

## **Win-Win-Win Proposition – Insourcing Vs. Outsourcing**

- **Increase Staffing Levels**
- **Increase Quality Customer Service**
- **Decrease Costs**

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For Performing Arts**

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## **ABSTRACT**

*In February of 2003, the need to increase staffing at the Center For Performing Arts (CFPA) was recognized, especially during performances or when classes were being conducted by the theater or ballet. During the vast majority of these times, only one security person was on duty, which required the person to staff the Stage Entrance Door and prevented that person from rendering any type of service to the rest of the building's occupants or visitors at the CFPA.*

*Florida State University part-time personnel were employed and they subsequently replaced the contractual security firm that had supplied security personnel for The Center For Performing Arts. Also, in addition to those FSU part-time personnel employed to replace the contractual security firm's personnel, additional FSU part-time personnel were employed to ensure two security personnel would always be on-duty during performances and/or when classes were being conducted by the theater or ballet.*

*For the yearly cost of \$53,000, FSU part-time security personnel have been employed. This is in contrast to the yearly cost of \$108,000 that would have been required for the contractual security firm to staff the same amount of hours and positions. As well, it is a significant savings from the former amount that was being paid to the contractual security firm of \$96,000 yearly for less staffing. As a result, more staffing and a better and more responsive level of service has been achieved at the Center For Performing Arts by in-sourcing our personnel needs instead of out-sourcing, which seems to be the norm in today's environment.*

## **Introduction of the Organization**

The John and Mable Ringling Museum of Art and The Center For Performing Arts are affiliated with Florida State University.

The John and Mable Ringling Museum of Art is the largest museum/university complex in the nation. The 66-acre estate is the legacy of John Ringling (1866-1936), one of the great business tycoons of his day. The Museum of Art, recognized as the State Art Museum of Florida, includes 21 galleries of internationally recognized European and American art with paintings by Rubens, Van Dyck, Poussin, and other Baroque masters. In addition, the estate encompasses Cà d'Zan, the recently restored 32-room Ringling mansion; the Circus Museum; the Original Asolo Theater; the Rose Garden, and beautifully landscaped grounds overlooking Sarasota Bay.

The Center For Performing Arts is the home of the professional Asolo Theater Company performing in the Mertz Theater, which was brought to Sarasota from Dunfermline, Scotland. The Center is also the home of the FSU Conservatory for actor training students seeking their MFA degrees. Their performances are held in the intimate Cook Theater. And finally, the Sarasota Ballet conducts training classes and holds performances in the Mertz Theater.

## **Statement of the problem**

In March of 2003, the need to increase staffing at the Center For Performing Arts (CFPA) was recognized, especially during performances and/or when classes were being conducted by the theater or ballet. During the vast majority of these times, only one security person was on duty, which required the person to staff the Stage Entrance Door and prevented that person from rendering any type of service to the rest of the building's occupants or visitors to the CFPA.

A contractual security firm supplied personnel to staff the day shift seven days a week, the midnight shift seven days a week, and the afternoon shift on weekends. Florida State University full-time personnel staffed security five days a week on the day shift and five days a week on the afternoon shift. To ensure two security personnel would be on duty at all times during performances and/or classes, the contractual security firm would be required to increase their staffing for an additional 72 hours per week over their original 128 hours per week. Cost for the contractual security firm would be:

- \$54,000 for additional service
- \$96,000 for present service
- \$150,000 total cost for the contractual security firm

Knowing it would not be possible to request a 56% increase in the security's budget for the CFPA, the possibility of in-sourcing all of the security staffing was explored by the Chief of Security. In addition, the hours of the CFPA were examined to ascertain if the building needed to be open 24 hours a day, seven days a week.

As a result of this study, two FSU security personnel are on duty seven days a week on the day and afternoon shift, which permits them to be more responsive to the needs of both our internal and external customers. Also, the building is now closed between the hours of 1:30 AM and 6:00 AM, eliminating personnel costs associated with staffing the hours when no one else is in the building.

For the yearly cost of \$53,000 for additional FSU part-time staff, as opposed to yearly cost of \$108,000 for the contractual security firm to staff the same amount of hours and positions, a significant savings has been achieved. A savings occurred even from the present amount that was being paid to the contractual security firm of \$96,000 yearly for far less staffing. The final result, more staffing and a better and more responsive level of service has been achieved at the Center For Performing Arts by in-sourcing our personnel needs instead of out-sourcing, which seems to be the norm in today's environment.

## **Design**

This project was entirely handled by the Chief of Security. He developed spreadsheets depicting the following:

- Present staffing costs for the contractual security firm
- Additional staffing costs if supplied by the contractual security firm
- Present staffing costs if supplied by in-house (FSU) part-time personnel
- Additional staffing costs if supplied by in-house (FSU) part-time personnel

In addition, contacts were made with the various tenants of the Center For Performing Arts to ascertain the impact of closing the building from 1:30 AM until 6:00 AM nightly.

## **Implementation**

The implementation process consisted of the following:

- Approval by the Director of Finance and Administration to proceed with the CFPA business plan
- Notification of the contractual security firm that their services would no longer be required effective June 25, 2003
- Advertisement in the local newspapers for part-time security personnel
- Interviews of all applicants
- Background checks conducted on selected applicants
- Employment of part-time personnel
- Orientation of the building and job duties were conducted for five days
- Authorization by tenants of the CFPA to close the building between 1:30 AM and 6:00 AM nightly

## **Benefits**

Personnel performance improvements have been the major benefit realized by the implementation of this endeavor. The same personnel are serving the CFPA daily as opposed to having a contractual security firm's personnel, which changed daily depending upon who was available. Other benefits are as follows:

- In-house security personnel have ownership. They work in the building daily creating personal relationships with the other employees and being pro-active on situations. This is unlike contractual firm's personnel who did not take a personal stake in their work because their allegiance rested with their employing firm and not the place of their assignment.
- Having two-security personnel on-duty at all times ensures prompt responses to the needs and desires of both our internal (fellow employees) and external (guests visiting the theater) customers.
- Customer satisfaction has greatly increased. Numerous compliments have been received for the courtesy and demeanor of the security personnel assigned to the CFPA. No longer are complaints received because security personnel refuse to meet the needs of an employee/ guest or because of their negative demeanor.

Finally, cost savings have been notably realized. Instead of spending \$108,000 for a contractual security firm to provide the same level of staffing that now exists ensuring two security personnel are on-duty, \$53,000 will be spent to employ FSU part-time employees. As a result, more staffing and a better and more responsive level of service

has been achieved at the Center For Performing Arts by in-sourcing our personnel needs instead of out-sourcing, which seems to be the norm in today's environment.

In conclusion, this has been a definite Win – Win - Win accomplishment!