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## Article - Full Details

### Outsourcing gets personal

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Delegation is an art you can apply to your private life, too. What kind of tasks can you afford to offload onto someone else?

Charles Dunstone recently described using a private jet as his 'one inexcusable luxury'. In fact, says Rob Hersov, CEO of Marquis Jets, the founder of the Carphone Warehouse is being unduly modest. 'I think if you're really wealthy, you'd be mad not to do it,' he says. This may sound like a throwaway comment, but he's serious. What Hersov means is that Dunstone's time is so valuable that in strictly economic terms, it makes good sense for him to dispense with the hassles of commercial aviation and go private.

Now, you may be thinking: 'Well, that's very nice for Mr Dunstone, but what does it have to do with me?' The answer is quite a lot: you don't have to be a Carphone billionaire to apply this logic to your own life.

Plenty of normal people on normal salaries fritter away their precious hours engaged in tasks that, like Dunstone queuing at the airport, make no business sense whatsoever. They need to take a leaf out of the management bible, bring it home and start doing some personal outsourcing.

Of course, many people do this already in small ways. Perhaps you have an accountant or solicitor. As anyone who has tried to file their own tax returns or defend themselves in court knows, these are functions better left to professionals. But apply the same sort of thinking in a more holistic and economically savvy way, and personal outsourcing can change your life.

What you need to ask here is not 'what can't I do myself?' but 'what is it no longer worth my while doing?' The starting point should be what you earn per hour (after tax and NI). Then look at the things you dislike doing and compare your hourly earnings with how much it would cost to pay someone else to do them.

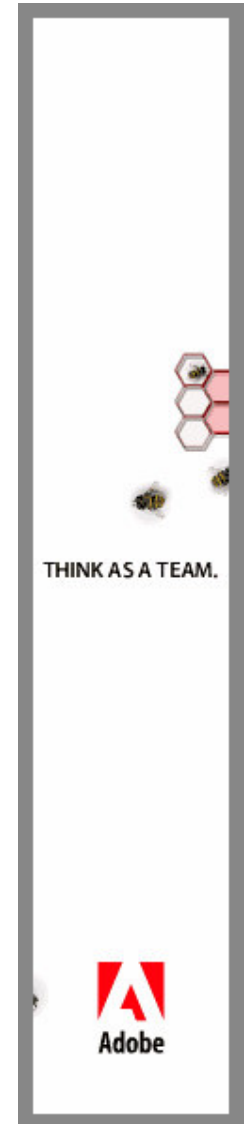
Let's take a simple example. You get £40,000 a year for a 40-hour week and you work 46 weeks of the year (allowing for holidays, both your own and public). After deductions, you earn £28,600 p.a. over 1,840 hours.

Crudely, your time is worth £15.50 an hour. So why not pay someone £8 an hour to clean your house?

Actually, the calculation is more nuanced than this. For starters, a professional cleaner is likely to be more efficient than you (cleaning is their core competence). So, although you pay the cleaner to do three hours, they may well accomplish what would take you six.

Moreover, you may hate cleaning far more than you dislike work. This should be factored in. And you need to ask yourself how much you would have to be paid to clean someone else's house in your spare time - probably rather more than £15.50 an hour. This last figure, although rather abstract, is one of the more interesting, as it gives you a real idea of what not doing this could be worth to you.

Once you've got your head round this, why stop at cleaning the house?



It's merely one of the most obvious examples of something you should no longer be doing. Shopping, cooking, catering, finding parking places (via a chauffeur), queuing in airports (via a private jet) and childcare (nanny/au pair) are all activities that can potentially be outsourced.

Naturally, these all depend on your ability to pay. But this serves only to confirm the economic logic: if you don't earn a six-figure salary, you probably have time to cook for yourself, or at least buy ready meals.

I don't have the time to clean; you can justify a chauffeur; he needs a private jet. And there is another factor at work here, too: mega-earners usually work far in excess of a 40-hour week. Thus, for someone on £500,000 a year, an hour saved may be considerably more valuable than the notional £163 per hour that their time is 'worth'.

Alex Cheatle runs tenUK, a concierge and lifestyle management service, a one-stop shop for the kind of things many people would rather not do themselves. In recent years, he's looked at the variables in the 'what's my time worth?' equation. He discovered that at home, as at work, your ability and desire to outsource depends not only on the above factors, but also a number of other considerations, many personal. For instance, do you trust people? Are you a natural controller or can you delegate?

Do you prefer working or slacking? And what level of support are you comfortable with?

Using these rubrics, tenUK came up with a range of lifestyle types, such as presidential (very busy, but plenty of support), juggler (very busy, little support), worker bee (likes control, doesn't outsource) and so on. Almost everyone has the potential to outsource several hours' activity per month, but how many they want to is another matter entirely. At one extreme, explains Cheatle, 'there are some people who just don't get it.

They either find delegating incredibly difficult or they think that there is something morally wrong with it.' This, he believes, is misguided.

'I call it the rationing mentality. My mum could make a million a year and still not have a cleaner.' At the other end of the spectrum, there are those who would outsource breathing if they could.

Cheatle says that this kind of service has become much more widely available over the past few years. One of the biggest reasons is that in the late '90s, database technology became good enough to deal with large numbers of individual requests. 'We could delegate smaller jobs - and suddenly the cost of doing that was £7.50, not £25.' But, he adds: 'In some ways this is nothing new - for me, it's part of a continuum that started with the household of the 1950s deciding to buy a washing machine.'

The argument presented by individual scale efficiencies is compelling.

'The main competitor these services have is the customer themselves,' observes Alan Mitchell, author of *The New Bottom Line*. 'They have to be more efficient than you.' Usually this is not too difficult. 'Concierge services will have done this sort of thing many times. Take the example of how long it takes to find a cleaner in Hounslow: the first time you do it, it'll take you a day, the second time an hour, the third time a minute.'

Jim Maxmin, author of *The Support Economy* and a former CEO of Laura Ashley, goes a step further, seeing a change in the way the world does business.

'Our argument is that in the old capitalism people wanted goods and services.

Now they want support. New technologies will allow the efficient delivery of these bundles of support - what starts out being for the wealthy eventually becomes a necessity. And it is quite possible that people lower down the social scale actually need it more than the rich.'

He's right about convenience percolating down through the social strata over time. Almost everything that the middle classes and even the poor now take for granted was once the preserve of the rich, who, of course, have been cheerfully outsourcing for centuries. As masters of the art, the landed gentry were left free to live lives of near-total leisure.

Indeed, we have personal outsourcing to thank for the comedies of Nancy Mitford and Oscar Wilde.

'This type of thing,' continues Maxmin, 'puts the consumer back at the centre. You tell me that you want to buy a car. You give me the parameters and tell me what you want, then I'll source it for you, I become an advocate for you. I will assume responsibility for the relationships you have with tradespeople.' Funnily enough, he adds, we all used to have these kind of relationships. Think back to what real bank managers used to be like before they were replaced by de-skilled automatons in call centres.

Naturally, the kind of people who outsource heavily at the moment tend to be drawn from the wealthy and upper middle classes. But the downward mobility of goods and services is fast these days. It wasn't so long ago that a mobile phone was a real status symbol; now the only real way to differentiate yourself from *hoi-polloi* is not to have one.

Still, the top is as good a place as any to start. A Marquis Jet card costs about £70,000 for 25 hours' flying time on a plane that takes seven people. And Hersov reckons every time you fly privately, you save two to three hours of ground time and that the card is enough to go to the south of France and back eight times.

So you've suddenly saved 48 hours. That's six working days; if your jet is full, it's 42 working days. Plus, of course, you can use the time on board to do something useful, like hold a business meeting with customers, which is impossible on a commercial flight, no matter what class you're in. Even at this plutocratic level, the numbers start to make sense.

Over at the members-only concierge service Quintessentially - which reckons that subscribers earn on average about £250,000 a year - all sorts of curious requests are catered for. The firm has organised a pet passport on a private jet for a golden retriever who didn't want to fly steerage (a pioneering example of canine outsourcing), delivered false eyelashes to a model in the South of France, and tracked down a mink massage mitten that a member saw in an old James Bond film. 'A lot of concierge companies are about lifestyle management,' says CEO Aaron Simpson. 'We are more about accessing the inaccessible. If we can do one thing for you that is invaluable ...'

Within the reach of ordinary mortals there are services such as leapingsalmon.

From about £110 upwards, it will deliver you all the food you need for a dinner party for eight. Everything is prepped and all you have to do is put it in the oven and cook it, which takes 30 minutes. Typical customers, says general manager Fyl Newington, are cash-rich, time-poor people in cities. 'They want to entertain and to impress, but don't have the time to go to a supermarket. And it's still cheaper than going out.'

And not only does technology help us outsource, it also generates new needs. Charles Skinner, CEO of Brandon Hire (and, incidentally, a former *MT* editor) was given an iPod for Christmas. He was then faced with the prospect of loading some 250 CDs onto it, a task that would have taken roughly 40 hours - or about three whole waking days. Worth his time? No way. Worth paying for? Absolutely.

With this in mind, Skinner and his wife set up WePod. Give the company a call, and a courier comes round and picks up your CD collection and iPod. Within five days, it's returned fully loaded, for about £150. Skinner had assumed that the customers would be mainly wealthy City folk. But, he says, it's been a bit of a surprise: 'There's been a real mix of people. We've even had some students.'

Nor are individuals the only ones who outsource. Many companies offer services such as these to their staff. Julie Meyer, CEO of Ariadne Capital, uses tenUK herself: 'I outsource a lot. I have an active social life and I just can't manage all the details. They look after everything from dinner parties to weekends away.' But she also makes it available to her staff. 'Employees love it and it makes them more productive,' she explains. 'I don't want my people to have to take half-day holidays to wait in for deliveries.'

Indeed, this sort of thing is pretty common in the City, and the rationale is obvious. You don't want your highly paid staff doing mundane chores, quite possibly in company time. Better to pay someone less - who will probably do a better job.

Perhaps the true worth of all this, though, comes down to the concept of discretionary time - and how little of it most people have. Look at your week: if you commute an hour each way per day, you probably have only three hours left over after working, sleeping and eating. And that's before you have started doing your personal chores or spoken to your kids. 'Many people,' says

Maxmin, 'actually have only two or three discretionary hours per week.' If that sounds like you, then surely it's worth paying a few tens of pounds to free up a little more.

All of which brings us to the question: what will you do with your new spare time? Whatever - it's up to you. Go for a walk, take up a hobby, watch TV. Or how about doing nothing at all? In today's fast-paced society, having time to waste is a luxury worth paying for.