

ENVIRONMENTAL & INDUSTRIAL SERVICES

InSite Services

What is Insourcing?

An alternative to outsourcing, insourcing brings outside vendors right to your facility to perform specialized duties that support your company's objectives. Often seen as a cost-saving measure, insourcing enables a company to focus on its core and revenue generating objectives while a specialized vendor assumes non-core tasks that support your company's productivity.

Insourcing Advantages go Beyond Cost Savings

A number of insourcing benefits are compelling reasons for companies to bring in outside specialists to take on tasks that would ordinarily be performed by company employees or that would be outsourced. Companies that use insourcing as a way to execute specific technical tasks will attest that they have seen a reduction in direct and overhead labor costs and costs associated with the maintenance and ensurance of specific assets while leveraging the flexibility and experience of a competent vendor. Companies that insource also benefit from higher levels of compliance, health & safety, innovation, and productivity at a lower cost than if they were to self perform the same duties internally. While a properly executed insourcing program delivers numerous benefits, a program that is incorrectly executed can have its challenges and pitfalls.

What are the Challenges of Insourcing?

- **Increased H&S and compliance risks:** It is critical to ensure that contractors working on your site have the necessary training and that they are aware of the risks of working within your facility. The more times you bring outside workers into your facility, the higher the probability of health & safety and compliance issues.
- **Contractor and scope 'creep':** Companies often start out hiring a service provider to perform a certain task and a year later they find that provider is doing more tasks and providing more people and equipment than they were hired for. A work scope that was designed to be cost-effective, efficient, and compliant, over time, has turned into something that is not meeting your goals.
- **Increased contractor management costs:** Contractor costs can increase quickly and include those generated from oversight, contracting, invoicing, and paperwork, etc. Increasing costs are more typical when managing multiple service providers as opposed to using the integrated management approach.
- **Lack of ownership:** Sometimes service providers come in and they are simply the wrong provider or the vetting of that particular company wasn't as thorough as it should have been. The provider's



Why Insource with Clean Harbors?

With safety as our #1 priority, Clean Harbors has been providing reliable on-site operations since 1990. We draw from our wide range of technical, field, and industrial service offerings – indisputably the most comprehensive in North America. We've placed employees on more than 200 client locations around the country – from pharmaceutical facilities to chemical companies to healthcare facilities and manufacturing companies – to name a few. With a solid Insourcing footprint, Clean Harbors can also bring significant value to your organization.

- Add proven expertise where you need it
- Ensure 24/7/365 compliance
- Lower operating costs
- Reduce risk and liability
- Streamline management and reporting
- Free up in-house resources
- Access a whole network of resources
- Focus on core capabilities
- Prepare for new challenges

ownership of the job isn't what you wanted it to be.

- **Lack of financial support data:** From a financial perspective, are you saving money you thought you would save? Are you being more efficient? When you have multiple vendors on site, it's more challenging to gather the data and perform the analysis to ensure that the insourcing goals you set for your organization are being met.

Here's How to Combat the Challenges

Here are five ways you can keep the relationships and goals of all parties transparent throughout the life of the partnership.

- **Prepare a detailed work scope & monthly budget:** The work scope identifying the tasks; frequency; schedule; baseline labor, equipment and materials; and workforce planning etc. should be as detailed as possible in order to clearly set your expectations. The more effort you put into creating the scope, the better equipped you will be to evaluate your suppliers' vetting and to select appropriate vendors.
- **Identify leaders in requested services:** When vetting suppliers look at their reputation, experience, and ability to show you actual scenarios where they're providing the same service within another facility that performs work similar to what your organization requires. Vet your vendors thoroughly.
- **Demand more for less from suppliers:** Select providers whose particular service offering(s) is the core of their existence and yet is broad enough to take on large portions of subcontracted work. Look for suppliers that bring technologies you might not know or equipment or expertise you don't have.
- **Avoid leakage through contractual mechanisms:** The Key Performance Indicators (KPI) your organization selects must be accurately defined, understood and agreed upon by all parties, and measured in order for them to have value. Closely define and examine your suppliers' safety and performance metrics. Define with your supplier—through metrics or KPIs—the suitable way to hold them accountable on a regular basis for the commitment they made through the RFP and vetting process.
- **Ensure efficiencies through regular reviews:** Ensure your supplier(s) have the internal tools to demonstrate continuous improvement and that everything they committed to bring to your organization they are, in fact, delivering. Review their services regularly. When things are going well, ensure they strive to do even better. In areas where they are having challenges, ensure they have a defined action plan so there can be continuous improvement.



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