

Dancing with Elephants

“Lead or Get Stomped”

Part of the “People, Process, Technology”, Series of Articles

One of our biggest problems in business today is resourcing. People ! Doers! Employees, or contractors! Now, more than ever, it's a decision that needs much thought and a lot of effort to insure that your dance card is full and that every dance is a good one.

Rules of the Dance

1.– Don't ignore your employees ! Save the last dance for them !

In-sourced, outsourced or contracted resources are more than ever, the major asset from which companies derive value. Politics aside, these decisions for resources access, will be the most important management will make for the next decade. The right decisions will drive value to the organization; the wrong decision will drive bad behaviour, poor incentives, and ultimately a lot of management pain.

The first of the options is usually the hardest. This is the decision that the people who are closest to you; the people you see everyday at work; are the people who ultimately are your responsibility for the dance. This means, management is responsible for the TLC of those people who share your goals and are determined to be the best corporate asset, your employees. These are the people who have all the care and ownership of your issues and problems, and are 100% dedicated to making your job easier. They live and breathe for the good of your organization. These are the people to whom you owe many dances and much attention. You take them to the dance, and you have to look after their needs while in your care.

These decisions are the hardest because they are the most expensive and also the most rewarding. The development of internal resources has the benefit of driving lasting value for your company. After all, when companies are evaluated for value in a merger & acquisition effort, it is the employees and their creativity that draws the most value and drives higher numbers to the bottom line. Your full time employees will be the key to the next decisions you will have to make around your ability to outsource or contract for speciality needs and services.

2. – Manage employee growth with outside help when needed, but understand who is leading that dance ! Let your service employees call the tune, not your accountants or consultants !

To often, companies will look for the ability to outsource the mundane and low value parts of the work. This is work typically assigned to the newest and lowest paid employees in a company, your call centre agents or your customer support agents. Who would have thought that after reading customer loyalty books on “Customers for Life” and “Developing Customer Loyalty”, that it would be these exact roles that would be treated like the lowest value commodity in a business. That is the message of course, when you see companies sending these “front line” worker jobs off to offshore countries that manage to speak one or another form of English, French, Spanish, or the language of our customers. I might add, just enough of that language to completely turn-off and de-motivate your customers from ever calling with a real problem that needs a solution.

When we think of the value of front line customer interaction, it always amazes me that companies have been lead to the outsourcing model by low unit cost, high agent turnover, poor communications skills, and a general lack of understanding of the importance of customer interaction. Of course, the phrase “Your call is important to us...”, is a metaphor for “you call at the lowest cost, is important to us...”.

Drive customer loyalty by looking beyond the cost of serving that customer, and instead look at serving the customer correctly and with dignity and respect. If this approach is truly used to determine what is outsourced and what is kept inside the organization, most companies would keep their support agents, and instead outsource the management and bean counters.

Don't let cost and accounting determine who manages and supports your customers. Lead by internal support to drive value to your clients, then look at outsourcing to drive value instead of lowering costs. There is a definite place in the service market for outsourcing centres, but it should be focused on improving call answer times, customer “one on One” support, and overall response to customers needs. These decisions have to be made by your own internal customer specialists who have the best interest of the company at heart, not the accountants or consultants that are driven to cut costs at all costs!

3.- Rule – Dancing with elephants can cause sore feet ! Choose your partner carefully.

Everyone wants to be the prettiest person at the dance. That doesn't mean your have to be the best dressed or arrive in the flashiest car; and that goes for your contract / consulting partner as well.

Managers seem caught up on the fact that “The best advice must be the most expensive advice!” This usually shows when companies invite contracted resources into their dance, but only look to the cheerleading squad for potential dance mates. (read this as they only invite the top five or six consulting companies, regardless of expertise, resources, costs, or availability.)

Don't forget that most large consultant firms also have the highest internal costs and usually the biggest egos in your world of dance partner choices. This is not because they have the most experience, or the best track record in business, but mostly it's because they have the highest overhead, largest group of partners to be fed, and the most expensive offices in town, all of which has to be paid for by your company.

Before the next order for consultants goes into the board, please look at the overall experience vs cost ratio you will be getting for the job. All too often, the best resources for an engagement are already within your pool of internal people, or people who have shared the business sector with you in the past. Often boutique consultants in your market have more experience and market savvy than that MBA fresh out of business school. They usually have all the experience with a price tag one quarter the cost. This is true as well for the corporate partner, whose main incentives are fee based, not results based. Their goal is to drive more consultants into your dance, and to take the decisions away from the locals. Your decision must be oriented to developing the right mix, for the best overall result. Choose wisely who you invite to your dance. You must maintain control and a tight rein on your partner, or your feet will be sorely stomped.

These options must be reviewed if you want to get the most out of your next business dance card. While you are at it, be sure that you are a competent dancer before walking through the door. You will gain more value by leading and being able to complement your dance partners, than you will be sitting along the wall or being stomped on by the elephant that only knows one dance step.

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"People, Process, Technology" is a series of articles on optimizing management and business assets.