

Ten Steps to Effective Outsourcing: How to Save Costs & Improve Productivity

The subject of vendor outsourcing can be tough, and deciding what to deliver internally versus externally is not an easy choice. Some leaders struggle to allow an outside entity to provide any service that could impact their brand or create an interaction with their clients directly. Others simply find it confusing or too much trouble to determine which tasks are best to outsource or keep in house. The truth is, finding reputable providers to help you focus time where it best serves your business might be the most valuable decision you could ever make. And, it doesn't have to be overly complicated. We all outsource services all the time in our daily lives and some of the same tactics you'd use when hiring a landscaper for your home can apply to your business.

The following ten steps will take you through the process of finding an outsource partner that not only meets your needs but over time may become a valued member of your team. You don't have to lose a human connection just because you bring in another company to help you better service your clients. Outsourcing agencies are made up of people too and those connections can be the highlight of your day when done right.

Step 1: Take a good look. There is no substitute for understanding your business inside and out. When considering outsourcing possibilities, you need to calculate how much of your payroll is going to specific tasks to determine what services will give you the best ROI. This breakdown process takes time but can be incredibly empowering to uncover cost-saving measures you never knew were available.

Step 2: Stick to your core. Your business has core functions that should never be outsourced. If you're a dentist with your own office, you don't want to outsource cleanings and fillings because those are services that help build your

client base. Allow yourself some time to reflect on things like IT services, marketing, billing, accounting, scheduling, etc. that are necessary but are not an aspect of your business's purpose.

Step 3: Incorporate Technology. For those tasks that are non-essential to the core of your business but may not make sense to immediately outsource, technology may help fill in the gaps. In fact, finding the right technology for your needs can be a form of outsourcing when it comes with a strong customer service guarantee to help your team troubleshoot any issues down the line.

Step 4: Let go of control. Too often business leaders want to keep even the most mundane tasks in house because they think they'll lose too many oversight capabilities. The truth is, while outsourcing does loosen your influence over the minute details, it doesn't impact your ability to have final approval over the product or service you've contracted for. Chances are the job will likely get done faster and leave you more time for growing your business instead.

Step 5: Decide it's time. Sometimes you just have to take the plunge and that may mean making tough decisions. Once you've done your breakdown and realized certain jobs are more cost effective when outsourced, you may have to lighten your payroll load in ways that tug at the heartstrings. Give yourself permission to do what's best for your business so you can keep your doors open for all of those employees who are the soul of what you do.

Step 6: Ask your partners. Just as you would consider a painting company based on how great your neighbor's house looks and their high praise over a backyard BBQ conversation, you can ask your partners what's working for them. Even before you determine your needs, start reaching out to your contacts and colleagues to find out what companies they are using. It may help you narrow down which services will best serve you while obtaining some great recommendations.

Step 7: Do your homework. In addition to personal recommendations, it's important that you do some research to get a glimpse into the broad reputation of a firm you may contract with. Do they have strong testimonials? How do their rates compare to others? Do they put their service standards in writing so you know what to expect? Developing a level of trust as much as you possibly can before you sign on with a company goes a long way.

Step 8: Choose wisely. This step is really an extension of the previous one by delving in even further to the outsourcing investigative phase. It's critical that you ask, what is their mission and is it cohesive with yours? Having a shared vision and core set of values with a company that you contract with helps create a seamless experience for your customers. You should know that they care about your success just as much as you do.

Step 9: Trial Phase. It is okay to enter into a new partnership with open eyes and clear expectations. While it's a good idea to give some room for ironing out the transition phase, it's also important to make sure you're getting what you pay for. Establishing clear communication with a company that is listening and responding to your needs can only be gauged over time so allow for a trial phase to ensure you're satisfied.

Step 10: Match made. Once a match is made and you're clearly seeing the ROI of your outsourced services working for you, do your best to make the partnership last. Most of the time, this comes pretty naturally with a company exceeding expectations and your team offering positive feedback in return. The best case scenario will bring a strong connection that serves everyone for years to come.

Now more than ever, it is imperative that organizations do whatever it takes to weather the economic storm we're facing. Sometimes hardship brings enlightenment you didn't know you needed when life was simpler. As a result, many organizations are realizing the value of outsourcing tasks that are distracting them from their core purpose and wishing they'd known sooner. At LightPoint, we have outsourced many different activities over the years, such as mailroom and administrative tasks. We have come to realize that the more we can focus on providing excellent IT services, the better we can service our clients, and that is our main goal.

LightPoint has been providing stellar IT management for 20 years to thousands of users but our service doesn't stop there. We'll do the legwork to find providers that you can trust as part of our vendor sourcing services to make outsourcing even easier.