

## Getting Started With Outsourcing


### The Architectural Firm's Guide to Effectively Managing And Prospering from Outsourcing Design and Drafting Projects

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# 1

SECTION

## OUTSOURCING MAKES GOOD BUSINESS SENSE.

Balancing workloads is the main reason for outsourcing the design and drafting work (source: AIA , refer article of our Newsletter  Feb 2005). Any firm considering outsourcing can be certain of one thing and that is **choice**. Companies are often stymied by a lack of access to people with expertise and specific skill-sets, especially when resources are scarce. Rather than investing in personnel, training and technology infrastructure, architects and interior designers can partner with world-class service providers, who have already made investments in technology, methodology and people and can deliver high quality work on time and within budget every day.

Many architects would agree that there is a shortage of talented people available for a temporary position. Hiring for the long run simply to cope with extra workload during a peak period will lead to excessive infrastructure and payroll costs. In this particular scenario, outsourcing provides the right answer. Ask if the type of work you are considering for outsourcing has been done successfully in the past. As outsourcing increases so do the number of partners along with their depth of knowledge, expertise and process management. Most have efficient systems and methodologies in place and references of a successful track record. This is a unique way of managing your peak time requirements by paying for only extra services and not adding long-term burden to your payroll.

You have been hearing about the benefits of outsourcing design and drafting projects for quite a while now. You may even know of architectural firms that have tried outsourcing and are satisfied with their experience. Perhaps you have already identified an outsourcing service provider that is experienced and shares your commitment to quality. Now, you want to understand how outsourcing can work for your firm, but don't know .

*We have prepared this guide to assist you with the evaluation and selection process of your outsourcing partner, the initial pilot project and what to look for in developing and growing this long-term relationship.*

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### 1. Track Record and Expertise.

Has the provider done similar projects? Does their past work match your standards? Study how well the provider has met the Service Level Agreements (SLA's) with other clients. What kind of added value have they delivered to earlier clients? Does the provider understand the intricacies and nuances of the architecture industry, especially if it's a niche area? What are the skill levels and experience of its employees in doing the kind of work you want to outsource? Have they worked on similar processes before? You don't want your outsourcing provider learning on your job.

### 5. Understand Caliber of Service You Require.

An important thing is not to overshoot your expectations. While it's great to have somebody doing your design and rendering work 100% of the time, significant costs are attached to achieving this. Are the resources of the outsourcing provider shared or are they dedicated resources for your own use? Jointly discuss the type of project with the outsource provider and decide on how many hours of work is actually required for your project. Be realistic.

### 6. Financial Stability of the Provider.

Is the company providing designing and drafting services financially stable and self-sufficient? Conduct due diligence on the provider's financial position. Choose a supplier that has a track record of satisfied client, extensive references and who will take your project to a successful conclusion. Study whether it can make the required investments in people and infrastructure.

### 7. Geographic Footprint of the Provider.

In an offshore outsourcing relationship, distance can be a major challenge to communication. A provider with a presence close to you can be a big advantage. It helps bridge communication and cultural gaps, and you have quick access to someone you can hold accountable. A provider with a multi-country footprint is ideal to mitigate location-specific risks to your project.

## SELECTING OUTSOURCING VENDOR- 3 STRATEGIES FOR SUCCESS.

### 1. The Outsourcing Partner must be Aligned with Your Business Processes and Objectives.

The relationship between you and your outsourcing partner involves a considerable degree of two-way information exchange, co-ordination, and trust. Outsourcing and out-tasking involves the transference of a significant amount of management control to your partner.

Does your outsourcing partner have a structured approach to outsourcing that is designed to assess your needs and then create the optimal solution that meets your design or drafting requirements? How will your partner provide you with continuous updates? Do they provide weekly/daily progress reports, regular conference calls and onsite visits? Will they provide full project visibility so you can easily and comfortably outsource design work to them? Choose a partner who has a structured approach to outsourcing and has build a system for monitoring and controlling the outsourcing process.

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### **2. Choose a Flexible Partner that can Evolve with Your Organization.**

Architects and interior designers are now realizing that balancing workloads is the most important reason for outsourcing. Your outsourcing partner should be able to respond to your business cycles and market conditions by staffing up or down when you need it. Your partner should also be able to turn around projects quickly. Construction documents can be processed faster with no compromise on quality leaving the architect to deliver more work faster. Choose a partner that is flexible.

### **3. Outsourced Design and Drafting Projects should not be Considered a Commodity.**

Every architect or interior designer has a different manner of operating and a personal signature. Your outsourcing partner should be able to duplicate these same standards and quality in every project. You should expect and demand this from your partner.

Ask yourself these questions: Does my outsourcing partner have a team of skilled architects, draftsmen and CAD professionals, each with deep understanding of worldwide building and construction standards? Do they use the latest tools and technologies to deliver accurate, high-quality drawings on time? Choose a partner that understands the uniqueness of your operations and style and mirrors this in their own operations.

## **GUIDELINES FOR SELECTING THE PILOT PROJECT.**

One of the best places to begin outsourcing is with a 'pilot' project. A pilot project is an initial project that has been carefully selected to be the test case for outsourcing. During the pilot project you and your outsourcing vendor will establish and optimize all communication and process issues. The pilot project will help mitigate the risks and ease the challenges of outsourcing. With adequate preparation, planning and clear communication, your firm can experience tremendous benefits.

### **Seven Guidelines for Choosing a Pilot Project Ideally Suited to Outsourcing:**

#### **1. Project Selection**

Pick a project that is not on a rush schedule. You cannot successfully outsource the project, which the customer wanted yesterday. In the first project, there is a learning curve for everyone involved. The first project is a "pilot" project and this is where you are going to be ironing out problems and learn how to manage an outsourcing relationship. The first pilot project will take longer than normal to execute.

#### **2. Clear Specifications**

Pick a project that has clear specs and requirements. Such projects are ideally suited for modular methodologies and remote execution. If the requirements are ambiguous, be prepared for changes and delays during the project life cycle.

#### **3. Pick a Project with an Existing Customer**

Don't be in a situation where both you and your outsourcing service provider are learning new things about the project and customer.

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### **EFFECTIVE COMMUNICATIONS- CORNERSTONE OF A SUCCESSFUL RELATIONSHIP**

In any organization, the success of a project depends largely on the establishing of proper channels of communication within a firm. In the case of an outsourced relationship, the communication challenges are even greater. The effectiveness of communication is a crucial determining factor for successful project execution and on time delivery. The use of email, VoIP (Voice over IP or Internet Phones), video conferencing and many of today's communications methods have made management of outsourced centers possible and feasible. Teams separated by geography, time zones and cultures can interact effectively and regularly update the status of each project. A key component to a successful outsourcing relationship is the ability to communicate and document performance results using meaningful business oriented metrics. Here are some suggestions:

#### **1. Develop Clear Project Specifications**

How clear are the project requirements? Requirements that are ambiguous will create changes and delays during the production cycle. Projects with clear specifications and requirements are ideally suited for modular methodologies and remote execution.

#### **2. Set Clear Expectations**

For any project to be successfully completed, it is imperative that, right at the beginning, expectations be laid down very clearly with your outsourced service provider. At the minimum set and continuously

#### **4. Low Level of Customer Interaction**

Make sure that your project does not require a lot of interaction with the customer. Most of the work will be done remotely by your outsourcing service provider and communication with your customer will be at minimum.

#### **5. Co-ordination and Management**

Pick a project that can be successfully managed by one of your team members. Make one of your experienced staff responsible for working with the outsourcing vendor and interacting with the customer. This way they will learn to delegate work and manage remote teams.

#### **6. Labor Intensive**

Pick a project that is labor intensive and requires less design input. Obviously the more manpower it requires the better cost savings if you outsource. For example 3D modeling and rendering projects, construction document projects are labor intensive and do not require a high amount of design work.

#### **7. Setting up Standards**

Identify a project that follows CAD drawing standards or provide the outsourcing vendor with documentation on your CAD standards. Your outsourcing vendor is going to learn from the pilot project and adopt your practices and standards to future project. Make sure they are correct.

communicate what your expectations are of project requirements, schedules and standards to be used. If there are many projects in the pipeline, failing to communicate your expectations for each one to the outsourcing service provider can lead to communication gap and unmet expectations. Keep your outsourcing service provider updated on what you have committed to your client in terms of project requirements or schedules. Consider the following:

- Reconfirmation at all-important milestones of project requirements - schedules, standards, deliverables etc.
- Establish the project deadlines in conjunction with your outsourcing partner.
- Use face-to-face interaction whenever necessary.

### 3. Establish Communication Infrastructures

Most communication will take place via the electronic medium with your outsourcing partner. Your provider should have the technological communications infrastructure in place to enable virtual teams to work together. The communications infrastructure removes the barriers of time and distance and ensures greater project success.

Part of your initial assessment and evaluation of an outsourcing partner is to ensure their communication tools are compatible with your own established systems and infrastructure so that project monitoring is easy. Use the following checklist to make the best use of the tools available today for effective communication:

- FTP (File Transfer Protocol)
- Instant Messaging
- Email
- Conference Calls
- Voice over IP (VoIP) Telephones or Internet Phones
- Video Conferencing - via the internet



For more information, contact **Excelize at 510-818-0755** or **info@excelize.com**.  
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