



5

PITFALLS TO AVOID WHEN WORKING WITH YOUR OUTSOURCING **VENDOR**



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ABOUT THE AUTHOR



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My name is Shaunvir Mahil. I was born in the UK and raised in both, the UK and USA. In 2007, I graduated in Law, and only a few months after co-founded VirtualEmployee.com with my Dad. (who himself worked as a senior software developer in London and Chicago).

Our business, VirtualEmployee.com, is the world's first and only online employee supermarket, where you can hire full-time, dedicated employees in any profession.

Since that time to date, we have helped well in excess of **1500 companies from 27 countries** to offshore in more than **50 different professional domains** – from literally, everything and anything you can think of, be it software development and copywriting, to investment banking and law.

Once we even placed a medical doctor for a German pharmaceutical company!

So, naturally, over the years, we have accumulated a lot of valuable experience and expertise in remote staffing for Small to Medium Enterprises and also have an advanced understanding of the outsourcing landscape as a whole.

And, so, out of all that experience was born this book.

Contents



Chapter 1

Misinterpreting teething problems

07



Chapter 2

Failing to communicate and not being transparent with your vendor

10



Chapter 3

Not being transparent about your overall business plan (and not just the work outsourced)

14



Chapter 4

Not Reporting Problems (even small ones) Immediately

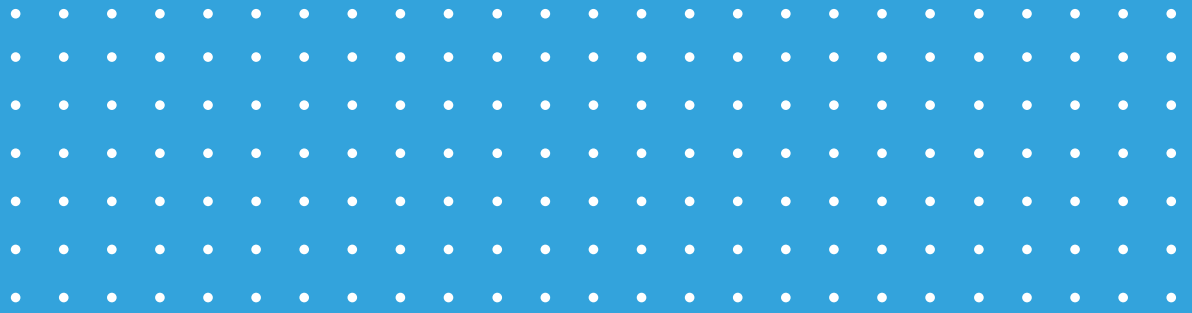
18



Chapter 5

Not trusting your vendor

20



INTRODUCTION

By focusing not only on the steps you take before you outsource, but also on the best practices you should follow after you have actually started outsourcing, you will well and truly be on your way to fully benefit from the rich dividends outsourcing has to offer. So, choosing the right outsourcing model and right outsourcing vendor is only one-half of the puzzle.

Once you are up and running, there are two key areas you still need to be aware of, to ensure outsourcing success:

- 1. How you work with your remote resources*
- 2. How you work with your outsourcing partner*

In this eBook, I share with you 5 common mistakes clients make when working with their outsourcing partner.

If you would also like to read my tips on;
A. Pitfalls to avoid before you outsource, then



[Click here to download my free eBook](#)
[The 7 most Common Client Mistakes to Avoid Before You Outsource](#)

B. How to manage remote staff/teams, then



[Click here to download my free eBook](#)
[5 Best Practices for Working With & Managing Remote Staff/ Virtual Teams.](#)

1

Misinterpreting teething problems



1 :: MISINTERPRETING :: TEETHING PROBLEMS



In any working environment, teething problems are inevitable. That is just a part and parcel of the working environment. It is inevitable because all humans and all processes are prone to the occasional error. So, whether it's hiring a new employee, kick-starting a new project or opening a new department, there can be teething problems (even locally).

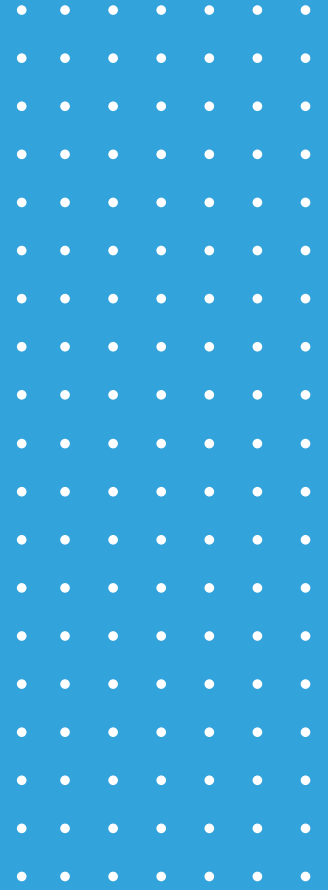
The same is true when outsourcing. Sometimes, initially, things can - and do - go a little wrong. Some clients, however, react to teething problems as an indicator that outsourcing “just doesn’t work” rather than taking them for what they actually are, i.e. teething problems that will, after a little time, iron themselves out.

Keep in mind that, when outsourcing, you are dealing with different time zones and countries whilst also often interacting with several people simultaneously (in the initial stages, to get things started). Just as an operating machine occasionally malfunctions locally, don’t be surprised if it does so when outsourcing as well. Give outsourcing a chance, a few days/ a week or two and things will soon settle down.

Putting it into context:

We once had a client who requested a hi-specification upgraded computer for the Virtual Employee they were hiring. The client made the payment on Friday and wanted his VE to start on Monday. Whilst we could get the resource to start on Monday, we could not get the computer delivered in time for Monday. Needless to say, the client was not happy and took this (unjustly, we felt) as an “erroneous sign about outsourcing”. The client was, however, simply over-reacting to a small teething problem; similar hiccups like this can, and do happen, even locally.

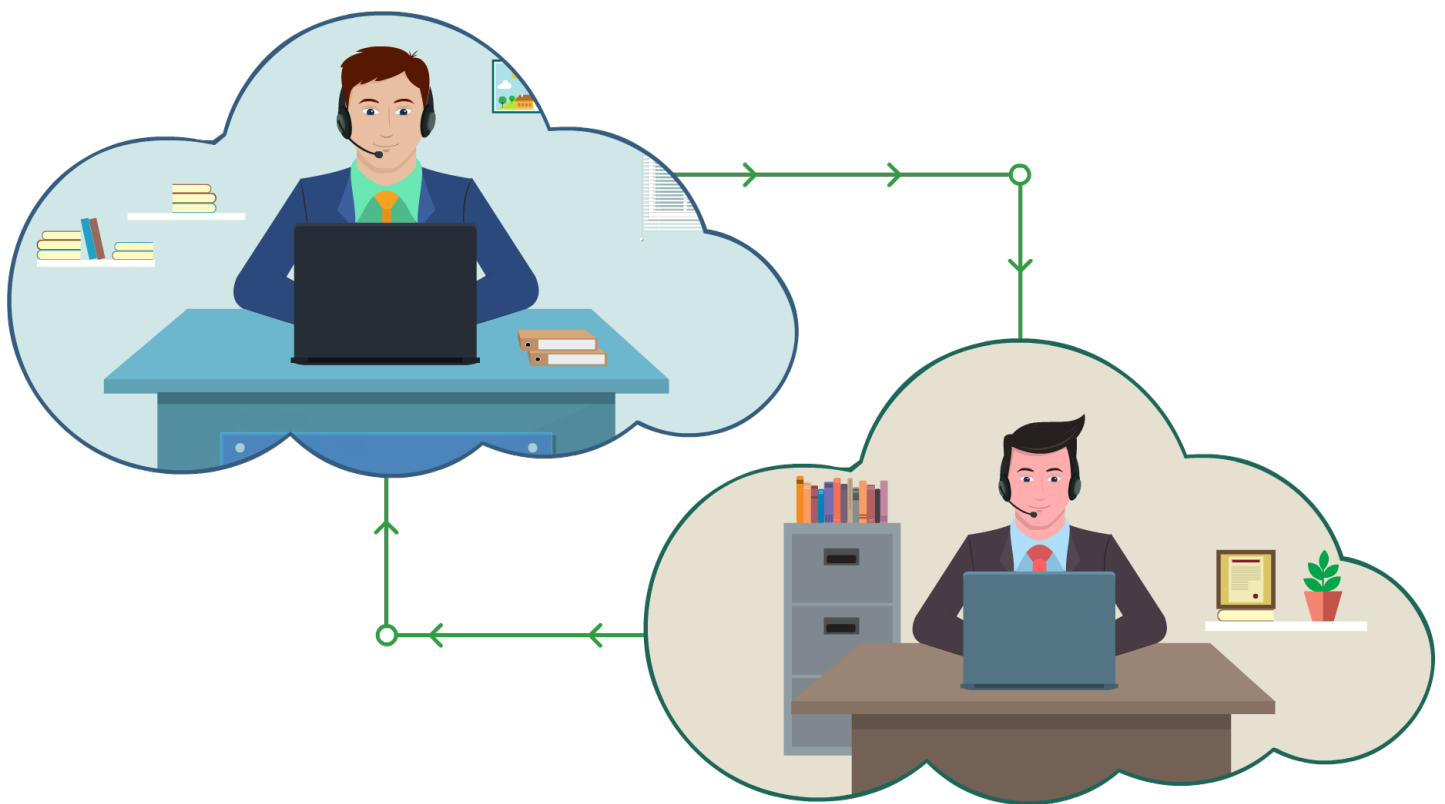
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Failing to communicate
and not being transparent
with your vendor



2 :: FAILING TO COMMUNICATE :: AND NOT BEING TRANSPARENT :: WITH YOUR VENDOR



Be transparent with your outsourcing vendor and their senior management. They are your partners. Communicate with them so that they fully understand your situation and requirement. If you don't show them the complete picture, they won't be able to assist you. Don't underestimate your outsourcing partner; often, they might be able to come up with solutions, provided you tell them upfront what's on your mind.

Putting it into context:

When a client hires a software developer with us, we provide a free add-on service of a Team Lead, who is on hand (ad hoc) to support the client and the client's developer (if need be). We don't charge anything extra for the Team Lead. Since the Team Lead heads a team of developers, all of who are working for different clients, he will have to share his time amongst several of our clients and obviously does not work dedicatedly for any one client. It's a free add-on that we can provide simply because of our large economies of scale.

However, we once found ourselves in an odd situation where a client kept complaining about the 'performance' of the Team Lead (but was quite happy with the actual developers he had hired). What really perplexed us was that the client kept complaining that the Team Lead was not investing sufficient time into his project. We tried several times to explain to the client that the Team Lead was not his dedicated resource and that he had to split his time amongst many clients (and that we had also made this clear before he took our service). But after a few more days/ weeks, once again the client would complain about the Team Lead 'neglecting' his project. Again, we would have to explain that the Team Lead could not invest more time into his project as he had a responsibility to several clients and not just him. But, again, our explanations would go in vain.

This cycle continued to repeat itself for a few months. Then, in the summer of 2016, my colleague and I visited the US. We decided to visit our client who was unhappy with the Team Lead and try to explain in person the nature of our service and why the Team Lead simply could not devote any more time for his project than he currently was doing.

When we met the client in person, we were quite surprised by what he had to say. He explained that his business was in somewhat of a sticky situation. He had had a serious falling out with the two developers, (these were his locally based developers) who had built his application and now there was a serious level of distrust between the

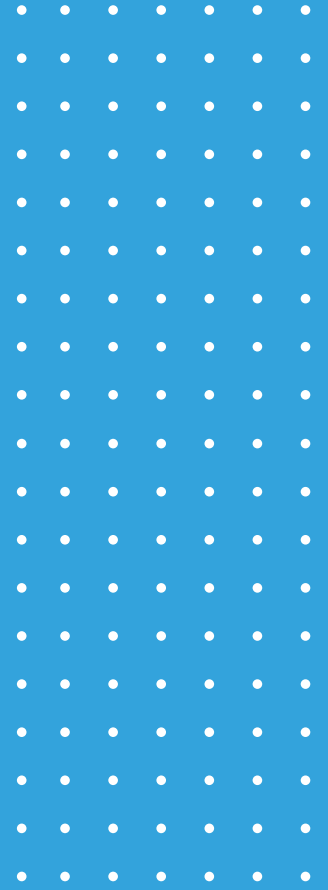
management of the company and the developers. He wanted our team to document and fully understand his application as, given his current scenario, he had no control over his application. Completing the knowledge transfer from his current team to his new team (i.e. his virtual employee team) was key, not only for the sake of his application, but also for the wider implications of his business. Put simply, a lot was at stake and riding on the team he had hired with us. He then also proceeded to explain that the Virtual Employee Team Lead was crucial to the knowledge transfer process due to a) his technical ability (this Team Lead had more than 10 years of experience), and b) the time the client had already invested in bringing the Team Lead up to speed with his application.

This came as quite a surprise to my colleague and me. All this time we had thought that the client was simply unable to understand the structure of our service. But, in reality, the client was simply in a tough situation and was only trying to ensure a successful handover.

Now that we actually fully understood the client's position and the predicament he was in, we were finally able to help him and make arrangements so that the Team Lead could invest more time in the client's project. Until that day, the client had never explained to us what was actually happening, what he was trying to achieve and just why he wanted the Team Lead so critically. Prior to meeting the client, we were completely clueless about the client's position and ended up drawing the wrong conclusions.

In summary, transparency and communication when outsourcing are absolutely key. Don't be afraid to open up with your outsourcing partner. Only once your vendor understands your position and where you are coming from can they actually help you.

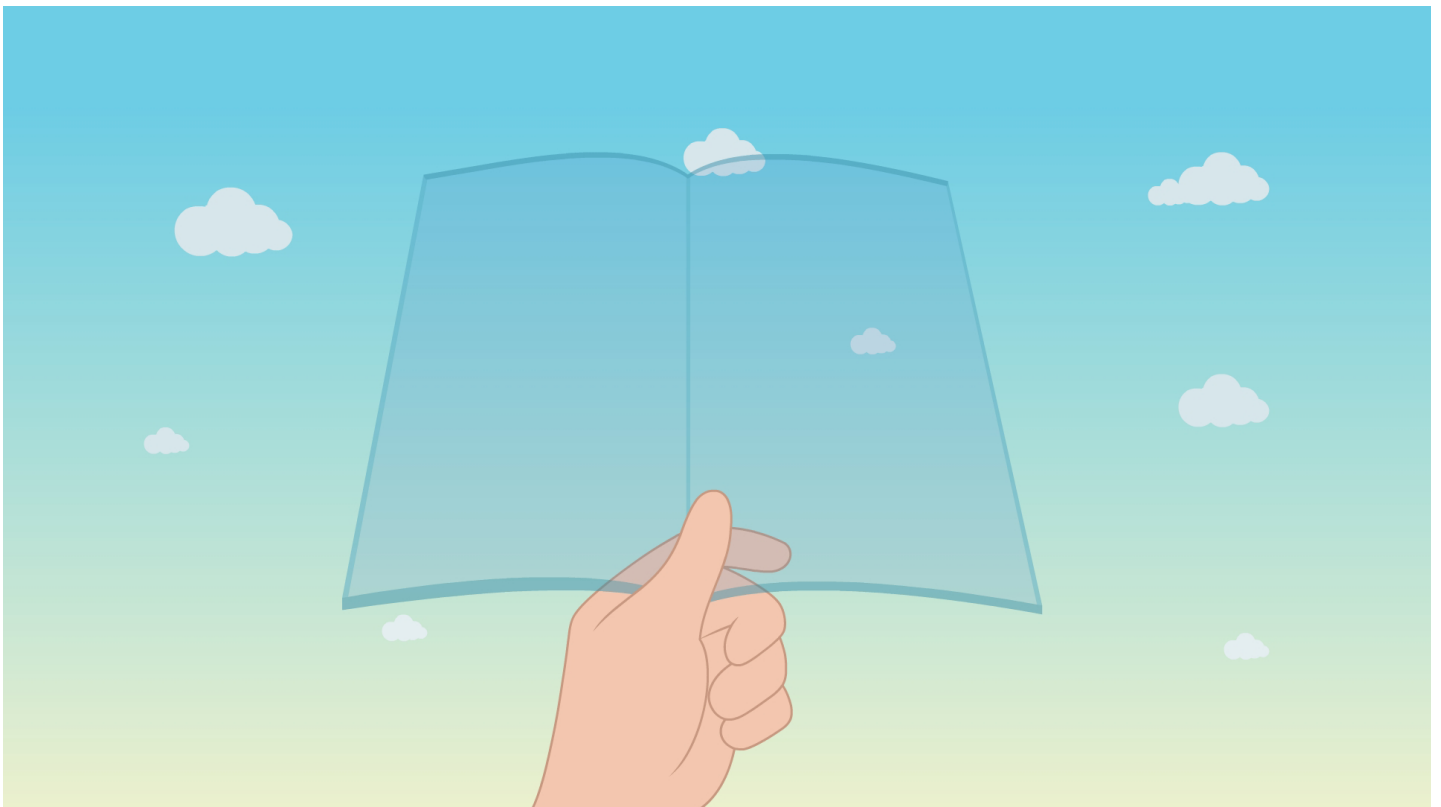
3



Not being transparent
about your overall
business plan (and not
just the work outsourced)



3 :: NOT BEING TRANSPARENT ABOUT :: YOUR OVERALL BUSINESS PLAN (AND :: NOT JUST THE WORK OUTSOURCED)



When clients outsource, the general tendency is for them to focus purely on the work they are outsourcing and to not divulge wider business considerations associated with the work that is being outsourced.

That's perfectly okay, as most of the time your outsourcing vendor will not need to know about the wider business considerations of the work you are outsourcing.

However, there can be occasions where it is important to not only discuss in detail the work you want to outsource, but also the circumstances related to that piece of work/position that you are outsourcing and your wider business goals.

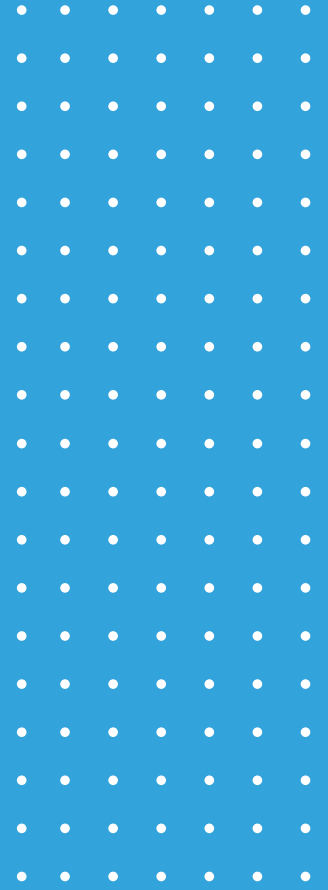
Putting it into context

For example, say, to begin with, you will be the project manager for the work you are outsourcing, but after 6 months you envisage someone else taking over your role (someone based locally). This is something which might not seem relevant enough to share with the outsourcing vendor, but it is. Why? Because, the vendor would advise you that, at the point of transition from one PM to another, you should ideally have the new PM shadow you before the handover. Why? We have had instances where one PM has been switched for another, and the new PM has a) not fully understood our model of operation, and/ or b) had a vastly different approach to managing and interacting with VEs. In turn, this can start to cause delays to the project as the new PM works with their VE in an inappropriate method. By contrast, if the new PM shadows the previous PM for a day or two, it will inevitably result in the prospective PM and the outgoing PM discussing the current method and the new style the prospective PM may introduce. In this way, they can thrash out any changes to the management which otherwise may cause impediment. In contrast, if this does not take place and there are then delays, the outgoing PM may be at a total loss as to why results have started to backslide and, in turn, jump to the wrong conclusions.

Let me give one more (and altogether different) example to further put this point into context. Say, for instance, you are hiring a Virtual Employee and at some point within the next 6 months, you want them to come to work on-site from your local office for, let's say, a period of 3 months. Now, the vast majority of Virtual Employees love to go onsite and work with a client; nevertheless, as small a footnote as something like this might appear to be, it's still best to share this with us, because by doing so we will speak with the employee to ensure they would be able to go onsite before the client starts working with them. Supposing, the client does not inform us about this at the start of service and then after 6 months of working with their VE (although highly unlikely), let's say, due to family commitments the VE is unable to go onsite. What initially may have seemed as an inconsequential point can later become quite serious issue. By discussing not only the entire business plan but also doing it upfront can, however, ensure this problem is avoided altogether.

So, keep in mind (or, preferably, create a list) of any important wider business considerations that are related to the work you are outsourcing. Go over the list and just think to yourself if there are any points which your outsourcing vendor should know about. Some of the points will be irrelevant, but some are likely to be relevant for you to share with your vendor. This exercise will ensure that you have all the bases covered and help avoid hiccups later down the line.

4



Not Reporting Problems
(even small ones)
Immediately



4

NOT REPORTING PROBLEMS (EVEN SMALL ONES) IMMEDIATELY



Why clients make this mistake is still unfathomable to me. But the reality is that, if a client has been facing any issue or problem, they often wait several weeks/months before bringing the problem to our attention. As counter-productive as that may sound, a lot of clients do this for reasons best known to them. It is important that, if you are facing any difficulty with the outsourcing service, you flag it up to the attention of the outsourcing vendor immediately. This is imperative because the sooner you report an issue to the vendor the greater the probability of them being able to rectify the problem. If you let it linger, it is likely the problem will only get worse and then by the time you report it, it may be too late and outside of the control of the vendor to do anything much about it.

Putting it into context:

(We have a success rate of 99.75% with our clients; however, when a company has 700+ staff, there will, inevitably, be cases of a few employees with performance issues, adding up to a handful of complaints in a given year.)

We have had incidences of clients coming to us and saying something along the lines of, “For the past X weeks my Virtual Employee’s performance has been below par. I have seen no progress for these X weeks and as such am unhappy with the service.”

Had the client informed us as soon as possible about the issue we could have:

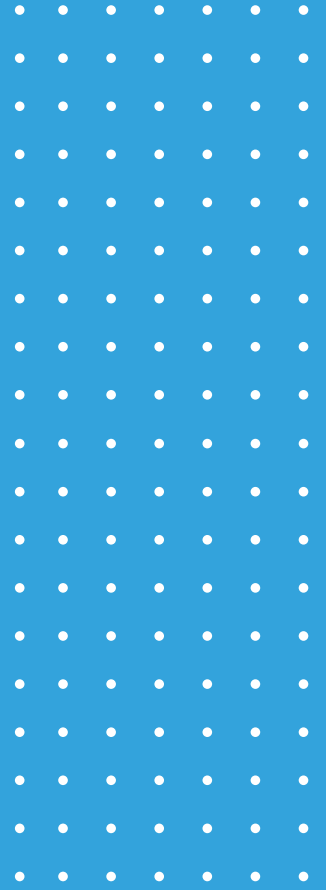
1. Spoken with the employee to understand the issues from their side
2. Helped to monitor their employee to see if they have acted on constructive feedback and started to make improvements
3. Assigned a more senior resource to guide and assist the client’s VE;’ and
4. If need be, replaced the employee or stopped the service (there is no point in continuing to work with someone if they are unable to deliver the results even after receiving considerable support and assistance).

So don’t suffer in silence; flag concerns with your vendor so that they have an opportunity to deal with them before they escalate into a bigger problem. If you don’t report the issue, the problem will only exacerbate. Worse still, if you wait before reporting an issue, you are only likely to be even more impatient and inflexible at the time when you finally come around to report the issue because you have continued to invest time, money and effort. Your increased frustration will then, in turn, give the vendor even less time and opportunity to remedy the problem.

In the example I have cited here, had the client reported their problem straightaway, they may have been more open to their VE getting some assistance or guidance from a more senior resource. On the flip side, if they didn’t and continued to struggle with their VE for several weeks before raising an alarm bell, at that point frustration would reign supreme and they may no longer be open to dialogue.

Please note that in the example I have given above, I am referring to clients that hire Virtual Employees (and so it is the client who manages the offshore resource, not the vendor). Different outsourcing models have different methodologies of working and it could be that it is the vendor’s responsibility to project manage the offshore team assigned to your work (in which case they would be acutely aware of the team’s day to day performance rather than yourself); it just depends on which service you take. So, don’t worry too much about the specifics of the example I have given here but rather focus more on the key point, namely, to report any hiccups without delay.

5



Not trusting
your vendor



5 :: NOT TRUSTING YOUR VENDOR



Occasionally, clients won't take on board the advice we give them regarding their virtual employee. This is a mistake because no one will know the local culture, market and its customs better than your vendor. So your vendor's feedback is invaluable – ignore it at your risk!

Secondly, the outsourcing vendor is also the best placed party to be impartial and to take a call that is fair to both, you and your virtual employee. A good vendor will take a decision keeping in mind the long-term relationship at stake, whereas clients inevitably focus more on the immediate future; so don't be so quick to sideline the vendor's feedback.

Here are two good examples of why it's important to trust your vendor:

A. Being too generous with rewards for your remote staff



A lot of clients are overly sensitive to the needs of their overseas staff and so dole out rewards with a rather free hand. We have found that some clients are so happy with their employees that they go over the top to ensure that their Virtual Employee is happy.

I am assuming here that some clients think that agreeing to any of their VE's requests will ensure that their employee is happy. For the most part it does; however, after a certain point, a sense of being indispensable can also start to seep into the employee's mind. This occurs because some of the rewards that Western clients give their staff in India are not customary in the local job market. And so, by breaking away from local employer-employee protocols, the employee misinterprets the situation, i.e. the reason the client is being so generous can only be because I am an indispensable part of his team. In turn, this can result in the employee raising their expectations above a) what they actually would have been happy with (minus the overly generous treatment), and b) what the norm is for the local market conditions.

The best approach is to be fair in your rewards to your overseas team but not overly generous. How do you know if you are being fair or overly generous? Well, that is where the role of your outsourcing partner is absolutely key. Before making any HR decisions regarding your VE, have some faith and trust in your vendor and take feedback from them. Being overly generous can make things harder further down the line.

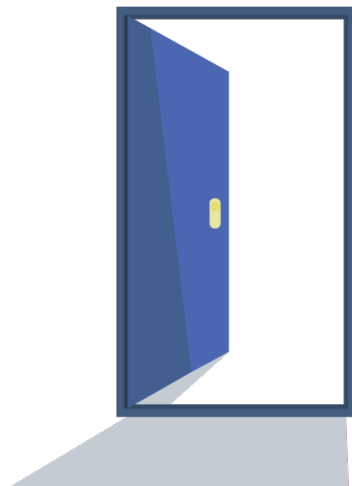
Putting it into context:

The most common example of being overly beneficent is when it comes to salary appraisals. We advise clients as to what would be considered a fair appraisal for average, good or excellent performance as per the local market, given their employee's skill set and years of experience. But, frequently, we get clients who go above the slab we recommend for excellent performance, despite our advice not to.

We have had several clients who have, for several years, insisted on giving appraisals higher than our recommendations, and against our advice. Not only did this serve to inflate the expectations of the staff every year but a few clients, after 4-5 years of doing this, came back to us and expressed their worry that their virtual employee's cost had now started getting beyond their budget!

This mind-set doesn't just apply to salary appraisals though. We once had a client who wanted us to provide their virtual employee office transportation right up to their home at the end of their day. Whilst we provide a free shuttle service at set pick up and drop off points to all our employees, we had to explain to the client that we could not provide a free home pick-and-drop cab service for just one employee. But the client had already started to sow the seeds of indispensability into the mind of their virtual employee. Eventually, it backfired as the employee felt hard done by when even their most unreasonable of requests was declined.

B.Viewing your outsourced staff as dispensable



On the flip side, although rare, we also come across some clients who view their virtual employees as readily dispensable and, as a result, they don't extend the same level of professionalism to them as they would to their local staff. There seems to be a mind-set in such instances that, because they have hired an employee in a developing country, the employee will happily tolerate unprofessionalism.

There are a lot of opportunities for young professionals in a country like India. Don't be under the impression that you are hiring a sweat shop worker that will be forever loyal no matter what. If you treat your virtual employees unfairly they won't stick around for long. The key to outsourcing successfully is to find that happy medium between not being overly generous and not being discourteous either.

Putting it into context:

Although in a minority, we have, nevertheless, come across instances where clients have given unjustly low appraisals. When the employee has then resigned and found a better opportunity (which we had warned the client that they would), we have then seen clients go into panic mode as they finally appreciate that they have now lost a valuable member of their organization.

Hopefully, this point puts into perspective why not only is it so important to trust your outsourcing partner, but to ensure you partner with the right vendor in the first place. If you don't partner with a reputed and professional firm to begin with, trust will be very much a moot point.



If you would like tips on how to avoid rogue outsourcing vendors, click [here](#) to download my free eBook '5 Tips to Avoid Rogue Outsourcing Companies'.



CONCLUSION:

In conclusion, working with a Virtual Employee is just like working with a local employee. And - this is a theme throughout all my eBooks - if you just follow good local business practices when also offshoring / hiring Virtual Employees, you will more or less be fine. Things generally tend to go wrong when clients deviate from what are well-established employee management practices.

However, sometimes, due to the economics involved and social and cultural differences, there can be occasions where it might be difficult for you to make a prudent decision. That's where your outsourcing vendor plays a critical role.

Lean on them and take their advice, don't ignore it. For instance, we (VirtualEmployee.com) have done this (placed VEs) over and over and over again (literally, over a thousand times). And when you have that level of experience, the advice you can offer to clients is invaluable. Unfortunately, sometimes clients use their discretion whether or not to use our advice, but more often than not, it's to the client's detriment if they ignore our advice. So remember, when hiring VEs, don't ignore the vendor's counsel.

Are you thinking of outsourcing? Then See the next page

If you are thinking about Outsourcing...

Do you know:

1. The 3 most common Outsourcing Models?
2. How to assess the knowledge transfer complexity of your work?
3. How to check if you are outsourcing correctly, in just 5 minutes?

Outsourcing can transform your business, but only if done correctly...

In My eBook, 'How to Outsource Work Overseas' (based on my lecture at the Social Media Week), I share with you The 7 Key Steps to Ensure 70%+ Cost Savings, and the 10 Most Common Client Pitfalls to Avoid

The 7-Step Process for Outsourcing Success:

Step 1: Ask Yourself, Are You Outsourcing for the Right Reasons?

Step 2: Invest Time to Learn How to Outsource Before You Outsource

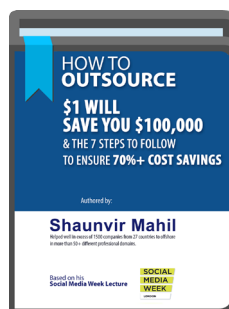
Step 3: Analyze and Evaluate Your Work Before You Outsource It

Step 4: Choosing the Right Outsourcing Business Model for Your Work

Step 5: The Outsourcing Heuristic

Step 6: Choosing the Right Outsourcing Vendor

Step 7: Getting Started with Your Outsourcing Partner








By following my 7-step methodology, you will have an effective outsourcing strategy in place that will ensure you get outsourcing right, the first time.

***Yes, I want to ensure 70%+
Outsourcing Cost Savings***

Want to Hire Virtual Employees?

HIRE VEs FROM ONLY
\$995-\$1995/MONTH IN ANY DOMAIN

Now hire employees with.....

ZERO PAIN	 Zero Recruitment Get instant access to talented professionals for free	 Zero Long Term Contracts Scale down with just 5/15/30 days' notice
 Zero Liability No more employee labor laws, tax, insurance, worker's comp, etc	 Zero Management No more HR, Accounts, IT, Admin, Maintenance, etc	 Zero Capital Investments No more startup costs, collateral damage or overheads, etc

100% Risk Free

 FREE TRIAL Free Trial Available	 100% Money Back Guarantee
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Thank You!

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