

Insource
vs
Outsource

Workshop 2011

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What is outsourcing?

Don't panic!
You're outsourcing already.

Why outsource?

Time

Why outsource?

Cost

Why outsource?

Quality

What should you
outsource next?
(If you aren't already)

Insource vs Outsource

Networkshop 2011

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Insource vs Outsource

- Is outsourcing really the panacea for reducing costs in this period of austerity?
- You need to think again...
- You need to change your perspective...
- You need to innovate...

Commodity Services

- There is no doubt about commodity...
- However, where does commodity become differentiation?
 - Email;
 - Storage/Backup;
 - DR;
 - ResNet/HallNet;
 - The whole network?

Outsourcing is for the Lazy

- How many of you know the full cost of your services?
- Who has calculated full cost of their services before outsourcing?
- Does outsourcing really save money in all circumstances?
- How can you make these decisions without understanding your services?

Cheap at the point of delivery

- The service may be free (or cheap) at the point of delivery, but what about:
 - Migration strategy;
 - Contract negotiation;
 - Service management;
 - Service development;
 - Point of delivery support;
 - Exit issues?

Knowledge Economy

- Are you losing your most valuable asset?
- At what cost would obtaining equivalent knowledge be?
- Can you have a developed knowledge economy without realising the full benefit of human capital?
- You don't have to trade knowledge for cash, it can be for other knowledge, or for something less tangible!

Turn things around

- What do you need to do to save your organisation money:
 - Save costs by outsourcing?
 - Save costs by better contract negotiations?
 - Save costs by innovation?
 - Save costs by generating additional revenue!
- Turn your department/section/team into a external revenue generator.
- Over £1M in three years? Others do!

Revenue Generation

- Increase staffing
- Increase knowledge (train people)
- Improve services
- Improve the student experience
- Collaborate with academic departments
- Collaborate with other organisations
- Improve business perspective of staff
- Provide a different skill/variety of work

Innovation and Agility

- Healthy budgets make people lazy!
- Lean budgets encourage innovation
- Do you provide zero based budgets?
- When was the last time you re-negotiated a contract or maintenance agreement?

- Insourcing provides an agile response which is essential in the changing environment of HE/FE

Shared Services

- You are all sitting here today in this room because of one, exploit it!
- Know what services are provided, use them, enquire about more, challenge them
- If a shared service doesn't exist, then...
- They are hidden everywhere, for example JISCmail!
- The best support contract in the world is...

In Summary

- Take a well researched, pragmatic view
- Understand your services
- Outsourcing may not be as cheap as it first seems, beware hidden costs
- Change the way you do things internally, don't take the easy option
- Already sharing services, exploit them

It is essential to differentiate by being: Agile, Proactive and Innovative.

Ultimately needed, to survive!

Keep your eyes
and ears open.

Focus your expertise

The choice is yours...