

Outsourcing is not a dirty word

Let's face it. This year has been a year most manufacturing operations would not care to repeat. Downsizing is once again the word of the day, as the terrorist attacks of September 11 put the brakes on a quick economic recovery. As companies further tighten their belts, workers find themselves with more work and less help. We've all been here before.

But, how do you make that trip to the world of "lean and mean" and retain some semblance of sanity and, of course, quality?

Don't hate me. But outsourcing has to become part of your reality, if it isn't already. It is impractical to think of outsourcing as an enemy concept – one that threatens layoffs and a culture of uncertainty. Those functions you need to outsource are jobs already gone. And if the right partnerships are forged, outsourcing agreements can bring stability to a diminished workforce.

There is a range of services available to the process industries – anything required to implement, maintain, optimize and operate complete facilities. And these services are being used. In fact, according to Russ Novak, director of consulting for ARC Advisory Group, "The total market for all services used in the North American process industries is approximately one-half trillion dollars." Novak is the author of a recently released study by ARC titled *Plant Lifecycle Services Outlook for the Process Industries, North American Edition*.

The process industries, according to ARC, spent almost \$490 billion in 2001 on outsourced services, with expenditures expected to rise to more than \$570 billion by 2006.

The services studied for the report include engineering services, construction services, operating services and all maintenance and support services. The report also covers the impact of outsourcing on traditional operational and maintenance functions, as well as emerging technologies. More information on the study can be obtained at www.arcweb.com.

Outsourcing is not a dirty word. Not any more. Outsourcing is help, and more often today, it can be the answer to certain plant management problems.

Face it, you can't do it all. So do the things you do best. Then, consider outsourcing services that will compliment your operation's key competencies and afford your company a competitive advantage.



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