Outsourcing, Offshoring & Outlaws

What's this all about?

Outsourcing has long since lost any stigma. No company provides all its own services internally and, besides, outside expertise can often be far more efficient, innovative and cost-effective. These days, companies even outsource their office space to a virtual server. There is no office!

Offshoring also lost its stigma but seems to have worked hard to get it back again! Detroit laughed when Japan started to export cars to the USA. Nissan recently erected a giant billboard there "Who's laughing now?" They are the largest car supplier in the US.

Outlaws exist everywhere – Outsourced, offshored, or even in your own organisation!

Why should I care?

When you need to catch a plane, you don't put faith in a taxi service operated by learner drivers, or a start up who just dropped you a flyer. Nor would you want a driver who doesn't know the way or expects you to navigate, load the bags etc.

And yet some organisations seem to have confused these **three O's…**
And the backlash has hurt.
A recent article in The Picture Professional (Quarterly Magazine of the American Society of Picture Professionals) destroyed what little reputation remained to Indian company Q2A Media: unprofessional, poor ethics, lacking in integrity, lacking in understanding, poor quality, misinterpreting jobs, copyright failures, mislicensing etc. etc. A catalogue of production disasters in page make-up, design, illustration, picture research, rights clearance and licensing payments.
But why commission them in the first place? Because the financial imperatives to go the cheapest route often wins – and often without full knowledge of the real costs, maybe hidden as overhead: ie. inhouse staff fighting the fires set ablaze on the other side of the world. And when a large organisation has made a commitment without reckoning the true/long-term costs and where production schedules are long (eg. book production), the full impact of the tsunami of errors is not felt until very late and the after effects may last for years… Outlaws? Not by design perhaps. But the publishing company will be the defendant in court, not their supplier. They will suffer the decline in morale and productivity and they will pay the overhead to fight the fires and correct the errors.

Meanwhile ONshore, but still outsourced, are design studios, production companies, illustrators etc. who may have appeared more costly when the commitment was made to offshore. In lean times, these companies may have increased their efficiency or lowered costs. In any event, they suddenly look like a better deal! Most of us are prepared to pay a little insurance to cover our backs, or a little extra to guarantee that we get what we paid for!

Conclusion

'It's unwise to pay too much, but it's unwise to pay too little.
When you pay too much you lose a little money, that's all.
When you pay too little, you sometimes lose everything,
because the thing you bought was incapable of doing the thing you bought it to do.
The common law of business balance prohibits paying a little and getting a lot.
It can't be done.

If you deal with the lowest bidder,
it's well to add something for the risk you run.
And if you do that you will have enough to pay for something better.'
- John Ruskin (1819-1900)

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