Is Right-Sourcing In Your Development Office Future?

Many development offices have substantial employee turnover. What is the reason? Sometimes incompetent employees are asked to leave, or the best employees leave because a larger salary is offered elsewhere. Or, sometimes a new challenge is needed that your organization doesn't presently provide.

For whatever reason, many presidents and executive directors are scrambling to fill vacancies in their development offices. They sometimes feel like the gerbil on the treadmill: constantly running, but getting nowhere!

Have you considered outsourcing certain segments of your development office? Outsourcing has really come into popularity during this decade. It is a way for corporate America to "fill" positions that have become vacant, or to handle certain tasks that have a limited and set time period for completion.

Many corporate chiefs have listed the following as top human resource challenges: (1) finding skilled, competent, dependable people, and (2) skyrocketing benefit costs. Many human resource people also say that, when hiring people, those that are not skilled and dependable end up leaving, thereby costing the company even more money in recruiting and re-training the replacement workers. It can be a vicious cycle! Turnover is costly for any corporation or organization.

The hidden costs of turnover include the time your HR staff spends in recruiting, interviewing, and training new employees. Specifically, checking references and completing background checks require an extraordinary amount of time. Can you put a price on this time? It will be surprisingly high, which makes outsourcing even more of a bargain. Another cost that is rarely considered with turnover is the expense of mistakes made by new employees. This can be as simple as wasting computer supplies, or as complicated as infuriating donors! This costs you money!

With an outsourced employee you pay for the work when you need it. If you prefer to use full-time permanent employees you can incur tremendous hidden costs due to turnover. Don't assume that outsourcing is not for you and your organization. Many *Fortune 500* companies use outsourcing on a regular basis because certain tasks require specialized training that would take too much time and too much expense to justify for the task involved.

Outsourcing can help your development program by bringing in the right people for a certain amount of time to get the job(s) done, and not adversely impacting the budget. When the job is done, the outsourced individual goes away, as does the corresponding expense.

In many development offices we have seen instances where the organization has a major annual special event that is very labor intensive for the several months leading up to the event. Following

the few weeks of administrative clean-up after the event, the employee is not really busy. You are now on the hook for the remainder of the year for salary and benefit costs. Can you outsource this function more effectively and economically?

In fact, many not-for-profits use outsourcing on a regular basis when they retain a direct mail house to handle the annual fund campaign. However, that is mostly offsite, so you may not have the ability to supervise as much as you would like. Can you identify those types of tasks that can be outsourced to an individual and be done in your office under your direct supervision?

One common outsourcing task is data entry. Many organizations get backlogged with gifts at the end of the calendar year. This is both good and bad! Good in the sense that people are supportive of your organization and bad that there is now so much time required for processing checks, acknowledging the gifts and entering the data. Often times the data entry gets pushed to the back burner – appropriate since processing checks and certainly acknowledging gifts are the most pressing priorities. But, on January 2nd when your board chair calls and wants to know the final results of the year-end appeal, how will you respond? "Sorry, we are so backed up that I won't be able to tell you until February?" Certainly not what the chairman wants to hear!

A simple solution to this data-entry dilemma is to plan for the backlog and attack it proactively. For example, review your 2012 year-end data processing. Consider whether it would have gone better if you had planned to take all or some of the following steps:

- Plan to have an outsourced individual on staff by December 1. Bring them up to speed quickly about data entry tasks.

- Push permanent employees to be organized and clear their desks of all projects. Many times, employees look to the end of the year to clean their desks and office. Obviously, increased volume takes center stage, so old, current, and future projects don't get organized, implemented or filed. Hence, the employee's desk and office are never cleaned. Shouldn't they select November 1st as the date for getting organized?

- Give the outsourced individual(s) a deadline for completion of the task(s). Perhaps they should be completed by January 10th. Even if some data entry still remains after they leave, at least it will not be overwhelming and can be handled by your permanent staff.

Outsourcing can help you, your staff, your volunteers, and your donors.