

An Action Services Group, Service & Project eBook



Resolving the Self Performing vs. Subcontracting Argument

Author

Ted Stouch

President / Founder of Action Services Group

Action Services Group
Spring Valley Business Park
2 Braxton Way Suite 100
Glen Mills, PA 19342

610-558-9773 (phone)
610-494-6186 (fax)
info@actionservicesgroup.com
www.ActionServicesGroup.com

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Introduction

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Resolving the Self Performing vs. Subcontracting Argument

For many multi-facility services decision-makers, the issue of hiring only self-performing vendors, as opposed to those who subcontract, appears to be a simple, clear-cut decision.

Either it “*matters very much*” or it “*does not matter at all*”.

Facility service providers will claim either

- We self-perform all of our work
- We subcontract all phases of their field operations
- Other work hard to avoid the question altogether

Is one better than the other? How can you be confident you have selected the best solution for your company?



What's Best for Your Facility?

In order to adequately address these questions, each facility manager needs to step back and view them through a filter that addresses their company's overall mission. No company has self-performing capabilities in every discipline or facilities in every city throughout America and Canada. Try as they may, facility service vendors who expect to meet the requirements and geographic reach of multiple-site facilities must include sub-contracting local partners.

A professional facility service vendor must determine their desired national standard and will require their service partner's management to understand you, the customers, needs and expectations too ensure that all personnel are properly informed prior to beginning a service call.



Quality Assurance

The term “quality assurance” is often a vague or ambiguous concept but we will define it to be: the combination of providing the highest quality products and services at the lowest possible cost to the customer.

Linking issues of quality assurance to the question of self-performing vs. subcontracting compels a facility service vendor to seriously evaluate their resources and their customer’s operations.

When asked for an opinion on maintenance requirements being fulfilled via self-performing or subcontracting, a Vice President of Facility stated,

“Quality and cost are always important in our partnering decisions, and with the right maintenance partner who understands lean enterprise and maximizing customer satisfaction through ongoing improvements we avoid micro-managing those decisions and processes. This frees us to focus on our own core competencies”.

These Blogs Might Offer You a More Indepth Insight Into Services

[The Value of Knowing Your Lighting Component Data in Your Facility](#)

[What is Lighting as a Service?](#)

[4 Key Points When Considering the Self-performing vs. Subcontracting Argument](#)

[Your Options for an Industrial LED Lighting Solution](#)

Systems & Tools

To consistently achieve successful results with facility maintenance assignments (lighting, signage, electrical), the solutions-provider must understand the systems and tools required to ensure the goals of the customer's organization are met. The process of understanding and implementing systems begins with an in-depth awareness of the customer's expectations for their facilities.

Once specified, the objective for the facility service vendor is to implement a seamless integration of people and technology, each especially fitted and/or trained for the job to which they are assigned. Pro-actively planning for these situations enables facility service vendor's to make effective and timely decisions as well as anticipate the varying local and national needs.



Cost Considerations

Significant cost considerations are associated with the deployment of any worker to a customer's workplace. However, a decision matrix identifying cost comparisons of in-house vs. subcontract employees is but a single factor in the process.

What must also be considered is the impact on quality assurance this component carries in delivering service to the customer. Quality assurance focuses on end results, measuring the quality of work performed against budgetary expenditures. Some situations dictate to the service provider, that it is both qualitatively and quantitatively beneficial to employ "local" partner technicians, rather than to route employees outside their normal geography or service disciplines.

Some "outlying" areas of certain states may be attractive to the retailer, but not accessible to many of the service provider's direct employees.

Find Your Savings for Product Specific LED Retrofits

How much would you save with a Parking Lot and Area Lighting Retrofit?

Retrofit Your Parking Garage for Big Savings

High Bay and Low Bay Retrofit Savings are Huge!

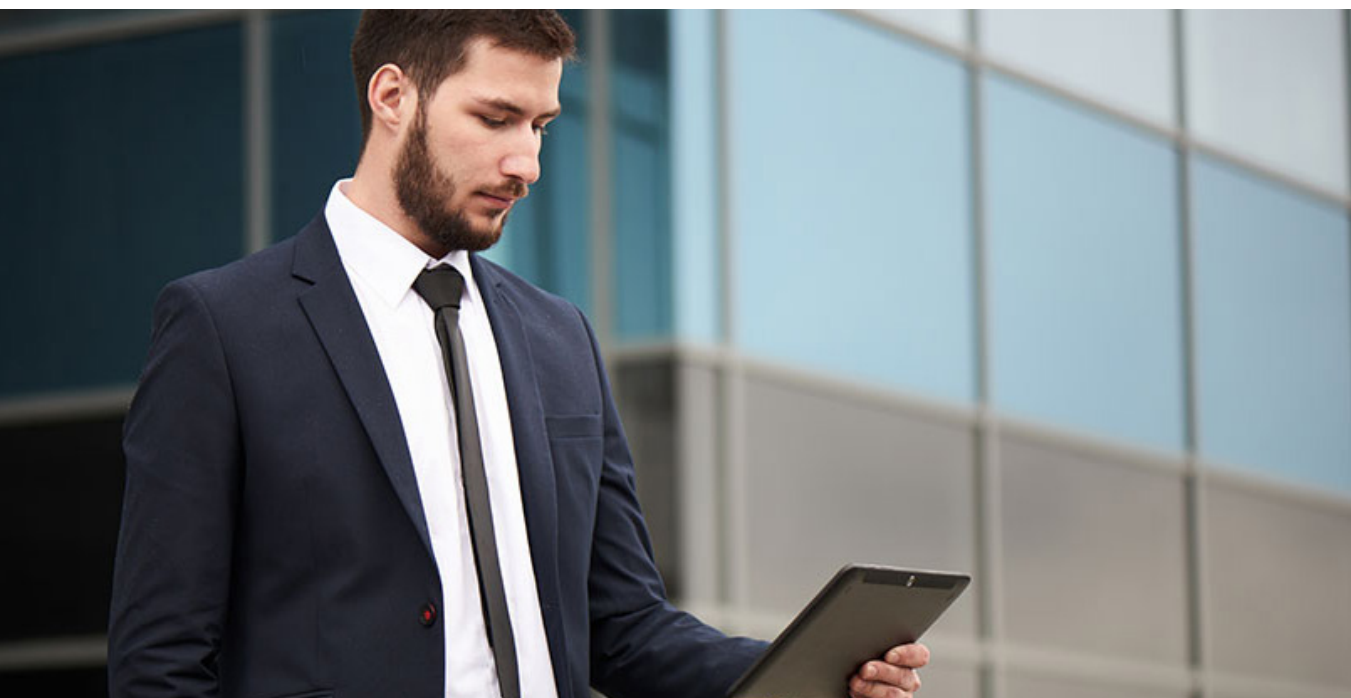
How much are your Fluorescent Lamps Costing You?

Review Our Product Education Center for Even More Savings!

Overcharging Concerns

Some service purchasers have concerns of incurring additional layers of overhead and profit costs for both the facility service vendor and their subcontractor partner. In reality, any vendor can overcharge for any task.

The subcontracting service provider endeavors to offer balanced, competitive pricing that eliminates overcharging at one site to offset a higher priced local vendor. Even self-performing operators can overcharge for their services. In some situations, local self-performing operators may view a work order as an opportunity to make a hit (overcharge) while the national subcontracting facility service vendor may view the request as another opportunity to “prove their value” and provide competitively priced services for your site. Quality assurance focuses on the end results, the quality of work performed that is the result of budgetary expenditures.



The Right People & Equipment

Deploying the right people and equipment to the job site sounds easy, but is it really?

“Our customers’ experience with us is of paramount importance,” says Ted Stouch, of Action Services Group. “Because of that, we are particularly careful about the selection, demeanor and conduct of our associated partner’s employees when they are dispatched to a service call.”

Successful service providers will internally verify the background, citizenship and legal status of each employee and each subcontract partner’s employees. Ethical service providers, using appropriate vendor service contracts, hold clients harmless and defend them from any legal exposure for any aspect of their employee’s or sub-contractor’s efforts.



The Bottom Line

So, what is the bottom line?

First, both self-performance and subcontracting are viable components in the facilities and maintenance solutions matrix. There is no simple formula to determine what the ratio should be when evaluating whether work should be self-performed or subcontracted.

Secondly, every situation is unique and demands a fresh look at the quality assurance factors affecting the decision. Self-performing is not always exclusively the best choice; in fact, subcontracting may be the better alternative with-in a broader quality assurance framework.

Lastly, quality-minded, facility service purchasing staff who are well informed should not struggle with the perception that a self-performing vendor may be better (achieve better results) than employing a facility service provider who utilizes subcontractor partners.



Your Vendor Checklist!

Below is the start to your vendor checklist. Some changes will need to be made to make sure the vendor meets your organization's needs, but this is a good start:

- Vendor is able to continually meet their customer's needs and requirements.
- Vendor provides a comprehensive offering of services.
- Vendor can service your broadest geographic reach.
- Vendor works within a culture built on a foundation of respect, integrity, service and excellence.
- Vendor's prices work at "market price."
- Vendor offers you peace of mind.
- Vendor meets your corporate goals.
- Vendor handles concerns before they become problems.

A Few More Resources for Your Consideration!

[Action Services Group eBook Library](#)

[Lighting and Product Education Center](#)

[Over 100 Educational Blogs on All Things Facilities](#)

[Lighting Education](#)

[LED Education](#)

[Electrical Education](#)

[Sign Education](#)

Thank You For Reading
**Resolving the Self Performing vs.
Subcontracting Argument**

You Might Be Interested In

*What To Look For When Searching For A National
Lighting Service Company*

*7 Helpful Insights to Convince Your Boss to do a
LED Lighting Retrofit*



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