



Outsourcing Unleashed 2.01

Who is this ebook for?

Are you an entrepreneur, a Business owner or you want to start up a business?

This book is for those who have just started a business, who are trying to start a business or are already established. Anyone has bits to learn in here, it's all about Outsourcing, reducing costs, going Virtual.

Thanks for taking the time to read, I have made this book as short as possible so that you can really apply some of the strategies talked about in here. So Let's get cracking.

Outsourcing – What Is It and How it works?

What is outsourcing

There are so many definitions. the one that I prefer is " The subcontracting of activities (production processes or services) that are not regarded as part of a company's **core** business." This is a very important term to understand,

Otherwise more definitions found on Google below:

- Assigning responsibility for all or a portion of the activity and tasks involved in developing and/or running and maintaining a system to a vendor ...
- a formal agreement with a third party to perform an IS function for an organization.
- The subcontracting of activities (production processes or services) that are not regarded as part of a company's core business.
- A long-term, results-oriented relationship with an external service provider for activities traditionally performed within the company. Outsourcing usually applies to a complete business process. It implies a degree of managerial control and risk on the part of the provider.
- Performance outside a firm or plant of a production activity that was previously done inside. 2. Manufacture of inputs to a production process ...

- A practice used by different companies to reduce costs by transferring portions of work to outside suppliers rather than completing it internally.
- Companies outsourcing different functions. (Process)
- Contracting to a single external operator all non-core activities previously handled internally (water, energy, transportation, environmental ...)
- Making use of the professional computing services of personnel other than A&S or OIT systems administrators.
- A situation in which a firm's functions are performed or provided by a person or group from outside the company.
- Getting an outside company to do work or some part of work that has previously been performed in-house.
- The transfer of a function previously performed in-house to an outside provider.
- a business practice commonly used by companies that implies hiring an external service provider and transferring some of the company's internal operations/jobs to this third party entity. ...
- delegating specific work to a third party for a specified length of time, at specified cost, and at a specified level of service
- Delegating operations to another firm in the interest of saving costs.
- a version of the make-or-buy decision in which an organization elects to purchase an item that previously was made or a service that was performed in-house; often utilized for services. ...
- the process of identifying, acquiring and managing the receipt of Sourced Services from an external Service Provider

- It involves contracting with other organisations to perform business functions which are considered non-core and non-revenue generating to the business. Organisations use outsourcing services for functions, such as payroll, billing etc

In essence it's about delegating anything that is not your core business. You should only be doing What you do best, Outsource the REst.

Outsourcing – What to Outsource and what NOT to Outsource

You often do not have time to think about how your business may be broken down into a series of independant processes, just identifying them and optimising them can improve efficiency of your whole business even before you outsource. When you have identified them, you should list them in terms of importance and see which ones you could outsource.

Here are some basic questions you should ask yourself.

- Which business are you into?
- What are the processes that you think YOU should be looking after?
- What are those that you can delegate locally.
- What are those that you can outsource?

Don't outsource copywriting, connect with your customers. It is very difficult to get the message you want to get across via someone else. If you are into internet marketing and just need content to fill in your blogs, please outsource, don't waste your time doing article spinning.

Customer Service

This is post sales most of the time and is also vital to the company, you can outsource but define the triggers for escalation and keep an eye on quality. Your customers don't want to know if the are being serviced by an outsourcing company, so as far as possible, train your reps to be use your tone and language.

Here's a list of some tasks that you easily outsource :

- **Email management – filtering / generic replies / spam removal**
- Set up Autoresponders
- **FTP Transfer (upload content to your website)**
- Audio/ Video additions to your website
- **Domain Name Registration**
- Organise Website Hosting
- **Create Camtasia Screen Capture recordings**
- Post Forums/ Bulletin Boards
- **Update Blogs**
- Manage Affiliate Programs
- **PayPal Integration with your site**
- Shopping cart set up
- **Internet, Topic & Market Research**
- Online Assessments (survey monkey)
- **Collate Newsletters and send out**
- **Advertising/ Promotional Tracking**
- Appointment Scheduling
- **Reminder Service (meetings/ birthdays/ anniversaries)**
- Calendar Management
- **Report Preparation**
- Customer Support Service
- **Email follow-up with clients**
- Business Letters & Correspondence
- **Word Processing**
- Database Management
- **Contact Management**
- Data Processing from hard copy to digital
- **Create manuals**
- Maintenance & Updates
- **Spreadsheet Design & Update**
- Fill in Online Forms and registration for you
- **Create Business Forms/ Charts/ Reports/ Tables**
- Document/ File Conversion
- **Power Point Presentations**
- Proofreading/ Editing
- **Place orders**
- Send e-mails
- **Computer Literacy – Log on to your computer and demonstrate how to...**
- Transcribe Audio recordings into text

The list goes on, you just need to be creative. In my case I tend to outsource/delegate whatever can be done by my team. I will give you an example. I spent the last 2 weeks being very tied up into operations and managing projects as I am very careful about what gets delivered to my clients. I make sure I put my point of view when a member of my team is designing a new page, a new website or just a logo for a client. I prioritise how much time I would allocate to that particular project according to the type of potential they are too me. But at the end of the day, all I really want to do is create content and do business development, I don't want to get into operations. For this, I have trained my VA's to handle clients all by themselves, which makes my clients very happy as they have very quick turnarounds and they can talk directly to the person doing the work. I am planning to hire a Full time PM manager in the near future, but of course that will be when the budget allows this.

Outsourcing Companies – How to Save Thousands by just asking 3 Questions

1. Have you done this job before?
2. If yes, can you do a pilot project?
3. Can you provide me 2-3 references to call?

Beware of companies that answer yes to every question and always tell you yes to each request and say that's easy and we can do it in jiffy.

These three questions might not guarantee that everything will go perfect, I even had problems after the pilot phase but you need to get used to it. Nothing runs as smoothly as you would want it to be at the beginning, it takes some time to get up to speed with new projects and new clients. This problem does not come up only when you outsource but when you try to get it done in-house as well.

I have come across a lot of companies or suppliers who told me they could do the job but after 2 weeks they realised that they can't. Two years ago, I hired an indian firm for a mobile application development, they worked very hard, I was talking to them even on Sundays and they worked around the clock. They had a good salesman, a good project manager, but just did not have the experience with that particular development environment I required, they were "trying" to learn and develop on the fly. It could have eventually worked but I am sure it would have taken much more time than I had, I stopped the project while it was still in the pilot phase and turned to another more experienced company where development was swift with a week's delay.

Another thing I learnt the hard way is that web projects NEVER get delivered on time, If a developer tells you that it will take 5 days, expect 8-9. There are very few companies out there who can finish jobs within timeframes, fortunately, we are one of those. We have been through the times where we delivered projects very late, but with experience, we can now anticipate the problems and cut down time waste by 75% and deliver on time 90% of the time.

Outsourcing – Do's and Don'ts

DOs

Delegate - Don't try to do everything yourself, let go. Trust your OSPs, try them, teach them and get them to follow your methodology.

Let Go - Train and Trust your OSPs. They might even do it better than you sometimes.

Review - Review tasks, compliment where necessary, appreciate. If completed jobs are not up to your standard, request review at no costs. Seek long term partnership, it costs you money everytime you hire a new outsourcing partner.

Build Rapport - There is a human being at the end of the line in front of a computer working for you. He/She might be working very hard to please you, be NICE!!! VA's can go out of their way to produce outstanding results if they want to and they like you, I see this happen everyday in my business. My clients come up very happy with big THANK YOU emails when my VAs do a good job.

DON'Ts

Give Control - Don't let outsourcing companies control your business

Overload - if you overload your outsourcing team, you will lose on quality and on quantity as well.

Compromise on Quality for cost - Go for quality, outsourcing already saves you money, now if you try to save to much, it might be harmful to you.

Don't go for \$ 2 an hour for webdesign as at the end the task will surely cost you \$ 20 an hour, I have experienced this. ;-)

Don't let an outsourcing partner take business decisions on your behalf unless they are minor, you can define this so as not cause unnecessary delays.

Outsourcing – How to optimize ROI

In the context that we are in, most of the time we are outsourcing to an offshore destination where labor cost is very much cheaper. That said, don't get caught with people who say they can do a job what would usually cost \$ 10 an hour at a price of \$ 2 an hour. In fact, I got caught in this situation when I first started outsourcing to an indian based firm where they were literally just taking twice as much time as it should for any tasks I was sending them. It just ended me paying same price as elsewhere but just spent more time going back and forth due to poor quality and high waiting times.

So at the very begining of your partnership with any OSP, do a Test Drive. And always

set up goals of what results are you going to get for your money. Always start with small jobs and

Outsourcing – Growing Your Business by Leveraging Outsourcing

Outsourcing is a tool lets you grow your business as much as you want and makes the possibilities quite unlimited. There is no limit on how big your organisation can grow as you are not limited by space and it is quite flexible way to grow on demand. You can hire resources on very short term contractual basis and can even do pay as you go.

Think big, think accenture, think HP, think Dell. These companies LIVE by Outsourcing. You can always start small and the prospect to grow your business is then as big as you want it to be. Outsourcing gives you a very flexible, powerful and scaleable platform to grow.

Outsourcing – Virtual Team Building

First of all let me highlight some of the benefits of having a Virtual Team. It boils down to a matter of Hiring people for their skills at attractive costs irrespective of their geographic locations. It is difficult to get all required skills for the same business all in one place so very much often, you would need to have a spread team.

Several benefits of virtual teams include the following:

- People can work from anywhere at anytime.
- People can be recruited for their competencies, not just physical location.
- Many physical handicaps are not a problem.
- Expenses associated with travel, lodging, parking, and leasing or owning a building may be reduced and sometimes eliminated.
- There is no commute time

Managing a Virtual Team can be a bit more challenging than managing a physical team. We often don't even get to talk the person we are working with and don't even know how they look like, it is all email based. It is already a challenge to manage individuals via email, now putting a team together is another story. This is why you should know the basics and do it in a well thought manner.

Using a Project Management Software is essential to effectively managed projects, I have personally used Basecamp, Deskaway, and a few others. I found BaseCamp to be one of the easiest PM tools to use and I would surely recommend it, they also have free version. I am currently using Yammer, it is proving to be a great tools for discussions. Moodle can also be a good one.

It is common practice to have one point of contact to manage all your projects, ideally you would get someone who is business oriented and understands your business needs. Web Designers and Web Developers might or Virtual Assistants might often not understand the goals of your overall business. They limit themselves to the tasks they have to action for you. If you have more than 2-3 people involved in a project and you don't want to spend time communicating to each of them, you can get an external Project Manager to manage the project. You can also hire someone onshore who understands your business objectives better and hire this person to manage offshore Virtual Team.

Motivation is essential in Virtual Team, specially coming from the highest level, i.e from the client. Team members usually put a lot of effort to try and meet the needs of clients and very often don't get any sort of push, motivation or compliment by their employers. You have to bear in mind that Virtual Assistants don't talk or see their end clients 95% of the time and spend their life in front of a computer, a little human touch in an email may boost productivity.

Outsourcing – How can you leverage it to make a lot of money

Spend your time doing what Generates Revenue - Do Nothing Else

Everytime you start doing a task - THINK - Is it worth my time? Should I be doing this?

1 out of 3 people you meet in a networking event, want a website done. Take their requirements and use the power of outsourcing to produce the it. You can build a business around this concept and the demand is high at the moment, beat it.

Make the link, many companies out there are looking for outsourcers, you know how it works by now, do the bridge and earn commission. I have bridged call centers with call center clients and I still get passive income from that deal I made a year ago.

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