Grow Your Business By Outsourcing

How to Work Less & Make More Money?

By

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As Entrepreneurs or as decision makers, we all look how can we increase revenues and decrease costs. Jobs can either be done in-house, which are time consuming, more personnel and a lot of other parameters which affect costs within the company.

When we begin, we wish to get our hands dirty into every task of the Business, no matter how big or small. But as things begin to shape up, we start to dwell into aspects such as where does it make more sense to invest the funds in the Business? Compromising on time with family, near and dear ones while setting up from the scratch and now we wish to repay back to family with quality time. This is when we begin to think to get the task done by someone.

Think about it, you hire someone within your company and assign a task, is basically outsourcing and assigning that person to accountability to get it finished. However, this to proves to be a costly affair for Business functions now since you can leverage from other companies expertise and get the task done by them.
Chapter 1 : What is Outsourcing and How Does it Work?

So what really is outsourcing? Wanting to generate more leads but hands are full? Looking for partners to help in the growth of your entity? Not wanting to take care of stuff which does not have too much of an impact on revenue streams?

Simply put, outsourcing is the activity or process of assigning the task to another company or person, letting you focus on your core responsibilities. These outsourced companies come with the expertise and experience of getting the work done, with possibly more expertise and lesser costs for your Business process.

**Outsourcing also goes by Business Process Outsourcing.**

In doing so, whilst getting the job done, companies also avoid other processes such as:

- Avoiding giving benefits to their employees
- Statutory legal requirements for each personnel
- Having to manage a team by themselves

Business Process Outsourcing lets you focus on what you feel are your core jobs and responsibilities, while holding accountable the job outsourced to the company.

1. Define clear objectives

2. Set realistic expectations

3. Have a clear plan

4. Choose Right Vendor
While a few are mentioned in the Introduction to Outsourcing, the benefits need to be looked at in a larger perspective.

**Control capital costs** - Cost-cutting may not be the only reason to outsource, but it’s certainly a major factor. Outsourcing converts fixed costs into variable costs, releases capital for investment elsewhere in your business, and allows you to avoid large expenditures at any stage of your business, early or late. Outsourcing can also make your firm more attractive to investors, since you’re able to pump more capital directly into revenue-producing activities.

**Increase efficiency** - Companies that do everything themselves have much higher research, development, marketing, and distribution expenses, all of which must be passed on to customers. An outside provider’s cost structure and economy of scale can give your firm an important competitive advantage.

**Reduce labor costs** - Hiring and training staff for short-term or peripheral projects can be very expensive, and temporary employees don’t always live up to your expectations. Outsourcing lets you focus your human resources where you need them most.

**Start new projects quickly** - A good outsourcing firm has the resources to start a project right away. Handling the same project in-house might involve taking weeks or months to hire the right people, train them, and provide the support they need. And if a project requires major capital investments (such as building a series of distribution centers), the startup process can be even more difficult.

**Focus on your core business** - Every business has limited resources, no matter how small or big, and every manager has limited time and attention. Outsourcing can help your business to shift its focus from peripheral activities toward work that serves the customer, and it can help managers set their priorities more clearly.

**Level the playing field** - Most small firms simply can’t afford to match the in-house support services that larger companies maintain. Outsourcing can help small firms act "big" by giving them access to the same economies of scale, efficiency, and expertise that large companies enjoy.

**Reduce risk** - Every business investment carries a certain amount of risk. Markets, competition, government regulations, financial conditions, and technologies all change very quickly. Outsourcing providers assume and manage this risk for you, and they generally are much better at deciding how to avoid risk in their areas of expertise.
Since you don’t have to invest in infrastructure, you can also save on making unnecessary fixed investments.

Outsourcing to countries such as the Philippines can give you access to cost-effective services.

Outsourcing can help you see an increase in almost every aspect of your business, and I’m talking across the board.

Outsourcing enables you to create an abundance of extra time for you to work on other things that will ultimately make you more money.

With timely deliveries and high-quality services you can impress your customers.

Your organization will be free to concentrate on your core money-making activities.
Chapter 3: What you should look for in an Outsourcing Partner

It's one thing to decide that outsourcing is good for your company, but another to find the right partner to get the job done.

Defining what you want: This is like a client-vendor relationship. It's important to let your outsourcing partner know what you intend to draw out of the relationship. Defining the scope of tasks to be outsourced and their intended benefits is extremely critical, and organizations that do not understand the difference between the two – and focus only on scope & cost – are more likely to end up having unhappy outsourcing experiences.

Experience: While getting tasks done from your outsourced partner, it's important to understand the experience and expertise they come with. This can be taken as an interview, a review for the company you intend to outsource to. Understanding how long they have been around in the Business, analyzing while holding preliminary conversations whether they speak the language you want to hear and reading a bit about them will help your decisions get easier, by leaps and bounds.

Ask for work samples: It's okay to ask for references or work samples of tasks performed by them earlier. This gives you confidence that you are dealing with the right company. In doing so, while speaking with them, if they are able to help you understand how they achieved the result they show on the work sample, you have you had made the right decision.

Pricing: While a decision in taken to outsource a particular task, this is probably the most important factor on the minds of Management. Remember, companies who quote a lesser price are not necessarily the best ones to test with. Similarly, companies who boast of a higher price and quality, are not necessarily the best ones either. Determine the price internally at which you wish to get the task done. This needs to also factor in the price as acceptable to the company you deal with. Negotiating too much on the price may lead to the company not picking up the project itself. Are they not an entity, by themselves? Depending on various factors such as: Longevity of the company in the domain, expertise you feel they have an advantage on, how comfortable do their representatives make you feel when you speak with them on a possible partnership, are all factors that you need to consider before setting a price.

Communication and turn around times: Outsourced companies should be best at this. Communication is their mainstay and that is easily identifiable in the way they respond to you. Such companies also are well aware that projects are time bound. Each activity needs to be completed within certain time frames. Even if it is say a sales process, or lead generation process, an accounting or a managed healthcare program, they specialize in getting the task done within the prescribed time frames.
Onshore vs. Offshore outsourcing

While outsourcing, it’s important to know whether you wish to outsource to a company onshore or offshore. These terms are easy to identify since onshore means getting the task done by a company in the same country vis-à-vis offshore, from a company setup in a different country.

Outsourcing to offshore countries became predominant primarily because of the cost factor. And at the same time, you can still hold these companies accountable for the tasks performed. India emerged as a top country to outsource to in the past decade, which created a new opportunity of jobs for them.

However, in recent times, other countries picked up this trend and we now see China, Philippines, Thailand and a few other countries.

One of the pre-requisites of outsourcing to another country, is the ease with which they can speak the English language. India ruled the outsourcing space for over a decade, before other countries realized the impact of revenue generation and boost to economy and hence, you see Philippines which became the most favored country to outsource.

Serene beaches, almost everyone speaking affluent in the English language and a history of performing tasks well that are assigned to them, held the Philippines in good stead for quite sometime.

India today still stands at the peril of skilled jobs with Philippines matching it in every aspect.
This south-east Asian country with 7,107 islands in total has now been at the forefront of the BPO industry for over a decade and is known by Fortune 500 companies and other organizations to offer a top caliber labor force, especially when it comes to voice-based campaigns. To prove this overall standpoint, research was performed by top North American universities, confirming that Philippine outsourcing employees work harder, with higher degrees of skill and will factors, thus enabling them to exceed expectations and be dedicated in what they do, each and every day.

Without a doubt, the Philippines is the fastest growing country in the outsourcing industry, and quickly becoming the destination of choice for individuals and companies in the West that are looking to outsource parts of, if not the entirety of their customer service, admin support and sales workforce!
The list is increasing by the day. Let's take an example of an HR function. Payroll management systems, legal and statutory compliances are outsourced in times today.

Below are a few such tasks that companies prefer to outsource so they can focus on their core competencies.

• Managed Healthcare
• Bookkeeping and Taxation
• Tele sales
• Back office / Administrative work
• Content / Blogging
• Appointment setting
• Surveys
• Research
• Editing roles
• Graphic designing
• Transcription
• Managing Social Media accounts

The above still does not cover all tasks. This signifies the importance again of outsourcing since if one or any of such tasks are outsourced, companies can focus on other core competencies such as cost saving, increased focus on employee efficiency etc.
Now that you have done the first bit by searching and trying to identify the right partner and read about outsourcing, it’s important to get started.

Which process or task of your Business do you wish to outsource is what you need to identify?

If that is done already, you can either choose to opt for a Virtual assistant (which comes with its pitfalls such as lack of supervision, internet connectivity issues etc.) or choose a company that can provide you with multiple services.

Of course, it would make more sense to research well and outsource one task at a time to them to see how they can work in a real environment and fulfill the task.

Of course, if you opt to choose for a company, it would have an additional expense since they also need to take care of expenses such as infrastructure and resources they deploy for the task.

It’s always advisable to speak to an expert from the industry on this and then decide on the option you wish to opt for.
Sit back and make profits. That is what should be at the core of your outsourcing strategy.

Sales is a never satisfying task. In order to gain higher goals or targets set on Sales, you need to deploy more people from time to time. Yes we live in a digital world today that helps us maybe to get to the desired results.

But technology still has not replaced humans to that extent.

Money saved, is money earned. This Business principle would never die or go out of fashion.

When you can hire someone to get the job done at half the price you would pay in your company for that resource, would you still prefer to manage these tasks in-house?
Pratik Hambardiker is a technology veteran specially at setting up Sales and Marketing functions in the outsourcing Business. He started with a small team of 2 people in the business which grew to over 600 over a decade.

He ran multiple processes such as Tax and Accounting, Managed Healthcare, Lead generation, Sales, Market Surveys, RPO jobs and more!

From dealing with representatives to managing large teams and senior personnel over the last 15 years, he has shaped careers for more than 15000 people.

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