Fight Back – will have a Prezi Presentation.

1.

2.

Your Printing or Mail Center has been working just fine. Your customers are happy, your employees are content and well trained, you cover all your costs, and you have money for equipment replacement when necessary. You are well received at your institution and by management.

3.

What could possibly go wrong?

4.

Then you receive the phone call from the Vice President of Finance.

5.

There is a company who has analyzed your operations and has made a proposal to privatize or outsource your department, providing the same services at a substantial savings to the University.

She is going to pass this proposal along to the Board and they will vote on accepting it on Thursday.

But in fairness, she wanted to hear your counterproposal or any evidence you wanted to present to the Board, so that she could convey that at the same time.

5b.

She has scheduled a meeting for tomorrow at 4:00 for you to present that information to her.

In the example Peter Muir described yesterday they had a couple of weeks, and then they requested a couple of months, and then they demonstrated their ability to improve over the next couple of years.

That is not always the case. Sometimes you literally have only hours to present your case.

What do you do now?

6.

**First**, you pull all your perfectly filed, arranged, and updated customer surveys and industry specific data comparisons that show you meet all your customers’ needs in half the time they expected, at a fraction of the cost of your competitors and have never had a single complaint against any of your employees, your work, sounds, odors, locations, communications or anything else. You can prove you are always operating at 90% capacity on every machine, and your staffing levels are perfect and your employees turn down raises and additional perks because they know how important it is that you be cost
competitive and they are so happy working for you they will do anything possible to make you look good.

That is what Scott Perkins at Georgia Tech did.

When he was told that outsourcing was imminent, he had a 167-page document plus appendices ready and presented it, and he is still in operation today.

But that document had been in the works for a long time.

He kept it updated and relevant for the moment it was needed.

Okay, to be honest, most of us don’t have that kind of data and testimonials ready right now.

We probably all have thought it and said we would get it together someday, or foolishly thing we can pull it together when we have just received that shocking phone call and our mind is spinning in 100 different directions and we still have jobs to get out and we have to put on a calm demeanor to reaffirm our staff.

It’s not going to happen by itself and it won’t be any easier when you are under more pressure.

7.

So we need to get something together, proactively, in advance, so that we can fine-tune it when needed. You will not have ample time to do it when your job and that of your employees is on the line.

Getting back to the Scott Perkins – Georgia Tech example, and exactly what types of data I recommend you have available.

8.

Benchmark Metrics

I queried Charles Brantley, Ray Burd, Ray Chambers, and Maury Kane – all well respected names in the University Printing industry - on what the five metrics they considered most important in justifying an in-plant.

All four cited customer satisfaction as the most important single factor.

Scott Perkins’ Analysis had several pages of narrative describing their contribution to the community and then 81 survey comments with the customers name, position, and department. He also included three detailed emails where the customers lauded praise on his printing center team – and backed all these up with nice charts and quantitative metrics showing that these represented periodic comprehensive surveys of all customers. His customers really appreciated the Printing Center.
So Scott was able to hit the administrators with the classic – ‘If it ain’t broke, don’t fix it’ argument.

If your survey results don’t reflect that attitude – consider that the classic handwriting on the wall saying ‘you have been weighed and measured, and found to be lacking’ and get something changed right away!

9.

The other things that made it into their top five lists were (alphabetically):

Confidentiality.
Employee Labor Cost and Productivity.
Expedition/Turnaround.
Financials/Fiscal Responsibility.
Price Comparisons on a job-by-job basis with local/relevant market.
Sales by category: Customer, item, strategic imperative.
Volume by device and capacity – used/excess capacity.

I don’t know how to specifically measure confidentiality.

But it is something that can be of significant importance.

Employee labor – how do you track your labor? We use an MIS (Pinnacle) that allows designers, pressmen, bindery, delivery – everybody along the way to record how much time they spend on each numbered print job. If you total up all that time for an extended period of time – not just a single month - and you get the distinct impression you have a couple too many full time employees you may have a difficult decision to make.

How long does it take to complete each job? Can you get business cards out same day? How frequently do you? Does that matter to your customers?

Financials – what matters at your institution? Just barely cover all costs, contribute to reserves, or something else? Everybody I have talked to has a slightly different model. If you don’t know the expectations – you need to definitively find out what they are. This can be difficult.

Price comparisons are pretty simple – find a way to compare apples to apples and see how you compare. Don’t manipulate the numbers by comparing your customer pickup price to a competitor’s delivered price. Comparable product, comparable turnaround, comparable expectations.

Sales by category can help in some situations. Real revenue as opposed to inter-departmental accounting entries may make a difference. Demonstrating that specific people or departments use your services when they have a choice may make a difference. Demonstrating that you are actively involved with assessment and strategic imperatives may not make any difference whatsoever to you, but may make a difference to your administration. If they don’t consider your operations to be part of their Core priorities, then you are easily dismissed. This falls in the ‘Don’t tell me, show me’ category.
Don’t just say ‘my printing center and mail services are critical to educating our students.’

Show that you mailed out xxx applications, processed xxx admissions, printed xxx course packs, which together helped the university reach record enrollment figures and matriculation percentages for the year.

Volume by device is different, because you do have some older pieces of equipment that are still extremely useful, but not used every day. Realize that taking up floor space is actually a major expense to your institution and make sure you can justify the space you occupy. A change in perception against you in that regard can be catastrophic.

But these are just examples. Ray Chambers, the same guy who constantly says “You can’t manage what you can’t measure” specifically said: “Benchmarks for a higher ed shop are iffy at best, mainly because no two schools count things the same way.”

Your document will vary significantly depending upon your type of operation and your institution.

10.

Second, list what contribution you make to the institution. Their proposal may be very specific and address only printing bulk mail, addressing, and processing. Come up with EVERYTHING you do. Do you offer Courier Service between buildings or Departments? Do you participate on various committees? Do you enforce identity guidelines? Does your department handle overnight mail, accountable mail, and freight, deliver printing orders, sort incoming mail, and maintain address lists and identity guidelines, and provide design services, process postage due and business reply mail, whatever it is you do – get it listed. If their proposal does not cover these additional items – how are they going to get done?

Even if the proposal being considered is worth considering, it is rare for anybody from outside of your department (and frequently even within it) to know the full extent of the contribution that you make to the institution. Maybe you can save a few jobs by reducing the scope of your operations; hopefully you can prevent the outsourcing in the first place by justifying your existence because of all of these other duties that you take care of, and evidencing how critical a strategic partner you are within the institution.

Maintain a list of your contributions all the time. Update it frequently. Those of us in service departments know we get asked to do things without additional compensation all the time. An outside contractor either won’t be allowed to do those things, or won’t be willing to do them without additional payment. Being able to produce a list of all types of additional duties can be beneficial, and maybe the critical key that gets you additional time.

University printers are frequently involved in developing and maintaining identity guidelines. They bring a special expertise and connection with the institution that allows them to handle this better than an outsider. Mail Services frequently has an in-depth knowledge of people and places that is not easily transferable.
And contributions are not just job duties.

Mail delivery people often know the facility as well as the plant ops personnel. I have heard reports from Oxford Mississippi and Christchurch New Zealand following their catastrophes (tornado and earthquakes) where mail services accompanied emergency personnel and identified very accurately where buildings and doors had been hours and weeks before surveyors could set up and do the same thing. If your delivery people regularly advise plant ops of safety concerns or damage as soon as they see it, include that in your contribution. If you recycle paper cuttings or cardboard, mention that. Sometimes the focus on one small area of your contribution and how it ties in with the Universities overall assessment measures and perception can become your saving grace.

Anchors
Some of you know Danny Edwards, he retired from TTUHSC a few years ago.
One of his main concerns was developing anchors that made our department indispensible.
These anchors are perceived as pivotal and essential should be accentuated whenever possible and integrated throughout the department.

Remember though, Perception changes constantly.

Have a complete list available and add enough new responsibilities to more than compensate for any decreases.

Abbas Badani at Penn State echoed the concepts of Thomas Friedman The World Is Flat, when he said:

You must be critical to the operating needs of your larger organization by providing activities that cannot be outsourced easily or that cannot be clearly isolated.

Remember that 4:00 meeting?

Get all this written down beforehand.

What is it like to try and gather all this evidence and present it in a professional manner when the pressure is on? Take a look:

12 – video clip

13 Yes, get it written down now!
Third, you need a copy of that proposal. Whether or not you can get it depends upon your standing within the institution. If you had the reputation you thought you had, you would have heard about this at an earlier stage – but even then, before the issue is on a critical countdown, how do you react?

If you do get an opportunity to view the proposal beforehand, immediately read it and recognize exactly what points they see as your vulnerabilities. A good proposal will mention several areas, overall cost, short term solution, long term cost savings, staffing, benefits, integrity, reliability, speed – but will usually focus on one key issue. Especially when you only have a short time to make your case, you absolutely must address this key issue.

What is actually included in the proposal?

Augment existing services? Your administrators may not even be aware of what you already do or outsource to a mail presort facility. They may not understand your level of workflow efficiency. Or there may be something that someone else currently offers that you would do well to study and possibly incorporate into your operation.

Will this supposed cost savings actually eliminate existing services currently being offered?

If so, who will that affect? Why are you currently offering those services?

An example in our department is we offer no cost moving services.

WHY? Why would we send our laborers up to their offices and not even charge back for the time required? Apparently, somebody somewhere considered the risk of a surgeon pinching his fingers between the wall and his desk because he needed to plug in a new computer a much greater liability than the meager cost to provide this service. We could easily eliminate this service, or start charging, but that might make departments less inclined to utilize the service, and the costs could be huge.

One of the main areas that outsourcing affects in replacing full time university personnel with private employees who are either paid less or who can effectively replace several workers, frequently at multiple institutions. On our tour yesterday, you saw multiple crews effectively performing the same mail services. Could they all be replaced with a single crew who only picks up from a few locations once during the day and places all incoming mail in accessible boxes strategically placed in centralized locations? Quite possibly. Would that improve the efficiency of the way the University operates overall?

Probably not. But someone needs to evaluate considerations like that periodically.

Similarly, we have some desktop printers that are rather inefficient and a nice networked multi-function copier sitting just fifteen feet away. The MFD is underutilized, and the printer is used quite a bit.
But the upper six figure salaried person using that desktop printer would waste many minutes walking out of his office and picking up the copy instead of having delivered just a few inches away. If he is content with that setup – how can someone argue any real cost savings by eliminating his inefficient desktop printer? Some of the managed print services would count that as a significant savings.

16

Fourth and one of the most important steps is to logically think through all the steps involved with privatization or outsourcing and determine as accurately as possible the actual costs involved. If a private vendor can produce 100 copies of a flyer, fold and shrink-wrap them, and deliver on your campus for less than you can; you may have a real problem. But normally, if a large operation is being privatized, the new company will have to hire additional staff, vehicles, and equipment. Most of our operations run fairly lean after the last few years of cuts and re-evaluations. It should be difficult to beat our costs. But if they are able to absorb your operations with their excess capacity then pricing may be a very difficult point to overcome.

But remember, costs are not always measured in dollars! There should be time-savings involved when doing operations in-house. You should be able to produce simple copy jobs almost immediately, deliver faster, and know the location and customers better than any outside vendor. If expediency and knowledge of customer needs are a concern, then you should have a decided advantage.

Make sure the decision makers are aware of that fact.

17

Identify ‘Real’ Benefit – just because it shows savings on paper doesn’t mean much.

I have heard of an out of state copier provider saying he could save the institution big money using the same brand and model of equipment, but managed directly.

When his numbers are analyzed there is some disconnect between actual click counts OR copier company is charging significantly less than state contract amount. And those state contracts frequently include language that says the state gets charged lowest rate of any customer on like purchases – so if the vendor REALLY can save the institution money, he is in default of his current contract

Consider all POV

Like the desktop printer example earlier – it may save the department or the institution a few dollars per month in ink consumption. But we will have a grumpy executive, who is now less efficient. Is this a net savings?
Submit a Counter-Proposal

Once you see the proposal and analyze its contents – don’t just complain. Incorporate a few elements of the proposal into your current business plan with a can-do attitude and offer a temporary alternative to evaluate effectiveness before making any broad changes.

Perhaps most importantly, pursue like a pit-bull!

This involves your job, the jobs of your employees, and co-workers. Passionately fight for everything you possibly can. Don’t settle. Have a vision. Be objective but tenacious and work out a win-win solution.

Be creative. Don’t give up.

18

Mail operations have some limited protection. As far back as 1792 when Congress initially enacted the federal civil and criminal laws known collectively as the Private Express Statutes, the USPS has acknowledged that carrying and delivery of mail is not a ‘one size fits all’ proposition.

19

Look up Publication 542 from USPS and read where Colleges and Universities are specifically exempted from several provisions that require private carriers to pay postage fees to the USPS.

20

4-2 Letters of College and University Organizations (39 CFR 320.4)

21

The operation of 39 U.S.C. 601(a)(1) through (6) and 39 CFR 310.2(b)(1) through (6) is suspended on all post routes to permit colleges and universities to carry in their internal mail systems the letters of their bona fide student or faculty organizations to campus destinations. This suspension does not cover the letters of faculty members, students, or organizations other than bona fide student or faculty organizations of the carrying college or university. Colleges and universities choosing to provide their student or faculty organizations access to their internal mail systems are responsible for ensuring that only letters of bona fide student or faculty organizations addressed to campus destinations are carried. For purposes of this suspension, internal mail systems are those that carry letters on, between, and among the various campuses of a single college or university and that operate in accordance with Letters of the Carrier Exception (see subchapter 3-4).

22 – Read ... The following factors bear on qualifications for the exception....
What this means is that if you have booklets, postcards, letters to faculty, all sorts of internal mailings – you can carry these between buildings and across campus and place them in the same receptacle where US Mail is delivered without paying postage on those items. On our campus we deliver hundreds of pieces every week without stamps or meter imprints as a valid part of university operations. If our department was privatized, those delivering the mail would no longer be employees of the University and each piece of internal mail would be required to have postage on it before it could legally be delivered.

Several other large players offer Print Outsourcing and Managed Mail Services that they assure will “Improve your office productivity, minimize security risk, and reduce operating costs.” [http://www.pb.com/Services/ and hp.com/go/enterpriseprinting ]

Pitney Bowes recently sold off their Managed Mail Services division and I haven’t seen any of this new companies brochures, but the Pitney Bowes version said they only charged a specific rate per piece of mail for all incoming and outgoing services. As an administrator, that removes all the downside of declining mail volumes – but it creates many questions about how they can “adequately staff” and service our facility over the long term.

There are some large companies that greatly benefit from these services. There are many small companies and certain colleges that can’t justify the cost of equipment or software to reap maximum benefit from the discounts available. These people should pursue the options offered by these companies, including several of our sponsors.

But many of the rest of us have a vested interest in not being outsourced or privatized.

Don’t put all of your eggs in one basket.

Just like the financial experts say – diversify.

Include digitizing mail, process involvement

(i.e. Accounts Payable productivity enhancements)

Security – employees vs contractors.

On campus ID, knowledge, access, rules, commonality, team.

Copiers and copyrights
Design for savings

Anybody will print postcard the size you request

Will they advise you how to size, address, batch for maximum savings?

LAST SLIDE

Conclusion

Have a plan

A written plan

Keep it updated.