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**Outsourcing without Compromising Total Involvement and Control**  
*by William Gindlesperger, Chief Executive Officer, e-LYNXX Corporation*

Outsourcing as a business strategy began gaining prominence in the late 1980's and early 1990's as organizations began looking for ways to diversify to compete globally and to trim costs. Both were accomplished by contracting with a firm that specialized in a service that the buyer either was not set up to perform or could not perform as cost effectively as a supplier.

A furniture manufacturer, for instance, can develop marketing materials and have them printed for in-store use or direct mail campaigns, but it is not staffed to design, write, print and distribute marketing collateral professionally. Outsourcing that type of work makes sense even to the point, for some, of basically contracting with a marketing or advertising firm to provide a turnkey solution and delivery of the final product. The buyer provides guidance but not day-to-day, hands-on involvement. Accounting, legal counsel, human resources and building maintenance are among a host of other disciplines that are popular to outsource.

When buyer organizations began outsourcing some of their core competencies, such as the cutting of wood to precise dimensions for furniture making, then outsourcing was escalated to what is called a strategic partnership. Information technology and customer service often are outsourced as strategic partnerships but the distinction between outsourcing and forming a strategic partnership can be opaque depending on how the buyer organization defines its core competencies. Regardless, whether it is called outsourcing or a strategic partnership, the buyer organization is using outside resources to perform activities traditionally handled by internal staff with internal resources.

According to the International Association of Outsourcing Professionals, outsourcing is increasingly recognized by businesses, universities and economists worldwide as a critical management science. Not only are the latest developments in outsourcing helping companies reduce costs, but they are spurring innovation. Spending for outsourcing in all business activities has continued to climb at 10% to 20% for the last decade – in good economic times and bad.

In addition to gaining competitive advantages, outside expertise and cost reductions, outsourcing can enhance quality, reduce risk, avoid staffing issues and establish supplier contractual obligations. On the negative side, outsourcing can dilute the buyer's hands-on involvement, shift control to the supplier and not fully utilize the buyer's institutional knowledge.

However, by using new methodology and technology, a buyer today can gain the advantages of outsourcing without experiencing the negatives. This is possible because of research and development that was conducted in the 1990's that culminated with patents that were issued in 2002 and 2008. The patents provide the foundation for a competitive procurement environment in which suppliers bid to win work by offering deep discount pricing of 25% to 50% as they schedule that work to fill their production gaps or downtime.

This strategy is further enhanced by vendors now being able to eliminate price precedent. Vendors normally price work based on how much the buyer is willing to pay. If vendors price too high, buyers shy away from dealing with them. If vendors price too low, then buyers want to hold vendors to the prior price. By eliminating price precedent, vendors can be allowed to bid high, low, or not at all with no repercussions on their receiving other work to price for which they are qualified. Vendors can now base their pricing less on what they perceive the buyer is willing to pay and more on the instant need to fill their production gaps or downtime.

Driving this advancement in procurement is a unique communications and workflow system that requires full interaction and documentation between the buyer's team and the supplier's team. Hands-on involvement is not minimized and control by the buyer is strengthened rather than weakened.

If the furniture maker were to use this system for buying its annual furniture catalog, the catalog editor would put into the system theme ideas, layout suggestions, furniture photos to feature, etc. Because this system is web based, only buyer and supplier designees have access. Input is instantaneous in the system's self-contained, secure, intuitive and e-mail free environment. Should an art director with the

supplier want to comment on draft layouts, that is possible with those remarks being available to all who have been granted access for that phase of the project. As work progresses, access among team members will change. Some may not need to communicate about production, packaging, delivery or invoicing. Others will. Some, like the buyer's chief marketing officer and the supplier's account manager, will need access from start to finish.

Every task is benchmarked and whoever is responsible for that task must verify changes, its completion and make notations as needed. Because of that sophisticated level of information sharing, accountability is fully assigned and documented. Because all actions are available for everyone who is given access to see, the total process is 100% transparent. Because every action and notation is documented and archived, the system becomes a powerful resource for planning future annual furniture catalogs.

Outsourcing may be a misnomer for this type of interactive teamwork between the buyer and the supplier. This is more than contracting with an outside supplier and hoping for top quality results. This is more than a way to reduce costs significantly. This is a procurement alternative that proves innovation can have positive bottom line results without the negatives that are commonly associated with outsourcing.

#### **About e-LYNXX Corporation**

e-LYNXX Corporation, the North American procurement authority, is exclusively endorsed by *Printing Industries of America (PIA)* and *Educational and Institutional Cooperative Purchasing (E&I)*. Founded in 1975, e-LYNXX has three divisions. • American Print Management provides enterprise print procurement solutions and patented competitive methods to reduce costs for direct mail, marketing materials, packaging and other procured print. Results include enhanced quality and service levels, efficiencies, process control, transparency and procured print cost reduction of 25% to 50%. • Patented Procurement Method grants patent licenses for supply chain optimization. Results include substantial reduction in existing costs of competitively procured goods and services. • Government Print Management offers U.S. GPO bid services, access and assistance. Results include filled downtime, operational stability, improved cash flows and increased profitability. [www.e-LYNXX.com](http://www.e-LYNXX.com) – 888-876-5432

#### **About the Author**

William Gindlesperger is a nationally recognized entrepreneur, inventor, author and consultant in print and procurement. He founded ABC Advisors and its successor, e-LYNXX Corporation, in 1975. Under Mr. Gindlesperger's leadership the firm has grown to become North America's procurement authority. Print buyers and suppliers alike have benefited from his insight and innovation.

Mr. Gindlesperger has directed major in-plant studies in both the private and public sectors and is highly regarded for his knowledge, advice and work on behalf of firms in matters pertaining to the U.S. Government Printing Office (GPO). He has testified before the U.S. Senate Committee on Rules and Administration regarding government print and procurement policy. He also has worked directly with numerous Congressional and Senatorial members and staff and has advised Congress on the development, operations and future of GPO print procurement and the federal print program in general.



He was a founder and chairman of Printing Industries of America's (PIA) PrintPAC (political action committee) and has been recognized for his contributions to PIA and services to the printing industry. He was inducted into PIA's Ben Franklin Honor Society of print industry leaders in 2009 for his lifetime contributions to the print industry. *Supply & Demand Chain Executive* honored Mr. Gindlesperger by including him in its 2010 listing of the most influential leaders in the supply and procurement profession.

Mr. Gindlesperger invented the methodology that optimizes cost reduction in the procurement of specification-defined goods and services. He has been granted two separate business method patents by the U.S. Patent Office, first for the competitive procurement of print and then for the competitive procurement of all customized and specification-defined goods and services.

Under Mr. Gindlesperger's leadership, e-LYNXX has grown into the leading print management and procurement licensing firm in North America. e-LYNXX has been exclusively endorsed by Printing Industries of America (PIA) and has been named one of the top 100 procurement firms in North America by *Supply & Demand Chain Executive* magazine.

His firm handles more than 200 on-going consulting assignments at any given time. Among its contracts is one with Educational & Institutional Cooperative Purchasing to assist colleges, universities and other institutions nationwide with procurement and print-spend management.

A native of Chambersburg, Pa., Mr. Gindlesperger is a graduate of Dickinson College.