thresholds that were set in a different context may maintain account profitability but risk an ongoing relationship after the dust clears.

Clients will be sensitive to the delta between agility and rigidity.

9. Willingness to invest

Right now, cash is king in about every enterprise, limiting clients' abilities to make changes. Providers that are able to invest in any aspect of a future operating model now will be considered golden.

If you can double-down on investment in automation at your own cost, add a smart analytics layer on top of processes, or streamline and simplify without being asked in advance of the next normal, there will be a better next act.

Summary

Designs for new target operating models are already on some drawing boards. Leaders have a number of levers to pull, one of which is to source ... or not to source. In the short term, the dearth of cash will be a deterrent to funding transition back in house; however, as the economy recovers and with pressure to manage risk and move jobs back onshore to alleviate high levels of unemployment, future models could be quite different.

Whatever the design principles, provider loyalty will influence any model.

Outsource providers: Use the crisis to demonstrate that you have the right stuff. Be one of the companies whose brand is burnished – not tarnished – by a crisis.

