Raising Product Design Standards and Efficiency through Outsourcing

Andrew Juneau

As the marketplace and economy continue to evolve, many engineering companies have turned to outsourcing for cost efficiency. Larry Goch, President of Redpoint Engineering, a mechanical engineering and design firm focusing on product design for its clients on an outsource basis, discusses the benefits of outsourcing.

Tough economic times have forced companies to quickly re-invent the way they approach the critical development and design of their new products, a change that promises significant improvements in efficiency and quality that will shape the future of product development worldwide.

Redpoint Engineering [1] is a mechanical engineering and design firm that focuses on product design for its clients on an outsource basis. “The sad fact is that many companies, especially smaller ones, can no longer afford to perform all of their engineering in-house,” explains Larry Gach, President of Redpoint Engineering. “So they keep the engineers that are central to their core business (which, in the Southern California tends to be electrical engineers and software developers), and they outsource the rest.”

Medical device engineered by Redpoint

He continues, “There are exciting developments driving new product and industrial design in aerospace, automotive, energy and other precision-focused

manufacturing and fabrication sectors. Many of these have been spurred by the economic challenges of the last years, but we believe the trend to focused outsourcing for specialized engineering solutions we are seeing will ultimately be responsible for a whole new dimension in manufacturing."

Gach, a veteran of the Southern California engineering community, has seen fundamental operational changes within his own customers' companies, leading to significant growth of his business, even during what he calls "the worst economic period in memory."

According to Mr. Gach, this trend, while originally fueled by economics, is now gaining traction because of the other, unexpected benefits. "Our clients are telling us they have been able to reduce or eliminate their internal mechanical engineering staff and are seeing not only more cost efficiencies as a result, but access to outside talent and capabilities that are making a real difference for them from a quality perspective."

Other 'outsource' companies Gach and Redpoint work with are telling the same story: "This seems to be a real sea-change in attitude. It doesn't affect only Redpoint. It is having a similar impact in all types of technical outsourcing categories."

As the marketplace continues to evolve in the future, Gach and his company expect a refinement by customers who will begin to focus their needs into select tight networks of specialists. According to Gach, "We are convinced that the old one-stop-shop model will disappear and be replaced by a 'team' approach to engineering and design. The network will become the option of choice because it can provide best-in-class services in all disciplines without any real disadvantages."

Medical device produced by Redpoint

"What all this amounts to, then, is a new paradigm in product development that was evolving even before the current economic troubles," Gach explains. "The old business model was 'Do everything in-house,' which evolved into "Outsource the non-critical engineering functions (usually mechanical) to a one-stop shop." Today, this has further evolved into "Outsource the non-critical engineering functions to a tight network with specialized functions." The net result is better products through better utilization of the best resources.

Andrew Juneau *is a contributing author to a variety of medical device and other industry publications. He can be reached at 760-730-9232 ext. 202.*

Source URL (retrieved on *05/21/2013 - 12:23pm*):
http://www.mdtmag.com/articles/2011/08/raising-product-design-standards-and-efficiency-through-outsourcing?qt-video_of_the_day=0

Links:
[1] http://www.red-pt.com/