

Worlco revolves around IT

PHILADELPHIA BUSINESS JOURNAL - BY [Adam Stone](#) SPECIAL TO THE BUSINESS JOURNAL

CHERRY HILL -- At a time when the technology industry has slowed, [Worlco Computer Resources](#) and its subsidiary, [Worlco Consulting](#), are growing fast and furious.

Revenues of the parent firm grew 133 percent from 1998 to 1999, and another 116 percent from 1999 to 2000, the company said.

While the final 2001 numbers are not in yet, it appears to have been another strong year, largely thanks to growth on the consulting side.

The secret ingredient, apparently, is "co-sourcing" -- and if you have not heard of it, you are not alone. It's a relatively new idea in the world of IT staffing, and the folks at Worlco are betting it is going to be the wave of the future.

To understand how co-sourcing works, consider what Chic Saile has been through.

As IT director for sourcing and financing at chemical manufacturing giant Rohm and Haas Co., Saile believed there were two ways to get tech staffing done: Use in-house labor, or outsource the work to a third party.

Sometimes, though, neither model worked.

"We are in the chemical manufacturing business. We are not in the business of servicing computers," Saile said. Thus it often proved difficult to hire and manage the appropriate in-house staff to support employees' desktop needs.

Saile therefore turned to the tried-and-true method of outsourcing -- "and it was a big problem. We had completely outsourced all of our desktop services, and every time there was an issue the contract got pulled out and put on the table. We and the vendor were always at odds with one another. We were always asking for more and the provider would say that that was not part of the contract and that now we had to pay them more."

Enter Worlco, with its new and different model.

The consulting firm hires the tech-support crew and handles all the related human-resources work -- while the daily management and oversight of those workers is the responsibility of Rohm and Haas management.

"The co-sourcing arrangement is more collaborative than outsourcing, and can be more easily aligned with the client's business objectives," said C. Martin Diller, a partner with Worlco Consulting, which was founded in 1996.

The parent company was established in 1982 by two former IBM Corp. executives, Robert Hughes and Frank Parisi. Diller came on board to help expand the consulting arm of a business, whose main line of work is IT staffing.

He said there is a natural flow back and forth between the firm's consulting work and its staffing capabilities. "If we get calls from a company that needs specific (consulting help), and then that evolves into some project definition, we can meet that specialized need, so that they don't have to hire employees just for this project," Diller said.

Once Worlco consultants get a project rolling, the firm can send in IT professionals to implement the consultants' ideas, "and when the project is over, they go away."

Clients say this is a natural evolution for Worlco, which already has honed the staffing process down to a fine point.

"They would arrange cluster interview sessions, where I would go on-site and they would have five or six candidates lined up. It made the process very easy for me," said Warren Paul, system manager at Pep Boys-Manny, Moe & Jack headquarters in Philadelphia.

In order to put forward qualified applicants, he said, Worlco executives spend a lot of time trying to understand exactly what it is the client needs. "Their communication and their feedback was very solid. We just had constant interactions, and that was a major asset that differentiated them" from other staffing firms, Paul said.

As Worlco's consulting arm moves to expand its offerings, this guiding principle -- don't just be a vendor, be a partner -- remains intact.

Unlike most players in the world of IT services, he gives clients a detailed financial breakdown, showing them exactly what Worlco takes out of the money they pay for co-sourced staff members. Diller lays it all out: Worlco's income, per co-sourced worker, per hour.

"It provides a basis for comparing contracts, and it makes it more of a strategic partnership. That is the whole idea behind co-sourcing in the first place: That we share the management, we share the responsibilities right down the line," said Diller.