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## **In-house or Outsource?**

With the economic climate being what it is, most companies have two directives:

- Reduce product development costs
- Reduce operating expenses

Retrenchments are usually the option to reduce costs, but you still a company to run (and grow). You still need to get products into your customer's hands.

How can you do this?

This document explains the two options available for your product documentation.

### **The problem**

Competition is fierce in the market place, and especially if you are entering the international market. Redundancies are used to reduce costs, but quality is still required. As project manager, product manager, marketing manager, or documentation manager, you need to your products to the market, and they must compete in a tough scenario.

Almost always, it is a contractual requirement that product documentation accompany a product, especially in the international market. Should you produce your documentation in-house or have it outsourced?

If you choose the in-house option, you need to ask yourself basic questions:

- Do I have the necessary skills to produce effective, high quality documentation?
- What image do I want portray to the market in respect of our documentation quality?
- Do I have enough work to keep my people productive all the time?

This document looks at the pros and cons of producing your documentation in-house or outsourcing it.

## Documentation Costs

Are there benefits in outsourcing your documentation, and can it reduce costs? Although the table below reflects the scenario in the USA, the figures are equally applicable to South Africa.

Annual Salaried Product Documentation Group Costs	Total Costs
3 full time writers salary <sup>a</sup>	\$51 850
1 full time manager <sup>b</sup>	\$64 610
Payroll expenses (unemployment, benefits, etc.)	30% of salary
Equipment, workspace, and tools	30% of salary
Training	10% of salary
	<b>Total cost</b>
	<b>\$374 272</b>

<sup>a</sup> From the Society for Technical Communication Salary Survey, Year 2000

<sup>b</sup> From the Society for Technical Communication Salary Survey, Year 2000

Another example is that of an international software firm that reported the total cost-to-company of their two technical writers being £450 per day.

Based on our own research, the South African scenario would look something like this:

Annual Salaried Product Documentation Group Costs	Total Costs
3 full time writers salary	R144 000
1 full time manager	R216 000
Payroll expenses (unemployment, benefits, etc.)	30% of salary
Equipment, workspace, and tools	30% of salary
Training	10% of salary
	<b>Total cost</b>
	<b>R950 400</b>

And if you had one technical writer and a manager, the total cost would be in the region of R460 800.

An important consideration is that of keeping your technical writers productively employed all the time (which rarely occurs). This is usually dependent on product life cycles, and release versions of products. Consider the effect on the figures if your technical writers are not productive all the time.

On the other side of the coin, consider if you outsourced your documentation to a firm like Cyberdoc. Assume that you hire Cyberdoc to write/produce your documentation for a total of eight months in the year (covering two versions of your product releases, i.e. two manuals).

Annual Salaried Product Documentation Group Costs		Total Costs
3 full time writers salary <sup>a</sup>		R240 000
1 full time manager (included in our cost)		R0
Payroll expenses (unemployment, benefits, etc.)		N/A
Equipment, workspace, and tools	30% of salary	N/A
Training	10% of salary	N/A
	<b>Total cost</b>	<b>R240 000</b>

<sup>a</sup> Illustrative example, dependent on complexity of documentation.

Using Cyberdoc gives you an exceptional saving of over R200 000 (1 technical writer) on your product documentation.

Quality product documentation can also reduce customer support costs.

### What you can do

Useful product documentation can reduce customer support costs, as result of your users finding the answers to their questions in the documentation.

Even if your customers have never read the product documentation before, when they log a support call, the customer support person can help them find the information in the documentation. The next time your customer needs help, he or she will look in the documentation before calling.

### Quality product documentation

**Proper writing.** All writing in product documentation is written following specific criteria. Effective documentation is a careful combination of text and graphics.

**Task-based.** Usability testing shows that customers want to know how to do the task at hand. They want an answer, and they usually want it fast.

**Well-indexed.** Usability testing also shows the customers always use the index to find the information they are looking for.

**Logically organised.** This means breaking the documentation into logical parts, usually based on user tasks, and not on the system structure.

**Appropriately delivered.** Product documentation should be delivered in a way that is accessible to the customer. This may be PDF format, published on CD-ROM or on intranet.

**Visually pleasing.** Quality documentation should be easy to look at. If the documentation will be made available online, then it should be specifically designed to be read online.

### **Increase market share**

What is market perception of your products worth to you? In a private survey, customers were surveyed about the quality and reliability of a consumer product, based on the product documentation. Customers rated the consumer product low in quality and reliability.

After the documentation was re-designed, customers rated the quality and reliability of the product as high, based on the product documentation. As a bonus, their 35% return rate dropped to less than 5%, saving them even more money.

And the product was not changed!

### **Summary**

Producing documentation in-house does raise the cost of your documentation. Outsourcing to a firm like Cyberdoc, not only saves on costs, but also gives you a high quality and effective product.