

BUSINESS OUTSOURCING



**A BLUEPRINT ON
SUCCESSFUL BUSINESS OUTSOURCING**

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Wrapping Up

Foreword

Simply put outsourcing is the movement of workload to another source which can provide assistance in that particular area for an agreed upon price either as a onetime service or as an ongoing complementing service provider. In doing so the principal company can effectively save on time, commitment of staff that could otherwise be used for other tasks and getting speedier work results. Get all the info you need here.

Business Outsourcing

A Blueprint on Successful Business Outsourcing

Chapter 1:

Outsourcing Basics

Synopsis

Also known as the customer or buyer the company that is looking to outsource some of the work load will ideally approach other companies or individuals who are able to provide the particular service for a fee.

The Basics

This fee is usually a much lower commitment for the company when compared to having to physically set up the mechanisms that would be needed to get the particular job done within the existing company's makeup.

Therefore through the action of outsourcing the cost saving is evident. Besides this there is also the advantage of not having to allocate staff to the particular task which may lead to the general disturbance in the current flow of the work environment.

The outsourcing exercise is generally acquired from sources outside the physical realm of the company and at a physically different location.

Sometimes it is even sourced from a different country where it is more cost effective than to have the same work done within the company's current makeup of expertise.

The beginnings of the outsourcing style of getting work done using outside contributing help, was first evident in the country of Japan.

This style was made popular through the demand of various different components within the business make up, having to contribute to one singular goal without actually having all the expertise under one entity, thus the birth of the outsourcing style.

Later other countries started copying this style simply because of the cost effective and time saving elements.

Chapter 2:

Determine What People Are Best For Your Work

Synopsis

Most companies' face the challenge of keeping escalating costs down, while still maintaining the highest of standards in order to stay competitive. In doing so these companies would have to look into areas that can benefit and one option to consider and is currently being widely used is the outsourcing tool.

Make Some Choices

Without the possibility of using the assistance of an outsourcing company the principal company would have to consider elements such as hiring, training, administration, benefits, absenteeism, workspace and equipment.

In some cases such expansions would seem more burdensome than welcomed therefore the next best option would be to consider outsourcing.

The following are some points to consider when determining what's best:

Expertise – identifying the relevant providers in a particular field and then ensuring the best possible price is agreed upon for the services rendered would be the first step to take. The outsourcing company chosen should ideally be an authority in its particular field.

Management – not having to micro manage a particular segment of the overall project simply because it has been taken care of through the outsourcing platform can be quite a relief both mentally and physically for all involved in the project as a whole.

Personnel flexibility – being able to hire an outsourcing company that works on a project to project basis would be better than

having to hire someone only to have to let them go when the project is over.

This cost incurred for hiring personnel on short term contracts can be significantly higher, as for the worker there is no job security thus the demand for higher wages is common and expected.

There are also services provided by companies that can link the various wants to the needs of other companies. Hiring such companies to find a suitable partner in the outsourcing exercise would definitely benefit as the service provided would be tailor made to the requirements of both parties.

Chapter 3:

Decide What Should Be Outsourced

Synopsis

Making the decision to outsource is usually not one to be taken lightly. One should be aware that anything done on behalf of the business entity will reflect directly on it in terms of quality of the end product being made.

What Will Be Sent Out

Although in almost all cases, especially if it has been well thought out the money saved can be very significant indeed when the services of an outsourcing company is used.

This is mainly because the chosen outsourcing company is ideally supposed to be able to provide the expertise and technologies that would not be available within the principal company itself.

However both parties should be committed and the monitoring process will take time and energy but once the standards and expectations are well established and understood, the outcome can be very workable indeed.

The more popular areas that are normally sought for outsourcing purposes are as follows:

- ➔ IT functions – when businesses expand there may be the need to stay current especially within the IT world. If the business entity did not initially require any IT intensive contributions then the initial setup of the business entity would not have configured this element into the general makeup of the company thus the need to outsource.
- ➔ Business processes and HR – here again as the business expands or even if there is no real need to have the actual full

time employment of such expertise in place, the out sourcing services can be sought. Such activities can be outsourced when and if needed and it also provides for expertise and specialized skills

- ➔ Finance – outsourcing auditing functions is common and this can be further extended to outsourcing the entire accounting functions of a company. Elements such as bookkeeping, tax management and invoicing could easily be done through the outsourcing platform.

Chapter 4:

Use Project Tracking

Synopsis

Project tracking is not about being able to complete a project within the stipulated time frame and with satisfying results, budgeting and good management skills. By using the project tracking exercise the idea is to ensure everything is optimized and even better and expected results should prevail or at least present possibilities of this in the next endeavor.

Track It

When a project involves the coordination and contribution of several different parties and contributions a lot of confusion can occur to derail the time line when there is not coordination and tracking done.

The tracking exercises have many benefits and below are just some of the reasons why it is necessary to have this in any project:

Keeping the time line adhered to at all times. The tracking exercise helps to keep each contributing party fully aware of their time allotted to ensure their part of the exercise is completed properly.

If there are any problems or discrepancies occurring within the time frame given the tracking exercise will allow for this to be highlighted and thus making it possible for the necessary action to be taken.

Tracking also helps to indicate when a particular contributing factor is not yielding the effects it was initially designed to do, thus causing some level of inefficiency.

Savings of time and effort can be made when the original design is changed or tweaked to facilitate better productivity and eventual success.

The tracking mechanism can also help to detect poorly functioning sections or personnel within the project thus either replacing these or reminding them of the commitment expected of them.

This is an especially effective way of ensuring all concerned are fully contributing to the success of the project.

The tracking exercise can also help the identify areas where cuts can be made to make the general outcome even more cost effective and thus generating a higher profits percentage.

Chapter 5:

Build Strong Relationships With Workers

Synopsis

A big part of ensuring a company is well run and making profits is evident in how it is keeping those working at the company happy. Happy workers equal good working environments and therefore better quality of work is produced.

Relationships

The key to creating the ideal platform for the working environment lies in the ability to build strong relationships with the workers. When the strength of the relationship is evident the loyalty levels of the workers is also much higher and this is a very important motivational factor.

Workers are more likely to go the extra mile for employers who are caring and are concerned about their comforts and the working environment.

Some of the practices that can foster strong working relationships are noted below:

The manner in which “orders” are given is very important thus one should adopt the attitude of asking rather than telling someone to get something done.

Being clear with instructions and what is expected is also something that is highly regarded in the mechanism of getting the cooperation of others. Clarity ensures focused and goal centered work attitudes.

Being polite is a great way to gain the cooperation and respect of those working within the project. Without politeness there is a very real possibility of creating animosity with those people who are supposed to be ideally working together toward the same successful end.

This animosity can and usually does cause the working environment to be severely affected thus effectively damaging the relationship with the workers. Learning to refer to worker by their names is one of the best ways to warm their hearts as it projects the perception of their importance.

Recognizing and ensuring that there is no encroachment on the private time of the workers is important. Creating workloads that often require the workers to stay back late thus eating into the own private time will create resentment and this is not good for building stronger relationships.

Chapter 6:

Provide Good Feedback

Synopsis

Providing feedback is one way of getting people to improve on their current work contributions and also getting people to be more aware of how they can improve.

However the feedback exercise should be done in a manner that is neither offensive nor condescending.

Frequent feedback given, if done with good intentions and in a constructive manner, will help any business or individual eventually make the necessary improvements which will then be reflected in the elevated success rates.

Feedback

Most companies and employees value feedback especially if it is given in a timely manner. Where there are problems and expectations are not going as first designed then feedback provided can sometimes help to shed light on the shortcomings of particular contributing factors.

This is very important especially when the business projections are not being met and even worse, are on the decline. By the feedback given all involved are able to take a step back and view the situation from the viewpoint of the feedback source therefore acquiring better understanding and making the necessary adjustments will be easier.

Striking a good balance in the commenting habit is also encouraged. In most cases feedback is only given when something negative has occurred, but a good feedback is also equally important if not more so. This is mainly because it will edify the person, group or company thus spurring them on the work even harder.

Providing good feedback can also be done in the form of dialogue. Very often the feedback is given in very much a one sided manner.

This is often not helpful to the receiving party if there is little they can do to change the current situation, therefore is the feedback is done in

an open dialogue style both parties are better able to understand the situation and work out a solution.

Chapter 7:

How Outsourcing Can Help Your Business

Synopsis

There are a lot of merits to using the outsourcing style to keep the smooth running of any business mechanism and it is becoming more popular to seek this kind of help due to its positive contributions to the business as a whole.

How It Helps

The following are some of the reasons why outsourcing can benefit a business mechanism:

Perhaps the most important contributing factor would be the one pertaining to cost. If a company had to explore the possibilities of setting up a separate department for a particular part of the overall work procedures needed for the project at hand, it end up being a rather costly affair.

This is mainly due to several issues such as the hiring of new staff, the availability of space for the new workers and the project they take on, the resources and possible assisting tools that may be needed and many more other connective elements.

All this when measured against making the choice to use an outsourcing option will in most cases prove to be cost effective.

The company can then focus all its efforts in other areas, thus bringing the business to more competitive level in the market.

More time can be spent on making the product or business more visible and thus garnering more revenue to the company.

There is also no need to have to file documentations that would otherwise have to be done on behalf of the hiring of the new badge

of workers to serve in the project. This is a disadvantage when the services of the workers are only for a short period of time which does not justify the efforts for the above mentioned documentation process.

Faster processes can be expected, with the use of the outsourcing option, as the expertise provided will be based on the outsourced capabilities and contributions.

Chapter 8:

What You Have To Be Careful With While Outsourcing

Synopsis

The following are some reasons why outsourcing may not present the best options of choice for the business engine per say:

Some Tips

One of the foremost concerns when choosing to use an outsourcing company is the almost immediate lost of complete control over the functions and management of the particular part that is being outsourced.

Though outsourcing companies will do the job as required as their reputations are also on the line, the standards and mission that drives the customer may not be shared by the outsourcing entity as they have no vested interest in the outcome as a whole.

The outsourcing company's concern would be the profits they make out of the services rendered and the quality of their contributions and almost nothing else.

Most contracts drawn up between principals and the outsourcing company is done to the advantage of the outsourcing entity, therefore any problems that arise within the relationship and the work produced will require an outside mediator to handle and this will incur further cost for the principal company.

Then there is also the fact that any additional requirements not originally stated in the contract would incur further costs thus perhaps making the whole endeavor cost ineffective as compared to doing it "in house".

Security and confidentiality is also another factor to be considered especially when the outsourced work is of a sensitive nature.

Competitors will be only too happy to indulge an outsourcing company for information pertaining to issues that may prove to be of help to them. In most cases loyalty is not part of the deal when outsourcing assistance is sought.

Wrapping Up

As in everything there are advantages and disadvantages and the outsourcing options presents no difference. Before any particular choice is made either way the individual should first take the time to explore and understand both views before actually making a decision.