

The Talent Pool

The Other Side of the Street

Why switching from provider to practitioner—or vice-versa—can benefit all concerned.

By Lisa Maxwell

2010 has ushered in more than a new decade. For the HRO industry, a trend in career shifts involving “swaps” of executives moving between providers and buyers has enhanced both sides. As companies have downsized and reorganized, movement of talent from the provider to the buyer side (and vice-versa) has increased. Having knowledge on all sides of the equation is not only good for the career of the individual, it is good for the industry as a whole.

A company looking to optimize its investment in human resource processes such as payroll, recruitment, or benefits administration by engaging an HRO can benefit if one of its executives has actually worked for a provider of outsourcing services. The experiential knowledge and understanding that comes from being employed on the provider side fosters an appreciation that allows deals to flow more smoothly. The process and communication along the way is much more efficient. The intellectual capital gained from having worked inside the HRO can help bridge the gap in what can be a complex process and help the firms align with each other to reach a common goal.

The intelligence gained from the provider exposure can prevent misinterpretation. The perpetual “head nodding” that can occur often leads to assumptions being made that the other side understands what is being communicated, when in fact it is not understood. This problem might not come up initially but can occur later, during implementation or when it’s too late. If the person has worked for a provider, there is less likelihood of these types of miscommunications. Little things such as terminology are easily translated, and these pitfalls can be alleviated because of this person’s experience on the other side.

Greg Eierman, global service delivery leader, Coca-Cola Company, recently transitioned from the provider side. Having lived through the battles and bruises working for firms such as Spherion and Alexander Mann, he is able to identify with providers interested in partnering with Coca-Cola. He says: “You can hear providers more completely and challenge them at a different level having lived through it.” His experience working for providers has helped break communication barriers between outsourcing providers and his colleagues at Coca-Cola.

Similarly, HRO providers seeking to win more deals

serve themselves well by having people who have worked internally. Having worked inside an HR organization or procurement, you understand how decisions are made and are able to read opportunities better. You affiliate faster with people who have “walked a mile in your shoes.” If you are selling payroll services and have been through the experience of selecting a firm to outsource payroll in a previous position, you might relate to the buying organization with more empathy. “Internal buyers respond better if they feel the person on the other side has come up against the constraints and pressures that come from corporate decision making,” said John Haworth, director, BPO office, CIGNA.

As recently as one year ago, the idea of the shifting of talent from the provider workforce to the buyer seemed relatively unconventional. Indeed, when I wrote an article about the advantages of HR professionals making a career shift from corporate HR to HRO provider and vice-versa, I didn’t realize the extent or degree to which these switches were happening and how much this level of reciprocity with executives was impacting the industry in general. Interviewing leading executives who successfully made the transition, we concluded that making the career shift from one segment of the business to the other is a compelling way to broaden one’s professional skills. As the employee landscape has changed this last year, many executives have “moved to the other side.” The benefits of this broad exposure from a career management standpoint are vast. The additional rewards for the companies on both sides are even greater. It is a sign of the maturation of the industry.

The relationships between provider and buyer are complex. Each party wants to maximize its time, resources, and cash investment; these might be competing priorities that can strain the relationship. A critical first step of any new relationship is simply to know with whom you are conducting business. For such a partnership to succeed, it is paramount that a mutual business understanding exists, underscored with respect and a sincere wish for each party to prosper. The merging of talent between provider and buyer cultivates a familiarity that will strengthen the industry in the long term. Perhaps it will mitigate some of the perceived risk involved with outsourcing, because people on all sides of the deal have had experience with it. **HRO**



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