

# OUTSOURCING AND YOUR CAREER

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Outsourcing is one of the most contentious issues of the day. As more and more companies start outsourcing work to other countries like India, Pakistan and China, more people start worrying about whether their jobs could be next. Fortunately, some results are now in from outsourcing attempts and they have served to help us understand what kind of outsourcing works and what doesn't. From an employee's perspective, this information can help you understand how best to structure your career so that you aren't affected negatively by outsourcing.

## *What Kinds Of Jobs Are Outsourced*

One of the most basic things companies that have experimented with outsourcing have learned is that routine tasks can be outsourced. However, work that impacts what differentiates the company from its competition cannot be outsourced. For example, Dell Computer has recently brought back to the U.S. some of the customer service operations that it had outsourced because they realized service was a critical differentiating factor for their business, and that it was easier for them to deliver higher levels of customer service by doing it in-house.

Work that is routine, and that does not require a lot of in-person direction and feedback, is generally a good candidate for outsourcing. One of the downsides to outsourcing is that there are communication barriers: people in other countries have different cultures so it often requires more effort to communicate with them; and there are usually time-zone differences which create delays in getting or giving information to an outsourced worker. If your work can be done in isolation, there may be little reason for a company to continue paying you here. On the other hand, if your work requires real-time client interaction, your job would be a bad candidate for outsourcing.

## *Ways to avoid becoming a victim*

1. Integrate more "customer service" into your work
  - A. If the people who pay you get accustomed to being able to give you feedback in person and they appreciate being able to do that, they'll be much less likely to want to outsource. Whatever your job is, the personal aspect of the service you're providing can be a way to differentiate yourself from the competition.
  - B. Here's an example of this from another world: in New York City, Philadelphia and New Jersey, an interesting phenomenon can be observed in retail banking. The fastest growing bank in these areas is Commerce Bank, a bank whose founder, Vernon Hill, realized that people were frustrated by the poor personal customer service provided by the entrenched banking establishment. He saw that traditional banks were competing on price: who could offer the highest interest rates or give away the most things for free. But he understood that a fraction of a percentage point in interest rates was less important to most people than being able to do their banking business at a time convenient to them.
  - C. By staying open late weekdays and opening on weekends, Commerce has been able to steal significant market share away from the established banks. Commerce Bank is modeled after the retail industry, where Mr. Hill was formerly an executive at Burger King. Each Commerce location is called a "store," and like many clothing stores and other retail outlets, one of the first things customers notice is that they have someone who greets people as they come in. Mr. Hill and his management team have created a corporate culture where account holders are seen as customers who need to be taken care of and given the same kind of attention you would give them if they were at a high-end clothing store and you wanted them to continue shopping there.
  - D. The lesson from this example is clear: you need to make yourself more like Commerce Bank to compete in a global economy. Living in the U.S., it is not possible for you to compete on price, just as Commerce Bank does not try to compete on interest rates. You need to use your proximity to your employer and/or clients, your potential to understand their business, and understanding of

American culture to your advantage. And you need to provide the kind of “customer service” to your employers that Commerce Bank provides – so they feel like they’re truly getting the red-carpet treatment.

## 2. Improve your communication skills - including both speaking and listening skills

If you don’t already have great communication skills, this is a potential area to work on. One of the major downsides for employers to working with people in other countries is the communication barriers. For one thing, most people in other countries have accents and use slightly different language/idioms. But if you have poor communication skills to begin with, there’s less of a reason to favor you over someone who isn’t a native speaker of American English. Joining your local Toastmasters public speaking club is a great way to improve your speaking skills. They have a full curriculum of programs to help you, plus the option to be connected with a mentor who can work with you one on one to keep you on track toward your goals.

Aside from good speaking skills, it’s also important to have good listening skills. By listening skills, I don’t just mean hearing. I mean being able to quickly understand what someone is after, based on your knowledge of their business, the market, etc. Because of cultural differences, it is harder for people in developing countries to understand the meaning of things they’re being asked by their U.S. based associates. But if you don’t have great listening skills, this is another area where you may be no better than someone based offshore.

## 3. Become more expert and/or more specialized

Outsourcing is most effective with work that many people know how to do. Lots of people know how to prepare tax returns, or could learn fairly quickly. Lots of people have an undergraduate computer science degree and can write a computer program. But outsourcing tends not to be as effective in areas where highly specialized knowledge is required. If you become familiar with a technology or area of expertise which the average person has not studied or worked in, you will become less of a common commodity.

It generally helps if the area of expertise is something new, because the newer it is, usually the fewer people there are who know it. An example of this would be the Sarbanes-Oxley legislation for the financial industry, which was enacted by Congress as a result of the corporate scandals like the Enron collapse. People who are familiar with this and approaches to helping financial institutions cope with its requirements are in high demand right now. Go to a job board and search for the highest paying jobs in your profession. You’ll probably notice that many of them require expertise that few people have.

This also brings up another point which is that being able to compete in a global economy requires that you integrate continual learning and improvement into your career. You need to figure out a way to constantly learn new things. You can do this partly by taking occasional classes, reading trade magazines, and attending conferences. Another way is to maximize a concept that H.R. professionals refer to as “job stretch,” that is, doing work that requires slightly more, rather than slightly less, expertise than you currently have. You can do this by volunteering to do new projects at work, suggesting to your manager to let you try an innovative way to do something, etc. A side effect of maximizing job stretch is that it makes you stand out as someone who goes the extra mile, and also helps make it less likely that an employer would want to lay you off.

## 4. Change Industries

Certain industries outsource more than others. Changing industries may be a relatively easy way to take a step to combat the impact of outsourcing. It would probably help if the industry you’re moving to is one where you can get entrenched by building up knowledge and/or contacts. For example, the finance and investment banking industries have complex regulations which are constantly changing, so people knowledgeable in these areas tend to be in-demand and not likely to be outsourced.

It can also be helpful to get into a job which requires in-depth knowledge of the employer itself.

Outsourced workers tend to move around from company to company and because of this high turnover, they usually don't get to know any one company that well.

In addition to the potential of finding a different industry to work in where specific industry and company knowledge can differentiate you from offshore competition, you may also be able to find an industry which provides more opportunity to work directly with clients than your current industry.

Outsourcing is having a big impact on work in America. Just as employers today have to compete with companies all over the globe, so too do the employees who work for them. Being aware of how you stack up against employees in other countries is a good first step in being able to compete with them. Being innovative about how you use the advantages available to you can help mitigate the effects of outsourcing and enable you to continue doing work you enjoy.

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*In addition to editing the weekly newsletter for HireSites, Scott Brown also was responsible for the development of its flagship services, ResumeDirector and ResumeArrow. HireSites specializes in resume distribution and posting services to help job seekers streamline the search process. For more information, Scott can be reached via email at [sbrown@resumedirector.com](mailto:sbrown@resumedirector.com) or by phone at (212) 545-5318.*