



Podcast Series – “About Managing Contractors and Vendors”

Special Episode Transcript: Ego in the Client-Vendor Relationship

In this audio episode, I will look in more depth at how client ego can affect the quality and timing in the delivery of outsourced work. You can access this episode at my blog, managingvendors.com, and in my iTunes podcast, titled “Managing Vendors”.

From this episode, you will get a perspective and some tools for assessing an outsourced vendor relationship that you manage, and some tips on where ego may be helping or hindering the work delivered. If you are a vendor, you will be able to identify the effects of ego on the client side, as well as on your own.

In my text blog, I introduced Jake, who works for an architectural firm, and had problems getting rendering work done by an overseas vendor. In the blog I suggested ego may have played a part in creating these problems.

In this longer audio version, we take a more detailed examination of the case study, which I call “Jake and the Renderers”. I will look more deeply at this scenario, introduce some alternative ideas, and give Jake some ways he might better manage this work in future.

I will give some examples of client ego agendas, and some on the vendor side. And I'll talk about benefits that ego can give, in balanced business relationships.

One question that often comes up is how much effort a client should invest in managing a vendor to get the best work. One client described how happy she was she outsourced a function so she would no longer have to worry about it. Seems she made an assumption that the vendor did not need to be managed.

Another underlying assumption we operate from is that business is rational. We can see this sense of rationality in business plans, project plans, contracts, procedures, forecasts, and performance standards.

But in reality, business and business relationships are often a swirling mix of ego and emotions, and the alternative agendas these create. Some people have very firm views on how they think things should be, and how they think things should run. And not everyone has the same view.

And on that note of different views of how things should be done, let's return to our story about Jake. The point of this story is whether it is more important to get the best results quickly by doing whatever it takes to work with the vendor, or to be right and to stand by a principle at all costs.

Part of Jake's job is to complete high-quality drawings of projects in process. These drawings involve graphic renderings that need to be done very accurately to reflect the specifications. On one of his projects, the graphic rendering had been outsourced to a company in India.

Anyone who has done business with another country, particularly where there is a different culture, knows that different countries and cultures do business differently. Not that one is better than another, just different.

Jake sent across the file with all the unrendered drawings and his initial set of instructions for the rendering. When he received back the first round of renderings from the vendor, there were quite a few corrections and changes to be made. Even at this stage he expressed frustration with the vendor.

To communicate the corrections, Jake printed out the rendered drawings, drew a number of hand notes and circles to indicate the changes, then faxed the pages back to the Indian graphics firm. When he got the corrections and changes back, he complained that they had not corrected the drawings as he had specified.

Presumably, they had implemented the changes as they interpreted them from his notes. In their view, I'm sure they felt they were done correctly according to Jake's instructions. Jake's reaction, "They need to learn to speak English! Why should I go out of my way to tell them how to do their job properly?"

Was Jake being lazy in writing his instructions? Was it his ego regarding the vendor as a servant who should be able to read his mind? Was his method of providing the initial instructions, and then the corrections, simply not clear and specific to ensure they were not ambiguous at the other end?

Perhaps there was also ego on the part of the vendor, being reluctant to ask for clarification in case it looked like they did not know how to do their job properly.

The other question I would ask as a consultant in this situation is whether Jake set up a clearly understood process, so the graphics vendor could clarify the expectations, and ensure a common understanding of the required changes. From what I can gather, Jake did not even set up a phone conference with the vendor, to go through and clarify the changes he needed.

The vendor also shares some responsibility, given that the corrections were done quickly and roughly on the drawings. They should have contacted Jake to go through the required corrections one by one, rather than second-guessing what was expected.

What we also do not know is how many degrees of separation there were between Jake and the person actually doing the work in India. His original job specification, and then his hand drawn corrections, may have been passed through many hands before they got to the person doing the work. It may even have been broken up and distributed as piece work, to several graphics workers in different locations. And maybe it's not just ego, but also the assumptions that Jake made about how clear his instructions were. Many people believe that if they communicate something that makes sense to themselves, it will make sense to others.

You often see this in user manuals for consumer electronic and digital cameras, where the manuals are written by engineers, rather than user-experience experts. The engineer will read back what they have written, note that it is technically correct, and feels it gives a clear set of instructions. This kind of instruction is written for somebody who already knows what to do, but not for a new user.

Jake could take a lesson from those skilled at writing guides for new users. You need to provide a detailed roadmap, clear and unambiguous instructions, and then have this checked by somebody else who is not familiar with the steps.

But in this case, it seems that Jake hastily scribbled out the corrections, with a bit of frustration thrown in, and then, in a sense, threw them off the back of his pickup truck for the vendor to read and make sense of.

As it turned out, the vendor did not complete the work according to what Jake wanted, and Jake's immediate reaction was to blame them for not speaking or understanding "proper English".

The bottom line is that the job ended up taking more time, and was delayed by having to go through several iterations to get it right. Jake would have been better off spending more time up front making very clear instructions, and then going over his written list of changes with the vendor on the phone. His ego view was that he should not have to do that. In this case, ego had a negative impact on getting the work done smoothly and correctly.

But ego is not always a bad thing. Ego can be a strong and positive energizer to drive projects through. It can also help someone take a strong position when required, and can create confidence and respect in the other person. It's just that in excess it can get in the way of achieving the best solution and outcomes.

And lack of ego can restrict a person's confidence to take action when required, make them hesitant to question a vendor (or a client) about a problem, or be reluctant to speak up in meetings at time they should bring their expertise and experience to bear.

At the end of the day, a client's goal is to get the best results most effectively and economically from a vendor, and for a vendor, the goal is to deliver the best results on time for the client, and profitably for the vendor.

We all see things differently. And we have this thing called "inner talk", where we make statements in our minds about how we see ourselves in relation to the world. Ego shows up in these inner statements, and what they say can indicate a dysfunctional ego on either side in a client-vendor relationship.

Here are five examples of inner statements a client can have:

1. I'm the boss because I am the client, and bosses call the shots.
2. I know best what they have to do, and the vendor is simply a resource.
3. I am a tough negotiator, and show it by beating a vendor down on price.
4. I have to look like I am in charge, so they won't think that I am weak (even if it makes me feel uncomfortable).
5. I have to be careful that I don't get tricked or taken advantage of, no matter what it costs.

Now let's look at five on the vendor side.

1. We run our own business, and no one tells us what to do.
2. We fix all our own internal problems, and hide them from the client - it's none of their business.
3. We are the experts here, that's what you're paying us for, so leave us alone to do the work we're good at.
4. We work for bigger and more important clients than you, so you don't get to call the shots.
5. You are just a low-level liaison in your company, and our real client is much more senior than you.

Whether you're a client or a vendor, if any of these statements ring true, then I suggest that a dysfunctional level of ego may be at work in this particular client-vendor relationship. More than likely, neither party is getting the best out of it.

To sum up, here are a 5 key rules for clients

1. Put ego aside and focus on the most sensible and rational way to end up with the best results.
2. Take time up front to communicate expectations and requirements clearly, in detail, and unambiguously, and preferably in writing.
3. Find out how the work will be assigned and carried out by the vendor.
4. Clarify the corrections and changes one-by-one with the vendor, over the phone if necessary, with a detailed written record.
5. Encourage the vendor to check immediately with you where anything is unclear or open to interpretation.

That's it. I hope this has been helpful to you. If so, e-mail me at podcast@think180.com and tell me how you used it, or if you have any questions. Please feel free to post questions or comments to the blog. For more free materials and resources, visit our website at think180.com. Thank you for listening.

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