

“Co-Sourcing” Secondary Research: Partnerships Between Internal Researchers and External Information Brokers for Greater Business Value

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Abstract

Research and information professionals continuously struggle to balance staff capacity and workloads with the task of adding even greater value to their organizations and satisfying their stakeholders. The Imaging and Printing Group Research Alliance at Hewlett-Packard Company has developed a model to help address this issue. It began in 2001, and relies on a well-developed program of internal staff and external information brokers partnering to deliver custom research projects. Over the last few years, the staff has transitioned from viewing information brokers as merely competition, and now views them as critical to the organization's success. We began to call this “co-sourcing” instead of outsourcing, because in most cases, the custom research product is the result of a partnership between internal and external researchers. The model allows company researchers to add value to the business in a variety of new ways. This paper describes our journey from the initial planning stages to the present, discusses benefits and challenges, and presents suggestions for successful implementation based on our lessons learned.

Introduction

While information professionals are no strangers to outsourcing, it seems that the discussion often centers on the outsourcing of lower-level tasks rather than higher-value activities. The topic of outsourcing higher-value work, for example custom research, can

sometimes cause mixed reactions among staff. Yet there are compelling reasons for information professionals to take another look at outsourcing, as it can help your organization fulfill on its mission. According to a 2003 survey of companies regarding outsourcing of business research, the most common practice appears to be “selective outsourcing for demand management or to address specialised questions.”¹ Our Research Alliance group has embraced a model that meets our needs, and is a customized version of outsourcing. We’ve found that working in partnership with external researchers over time will provide the experience needed to be confident that the research results have the quality you expect and can provide the same level of value as those prepared by company information professionals.

First, let’s begin with some definitions. The term outsourcing refers to the transfer of work to a third party, typically outside the parent organization. It can also be applied to work delegated to a third party within the same organization.²

Offshoring refers to the transfer of work to another country, typically overseas, often with the intent of lowering costs or to allow the organization to focus on core competencies. Offshoring can also refer to work done within the organization in another county and not by a third party. This paper will not focus on offshoring of secondary research. Our discussion of the partnerships we’ve built with external researchers is independent of geography, though benefits and challenges commonly change or intensify based on geographic and/or cultural circumstances.

In 1997, Bates described co-sourcing as a process where corporate library staff does some needed work while an outside provider supports the research function with supplemental work.³ In this paper, we will use the term “co-sourcing” to mean information research for an internal client that is addressed cooperatively by an external researcher (or information broker) and an internal information specialist. Most, if not all, of the communication with the internal client is through the organization’s information specialist. The research product, or deliverable, is reviewed by the information specialist for quality and completeness and is supplemented by internal information, employee contacts, proprietary reports, or past research on the same or related topic provided earlier.

We also have a process that is similar to what is commonly known as outsourcing which we refer to as “direct outsourcing.” The information specialist places the internal client in direct contact with an external researcher who manages the research process end-to-end (from reference interview to delivery of results). The external researcher is one who has previously worked cooperatively with the organization’s information specialists. In this arrangement, the information specialist facilitates communication between the requestor and the external researcher by contacting both parties to provide contact information, describe the process and working relationship, and outline the nature of the request. The information specialist is kept apprised of the work between the requestor and the external researcher by being included in the distribution of the research results and is informed of any potential issues related to communication difficulties, scope creep, or unusually high project cost. Routine communication regarding the research occurs between the external researcher and the internal client.

Any kind of outsourcing of secondary research requires “a clear view of where outsourcing can complement corporate activity.”⁴ Based on the years of experience the Imaging and Printing Group (IPG) Research Alliance at Hewlett-Packard Company (HP) has had with co-sourcing, we believe that it is not only an effective complement, but also an essential element of our organization’s model for adding value to the business. Many of the benefits we’ve realized from this arrangement are presented in a subsequent section.

Research Alliance Research Partnerships – History

Choosing to outsource some portion of secondary research “is both a practical and strategic issue.”⁵ By 2001, we had been working for several years with a few external researchers to establish alerts in Dialog and for selected research projects, including specialized chemical information and structure searching. A number of factors that contributed to the decision to pursue outsourcing in some form quickly became evident:

- the company’s increased interest in outsourcing
- staffing shortage
- an increase in the volume of research requests
- recent outsourcing of library operations in other corporations

Finally, a report from Outsell⁶ on opportunities to use selective outsourcing as a means to “manage workflow, offload low-value activities, temporarily bring on expertise, and maintain anonymity on certain types of research projects, while at the same time limiting growth in permanent or full-time headcount” catalyzed us to action. We chose to be proactive in putting mechanisms in place to respond to increased demand, and to address “niche” market expertise where we did not have deep subject knowledge as we sought to increase our visibility across the organization.

Our decision to expand our use of external researchers, whom we refer to as “co-sourcers,” was also strategic. We were positioning ourselves to move up the value chain and to be seen as equal partners on business and project teams, with an expertise that was different than that brought by other team members. Establishing additional relationships with information brokers would give us the capacity we needed to focus on these activities, and would expand our offer of providing in-depth research on a variety of market investigations that were outside the company’s core business areas.

Our manager was very intentional about thinking of the external researchers with whom we worked as “information partners.” This mindset was consistent with our model of partnering with internal groups, such as market intelligence, competitive intelligence, and intellectual property teams. We sought to create similar partnerships with external researchers to leverage and extend our contribution to the business. This approach helped our research analysts to embrace the co-sourcing model. We created a task force, made up of Research Alliance staff and managers, to define our outsourcing strategy and execution plan.

Initial resistance among a few staff members reflected fears related to job security (if we start outsourcing research, the company might consider outsourcing the entire research function) and competence (how will I continue to maintain my specialized research skills?). A few saw the

shift as a change to the employment contract (I'm here to do the research, not manage research sent outside the company). These responses are also typical of market intelligence researchers who must outsource market research so that they can focus on deriving insights and implications of the research for their parent organization.⁷

The Research Alliance staff worked through many of the common fears by piloting the process, experiencing some challenges, but realizing benefits fairly quickly. Over the past few years, we have come to rely on our extended network of research partners. We first kept statistics in FY01, and as you can see from the Figure 1 below, our percentage of research requests co-sourced grew rapidly each quarter over FY01-FY02. Our highest percentages to date occurred in FY03, due in part to strategic changes in direction at our company.

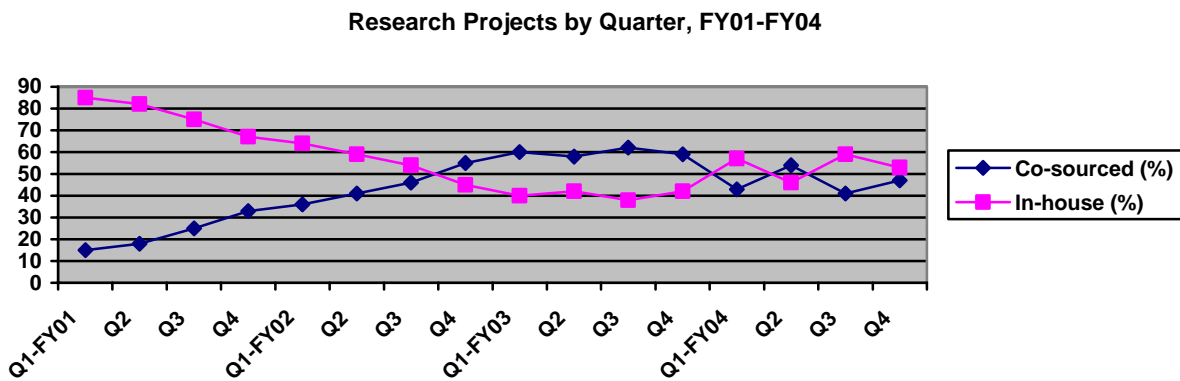


Figure 1

We have since stabilized at approximately 50% as an average for total co-sourced requests (49% in FY05 and 48% in FY06).

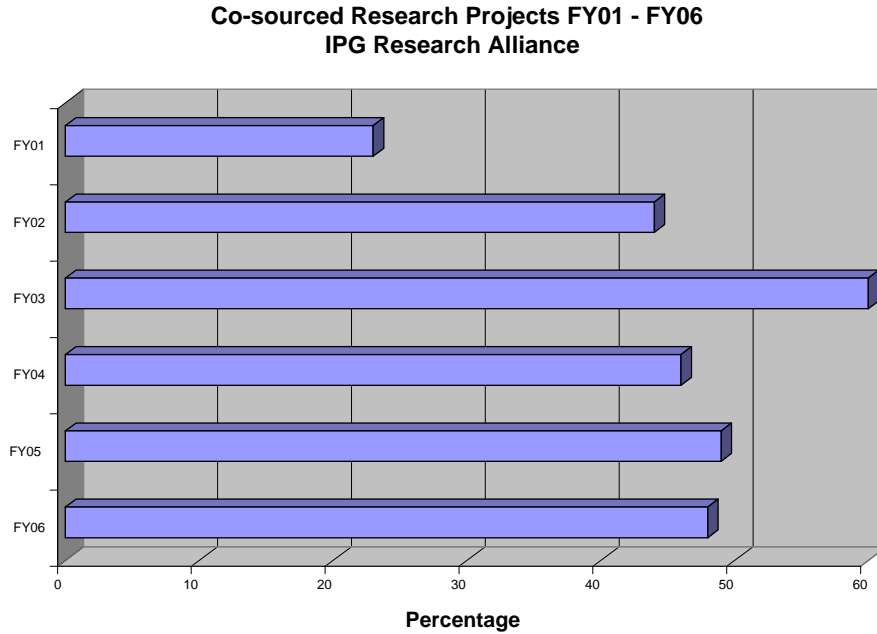


Figure 2

The decision whether to utilize information brokers or not requires the careful consideration of a variety of factors, including the objectives and environment of the parent organization, budget trends, likely challenges, and potential benefits. By sharing our experience, we hope to add to the dialogue on the issue of outsourcing secondary research. Ward reminds us that perceptions on the issue include viewing it as a “threat, opportunity, or inevitability.”⁸ We found that the feeling of inevitability helped us embrace the changes – if it was inevitable that outsourcing would happen, we wanted to be in charge of it and proactively craft its implementation. While it is common to cycle through all three perceptions during the process, our experience demonstrates that “co-sourcing” can open up a host of opportunities to move up the value chain and contribute to business objectives in new and different ways.

Locating and “Onboarding”

Once the decision is made to try co-sourcing, there are some practical considerations and steps to take. The first involves finding likely research partner candidates. There are a variety of options available, from small one- or two-person information broker firms, to brokerages with a handful of staff, to large information research firms with many employees. Our experience is primarily with the first two options, where we have found it easier to manage and develop the personal relationships and custom research processes critical to the success of our model.

Generally we recommend that one staff member, or a small team on your staff, lead the investigation and set-up phases involved in establishing the partnerships between internal and external researchers. It is helpful to have no more than two primary staff contacts for procedural or general questions the external researchers may have once the model is in place. However, it is very important for those primary internal contacts to regularly communicate with your entire research team on the progress of qualifying and establishing relationships with external researchers. The primary staff contacts should continue to inform the internal research staff of any new information regarding external researchers.

Research Project Types

Certain types of research projects lend themselves to co-sourcing. For us, they include those that:

- have an internal information component that complements what an external researcher can prepare from publicly available sources.
- are formulaic, such as company profiles, or on topics where the best results would come from unique or specialized resources to which the information broker has access.
- are in a subject areas you research infrequently, or in-house expertise is non-existent (e.g. chemistry or patent research). The expertise of someone with the requisite skills can be “rented” as needed, thus contributing to an expanded service offering by the research group.⁹
- are clearly-defined.

In addition to co-sourcing, there are some types of research that we “direct outsource.” We consider the following criteria for direct outsourcing:

- The request is not business sensitive or highly confidential (e.g. research related to projects where knowledge of the project is restricted to limited number of employees).
- The results do not require any internal company knowledge or information to be incorporated into the results.
- The need-by date from the requestor is one where the external information partner will have time to successfully manage the research project end-to-end.
- The research inquiry is not broadly defined or open-ended.

Categories of research topics for direct outsourcing include:

- Company profiles
- Industry data and industry/government statistics
- Selected social science and human resources-related requests
- Author or cited references searches
- Clearly defined chemical or materials properties requests
- Features, specifications, or data sheets for products

Research Deliverables and Branding

We provide branded templates to our co-sourcers with the research analyst's name and contact information. We began with a single Word document template, and provided a style guide on how to use the template, the expectations for various subheadings, and other tips and tricks for our co-source partners. Over time, we have added several other templates and formats for use depending on what is required for different types of research. We actively seek format suggestions and preferences from both our internal clients and our external research partners. Although Lesky suggests that it is not necessary to “credit your co-sourcers”, our team acknowledges the co-sourcer by name on both co-sourced and direct-outsourced research products which is in keeping with HP's culture¹⁰.

Ongoing Communication

As with any partnership, regular communication is necessary and useful. We have established several best practices to facilitate communication between internal staff and external researchers.

One of our recommended best practices is that all research requests should be communicated to the external researcher with both a phone call and an encrypted email with details of the request generated from our internal research request management database. This way, all necessary information related to the research request, including due date and request ID number, is in one place and in writing. The phone call provides redundancy to ensure that the email is received; it also gives both researchers a chance to discuss the business context around the request, answer questions for clarification, share more information about the internal client's preferences, and brainstorm potential approaches if needed. In this initial conversation, we often discuss what resources that the internal researcher will check to complement the work the co-sourcer is doing to avoid duplication of effort. In additional conversations over the next few days or weeks of the project, we may communicate about changes in due dates, status checks, changes in scope, or to pass along feedback from the internal client or business team.

In the day-to-day partnering on research requests, information flows back and forth between our research analysts and the external information brokers. While changes in schedules are generally sent from co-sourcers to the one staff member who serves as the main contact, information learned may be shared with internal research staff via email, the staff blog, or the team's shared calendar. We all work to keep our staff apprised of what is going on with our external research partners.

Communicating the Co-Sourcing Model

The method by which this model is framed and communicated to both your internal clients and stakeholders will greatly influence its success or failure. We prefer to err on the side of transparency, and communicate what we are doing and why we think it is the best way to help

fulfill the research needs of our internal clients. We inform our clients that we may work with external information brokers on the research deliverable. We mention that they've signed Confidential Disclosure Agreements with our company, and that they often have specialized knowledge we can utilize for the topic. Our tone is business-focused and matter-of-fact, which reassures the requestor that this is a normal business practice for us and many other groups.

For stakeholders in our company, the processes of outsourcing and supplier management are well understood since most parts of the business do these activities. Our outsourcing activities are viewed as a credible and smart way to maximize HP's investment in research staff and activities. We are able to show the benefits of our model (outlined below) and in particular the other activities it enables our staff to focus on which also provide value. To date, we have received positive feedback on the model from managers and stakeholders.

Challenges and Benefits of Co-Sourcing

ONGOING CHALLENGES

Don't get discouraged by what appears to be a lack of progress or alignment between your expectations and what information brokers deliver. In the beginning, establishing your internal processes for co-sourcing and working through several research requests from start to finish may seem to be more trouble than it is worth. If you aren't patient, you could quit before realizing the benefits of a partnership approach. Remember that it takes time for the external researcher to internalize your company's mission and business objectives and for you to orient the information broker to your research group, its research deliverables, and processes. The challenges you will face are similar to those when new staff members join your group.

Shift in Perspective and Skills

- a) *Learn to move beyond the "that isn't how I would've done it" viewpoint.* As long as the results retain the key elements that you have pre-defined, the approach taken by another researcher may be different, but is still relevant and timely.
- b) *Your value will shift from doing the research to managing the research of others.* Your knowledge of your organization's context and priorities and your ability to integrate and present research from disparate sources is the value you add to the results you receive from external researchers, and from internal departments or contacts, or research staff assistants. Seeing the "big picture" and identifying implications of the research is higher-level (and tougher) work.
- c) *Managing multiple co-sourced research projects while working on others done in-house requires more than research skills.* Project management, negotiation, communication, and relationship management skills are all needed to successfully meet your research commitments. Before these are well-developed, there may be some feelings of inadequacy among research staff. Consider investing in project management or other training for information specialists.

Research Process and Product

- a) *Lack of access to internal company databases and other proprietary resources can impact the completeness of the results.* Expect to devote time to searching such resources to ensure thorough results. In some cases, you may be able to grant permission for an information broker to use your login on your behalf.
- b) *Not all information brokers are a good match for you or your organization.* Don't hesitate to discontinue working with an information brokerage if you are not satisfied with the work product or the business relationship after providing feedback and coaching over multiple projects.

BENEFITS

Benefits of co-sourcing to the research staff and parent organization include ability to re-direct efforts toward higher-value tasks, expanded skills, increased research capacity, and access to specialized expertise and resources.

Higher-value work

- a) *Allows for increased participation by information specialists on business/project teams.* More complex work often comes from the close working relationships information specialists develop with business and project teams.¹¹ Time freed-up from routine research inquiries can be re-directed toward a more consulting-type role, thereby increasing the profile and value of the information specialist within the organization.¹² Information specialists are also better able to communicate the business context when working with co-source partners because of these interactions.
- b) *More time is available for strategic activities.* With co-sourcers working on important and often urgent research, information specialists can focus on other vital functions such as engaging with internal clients and business leaders, working with business/project teams, assessing needs, setting policy, marketing, outreach, and special projects.^{13, 14}

Skill development

- a) *Expands the expertise base of the research function.* Information brokerages can bring expertise in specialized subject areas or geographic regions, reading comprehension of materials in other languages, and networks in specific industries.
- b) *Increases the network of information professionals with whom to consult or brainstorm.* The ability to strategize about a research approach with a fellow researcher, especially one who is strong in a relevant research area, is invaluable. We've done this with co-sourcers so that we can better advise an internal client or team on whether we can expect that secondary research will address the question adequately. If you've lost staff skilled in a particular area, you can brainstorm with an external researcher whose expertise is similar.
- c) *Working with external researchers builds critical soft skills.* Building working relationships with a variety of information brokers contributes to staff development in the areas of communication, collaboration, negotiation, and project management, which is increasingly important.
- d) *Increased opportunities to learn best practices and be exposed to new tools or resources.* We have learned of useful databases, data manipulation capabilities, and post-processing

tools from our co-sourcers. Some information brokers are amenable to leading a tutorial for your research group on a specific tool or research technique.

Increased capacity

- a) *Additional research capacity is available for increased research output.* The capacity is also available to mitigate the impact of staff shortages or to respond to periods of increased demand.
- b) *Enables work to be done in parallel, reducing turnaround time.* Internal staff can focus on proprietary company knowledge, contacts, and resources while information brokers cover external sources.
- c) *Provides increased flexibility in meeting deadlines in a 24/7 research environment.* Time-zone differences can be used advantageously for short-term projects. Differences in work weeks (e.g., in Israel the work week is Sunday – Thursday) can also be leveraged.
- d) *Information brokers can work on large or specialized projects that you may not have been able to address yourself.* Such projects may include development of pathfinders, customized news or alerting services, tradeshow press coverage, identifying core resources in an area new to your business, and creating biographical information sheets.

Access to skills and resources

- a) *You can utilize specialized resources that information brokerages have access to that you do not.* External researchers typically have accounts with industry- or subject specific databases or subscription services that would not be cost-effective for your organization due to limited demand.
- b) *When working with multiple information brokerages, you can choose the firm that has the best mix of skills and knowledge to address a specific research problem.* This approach is easier to do with a single-researcher firm. With a larger firm, you can request a specific researcher, but there is often no guarantee that the researcher will be available to address your research inquiry.

Conclusion

As McNew¹⁵ reminds us, outsourced work is often performed by “librarians just like you” and this viewpoint (and resulting collaborative behaviors) aids in forming successful outsourced partnerships. We view our co-sourcers as extended team members and colleagues, and have formed strong relationships which have grown through years of “virtually” working together. These relationships are strengthened by opportunities to meet at conferences or when an external researcher makes a customer visit. The IPG Research Alliance staff will continue with this model in the coming years, and believes it to be a best practice. There is an initial investment of staff time and training, similar to that involved in hiring new internal staff, and ongoing communication and relationship management is required. However, we find the value the external information brokers bring to our efforts is definitely worth the investment.

End Notes

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- ⁸ Ward, Sandra. “Outsourcing research: What’s your position?” *Business Information Review* 21, no. 4 (2004): 234.
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- ¹³ Lesky, Cynthia. “Selective Outsourcing: A Tool for Leveraging the Value of Information Professionals.” *Information Outlook* 7, no. 6 (2003): 26.
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¹⁵ McNew, Christina Bennett. "Outsourcing from Inside Out." *Information Outlook* 9, no. 2 (2005): 24.

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Additional Resources

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