

October 21, 2003

This was a joint meeting between members of BAPMF and of the Tech Pubs Managers SIG of Silicon Valley STC. (<http://groups.yahoo.com/group/stcpubsmanagement/>)

The meeting began with a presentation by the BAPMF coordinator on some context and background for the topic. He showed excerpts from magazine articles and papers discovered and submitted by BAPMF members. One was an article in CFO magazine ("The China Syndrome," <http://www.cfo.com/article/1,5309,10791,00.html?f=features>), which discussed the case history of a company based in Alameda, California, which is rapidly growing from one billion to two billion dollars in annual sales. It recently announced plans to hire 100 engineers in India with an investment of only \$25 million dollars. This firm already has 1,400 engineers in China. However, this case history is not directly applicable to our concerns, because 80% of their sales and revenues are in China, and so offshoring there makes perfect sense. More relevant is the article's profiling of San Mateo-based E.piphany, which hopes to move up to 40% of its R&D workforce to China.

Another article from Reuters ("India to US: outsourcing good for us, good for you" http://biz.yahoo.com/rc/031009/tech_india_outsourcing_1.html) presented research sponsored by a trade association of firms active in the offshoring of IT jobs to India. Essentially, this article claims that, ultimately, this kind of offshoring is a net benefit for the US economy, because it creates managerial jobs here, because it reduces the price of computer hardware and software products, and because it stimulates demand abroad for US exports.

Similar reasons for optimism were given in a paper written by scholars from Stanford University and UC Davis. ("Went for Cost, Stayed for Quality?: Moving the Back Office to India." This paper is very worthwhile reading. It is thorough and objective, focusing on the details of offshoring of back office jobs in the Banking, Insurance and Technology sectors. It is specific about the number of jobs being created offshore and about the relative costs in dollars. The paper very clearly exposes the dilemma: the expansion of jobs in the service sector in the US economy was supposed to compensate for the loss of US manufacturing jobs in the past 25 to 50 years. What happens when technological change makes it possible to move a substantial number of these jobs offshore to low-wage countries ranging from India to the Philippines? Although there is the potential for rapid loss of US service jobs, on balance there is an opportunity for the expansion of more highly skilled and creative jobs in the US, and likely a net benefit in the long run for all economies.

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A longer list of links have been posted on the Yahoo site of the Tech Pubs Managers SIG (membership required).

These articles and resources will be a benefit to BAPMF members, helping us to have more informed opinions on this topic. I will shortly be circulating a *questionnaire* that asks the question of what BAPMF members and BAPMF as an organization should be doing about the offshoring trend.

Back to the meeting report: remarks by the BAPMF coordinator suggested that the offshoring trend impacts other categories of IT workers to a much larger extent than it does tech pubs. In the technology sector, IT software developers are by far the largest group impacted, and large numbers of QA and tech support positions have already been offshored. We have largely been shielded from this trend because of the unique focus in our jobs on native English language skills.

Also, the impact of offshoring is more keenly felt in the current economic slump in Silicon Valley, where precious few openings exist currently for technical writers and technical publication managers. On the other hand, the same level of outsourcing might be recognized by all as a benefit when hiring returns to normal levels (especially at boom levels like 1999, when members of BAPMF found it impossible to fill their open writer positions.) In other words, the long-term economic forecast is for a sizable labor shortage in the US, and likely in our industry as well. Ultimately, there will be plenty of high-skill jobs to go around.

Then the meeting went to the round table format. Members were encouraged to share their views and experiences on this topic, and the discussion was very lively.

One manager spoke about his current difficulties in recruiting qualified technical writers in India. It seems that tech writing is not very well-understood or esteemed as a career path in India. Although the manager received 60 resumes within a week of advertising his position, none of the applicants are really satisfactory.

A number of managers spoke about the need to train new-hire writers in India as though they were Intern writers. It is very laborious to do this training. Those who have done this report that the English language skills are much lower than what we expect, even in India, where English is prevalent. (Countries such as China would of course have an even worse skill standard.) Then, once the training succeeds, there is the likelihood that the writer will jump to a different employer for more pay. After the meeting one manager remarked that the real price comparison is not between the \$6 per hour paid in India to a writer with the \$75K + paid to a senior staff writer in the US. Rather, it is between the Indian writer and a \$15 per hour US intern or trainee writer.

It was remarked that we are giving tech writing jobs to people around the world who have never taken a single course in technical writing, although they probably have considerable education in programming or software engineering. There is very large overhead in managing these offshore writers. Firms are over-taxing their best managerial talent in this enterprise.

One member suggested there is a need to study offshoring technical publications over a period of years. So much of what we hear about are brand-new offshore departments. The long-term cost, success or failure of these departments is not yet apparent. What is the actual development cost of products and technical publications produced offshore? Much the same problems pertain to software code quality, which is often also inferior when produced offshore. It is somewhat easier to measure code quality than it is to measure the quality of technical writing. But this reminds us of the topic often discussed in BAPMF:

metrics to measure the quality of technical publications. This topic is re-emerging with much more urgency now.

Bottom line was that there were few if any reports of case histories of offshoring of tech pubs that were clearly successful. The drawbacks are considerable, and should be taken into consideration by upper management before making drastic moves in this direction. The question, again, is how BAPMF members influence or educate their management on this question. How can BAPMF as an organization, and how can allied organizations expedite a process of educating upper management across our industry?

In previous meetings, it was suggested that white papers be written on this topic. One such white paper was already published by the Center for Information Development Management ([http:// www.infomanagementcenter.com](http://www.infomanagementcenter.com)). The *Best Practices Newsletter*, the monthly publication of that organization will focus on this issue in February 2004 ([http://www.infomanagementcenter.com/ subscribe.shtml](http://www.infomanagementcenter.com/subscribe.shtml)).

A new, very good suggestion that came out of this meeting is that we make contact with local graduate schools of business administration and get them to do studies reporting on the hidden costs of offshoring tech pubs. Studies from such prestigious and independent sources would carry great weight with upper management of Valley firms.

Compared to the recent meetings on the same topic, this meeting was less alarmist, and focused more calmly on what we can and can not control in this situation. The offshoring trend is a reality, and the best thing to do is to learn where it does and does not help our employers, and how to best manage in this new climate.

Other Voices

A few BAPMF members could not attend the meeting, but sent in their positions. Here are their remarks:

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Outsourcing is a big problem for our industry as well as many others -- software development and manufacturing, to name a couple. I think we need to organize with others affected and lobby Congress to consider a law or laws discouraging U.S. companies from having plants offshore, bringing in offshore talent to take U.S. jobs, and sending any technological development offshore.

Both the government and the companies involved are very short-sighted when they choose to send these things and others offshore. They fail to realize that by teaching those in other countries the techniques that have made us successful and by allowing them to learn and use our proprietary technology and equipment, we are arming our future competition in the marketplace. (Many of the non-disclosure and non-competition laws that are in place here may not be valid in other countries.) Thus, due to reduced costs in their countries, they will be able to offer the same goods and services less expensively than we can and may eventually drive many of our companies out of business. Far

fetched? Not really. It is already happening.

I feel the same way about our state-funded colleges and universities educating foreign students ahead of our own young people. Our taxes have built and support these schools, yet some of our brightest students are turned away in favor of foreign students. I believe that it is fine to educate non-U.S. citizens/students if and when all of those wanting and needing an education in the U.S. have been provided one. Until then, I feel only private schools should be allowed to educate foreign students (as long as they are not even partially supported by our taxes). The reasons for this are that 1) an educated nation is a stronger, more productive nation and we need to keep our country strong; 2) our taxes should support OUR children first and foremost; 3) often we have educated the very people who have taken that education elsewhere and used this knowledge to try to destroy us.

So what can we do? We can lobby congress to pass laws that impose very heavy tariffs on companies sending manufacturing, development, or production offshore and on those hiring talent offshore for jobs where qualified talent exists within the U.S. If the cost is high enough, companies will be encouraged to hire, develop, manufacture, and produce onshore. These fines should be large enough that moving back onshore is more cost-effective than doing these things offshore. Could we be effective? I don't know, but if we were to team up with other affected groups, we just might create a voice that would command respect and consideration.

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There's a news story that a company had offshored medical transcriptions to India, and the woman in India in charge of those records threatened to make all those records public if the company did not pay her some extra \$\$\$. The company paid her! ... the point is that if we offshore important responsibilities like that, we cannot expect the standard American legal protections.