

The Changing Tides of Outsourcing

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Fifteen years ago, outsourcing was a lot simpler. Many people worked in a technology-famished wasteland totally devoid of interconnectivity, firewalls and high-speed access. Companies had mainframe computers centrally located in restricted areas, and few employees had access to the technology. Today, small, robust computers can be found everywhere in corporate America, and employees have instant access with companies and the world via the Intranet and Internet.

Years ago, facility managers had to fight tooth and nail for floor space to store mountains of computer reports cluttering hallways, making offices seem more like cardboard warehouses. Today, they're stored on CDs no bigger than a slice of bread.

Once, there were fewer players in the outsourcing business. Today, there are a multitude of players offering a broad array of services. One specific area of outsourcing addresses the world of document processing. In the old days, a facility manager could get three quotes from copier/mail outsourcing companies and seal the contract without ever talking with the IT manager. The unilateral decision was typically based on price, benefits, equipment and having the right electrical socket.

The world we live in today is fast, furious, fearless and ferocious. Facility managers cannot afford to make outsourcing decisions on their own. The stakes are too high. Many align themselves with teams of people especially those from the information technology department to eliminate the element of surprise. Nobody likes surprises. Somebody once said, "the unexpected doesn't always happen, but it always happens when you least expect it."

Avoiding the risk of surprise when contracting with outsourcing companies deserves a closer look. Do you remember the soothsayers of the '80s ranting about the coming "paperless society?" It never came to fruition. Paper is here to stay. That's no surprise. What has changed is the technology. Technology has transformed dumb, analogue copiers into smart and sophisticated multi-functional devices that can fax, scan, store and copy documents at the touch of a keyboard.



Computers can be programmed to instruct copiers to handle binding, color synchronization, separation, hole-punching and tab insertion. A multitude of software programs residing on company-wide networks require facility managers to know if their programs will work on the company's printers and copiers they just leased or purchased. In the midst of this daunting challenge is an ailing economy, limping through one of the longest recessions in the history of the United States.

As facility managers struggle to lower costs, many now embrace print management programs to drive high-volume jobs from expensive printers to low-cost copiers. These are great action steps that facility managers can take to help recession-proof their organizations. The key is to understand that document processing outsourcing companies no longer just provide copy and mail services. They are now in the business of technology services that go well beyond the familiar gray copier box with the little green button. Be sure you understand the features and limitations of these gray boxes. Lack of systems compatibility is one surprise you definitely want to avoid.

Without quality people, the price becomes irrelevant

Systems compatibility is not the only issue. There also needs to be "people compatibility." Although technology can lower cost, it requires a stable, technology-friendly workforce to get the job

done. In my company, we hire approximately 1 to 2 percent of the people we interview. We are slow to hire and reluctant to fire. When we recruit people, a servant's heart is more important than a pretty face.

We also put our candidates through multiple hurdles before they get a job offer. Every candidate that works on a customer's site will go to that site for a "job preview" before he or she is hired. We want the

candidate to see the customer's environment, get a feel for the technology and talk to some of the employees.

Some candidates will actually screen themselves out at this point. Many people accept jobs based on expectations, not reality. When they start a new job, they realize they made a mistake and within three to six months, they usually resign because they are bored to tears. Turnover is not good for the employee, the company or the client. Nobody wants to see a revolving turnover door. It's disruptive and puts a real strain on training. A workforce that lacks stability often has a negative impact on quality and customer service. This approach may slow down recruiting efforts, but speed is not always a shortcut to success. The bottom line is you want to avoid the "quality of people" surprise.

In addition, when contracting with any outsourcing company, you need to take a peek under the carpet and ask some tough questions, such as "What is the employee turnover rate?" Also, try to find out how the company trains their employees. Why should you consider spending your company's money with an outsourcing company if its workforce is not trained? You could just as easily hire your own untrained people and probably at a lower cost. Without quality people, the price becomes irrelevant.

If the outsourcing company is using sophisticated technology to run your facility, do they have trained people to
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get the job done? In addition, inquire about the work status of the employees, especially in the wake of September 11. If an outsourcing company is using temporary workers, you may be getting a great price for the service, but the service levels may groan and turnover may soar.

Also, determine what happens to the service during absenteeism or vacation. Are those employees replaced? Do they have extras or floaters who will fill in during time-off days? Finally, determine if the company is doing criminal background checks, drivers' license checks, drug tests, I-9 verification and ensuring the employees are bonded. Outsourced employees are total strangers working on your company's premises. By doing your due diligence, you are ensuring the safety of your employees and protecting your company from unintentional liability.

Test the technology before the contract is signed

Another area that can avoid unnecessary surprises is the beta test. Testing the waters before plunging in a pool of uncertainty also makes good sense. Can you imagine the nightmare of installing 300 copiers in multiple locations only to find out that only 25 percent of your drivers can communicate with the copiers on your network? Your outsourcing company needs to do a beta test either at your location or the outsourcer's location. This will undoubtedly cost the outsourcing company additional time and expense.

In the absence of this test, you may find yourself in a whirlpool. In addition, the facility manager can no longer risk being the lone ranger in outsourcing decisions. Information technology specialists working in your company must be involved in analyzing the capabilities of the outsourcing company. It is your IT department that acquires and maintains your various software programs and print drivers. Your outsourcing company must ensure that these programs work properly with the new equipment you just decided to lease. Also, before signing on the dotted line, insist on getting an implementation manual from your outsourcing company, including specific completion dates. Part of the implementation process should include being at your location at least two weeks before the start-up. Day One should go off without a hitch. If there are hiccups, your credibility is on the line.

In any copy or mail outsourcing engagement, also make sure that the outsourcing company is able to deliver

and maintain software that will reduce your costs on an ongoing basis. For example, in most mail center operations, employees tend to memorize locations and just sling mail in the appropriate box. What is wrong with this picture? If the employee memorized 500 locations and resigns, you have to hire a replacement and train that person to memorize those 500 locations or refer to a list of names.

Any outsourcing company worth its salt will have mail technology that includes a database and keyboard entry. This means that anyone can quickly sort mail provided the outsourcing company maintains and updates the database. A fully-loaded database means your employees will get their mail quickly and accurately.

Another major component in the mail operation is receiving incoming packages. You should require your outsourcing company to take complete responsibility for those incoming packages until they are delivered to your employees and signed for. Packages can disappear. If there is no signed receipt, your outsourcing company should reimburse your company for the cost of that package with no questions asked.

Another critical piece to reducing your company's costs and avoiding surprises is to make sure your outsourcing company provides the software that can redirect high volume print jobs from printers to copiers. The problem with printers is the high cost of toner. When you print something on a typical printer, it could be costing your company 8 cents per page. If that job can be redirected to a smart copier, the cost might be 1 cent per page or less. Some programs can be customized with built-in restrictions. For example, if someone attempts to print a 100-page document on a printer, the software can automatically redirect it to the copier.

Employee support: your foundation for success

The biggest surprise you want to avoid is disappointment within your own rank-and-file employees. Most facility managers know that for any program or project to be successful, they must have buy-in from the employees. The fact is, you are under the microscope due to the nature of your job. What you do can make you a hero or a villain.

A great way to get employee buy-in is to give them something that will be useful and practical. For example, many outsourcing companies provide pick-up and delivery of copy jobs. Some do it

twice a day and others do it four times a day. However, with today's technology, a good outsourcing company can actually put a job ticket icon on your employee's desktop. What is the impact of this? If your employee can complete the job ticket from his or her desktop and attach the document in any format, it can be sent immediately to the copy center electronically.

More important, the outsourcing company can run that job using "first generation." This means that the quality of the copy job will be as good as the original and not a copy of the original. The job is done better and faster, and your employees did not have to drop off the job at the mail stop or copy center. You become a hero! In order to provide this service, the outsourcing company must have the software and the network capability or be able to put the software on your company's network. Either way, it will work.

In summary, technology has forever changed the face of outsourcing. It's complex. Facility managers must continue to partner with information technology to remove the element of surprise and to ensure the technology is appropriately applied. Similarly, the outsourcing company needs to bring its own technology solutions to the customer's table that will lower their client's costs. Price, of course, is not the final denominator. It needs to be a solid partnership, shared values and a constant effort to exceed expectations.

Using an outsourcing company to help you manage your document systems can bring enormous benefits while letting your company focus on its core business. It definitely is a hedge to help recession-proof your company. But your outsourcing company needs to be the best that it can be. As W. Somerset Maugham once said, "It's a funny thing about life. If you refuse to accept anything but the very best, you will very often get it." □

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