The Quick Benefits of Staff Augmentation

There are many jobs that a business must do to operate, but not all those jobs cause business growth. Specialized skills may be occupied doing non-critical tasks, instead of the particular talent for which they were hired. Likewise, you may find that your business is lacking a specialized skill that is needed to aid business growth. Hiring additional resources to do the job can be very expensive. Smart savvy operators augment existing staff to cover peaks and valleys or temporary needs.

When it comes to staff-augmentation management can quickly examine business needs to determine the number of additional resources needed to complete a job. Staff augmentation prevents understaffing and overstaffing business teams. Many companies expend thousands of dollars annually for unneeded resources. What makes Staff Augmentation stand out from other outsourcing models is that you get the right resource, for the right amount of time, for the right cost.

When would you need it?

There are several cases in which a company may require additional resources, but for one reason or another prefers not to hire a full time employee. Several reasons include cost limitations, staff needed immediately, or the length of the project does not justify hiring a full time employee.

Cost

Business is about making money, this can be done by gaining greater income, or by lowering overhead costs. Staff Augmentation can allow for both. When an organization needs additional help lots of time and money can be spent looking for and hiring an employee. If that employee is only needed for a short time, or quits, that process must start all over. Keeping in-house employees trained and up to date on the latest technology can also add up quickly. Full time employees can be very costly, not to mention the risks and liabilities associated with full time equivalents.

Staff Augmentation provides the opportunity for businesses to pick and choose the particular skills and services needed for their company. If one consultant does not have the skills you require then you can easily find another that does. You pay for the requested skill without having to pay for the overhead of hiring or training. Overhead is further decreased as you only have and pay for the required skills when you need them. If you find that employees are struggling to accomplish the work you need, then you should seriously consider Staff Augmentation.

Hiring the exact skill needed can ensure that your company's project can reach its milestones. Staff Augmentation allows employees to focus on other critical tasks ensuring growth and increased profit. Staff Augmentation provides a mechanism to expedite projects.

Start Date

Often executives will ask if a resource is the right person for the job, can they do the job, or can they be trained to do the job. The question is not whether your resource can learn to do the job, the real question is how long can you wait? Staff augmentation allows your company to get the resources it needs right now. This is important if a company is unable to maintain a sufficient workforce to accomplish normal workloads, or a large project needs to be started. The ability to start projects sooner may be just the edge you need to win the speed to market race.

Length of Project

There are many instances when a company does not need a long term employee. For example many IT tasks are not needed on a permanent basis, such as upgrading office servers. Another example is companies outsourcing help to ensure they meet regulations and other regulatory compliance efforts. Such tasks are important, but may not be required on a permanent basis.

Staff Flexibility

Businesses may find themselves in need of extra resources for a large upcoming project and need additional help immediately. An extensive amount of time and money can be spent to look for and hire an employee with the right skills. Depending on the hiring process this can take weeks if not months to find the right resource. This could result in delays or missing out on business deals.

PriceWaterHouseCoopers reported that "Best practice companies in both the US and Europe estimate they are overspending by 10% and underperforming by 10% as a result of not having a fully agile and flexible workforce." Don't lose that potential profit by not having the resources you need, when you need them. Using an Augmented Staff allows for businesses to quickly up or downscale their workforce based on the needs of the project. This is especially useful for boom/bust markets where they may find themselves over-staffed one day and under-staffed the next.

Other Benefits Staff Augmentation offers

In addition to the huge benefits described previously the staff augmentation model also offers other incentives over other outsourcing models. One of the most obvious is that outsourced resources work with already existing employees. This means that contractors will take direction from your executives. Leveraging company leadership to supervise contractors improves the integration with the existing teams and increases the understanding of what is expected of these temporary resources.

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Leveraging your leadership team to manage staff augmented resources improves the integration of staff augmented resources with existing employees. Typically businesses that integrate staff augmentation resources with existing resources show less resistance to bringing outside help in, rather than the resistance experienced when reducing internal resources in favor of other outsourcing models.

NOTES:

Hiring:
Takes too long to get resource
Interview process
Drug screen and background check
Negotiations (contract, pay, benefits, relocation)
Higher liability
Higher costs (benefits, office space,)
Adds to decision hierarchy
Adds to bureaucracy
Reduces flexibility

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http://search.ebscohost.com.proxylib.msjc.edu/login.aspx?direct=true&db=buh&AN=3849867&site=ehost-live">A PRACTICAL GUIDE TO STAFF AUGMENTATION AND OUTSOURCING

Staff Augmentation – An outsourcing strategy that implements groups for projects. Useful in rightsizing a company.

Rightsizing – the point in a company where the number of employees is correct for the amount of work

While staff augmentation may solve many problems, it also raises several concerns. The first is cost. It seems intuitive that, because a service provider seeks to make a profit while most IT departments need only charge out their expenses, contract help would cost more than in-house staff. When hourly or daily rates are compared to the salary and benefits costs of employees, contractors do appear to be more expensive. For short-term projects, this may not be the case. As shown on Exhibit 2, a true cost comparison includes more than salary and benefits.

The situation is different on long-term assignments. When used for extended periods, contractors normally cost more than permanent staff. In this case, although there is no economic justification, the IT department may decide that staff augmentation is preferable to hiring permanent staff because of the flexibility it provides.

The second concern, which is also related to long-term use of contractors, is co-employment. In several high-profile lawsuits, contractors successfully argued that they were entitled to employee benefits because they functioned essentially as employees. As a result, companies have become wary of what is termed co employment. To avoid this, some have started to limit the length of time a contractor can work for them, in some cases to terms as short as six months. Although this does not impact limited-length assignments such as the provision of specialized skills at a critical phase of a project, the use of contractors for semi-permanent staff augmentation becomes difficult. This is particularly true when the assignments have a steep learning curve, as can be the case with support of company-specific applications. It is at this point that some IT departments first consider outsourcing.

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http://www.athenadoyens.com/AD%20Article%20-%20The%20New%20Best%20Practice-Hiring%20An%20IT%20Staff%20Augmentation%20Services%20Firm.pdf

IT staff augmentation services work well for companies who must scale up and down depending upon project

requirements, or those looking to strengthen up their core team with top notch IT professionals.

The benefits of staff augmentation for the IT sector are numerous. To wit:

• Outsourced help is experienced enough, and trained to your specific needs, to dive right into your

work. The transition can be seamless.

• No costs associated with full-time employees (benefits, etc.).

• Those selected and trained by the IT staff augmentation service provider you hire are guaranteed

to be the best individuals for your specific operation.

• You have the flexibility to pick and choose and move around resources and individuals as you see

fit, all while keeping project schedules uninterrupted.

And above all, you will save time and money -- and lots of it

Commonwealth of Virginia. Information Technology Staff Augmentation Operational Review Committee
Report. April 15, 2008.

Agencies use staff augmentation to:
a) Find specialized skill sets not available in-house,
b) Fill a temporary gap in agency IT staffing,
c) Secure additional resources for a project or project management, and
d) Provide additional longterm resources to support the agency's day-to-day needs when full-time
positions are not available.