

Thomas Tunstall

Outsourcing and Management: Why the Market Benchmark will Topple Old School Management Styles

There's nothing more frustrating than being put on hold, especially when a call center agent from Timbuktu silences your plea with a press of a button.

Today, more and more companies are outsourcing jobs overseas. *Outsourcing and Management: Why the Market Benchmark will Topple Old School Management Styles* reveals that by 2015, more than 3 million jobs in the United States will be outsourced, compared to 800,000 jobs in 2005.

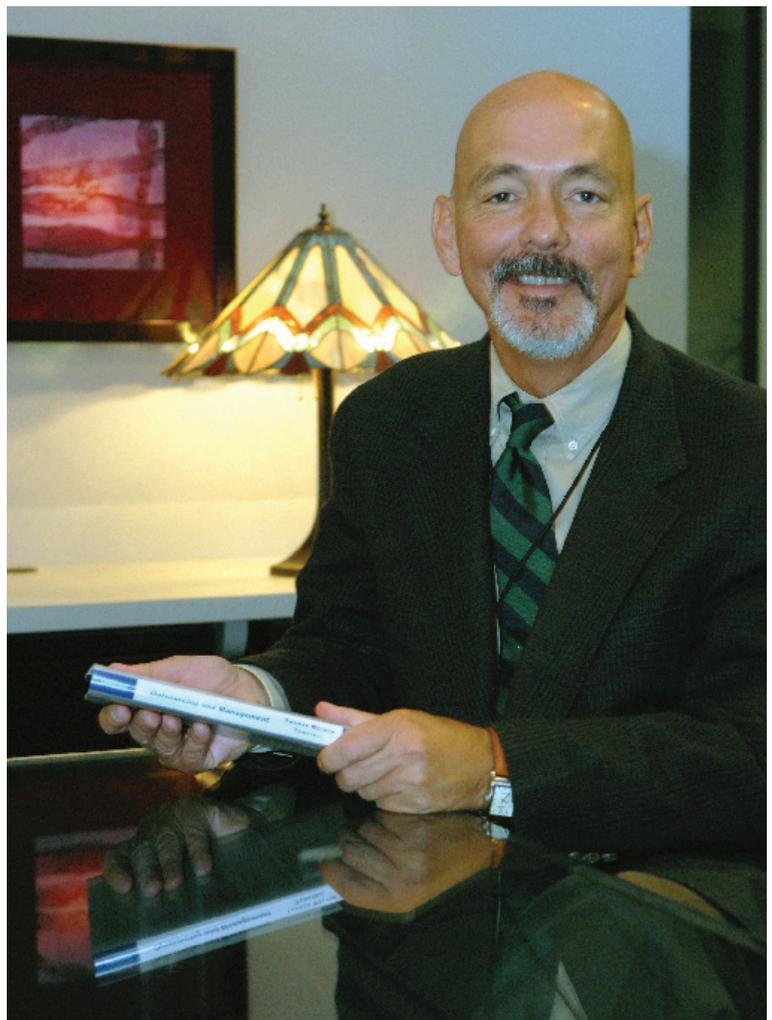
It doesn't look like the 8-minute *minimum* holding time, for Time Warner Cable anyway, is going to get any shorter. Plano author Thomas Tunstall said, "At call centers, you have supervisors periodically monitoring the lines, but it's hard for them to see the big picture in terms of overall customer satisfaction. Unfortunately, the CEOs that run the company get wrapped up in financial indicators and what Wall Street thinks about how they're doing, as opposed to focusing on operations."

In *Outsourcing and Management*, Tunstall discusses *if* and *when* a company should outsource. "You can't just take a 5-minute look at an organization and say this or that should be outsourced. It depends on what the organization's core competence is, the thing it does better than anybody else. Theoretically, anything that *isn't* a core competence can be outsourced."

Tunstall's book strays away from formulas and drive-through formalities, like "Five Steps to Success" or "Tunstall's Top Ten." "It's just not that simple," said the author. "Ultimately, every organization's mission is unique."

There are no hard and fast rules when it comes to outsourcing because the economy is constantly evolving. *Outsourcing and Management* explains that we've transitioned from an agricultural-economy, to a manufacturing-economy, to a service-economy.

"If you're working on an assembly line, the role that you play is much more clearly defined. You are responsible for this particular thing," said Tunstall explaining how a manufacturing-economy is based



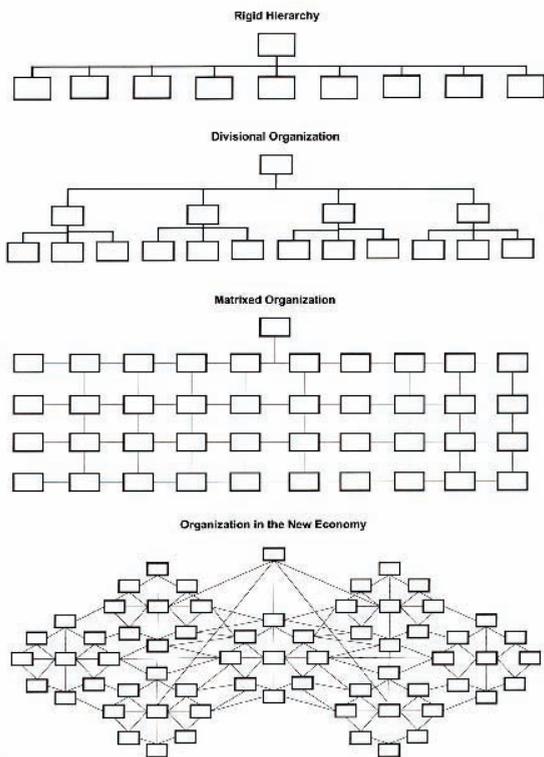
Profile photo

Author and Plano resident Thomas Tunstall holds a Ph.D. in economics and public policy.

on the product. Whereas "services and information are the tools of the new economy," and they are based on the customer.

Service industries make up 70 percent of the United States' economy, according to *Outsourcing and Management*. "In the future, it is the people who will have to be reckoned with in a very real sense," said Tunstall.

Service functions include IT, finance, human resources, marketing, and transportation, among others. Besides the ability to free up cash flow, many businesses outsource services because of managerial



This chart depicts the evolution of management, from a rigid hierarchy with assembly lines to a more complex, diverse model, as a result of outsourcing.

ineffectiveness, or what Tunstall calls an “old-school” mentality.

“Successful managers will bring new styles to the game or overhaul existing mind-sets,” said Tunstall. “The trap a lot of managers fall into is they generalize the future based on the recent past. They think tomorrow is going to look like last week, and then suddenly something happens. You can take extreme examples like 9/11 or Hurricane Katrina. ...”

Businesses may opt for scenario planning. “Look at the future fairly far out. Map out at least five different views. Look at long-term trends and things that might happen based on current, geopolitical events, like international trade, and how that will impact your business,” Tunstall advises.

The author argues that scenario planning will put businesses at the forefront of competitors. The challenge, however, will be learning how to track services. “Management will get better about putting in place measurements, but it’s going to take some time.”

Tunstall refers back to the call center

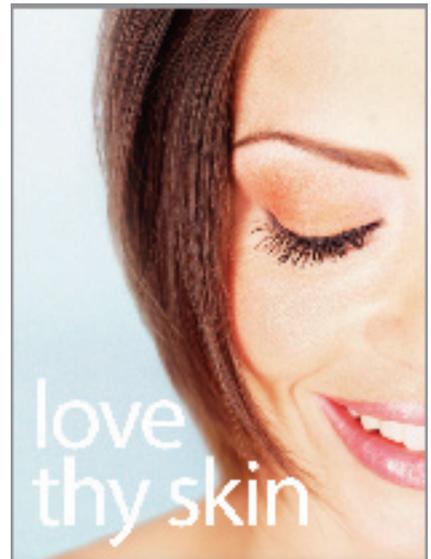
example. “If somebody’s on hold for 20 seconds but they say it was 5 minutes and you don’t have measurements set in place, it’s subject to interpretation. Call centers used to focus on call duration: The shorter the call, the better the performance. Well, that’s not necessarily true. Call duration, by itself, is not a good measure of performance.”

Tunstall said he always wanted to do consulting. He is an Advisory Liaison for ACS in Dallas, which provides outsourcing solutions worldwide, and he is the co-chair for the Dallas chapter of the International Association of Outsourcing Professionals. After receiving his Ph.D. in economics and public policy in 2000, he was promoted to Senior Manager at BearingPoint (then KPMG Consulting).

Prior to joining BearingPoint, Tunstall worked in various management roles for the SABRE Group, formerly the operating unit of AMR Corp/American Airlines. After working there for nine years, he landed a job at the Everest Group, an outsourcing advisory firm.

The Plano resident for 13 years was recently on assignment in Kabul, Afghanistan, as the team leader for BearingPoint’s IT operations, which included the Afghanistan Central Bank Management project. Tunstall coordinated the Afghan Registry Authority, too, working with government officials in Kabul to establish a central agency under the auspices of the Afghan Economic Governance Project. He has extensive experience internationally in economic development.

“Successful organizations do not seek to survive. They look ahead,” said Tunstall. “Quoting Louis Pasteur, ‘Chance favors a prepared mind.’ Project the future and plan it. That’s the history of progress.”



Grand Opening Special
20% off all Laser Service Packages and all Injectables

- 3D Skin Rejuvenation
- Laser Hair Removal (all skin types)
- IPL (Intelligent Pulsed Light)
- Laser Genesis
- TITAN (skin tightening)
- Microdermabrasion
- Derma-Planing
- Chemical Peels
- Oxygen Facials
- Botox & Dermal Fillers
- Permanent Makeup

Discover the healthier, better-looking skin within you at the brand new Avanti Skin Center of Willow Bend.

Call 469.229.0921 for your personal skincare analysis.

Avanti Skin Center of Willow Bend
5933 Dallas Parkway, Suite 200
Plano, Texas 75093

avanticenters.com

AVANTI
SKIN CENTERS

©2007 Avanti Skin Centers