

Outsourcing: the next generation

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For many people, outsourcing conjures up images of programmers in Atlanta losing their jobs to low-paid technology gurus in Bombay. For a poor country once led by Gandhi, India has certainly reaped the benefits of American enterprise on its own soil. This is an election year and the subject of outsourcing jobs overseas has developed into a political watershed. However, most outsourcing engagements today remain on American soil where they have thrived for many years.

For many outsourcing companies, the next generation will remain virtually unchanged. There will be no giant technology leaps for companies focused on janitorial, landscape, office design, relocation, office supplies or food catering services. These stable industries are intrinsically less dependent on technology. Not long ago, the outsourcing of mail, copy and record centers would have been included on this list.

Today, we have totally integrated Web-based, document management systems that are transforming how we copy, store and retrieve information. Cutting-edge copier manufacturers like Konica Minolta enable you to automatically send an e-mail to the network administrator when your copier jams or the toner is low. Ironically, it's the copier companies like Konica Minolta who will most likely lead the charge to improve electronic storage of information which will ultimately reduce the amount of paper that flows through their machines.

Document management

So, is it the beginning of the end of the paperless society? Not in our lifetime. In the United States, we represent fewer than 5 percent of the world's population, yet consume 30 percent of the world's paper. Paper is the fuel that keeps our offices running, but the shredding and recycling of paper will continue to escalate. Costs will be cut and dollars will be saved through technology and conservation. What will this next generation of outsourcing look like? For some outsourcing companies, rapid change and technological innovations are already here.

The days of spending hours searching for documents are over. It's all point, click and "give it to me now." You can literally zip through millions of documents in seconds. Instead of taking 15 minutes of search and frustration to find a document in some file cabinet—or five hours if it's located in off-site storage—we can now find documents in the blink of an eye. Smart search criteria enable users to find documents in combined related fields even if the spelling is incorrect.

The room in the basement with all of those heavy, metal file cabinets is no longer required. The documents are scanned, converted or imported and now reside on a server no bigger than a DVD player and accessible via your computer or laptop from anywhere in the world. What will companies do with all of that extra floor space and cost per square foot?

Remember how the horse and buggy industry disintegrated with the arrival of the Model T Ford? That off-site storage company and its hundreds of cardboard boxes filled with expensive manila folders in temperature-controlled vaults are now extinct. Scan and scrap it are your marching orders today. Paper shredding machines will thrive in this environment.

The mail center has also gone through a metamorphosis. The old "sling and fling" slug-mail process was replaced with a high speed database. Wireless light systems enable rapid sorting of incoming mail resulting in faster distribution. High-speed optics instantly read and sort mail at lightning speed. Systems count the mail so you can charge back to the user departments for mail services rendered. Your incoming packages are scanned upon receipt. Hand-held palm pilots are used to electronically capture signature upon delivery of your packages. Those signatures are uploaded into your mail system and serve as proof of delivery. Lost or missing packages no longer consume your time and the headcount in the mail center is cut in half due to improved efficiency. Sending reports to the mail center for national distribution via high-cost, overnight express is now a thing of the past. These documents are now sent to your employees or clients via the Web at a fraction of the cost.

Copy center revival

The copy center was also radically transformed. The resolution of customer service issues over the phone regarding open job tickets or malfunctioning copiers rarely occurs anymore. Your customers now access these areas via a user-friendly Web site that your outsourcing company provides.

You no longer walk down to the main copy center to discuss those 100 manuals that need to be printed. You now complete a job request form on line and electronically send it to the copy center. Don't worry about forgetting to say you wanted it three-hole punched. The memory system will automatically prompt you with a gentle reminder based on your previously submitted jobs. You even get a friendly voice mail back indicating receipt of the document and when it was completed. Now that's service with a smile.

Copy center revival - continued

The copy center, by the way, is now cut in half because all of your convenience copiers and printers are networked to everyone's computer. Instead of giant, mega-size duplicators residing in one room, you have super-charged, smaller convenience copiers spread throughout the organization. When the copier goes down, you know longer have to call the service department to get it fixed. Smart software instantly identifies the problem and dispatches personnel to fix it immediately.

When the office clerk attempts to print a 200-page accounting report on a printer, your system automatically redirects the job to a high-speed copier down the hall. The money your company saves in toner cartridges starts to make your CFO's head spin.

It is no longer necessary to use your access card to run the copier. The keyboard reads your fingerprint and automatically identifies you as the user. There is no need to walk over to the fax machine. They are now resting in peace with the Hayes modem. They were good in their day, but progress edged them out. Your computer, printer or copier will send those documents electronically, and they'll look a lot better on the receiving end without making those funny noises you used to get with the fax machine.

Many of these exciting, cost-cutting technologies that make all this possible are relatively new. Others have yet to come to market. Some outsourcing companies have developed enterprise-wide, Web-based databases that totally integrate mail, copy, scanning and retrieval of documents on your premises. These technologies go well beyond the core business of most copier manufacturers. Internet access permits their clients and their client's customers to access information instantly.

Choosing the right partner

Choosing the right outsourcing company is critical to reducing cost and maximizing success. Here are a few pointers:

Look for service-oriented companies. Do they have processes in place that seek to understand if their customers are happy and satisfied with the service levels? Will the person that sells you the service remain the point of contact or do they move on and assign someone else to handle your account? Do they provide you with an inside look at their operations including an on-site tour at one of their existing customer's facilities? Is their core business more focused on selling you copiers or providing you with service?

Ensure security is tight. This becomes important when the outsourcing company is providing Web-hosting for your scanned documents. Not everyone can or should have access to all of the documents that reside on a network. The outsourcing company will need to work closely with your IT department. You want to assign folder access rights that allow employees or customers to only access needed information. Therefore, each user, team or group would be assigned unique functions, levels and rights. Not all security parameters are on the same playing field.

Examine employment practices. Does the outsourcing company have any flexibility in hiring your employees? Do they only use full-time employees or will you be saddled with double the workforce due to their use of part-timers? Will they provide extra employees to cover absenteeism? How do they train and promote their employees? What is their employee turnover rate? How many EEOC lawsuits did they have? Do they have any rewards and recognition programs and are they tied to customer satisfaction? Is there an automated time and attendance system in place? Is it a fun company to work for? Is the company profitable and growing or are they cutting overhead and imposing a hiring freeze? These are tough questions, but they need to be asked especially when you are signing a three- or five-year contract.

Client information center. Does the outsourcing company provide real-time reports such as open job tickets and monthly management reports online to enable you to get the information you need fast? A sound, online management system will supply you with all the numbers and metrics that any CFO may require such as monthly costs, turnaround and savings. If you can't measure it, you can't manage it.

Computer technology. What kind of software and technology does the outsourcing company use? Do they own it or do they acquire the software and mark it up? Is their technology team Microsoft certified? Do they provide redundancy and back-up systems? Is there a disaster recovery system in place? Are they using technology that is compatible with your systems and print drivers? Do they use open architecture that allows acceptance of electronic documents in a variety of formats?

Asking these questions up front can avoid unexpected and painful surprises later.

The document management outsourcing industry has reinvented itself. It has clearly been hastened by the arrival of the World Wide Web, a phrase only coined 15 years ago by Tim Berners-Lee. When you combine rapidly changing technology with more than 178 million computer users in the United States, it translates into a need for super service.

Conclusion

Outsourcing is here to stay. It helps companies remain focused on their core business and leaves the back-room, non-core business to the experts without losing control. Accountability is the key to a successful partnership. Lord Kelvin, a pioneering British physicist who lived in the late 1800s, had it right way before his time when he wrote,

"When you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it...your knowledge is of a meager and unsatisfactory kind."

A solid outsourcing company will be able to consistently provide you with the numbers and technology you need to manage your business.

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