

## 7 Reasons to Outsource

### **Are you frustrated by a lack of new product development?**

Outsourcing of engineering services, including new product development may be your solution. Here are 7 reasons to outsource.

- Guaranteed service levels
- Increased innovation
- Greater flexibility
- Focus more on your core business
- Lower, predictable cost of service
- Reduced investment cost
- No need to attract, develop and retain non-core employees

Unfortunately, "**outsourcing**" has gotten a **bad rap** in the media. So first let's review some definitions. **Outsourcing is not Offshoring.** "Outsourcing" is often defined as the delegation of non-core operations or jobs to an external supplier that specializes in that operation. "Offshoring" is the elimination of native staff to staff overseas, where salaries and cost of operations is considerably less. The majority of US outsourcing that occurs today still occurs within the US borders.

Almost every **business already outsources some of their professional skill needs.** Many companies make use of external accountants and legal services, many have outsourced IT support. It can make good sense to outsource your professional engineering services and here is why.

Reason #1 - **Guaranteed service levels.** You wouldn't buy a new car without a warranty. Why should you accept all the risk when you hire a professional service provider? It may be tricky to define how you are going to measure an acceptable performance level from your engineering provider. But it can be done. The key thing is **don't be afraid to ask.** Service providers are professionals and will usually be willing to work with you to define the "deliverables" for your project and guarantee their own performance relative to those deliverables.

Reason #2 - **Access to specific highly specialized skills.** There is a tremendous amount of talent available from independent engineering service providers. Due in part to corporate downsizing and early retirements many highly skilled and highly experienced engineers have become independent professional service providers. And thanks to the internet, finding someone with the specific special skill you need is now easier than ever.

Reason #3 - **Greater flexibility.** You are not stuck with only your internal staff. You can seek out additional, specialized skills when needed, as needed. Hire the best person for the job. When they complete the project, they leave. You are free to seek out other specialists for your next project. This provides you the **flexibility** to optimally staff your projects **based on your schedule and budget.**

Reason #4 - **Focus on your core business.** I'm sure you have identified your "core business" and therefore you know the core skills and resources you need to execute your core business and generate revenue. If engineering isn't your core business, then you should consider hiring someone who is focused on providing professional

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engineering services as their core business. Focus your precious time and energy on those things that make money for you. Hire specialists for the rest.

Reason #5 - **Lower, predictable cost of service.** This applies most to sharing of non-core skills on an ongoing basis in a time-share arrangement. It is cheaper to use external resources on a part-time basis than to add staff and facilities to perform these duties. In any typical product development project there are bubbles of activity for various disciplines such as CAD or lab testing. Few companies can afford the reserve capacity to absorb these bubbles. So schedules suffer. Projects are delayed. This can be avoided by outsourcing these activities to service providers with the capacity and skills to meet your needs.

Reason #6 - **Reduced investment cost.** Focus on your core business and take advantage of shared resources. For example if laboratory testing isn't your core business, then why make extensive investment in a laboratory? Explore the opportunities available with engineering service providers. Because it is their core business, they may **make the investment for you**, in exchange for a commitment from you. This can save you investment money and provide access to the services you need.

Reason #7 - **No need to attract, develop and retain non-core employees.** Without a doubt, your employees are your most valuable asset. There is a significant expenditure of time and money required to develop and maintain these assets. But, if professional engineering services are not core to how your business makes money, you shouldn't invest your time and money into non-core assets.

Take a "professional service" approach to engineering outsourcing; **identify specific skills** or practices that you do not have and cannot easily gain. If you need to **develop a new product or solve a sticky technical problem**, consider getting the **specialized expertise** you need. If your resources are overloaded or otherwise inadequate, such as routine product testing, consider finding a service provider with the **capacity to meet your needs**.

The key thing is that not only should engineering outsourcing **save you money**, it should also specifically **address a pain point** within your organization. There are engineering service providers offering **highly specialized expertise** with vast experience in a wide array of engineering disciplines.

Contact [Innovative Thermal Solutions](http://www.innovativethermal.com) for free consultation to discover how engineering outsourcing can help your business.

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<http://www.innovativethermal.com/index.html>  
[bob@innovativethermal.com](mailto:bob@innovativethermal.com)