

Should I Hire an Employee to Do It, Outsource It, or Just Do It Myself?

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Robert L. Ramey, P.C. Certified Public Accountant

10221 Ridgewood Ave
El Paso, TX 79925
Voice: (915) 276-6297 FAX: (866) 553-5796
Email: rramey@rlramey-cpa.com

Back in 1981 I was fortunate to attend my one and only Indianapolis 500. I'd listened to the race through the years and, while growing up, my dad would listen every year. He had attended at least one and maybe more and he really enjoyed the race. My luck held and the 1981 race was full of controversy. Bobby Unser was finally declared the winner 138 days after the actual race.

Imagine the 2016 Indianapolis 500. It won't actually be run until May so this is clearly only imaginary that includes fact. But let's imagine. It's lap 175, 438 miles complete and Helio Castroneves is leading by half a lap. To put things in perspective, the average speed at the 2015 race was 228.585 miles per hour. At that speed, Helio will make it around the two and a half mile oval in about 41 seconds.

Now, if you've ever watched the Indianapolis 500, you have to marvel at how the pit crews work together like a fine Swiss watch. When the car comes into the pits, one person's job is to ensure that the car stops exactly on the correct spot. Someone else removes the fuel cap while someone else jacks up the car on one side. In the meanwhile, someone else is using an impact wrench to take off the lug nuts and someone else is cleaning the windshield. Someone else removes the tires and someone else puts new ones on the car. It's really a beautiful sight to watch people work with such precision, each person knowing his/her job and each person doing that job. And within seconds, they're finished, the car is back on the ground, the driver gets the nod to get back onto the track and before you can blink, the car is back on the track and running at 228 miles per hour. It's simply unbelievable and beautiful to watch.

Now imagine a different scenario, one in which Helio pulls into the pits and stops right on the spot. But, there's no pit crew! Helio unbuckles his harness, jumps out of the car, places the jack under the car, takes off the fuel cap, removes the lug nuts, takes off the tire and replaces it with the new one, then the next tire, then the next tire, etc., washes the windshield, drops the jack, jumps back

into the car, rebuckles his harness, and away he goes. And while he was doing all that, ten cars have passed him. And there's no reason he couldn't do all those things. He certainly knows how. No telling how many tires he's

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changed in his life, and fueled a car, and washing a windshield isn't rocket science. He's certainly capable of doing it all. But would he? Would he spend his valuable driving time changing tires on the car? Would it make any sense, any sense at all, for him to get out of the car and wash the windshield when he could be driving and passing his nearest competitor at 228 miles per hour?

Is it even conceivable that this could happen? Of course not! Well if that's true, why do successful business men and women do exactly that in their businesses? Why do successful business men and women insist on performing all the administrative, accounting, human resources, IT functions, and other tasks in their companies? Why would an electrician who worked the better part of ten years for a large electrical contractor, who learned the trade well, who was so competent that he was promoted year after year until he was the "go to guy" on large construction projects, who decided to "go on his own" and did it, who invested his hard earned money in getting his company going, waste his time inputting employee hours into his payroll system, waste his time writing vendor checks weekly, waste his time running 1099s and W-2s at year end, and other tasks that cannot possibly generate one dollar of revenue?

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We all know that in the start-up stages of a small business, because most small businesses in the start-up stage are operating on a shoestring, it's almost always the case that the owner performs all these tasks. But after a year, two years, or more, as the business prospers, it's prospering because the owner knows the business, not because he/she knows how to run payroll or vendor checks, set up a WIFI or network, or 1099s or W-2s.

W Edwards Deming, the management guru, made famous the concept of competitive advantage. To make a

long story short, what he meant by that is, don't try to do everything yourself. If you need a catcher for your team hire a catcher. If you need an electrician, hire one. If you don't need one often enough to hire an employee, then outsource it, but don't try to do your own electrical work. And if you need accounting, human resources, bookkeeping, help, hire qualified help. And after hiring all these qualified people, or outsourcing the duties to them, DO WHAT YOU'RE GOOD AT, NOT WHAT THEY'RE GOOD AT! You'll make a lot more money, you'll be a lot happier, and your family will be thrilled.