

OUTSOURCING

As an entrepreneur or business owner you will wear many different hats and whilst we at Simple Series are advocates of having a general sense and feel of all aspects of your business, we equally believe it is really important to look at where you might be able to outsource – even from the very beginning.

Doing everything yourself whether you're familiar with the task or not will rack up time and expenses quickly. In addition, a business may not have the need or funds available for a full-time person to do the tasks at hand, but the business could benefit from working with a freelancer / contractor / consultant who specialises in those particular areas. This is equally true if your business has a short-term project where it is much cheaper to hire an outside company to do it for you versus hiring someone for a short time period.

Why outsource?

Businesses outsource for a number of reasons whether they are short on:

- human resources
- budget restrictions
- economic factors etc.
- lack of skillset inhouse
- short term project
- not the core skill set

Outsourcing can provide many benefits for entrepreneurs.

What to consider before outsourcing?

As an entrepreneur, you have limited time and money, so you need to constantly think about your end business goals. Outsourcing allows you as a business entrepreneur to shift focus from unimportant activities toward serving your customers and your team.

Even though outsourcing can be a scary thought to some entrepreneurs and start-ups, in most cases, it just makes sense. Let the outsourcing company assume and manage the risk in their areas of expertise for you, so you can return to your desk with a clear vision of where your business is and where it needs to go in the future. Make sure you consider the following before you outsource.

- Keep your team small and efficient
- Don't outsource your core skill set
- Mitigate your risks
- Don't outsource relationships
- Keep it in-house if it saves money
- Don't reinvent the wheel
- Consider how your needs will evolve
- Outsource if someone else does it better

"The Simple Series rule is simple: Keep it in-house if it is a core competency or you can save money doing it yourself. Otherwise, outsource it – every single time."

What is typically outsourced?

Important functions like:

- payroll
- accounting
- distribution
- social media
- marketing

are commonly outsourced to companies, so entrepreneurs, business leaders and their staff can focus on the jobs they were hired to do.

What to outsource?

Whether you are already running a business or just a start-up you may be able to outsource more than you think. Here are some suggestions where you can consider the services of others that can be outsourced rather than needing a full-time employee inhouse.

- Virtual assistant
- Bookkeeper
- Accountant
- Web designer
- Graphic designer
- Ghost writer
- HR
- Compliance
- Project manager

As mentioned above and before choosing which tasks you can subcontract take a hard look at your business and determine your strengths and values.

Highly skilled expertise. For example, the IT support for your network, systems, software etc. – having this expertise to hand makes all the difference in a smooth-running business that uses tech as part of its foundation.

An added example - you may not need to pay a CFO's salary, but you could have a CFO-level person to come in a few times each month to provide financial analysis and ensure that the bookkeeper is handling the books well. In smaller businesses this might be an added fee to your existing accountants to do a monthly overview.

Finding the right outsource providers. A good starting place is your own network; ask other business owners or your accountant, lawyer, or banker if they can recommend a provider offering the services you need. Online networks like LinkedIn and Twitter make it easy to expand your personal networks and to ask for recommendations.

Remember before handing over the reins, be sure you're working with the right partner. While technology makes it much easier than it once was to find capable, reliable outsource providers, the selection process is still vitally important.

Whether you use a personal referral, web-based marketplace, or a personalised matchmaking consultant, the key to identifying the right outsourced service is to know exactly what you're looking for.

Making it work

After you've found your ideal provider, your work isn't over yet. Even after you've done your due diligence and checked references – be specific about the results you want to achieve. Similar to your employees you can still incentivise your provider – think smart and what will benefit the business and your relationship.

By outlining your expectations nothing will be left to assumption and this will eliminate any problem areas and ensure clear and concise communication.

Relinquish control

Learn to trust your outsourced responsibility, keep the doors of communication open and don't micromanage. If you are going to micromanage all of your outsourcing, the savings in management attention and time will be lost.

Where possible equally consider delegating the outsourcing relationships to ensure you keep working on your business rather than being stuck in it. In the long run it will be the smartest investment you have ever made.

Weighing up the cost

So, what can you expect to pay a contractor for allowing you to rise above day-to-day tasks and build a better business? It depends on the type of work you're buying, the skill level and location of your provider, and your own preferences. Evaluate the cost versus the time you save and therein you will find that the investment will pay off, freeing you up to do more valuable things.

Facing the Challenges

While outsourcing can yield great advantages for a small company, it's not without challenges. If you choose to work with offshore providers, language barriers and time zones they can be difficult to deal with. Make sure your own communications are clear to ensure zero confusion for those who are not native English speakers. Time zones can have their advantages if you assign a task at night and awake to find it complete and waiting for you.

Risks

Just as when you hire a new employee, there are security risks involved when handing tasks over to an outsourced provider. Make sure you outsource functionality securely, in a manner that does not put employee personal information or customer data at risk - always protect your data.

Additionally, look at the risk associated with the task. Outsourcing things like compliance, cybersecurity, accounting and complex systems can mitigate your risk. While extremely important, these areas can detract from your ability to grow and optimise your core services. If you don't view yourself as an expert in something, find a service provider that can give you confidence that your critical systems are compliant and robust.

Reaping the Benefits

Although there are risks, outsourcing ultimately offers business owners great advantages. The process allows you to build a team of skilled professionals without adding the expense of full-time employees, and to avoid getting bogged down with tasks that can be completed without your attention. Equally it is an affordable, proven strategy for growing your business without letting it take over your life.

When you outsource, you can focus your time, attention and resources on your company's core competencies and spend your time setting new goals and finding ways to achieve them.

We support businesses to amplify growth



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