

## **Overcome the pitfalls of outsourcing**

Anyone who has ever outsourced a need or hired a consultant, contractor, or professional service provider knows there can be a lot of associated baggage. They don't know my business - so is it going to take more time for me to train these people? Wouldn't it be faster if I just pulled some internal resources to get the project done? What are the internal politics I will face if I do outsource this job? Will they have the same vested interest in the project?

These are legitimate concerns and I've been faced with them all. But there are easy ways to overcome outsourcing pitfalls.

### **Territorial battles**

A while ago, I worked at a company with 350 employees, who had a substantive marketing/graphic design department of 15+ people. When you added in executive management and product managers, the number of individuals who had a role in marketing was somewhere in the 30's (about 10% of the company). The problem: we had 75 products, and none of them were cohesive in branding, marketing, messaging, or promotions. If you stepped back and looked at the material, you would have thought that all 75 products were from 75 different companies - a huge problem for a small company with limited marketing dollars. I quickly presented the problem and received approval to outsource a branding study. Well, you would have thought the sky was falling. Everyone wanted a hand in the pie, and the opinions were as diverse as the product offerings were.

There are effective methods for outsourcing projects that will help you stay out of the pissing contests. Let's face it, nobody likes to design by committee. But there are cases when pulling together a cross-functional team can aid in getting around the territorial battles. To prevent my branding study from failing I built a small team representing all affected areas of the company, who were empowered with a decision-making role throughout the branding study. They each were tasked with going back to their peers and presenting the consulting firm ideas, obtaining feedback, and to communicate the decisions we made. This way each area of the company was in effect "represented" and everyone felt their opinion counted. A branding study created in a vacuum would not have been well received. Instead of poking holes in our decisions, the company was left with a very positive study and changes were implemented immediately. In the long run, the marketing team got over their "threatened" feeling, and learned a lot from the outside consulting firm.

### **Paranoia**

Most companies hire a consultant or contractor because they have an onerous task that must be completed within a set time. If you're not careful, these projects will go nowhere because internal employees create impressive roadblocks. In most instances, these roadblocks are created by sheer paranoia.

I spoke with a CIO friend of mine who had a very similar experience when he was trying to reach Y2K compliance for 10+ software products. He had 6 months to reach compliance, and there was no way his internal staff could get the job done, and still effectively complete their existing duties. He announced he had hired an outside firm to get the job done. In a matter of days he had dozens of employees knocking on his door. Will this consultant replace me? Why didn't you ask me to do the job? What's wrong with my teams' expertise? This project really falls under my division...why wasn't I asked to manage this consultant?

The CIO quickly learned that there was validity to their concerns. So he assigned each of his managers to a piece of the Y2K initiative, and they were directly responsible for managing the consultants and reporting back to him. In total, there were more than 75 consultants onsite for more than 6 months, so his decision to distribute authority was a good one. He reached compliance, but more importantly kept his employees happy. As a side benefit, his employees were exposed to new methodologies by the consultants that they would continue to utilize in future software development. They would never have learned this if he had taken on the task of managing the consultants himself.

### **If you want something done right - do it yourself.**

I've even said it myself. What's the point in hiring a consultant to help me if I am going to spend all my time hand holding and training them? There is nothing more frustrating than working with a contractor who is making twice as much money as you (and billing you by the hour) who knows less than you do. I've been put in this very sticky situation - my boss brought in a contractor to "help" us and it turned out they were sucking up resource time instead of helping us achieve our goals.

I was frustrated with the contractor, but had to take a step back and decide what things I could assign to them that they really could add value to, without requiring me to micro-manage them. When I took the time to realize this, I was able to identify areas where the consultant WAS more competent than me, and we began to work cohesively. Once I got the chip off my shoulder I was pleasantly surprised to realize I was leaving at a reasonable hour each night, and our goals were indeed being achieved.

The key to overcoming the "do it myself" syndrome is to be sure the project is really one that SHOULD be outsourced. Keep in mind; there really are projects that are better suited to stay in-house. Consider the confidentiality of the project, the amount of knowledge-based decision-making that will need to be done, and whether there really ARE internal resources that can do the job better. If the job is outside the scope of your abilities, the decision is easy. If your internal team can't meet aggressive deadlines that will affect time to market, the decision is easy. Additionally, you should weigh the benefits of bringing in an outsider who will provide new perspectives, methodologies, and expertise.