

Altman Dedicated Direct

STRATEGY... TACTICS... RESULTS

Column: **"After the Phone Rings ..."**

Month: **January 2005**

Topic: **Outsourcing vs Hiring Staff – Which Makes More Sense?**

For the past few months I've discussed ways to improve sales and reduce costs on the backend "After the phone rings ..". Readers have asked, "Who should evaluate and execute all these new programs?". Others may be planning to add staff or outsource functions to implement backend programs but aren't sure which is the best route to take.

One of the first questions to ask in the "hire staff vs outsourced resource" debate is whether the tasks at hand are part of your firm's "core competency". By this I mean those critical functions that define your business. In infomercial firms, core competencies likely include evaluating new products and overseeing infomercial production. That doesn't mean that every Producer and editor works for your company, but it does mean that the marketer responsible for ensuring that the infomercial produced works for your product and brand should be someone employed by your firm.

What about backend service functions? Should you hire your own customer service manager and reps? Hire your own programmer to develop fulfillment and database programming? In most cases these tasks are not your core competency and you will gain by outsourcing these functions to established vendors who share the benefits of their learning over many years and many clients. But how about backend marketing programs such as web site management, email promotions, catalog mailings, and so on? Since each of these involves promoting products and programs to your customers, many firms will view these as a core competency.

The next question to ask is whether there is a consistent volume of work from day to day as well as over the long term. If the work is consistent then you can consider hiring staff. Erratic project work or work that could disappear in 6 months is instead a candidate for hiring a consultant or freelancer.

Finally, what level of experience do you need to properly get the work done, and can you afford to hire that experience full-time? If you need someone with 10 years of experience but only have budget for 3 years of experience, perhaps you are better off "renting" the experience on a project basis so you can get a veteran to provide support for your backend projects without having to pay for full time salaries, overhead, benefits, etc.

If you've already concluded that you need to outsource certain backend marketing functions because they aren't full time jobs, or require a skill level you can't afford to hire full time, what are your options? You have three choices depending on the scope of what needs to get done and the experienced required:

1. Temporary Workers – Helpful where you need lots of "worker bees" such as packing shipments, answering phones, or replying to email during busy times. However, temps aren't often capable of management level functioning. In



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addition, temps rarely have technical skills such as would be needed for programming or copywriting.

2. Freelance Workers – These individuals are highly skilled and choose to work on a freelance basis. They cost more than temps, but less than consultants. They may manage projects overseeing other freelancers. However, they usually don't provide strategic direction and guidance, but focus on tactical solutions to your day-to-day issues.
3. Consultants/Consulting Firms – The most expensive option but one that offers the broadest range of services. They can provide strategic direction and guidance as well as project management services for execution of projects. They can train your staff and assist in the process of hiring new staff, should you decide to bring functions in house.

Have a question on any of this? Email me: Saltman@AltmanDedicatedDirect.com Next month we'll investigate how to take advantage of in-box package inserts to cross-sell and upsell.

Shari Altman is President of Altman Dedicated Direct, a direct marketing consultancy specializing in continuity and auto-replenishment, retention and loyalty marketing. She can be reached at 336-969-9538, Saltman@AltmanDedicatedDirect.com or visit www.AltmanDedicatedDirect.com.



853 Academy Street, Rural Hall, NC 27045-9329
Tel: (336) 969-9538 E-Mail: Saltman@AltmanDedicatedDirect.com
Fax: (336) 969-0187 Web: www.AltmanDedicatedDirect.com

