



Expertise sought

When and why you should consider outsourcing.

– By Dave Wylie, Experience on Tap, Director.

Traditionally as managers, when we look at the resources we have available to us we look first at our department, then to the wider company and occasionally to our established suppliers. Why? Because that's the way we've always done it! Maybe the company has a culture of self-reliance; it could be that as a manager you find it difficult to let go and delegate, for fear of losing control. "What will my boss think if I tell him I can't do it myself?" we ask ourselves. The recession has added another factor into the mix, with overheads cut back and consequently resources being constrained.

But the recession has also presented us with an opportunity. With growth returning to our economy and increasing pressure on the resources under your control there is still a need to show restraint because, while we want to be optimistic, we cannot be certain that we have returned to a period of sustained growth. If you make the decision to increase your internal resources, you increase your overheads at a time when you don't know if they can be sustained long-term.

There is a strong case to be made for outsourcing, by using experienced, skilled contractors to complete projects and assignments quickly and effectively where the cost is a one-off rather than an ongoing overhead.

There are circumstances when using an outside resource is a better solution than trying to handle your opportunity or issue internally: when you don't have, and can't justify hiring,

the expertise internally. A good example is your IT network with the ongoing issues relating to security, constant software updates, and hardware changes and breakdowns. Rather than struggle to maintain the trained staff internally in a constantly changing scenario that is not your core business, you could choose from a range of outsourced choices, including fixed-price service contracts, off-site backup and hosted services, to name a few.

There are times when a strategic review is required and it can be difficult to disengage from the day-to-day and get the big-picture view that is needed. An example might be the ERP or CRM software: should you upgrade or replace it? What are your options and the implications if you do decide to replace the software that has supported the company's operation for a long time?

A merger of two organisations with different cultures and approaches to staff can be a particularly challenging time, and a big threat to the productivity and happiness of the people involved and the overall success of the merger. A non-partisan outsider could be the key to success.

Of course to make use of contract resources, whether they are individuals or companies, requires everyone to agree on the need for them, and it would be prudent to discuss this with the rest of the executive team before you start. Involving an outsider in internal company politics is not a good way to ensure that he or she is able to work effectively.

Prepare your case carefully by defining the

issue or opportunity you wish to address and being quite clear about the required outcomes. Document the benefits, both tangible and intangible, from completing the project or assignment. Only then will you be able to justify the cost of the exercise.

A crucial factor in success is being willing to work with outsiders. This is true not just as the person responsible, but with all people that they will come into contact with during their task. Many people feel threatened by change and someone from outside the organisation coming in. Make sure that the contractors are positioned and supported appropriately for the duration of their assignment, so you can derive the best possible benefit from them.

When you meet the people who are being recommended to you, consider how they will fit in with your company's culture. Will they relate to the staff they will need to interact with? Are they effective communicators who can ask questions and listen carefully to the answers? Can they provide appropriate references?

As the manager who has sponsored outsourcing as the solution to your company's situation, never forget that delegating the task is not delegating the responsibility; you are just using a different resource to get the job done.

In a time of change, reflecting on a quote from Albert Einstein is food for thought: "Madness is doing the same thing and expecting a different result." 