

Outsourcing. Top tips to consider before you outsource

I have often been asked the following questions when it comes to outsourcing:

- Should I outsource or should I keep it in-house?
- Is there a process or a mechanism to help me determine how I go about this process?
- When or at what point should I view outsourcing as an achievable and realistic option for my business?

Key Points to Consider Before You Outsource?



- Where are you in the outsourcing process? What does the outsourcing process conjure up in the minds of senior management? And what are the tangible benefits that can be derived from outsourcing?
- What is your level of commitment to the process? i.e. Is it a fundamental part of your business plan to relinquish some if not all of a business function? How serious are you about outsourcing as a mechanism to streamline some of your business processes?
- Have you decided how much time you are going to put aside to establish this as a project and move it forward?
- Who or what person will “champion” the process and will take responsibility for steering the project to its conclusion? By this I mean having the authority to make the decision outright for your organisation to procure an outsource partner.
- Have you determined what areas of the business might benefit from being removed to an external outsource partner?
- What impact is the process (you are reviewing) currently having on your business? In other words is the business function now taking too much time away from your core business objective?
- Is it costing or adding too much to your bottom line?
- Is the process too manual intensive? Is it not cost effective to make the investment to automate or mechanise the function in-house?
- How many people are involved in the process? In other words has the function outgrown that of the organisation to a point whereby externalising this particular business process is a realistic alternative?
- Are you able to quantify the time taken to get payroll/invoice processing complete and on time?

- Can you quantify the cost of doing it in-house?
- Is cost the main factor in considering outsourcing?

What I mean is, are you basing your decision to outsource purely in terms of what it is costing you to do it in house? Are there other factors that might influence your desire to outsource?

