

HIPPO BUSINESS SERVICES

OUTSOURCING THE GOOD, THE BAD, AND THE TRUTH



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THE EMPLOYEES ARE THE COMPANY'S LIFEBLOOD.

Hiring employees creates more opportunities for the company to grow, innovate, and access exceptional talent.

However, hiring an in-house team comes with a hefty price tag—labour cost, office space rent, insurance, bonuses, furniture, utilities, and so much more. Soon you will notice your expenses skyrocket.

To help save on time and money, companies opt to outsource their tasks. Like everything else, outsourcing has its pros and cons.

Read on to find out if outsourcing is the solution for you.

PROS.

1

LOWER LABOR COST

Delegating piecemeal tasks to a virtual assistant will always be cheaper than hiring permanent full-time staff. You will have the benefits of an in-house employee minus the expenses for recruitment, taxes, and benefits.

2

SIMPLER ONBOARDING PROCESS

Your HR department will thank you for hiring a virtual assistant. With a remote employee, you are on a simple contract agreement—you pay for the work that you get. You won't have to worry about employee recruitment, training, sick leaves, in-house performance reviews, and salary raises.

3

EXPERT SOLUTIONS

Need a professionally produced promotional video? How about expert accounting advice and analysis? Your core team might be the best for you, but nobody is perfect at everything. Outsourcing agencies have access to a global talent pool, they will find you the right person for each job. By outsourcing particular tasks, you can significantly boost performance by leveraging the niche skills of field experts.

PROS.

4

TAP INTO GLOBAL SCALING

Expand your product lines, increase distribution, and eliminate warehousing by outsourcing manufacturing. Yes! Even that can be outsourced. Hiring a remote manufacturer cuts down on costs and allows you to expand your connections and tap into other potential customers and revenue streams.

5

SAVE TIME

Outsourcing to a reliable individual or agency will give you peace of mind. You can be at ease knowing that your tasks are being handled by industry experts. This way, you'll have more time to focus on actually growing your business.

CONS.

1

LANGUAGE BARRIERS

If you are delegating remote work through email or phone, your intended meaning and nuances in language may at times be lost in translation. This can cost you time, money, and serious trouble. To avoid this, you can use visual aids to supplement your instruction.

2

COMMUNICATION ISSUES

This is not always the case, but it's one of the main pitfalls. Before you hire a remote worker, ask yourself these questions: At what time zone do they operate in and how does this match up with your business hours? What is your preferred mode of communication? Email, instant messaging, videocalls? Does this person have a stable internet connection?

3

SECRET SAUCE

When outsourcing work, especially to other countries, you must pay attention to intellectual property and privacy issues. Not all countries have the same privacy laws as yours, hence, you should take extra precautions in making sure your IP, formulas, data, etc. are properly protected. In the event that you want to outsource, you can have an international lawyer create a contract that protects both your company and your virtual assistant.

CONS.

4

DELAYS IN DELIVERY

In outsourcing, always remember the 4x rule. It simply means that a task can take four times longer to complete than what you were estimated or quoted. Time zone differences can make it difficult to synchronise schedules with your virtual assistant. For this, effective communication is key to ensure that your customers receive what's promised to them at the agreed time frame.

5

LACK OF CONTROL

When outsourcing, you may find it difficult to keep your remote workers on task and maintain the level of control you desire. If you want to make sure your remote employees are using their time productively, you have to make your expectations clear before you hire the employee. Additionally, you can use any of the myriad time tracking and project management software available.