

Long Term Outsourcing: How to Develop & Maintain a Successful Relationship



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Client: McLean Packaging Corporation

One of the benefits of having served clients for almost thirty-five years has been the opportunity to develop lasting professional and personal relationships with a diversity of companies and people. During that time,



CompuData has become the outsourced IT department to many of our clients.

There are many reasons why companies outsource for the long term. The most common reasons, however, include:

- Proficiency: Information technology is not a core competency
- Cost effectiveness: Reduce and control operating expenses
- Value: Access to top of the line service and expertise
- Focus: Keep company's focus on the market, competition, and customer needs

MAKING THE LONG TERM WORK

Outsourced relationships can survive over time despite changes in management, management philosophy, business plan or mission statement. The organizations in these relationships typically understand that the partnership must be nurtured and

developed over time.

In the 1970s, CompuData entered into what would become a long-term outsourced relationship with Philadelphia, PA-based McLean Packaging. The mission was to provide technology services that would support McLean Packaging's highly competitive manufacturing facility. Through the decades, CompuData has provided customized software, hardware installation, support, and service for every facet of McLean Packaging's needs. A generation after the relationship began, CompuData still serves as McLean Packaging's outsourced IT department.

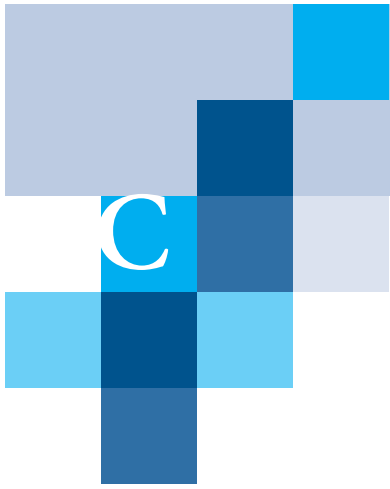
How has the relationship lasted so long? We've taken a look back on the evolving relationship and discovered a few key components that made the McLean Packaging's outsourcing experience and relationship with CompuData a success.

KNOW EACH OTHER

McLean Packaging is a forty-five year old company that manufactures custom corrugated displays and containers, and a variety of paper and transparent boxes and cylinders. Though most of the general public has never heard of the company, few have not seen its products whether it is a packaging of Godiva chocolates, CD cases, cosmetic packaging, or a corrugated product display in the grocery store.

"When Your Product is the Most Important Thing, Your Package is Everything," states McLean Packaging's motto. The staff at McLean Packaging understands that to attract customers, you have to know customers. You have to relate to them and speak in a manner they understand and in a way that appeals to them.

Knowing your customer is a key component



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in developing, maintaining, and sustaining long term outsourcing relationships. From the onset, CompuData personnel could see that McLean Packaging was a rapidly growing company with diverse and evolving needs. CompuData invested the time to get to know the company, its people, its processes, its operations, and its goals.

COMMUNICATION IS KEY

Knowing the client enables you to communicate better. To communicate effectively, the customer must articulate and the provider must listen to the client's goals and objectives. Bear in mind, as the IT provider, you must be the one to lead and continue this conversation. When you are able to address clients' needs, speak their language, and understand their business, you are more easily able to communicate what you are able to offer and how it can positively impact their business. In effect, you become your clients' advisor, taking a proactive, not a reactive, role.

ADVISE WISELY

Too often IT partners are too wrapped up in the technology that they sell. In other words, it's "cool." But "cool" doesn't necessarily help the client run his business more efficiently or move him closer to his goals. Recommend only the technologies that will: save your client money, give them a competitive edge, or increase productivity. All solutions must give your client a clear return on investment.

ADAPT TO CHANGE

McLean Packaging is in an industry that is constantly evolving. To stay competitive, the company has to quickly respond and adapt to change. Those who want to do business with McLean Packaging must also quickly respond and adapt.

Adaptation is another key component in maintaining an outsourcing relationship. If

you know the client's business well, you can anticipate or at least respond quickly to change.

LOOK TOWARD THE FUTURE

Knowing the client, their industry, and their goals, maintaining effective communication, advising wisely, and quickly adapting to change enable the IT partner to fit naturally into the client's future. When the partners establish a pattern of trust, dependability, and value, the long term outsource relationship is sustained and nourished. Giving the client return on investment in exchange for services will keep competition on the outside and continue to solidify the partnership.

IS OUTSOURCING FOR EVERYONE?

Although clients do not always outsource 100% of their IT functions, there is almost always some percentage that is outsourced. Even large organizations with sizeable IT departments outsource projects where they do not have a strong expertise level. Knowing your limits and seeking expert help, allows businesses to focus on their core competencies without going astray down an ancillary path.

Choosing the level of outsourcing is a corporate decision dependent on how management wishes to allocate and invest resources. But if value is established, the outsourcing relationship can allow your business to focus on their core business, get expert recommendations when needed, and create a partnership that lasts far into the future.

