

# Outsourcing the Worthless

- renaissance locales like Cupertino for artists
  - Sykes, North Dakota—you betcha—and Hà Nội for hackers
    - design and development are outsourced because we aren't performing up to our salaries
  - a rational company keeps its core competencies at home
- “the founders of ZoZa.com scrapped all that when they found that the technology ruined the shopping experience”
- we got what we deserved / too narrowly focused on technology is our problem

• As long as we have programming languages and practices that are 80% drudge work, executives will pay labor wages for laborious work.

(richard p gabriel  
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“Getting into Harvard Business School is a cinch....While Harvard's MBA program admitted about 10% of its applicants, UCLA's fine arts graduate school admitted only 3%. Why? An arts degree is now perhaps the hottest credential in the world of business.”

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- now the good news

- non-core competencies are outsourced

“average pay for chief executive officers at 200 of the largest U.S. companies held steady in 2003 at about \$11.3 million”

- customers place no value on what the CEO and top executives know and do

“Top executives’ average salary rose as much as 5 percent to \$1.2 million and cash bonuses increased as much as 15 percent to \$2.2 million”

- in China, CEOs are paid 23 times less than in the US

- Technical entrepreneurs:
  - save the cash
  - skip the mulligan stories

- get great dim sum

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- stay creative and provide value