

By Bill Guertin

The 800-Pound Gorilla

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Are You Offshore-Proof?

Let's say I wanted to start a cool manufacturing company called Gorilla Skateboards.

If I wanted to sell my skateboards to a retailer in China, I could do that. If I needed skateboard parts that were made in Hong Kong, I could buy them. And if I wanted to have a toll-free phone number for people to place their orders, and have it answered in India, I could do that, too.

That's called free trade. We in the USA can buy anyone's stuff, and anyone can buy our stuff. With very few exceptions, we can outsource virtually anything we can do here if we want to.

Some people think that free trade is a good idea because of the growth in manufacturing and other opportunities it gives us. The majority of economists have also believed for a long time that free trade was good for the U.S., even though there are some jobs gained and some that are lost.

Now these thinkers in Washington are beginning to change their tune.

Alan Blinder is an economist at Princeton University, the former Federal Reserve Board vice-chairman, and according to the Wall Street Journal, is one of the most influential voices in Washington with regard to trade policy.

Up until last month, Mr. Blinder was a free-trade backer all the way. Now, he and a few others are saying that the negatives of free trade in today's economy are significantly deeper than once realized. In a recent Wall Street Journal article, Mr. Blinder is now saying that with the ease of transmitting data and services electronically around the globe, up to 40 million additional U.S. jobs will be at risk in the next decade or two.

40 million jobs. That's double the number of Americans that have manufacturing jobs today.

Mr. Blinder sees a revolutionary shift in the way people will live and work, much like the Industrial Revolution changed the world from a farming base to an industrial base. He admits that trade can be good, increasing productivity and jobs in the short term. But what he now says is that the pain from some people losing jobs and others getting them will be much more severe than originally thought.

Which jobs are most at risk? According to Blinder, the list of “highly offshorable” occupations include computer programmers, data entry keyers, bookkeeping, accounting and auditing clerks, financial analysts, actuaries, film and video editors, medical transcriptionists, and microbiologists. These are jobs that don’t require human, one-on-one interaction, and are in danger of being sent away elsewhere.

If these are the kinds of jobs you do, don’t freak out just yet. Although the chances of your job going offshore is much more real today, there are some things you can do to become more “offshore-proof”:

1. Focus on improving your skills and talents that can’t be easily delivered electronically from somewhere else. Face-to-face customer service skills will be needed regardless of the overseas threat. Selling skills, especially face-to-face skills, will also be critical. How good are you at eye contact and smiling? How about answering in-store customers’ questions, regardless of how silly or trivial they seem? These are easy skills to master, but they will become more important in the years to come.
2. Do more than you’re paid to do. Today’s economy forces most employers to look at each employee as an expense. If you continually add value to what you do, chances are you’ll be much higher on the “employees we can’t afford to lose” list. How would you rank on that list today? If there were 10 people in your office and 5 had to be let go, how likely would you be chosen to stay?
3. Take charge of your individual situation. Regardless of whether or not the employer will pay, look into the education, training, or other things you’ll need to better insure your career. This is not your employer’s problem. The world is full of people who believe they’re victims of circumstances beyond their control. Since you’ve read this article, you now have no excuse for not knowing. What are you doing to take control of your future?
4. Choose a career that isn’t likely to be offshorable. Blinder suggests that person-to-person contact positions of all levels will be safer, such as day care providers, physicians, and social workers.

David Ricardo, a British economist from the early 1800’s, claimed that nations will prosper in the future by focusing on the things they do best, and trading with other nations with different strengths. He called it their “comparative advantage”.

What’s yours?

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