

Outsourcing:

Managing On-Site Contractors

First in a Series

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In the Summer 2009 through Spring 2010 issues, Dining Insights published a series, "Picking the Right Food Service Contractor." This series describes ways to manage outsourced services providers. The original series may be found at our website, www.clariongp.com/newsletter.

Outsourcing non-core functions is considered a wise management practice, but it's wise only if the vendor and its services are well-managed and controlled.

While management may have relieved itself of day-to-day responsibility for dining, catering, conference and event or other services, it still has a responsibility to ensure the vendor is performing these services according to your standards, efficiently and cost-effectively.

"Management" in this context usually means an administrative services or facilities manager in a company or professional firm, or a director of auxiliary services, business manager or sometimes, the dean of students, on a campus.

Whether in a corporate or campus setting, you, the manager or director, are responsible for the vendor's services to employees, students, guests, departments or others – and answer for the results to your senior management.

Unlike vendors who deliver products or perform their services off-site, the companies that operate your dining, catering, conference, audio/visual, cleaning, mail room and other services place their own managers and employees on your premises.

Divided Loyalties

These are the people who determine how well or badly your services are performed. The contractor provides – or is supposed to provide – supervision and support, financial reporting and accountability and innovative ideas to improve services and reduce costs. But the end result is always dependent upon those folks at your site.

The contractor's on-site team has divided, and to some extent conflicting, loyalties and responsibilities:

- **To their employer**, by doing a good job so the business may be retained, but also to increase the company's revenue and minimize its costs so it can maximize its profit.

- **To you, the client**, by doing a good job at the lowest cost to you consistent with quality, service and your other standards and requirements.

It's in your interests to ensure the on-site manager and employees see their role as giving their best, most efficient and cost-effective efforts to your organization. This means you'll have to help them perceive themselves as a part of your team.

Include the contractor's manager in your meetings and keep him/her integrated into your department.

While it's the contractor and its local manager who are primarily responsible for maintaining its employees' high morale and enthusiasm, you can help.

Treat the contractor's employees as you do your own people, to the extent that it doesn't cross the line that would make your organization a co-employer.

Encourage Participation

Get to know these people and especially, recognize and talk to individuals by name. Encourage them to participate in company or campus events and relevant training programs (e.g., safety, sexual harassment), but don't make company benefits available.

The next article in this series will discuss contracts and relationships with the service provider.

Clarion can improve the value of your outsourced hospitality services. Contact Tom Mac Dermott, 603/642-8011 • Angela Phelan, 973/ 544-6223 • Ernie Wilder, 703/283-3030, or e-mail us at info@clariongp.com Visit our website, www.clariongp.com.