

Thursday

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More than Just a Payroll Issue: CED Panel Debates Pros, Cons of Outsourcing

There are many issues other than payroll to be addressed in debating whether or not to outsource, an executive at staffing management firm Peopleclick said Wednesday.

"It's important to understand what works best for your company in your specific situation," said Michael Eason, one of several panelists participating in a discussion that drew a crowd estimated at 65 people. "The best sourcing option (or options) are those that meet the needs of your business at a specific point in time. Your needs will tend to change over time as your business situation changes."

Eason said hidden costs, such as people management, travel and infrastructure, must also be taken into consideration.

"You must consider the total cost, not just payroll," he said. The discussion, sponsored by the Council for Entrepreneurial Development, took place at the new Fitzpatrick Center for Interdisciplinary Engineering, Medicine and Applied Sciences (CIEMAS) at Duke.

Other panelists included Rich Cronheim of Relativity Technologies; Renat Khasanshyn of Altoros Systems; Tim Reger of IBM; Peter Dolina of International IT Services; and Bud Whitmeyer of Research Triangle Ventures.

"It's important to first do a business case and set realistic expectations," Reger said. "You also need to examine the long-term need."

Khasanshyn stressed that there are significant risks involved in offshoring, such as contractual, network and physical risks.

Dolins warned about the need to protect intellectual property in an international court of law. Cronheim conceded that outsourcing was a "mega trend" but that it did cause disruption at a community level.

Dealing with outsourcing required companies and workers to be more entrepreneurial, Whitmeyer added.