



20 Whitepaper

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# From Outsourcing to Ownership

## The New Era of In-House Research Excellence



ABSTRACT +

As organizations evolve in complexity and ambition, reliance on external research providers often leads to fragmented insights and misaligned priorities. This shift highlights the importance of reclaiming control through a **full-time equivalent (FTE)** model. By embedding dedicated research professionals within internal teams, organizations gain consistent capability, real-time responsiveness, and deeper alignment with long-term goals. The FTE approach transforms research from a transactional service into a core strategic asset, enabling more accurate workforce planning, predictable resource allocation, and sustainable institutional knowledge. This whitepaper outlines how transitioning from outsourcing to in-house ownership of research builds resilience, clarity, and competitive strength in an increasingly data-driven world.





# The Changing Economics of Research Outsourcing

The economics of research outsourcing have shifted due to rising in-house FTE costs, technological advancements like AI, and demands for specialized expertise, making hybrid models more viable than pure in-house staffing. Total FTE costs often double base salaries when including benefits, overheads, training, and "headcount taxes," pushing organizations toward outsourcing for cost predictability and scalability. This interlinks directly with in-house research excellence, where FTE metrics benchmark productivity (e.g., outputs per FTE), but outsourcing allows flexible scaling without fixed headcount commitments.



Outsourcing		In-house
<p><b>Control</b></p> <p>Decision-making requires negotiation, and the control of day-to-day operations is reduced</p>		<p><b>Control</b></p> <p>Full control over decision-making, processes, and resource allocation</p>
<p><b>Communication</b></p> <p>Communication is the coordinated mode</p>		<p><b>Communication</b></p> <p>Direct, immediate internal communication</p>
<p><b>Costs</b></p> <p>Variable costs, may be initially lower</p>		<p><b>Costs</b></p> <p>Higher initial investment and ongoing overhead costs</p>

The global research and development outsourcing services market size has grown from **\$9.64 billion** in 2025 to **\$13.97 billion** in 2029 at a compound annual growth rate (CAGR) of **9.70%** from 2025-2029.<sup>1</sup>

## 2026 Trends Fueling Ownership

Geopolitical risks and AI tools boost outsourcing adoption by 60% among research firms, enabling in-house teams to own strategic foresight while externalizing data-heavy tasks. Knowledge process outsourcing (KPO) grows 15% YoY, offering FTE-like dedication at fractional costs for analytics and modeling. Reforms in pro-market policies further lower outsourcing barriers, tilting economics toward in-house ownership of differentiated research.



# Limitations of Traditional Outsourced Insight Models

Traditional outsourced research frameworks often introduce structural limitations that weaken strategic clarity, speed, and long-term knowledge continuity. As organizations pursue sharper decision cycles and deeper contextual understanding, these limitations become more visible and harder to overlook.



## BARRIER 1: Context Disconnect

### Why it Happens

- External teams work at a distance from daily business decisions.
- Limited exposure to organizational nuance, customer behavior, and internal priorities.
- Heavy dependence on briefs, clarifications, and repeated explanations to build basic context.

### Resulting Impact

- Insights tend to be generic, templated, or overly high-level.
- Recommendations require internal teams to reinterpret or refine before use.
- Strategic alignment weakens because the external team never fully absorbs the organizational pulse.

## BARRIER 2: Fragmented Insight Flow

### Why it Happens

- High turnover and rotation within outsourced agencies disrupt continuity.
- Research activities are scattered across multiple vendors.
- No single long-term memory, consolidated framework, or consistent methodology.

### Resulting Impact

- Knowledge gaps emerge between projects, slowing momentum.
- Patterns, lessons, and recurring trends fail to accumulate over time.
- Teams repeatedly restart the insight cycle, increasing both cost and effort.
- Reduced confidence in the reliability and integrity of delivered insights.

## BARRIER 3: Risk and Confidentiality

### Why it Happens

- Sensitive information passes through external tools and environments.
- Limited transparency into vendor processes, data handling, and staff access.
- Added governance, compliance checks, and monitoring requirements.

### Resulting Impact

- Higher exposure to data leakage, breaches, or mishandling.
- Greater regulatory scrutiny, especially in regulated sectors.
- Reduced confidence in the reliability and integrity of delivered insights.

# The Changing Economics of Research Outsourcing

The FTE model restores control by standardizing workforce measurement, enabling precise allocation of research staff to core strategic priorities while minimizing dependency on volatile outsourcing. Unlike project-based outsourcing, dedicated FTEs foster deep institutional knowledge, seamless integration, and long-term ownership of research IP, rebuilding internal capabilities eroded by external reliance. This links to outsourcing economics: savings from modular outsourcing fund FTE expansion, shifting from cost-focused dependency to control over innovation pipelines.



## Control Through FTE Standardization

- **Predictable Capacity Planning:** FTE allocations clarify the exact research hours available, enabling leaders to match workload with strategic priorities and avoid under- or over-staffing gaps.
- **Reduced Outsourcing Risk:** Dedicated internal teams eliminate common outsourcing issues such as SLA disputes, inconsistent delivery, and knowledge erosion, restoring full oversight through internal governance and dashboards.
- **Operational and Regulatory Alignment:** In structured environments, FTE-based staffing links directly to required output levels, strengthening compliance, continuity, and accountability without dependence on external variables.

## Strategic Depth from FTE Ownership

- **Innovation Retention:** In-house FTEs retain tacit knowledge and drive proprietary methods, countering outsourcing's "loss of internal innovation" by focusing on high-value R&D.
- **Talent Integration:** FTEs embed as "extensions of in-house staff," adopting processes and culture for faster decision-making and adaptive research.
- **Hybrid Leverage:** Use outsourcing for peaks, FTE for depth-e.g., pharma firms scale FTE contracts for QC while owning drug discovery strategy.

## Implementation Roadmap

1. Calculate baseline FTE: Total hours ÷ standard (e.g., 2080/year).
2. Benchmark outsourcing ROI vs. FTE targets.
3. Phase insourcing: Start with 20% core roles.
4. Deploy dashboards for real-time FTE optimization.



# Designing an In-House Research Centre of Excellence



1

## Define the Mission

- Establish a clear mandate, scope, and alignment with leadership priorities.
- Set quality standards, governance rules, and confidentiality protocols.

2

## Build the Right Team

- Core roles: Market Researchers, Competitive Intelligence Analysts, Data & Financial Analysts, Sector Specialists.
- Skill focus: synthesis, structured thinking, contextual awareness, data storytelling.
- Anchor role: Senior Research Lead to maintain quality and priority alignment.

3

## Standardize Research Workflows

- Create unified templates for briefs, insights, and deep-dive studies.
- Implement review checkpoints to ensure consistency and accuracy.
- Use a central request system to manage priorities across departments.

4

## Equip the Team with Modern Tools

- Market databases, trend platforms, and competitive intelligence tools.
- Data visualization, analytics software, and AI-assisted research aids.
- Collaboration systems for real-time feedback and shared knowledge.

5

## Build a Culture of Insight Leadership

- Encourage proactive scanning of markets and emerging risks.
- Position researchers as internal advisors, not just report writers.
- Promote continuous learning to strengthen long-term capability.

### Outcome:

A research center that is fast, reliable, deeply informed, and fully aligned with organizational goals- driving smarter decisions and long-term strategic advantage.



# Talent, Tools, and Operating Frameworks for Modern Research Teams

## ENGINE 1

### TALENT: The Human Intelligence Core

#### Roles That Matter

- Insight Architect (Lead)
- Market Intelligence Analyst
- Competitive Intelligence Specialist
- Data & Financial Analyst
- Industry Domain Expert

#### Capabilities That Elevate Output

- Pattern recognition
- Critical reasoning
- Data storytelling
- Synthesis under pressure
- High-context decision support

## ENGINE 2

### TOOLS: The Digital Power Stack

#### Intelligence Layer

- Market & sector databases
- Competitor and trend trackers

#### Analysis Layer

- Data visualization platforms
- Financial modelling tools
- AI-assisted research & text-mining systems
- Confidentiality and governance rules

## ENGINE 3

### OPERATING FRAMEWORKS: The System That Ensures Consistency

#### Structured Delivery Model

- Quick-turn insight notes
- Recurring intelligence updates
- Deep-dive strategic studies

#### Quality Infrastructure

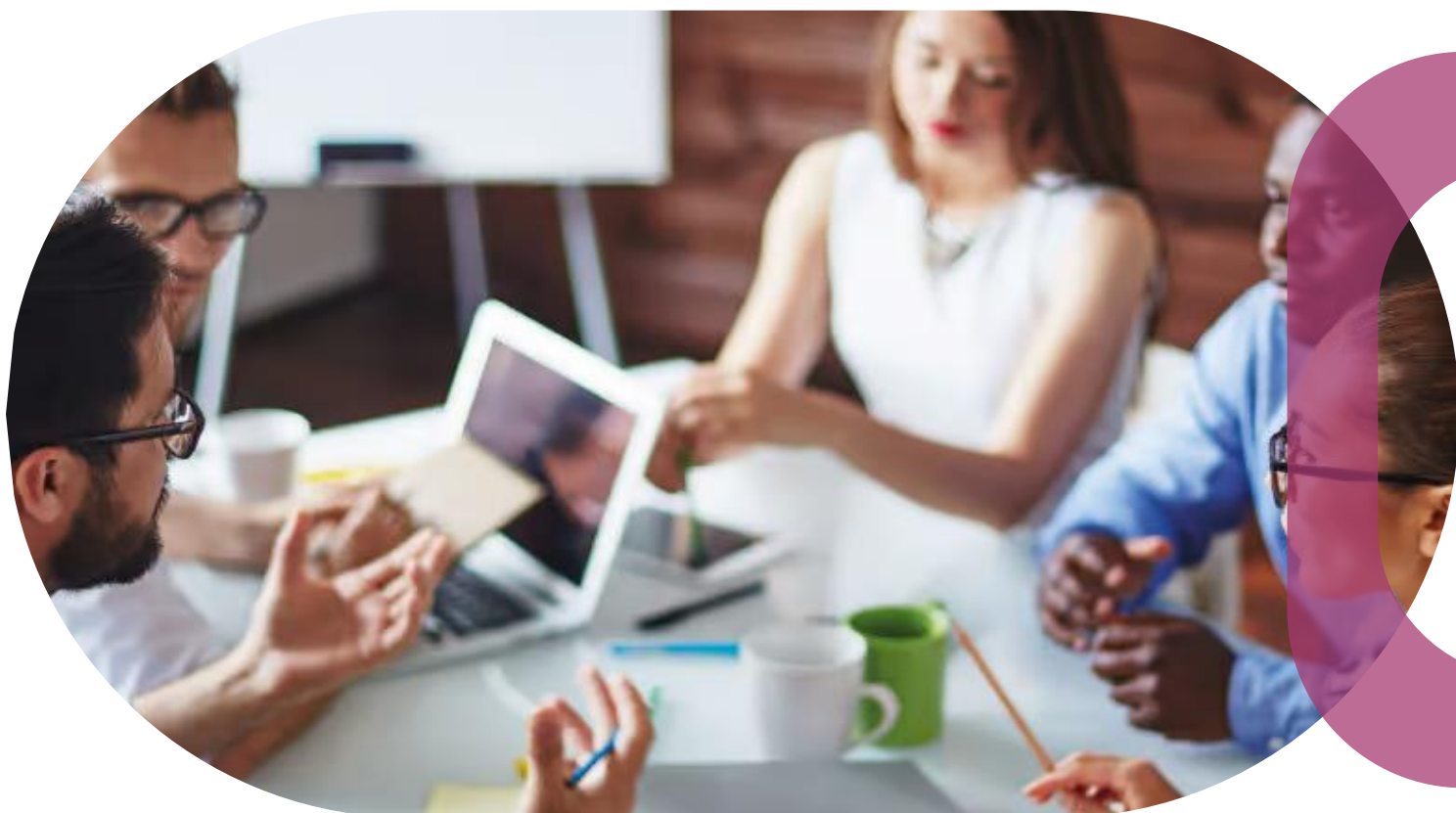
- Standard templates for briefs and reports
- Review checkpoints for accuracy
- Confidentiality and governance rules

# Conclusion

The shift from outsourced research to in-house ownership marks a decisive evolution in how organizations generate, protect, and apply intelligence. As decision cycles shorten and complexity increases, fragmented external insight models struggle to deliver the continuity, context, and confidence required for long-term value creation.

The FTE-based approach restores discipline and clarity by embedding research capability directly within the organization. Dedicated teams develop institutional memory, align closely with leadership priorities, and transform insight generation from a reactive exercise into a sustained strategic function. When supported by the right talent mix, modern tools, and structured operating frameworks, in-house research becomes a durable asset rather than a variable expense.

A balanced transition approach, combining selective outsourcing with deliberate internal capability building, allows organizations to retain flexibility while steadily reclaiming control. Over time, ownership of research strengthens governance, enhances decision quality, and builds resilience in an increasingly data-driven environment.



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# References & About the Company

1. <https://www.thebusinessresearchcompany.com/report/research-and-development-outsourcing-services-global-market-report>

## About DNA Growth

DNA Growth is an emerging business planning, financial analysis, and accounting solutions firm dedicated to serving the global market with deep domain expertise and strategic insights. Its 120+ team members are from diverse professional and educational backgrounds (Deloitte, PwC, EY, Thomson Reuters, S&P Global, PNB, etc.), focused on powering client growth via innovative solutions. It is proud to be part of the Stanford Seed 2023 cohort.



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