

Outsourcing in the Modern Era

thestaffingstream.com/2013/11/15/outsourcing-in-the-modern-era-2/

Outsourcing has become something of a hot-button issue lately, especially as the federal government tries to rally more businesses to keep jobs in America. The issue first gained traction in 2004 when presidential candidate John Kerry argued that “Benedict Arnold” corporations were taking jobs overseas and using international incorporation to escape paying U.S. workers and taxes. Since then, all sorts of solutions have been proposed to solve the “problem” of outsourcing:



- Heavier taxes for companies who invest in outsourcing
- Lowering the corporate income tax rate
- Provide tax incentives for companies who bring work back to America

Outsourcing has become a method to cut costs and keep businesses flexible. Packaging is one area where retailers and E-tailers are saving big. **Outsourcing can improve efficiency.** The Internet has ushered in an era of immediate fulfillment. In-house resources, already stretched to their capacity, often can't keep up with the needs of an agile business. Packaging merchandise in house costs money and takes away from the resources of your company. Removing packaging from the equation of your business allows you to focus more on the product itself. The money you save on staffing a warehouse could go toward product development, or resources to help customers with issues they may have when using the product. [PREMIUM CONTENT: Highest bang-to-buck direct hire and temporary recruiting tactics](#) Outsourcing one's packaging may also offer branding benefits. A [custom printed box](#) leaves a good impression on your customer, and reinforces your brand. Amazon perfected this practice, but others followed suit. Order tea from Art of Tea and you're likely to receive your order in a custom box or packet, complete with the Art of Tea logo and instructions on how to brew it. The extra bit of love goes a long way with your customer base. In the short term, outsourcing has lots of benefits most small business owners would love to see.

- Outsourcing boosts revenue by marginalizing costs
- Outsourcing eases labor shortages in areas where demand is higher than supply
- Outsourcing eases the costs you spend on custom packaging
- Outsourcing allows you to focus on presenting the customer with the best experience

Outsourcing grants management the chance to adjust company culture as needed. [Apathy](#) is the enemy of business, and outsourcing can help curb that damage. You can outsource some or all of that work and cut the troubling part of your business. Outsourcing would also save on insurance concerns, as less workers would be prone to hazards if they are not working on machinery. Outsourcing may also port your business to a company that is better equipped to handle your needs. You don't see Best Buy manufacturing computers, they let Apple, HP, and Dell do the heavy lifting and they make money on the markup. The concept of outsourcing packaging is very much the same. If you don't have resources in-house to design packaging, ship items and track packages, that work might be best served by having a company better prepared take over for you. Before you outsource, make sure you're clear about what you hope to accomplish with the move:

- Will you be able to cut costs?
- Is the outsourced team more experienced?
- Will your team in-house improve?
- Can you focus on the core business model after outsourcing?

- Are your in-house resources being properly utilized?
- How flexible is your staff? Could you make adjustments in duties?
- Will the customer be happy with your decision to outsource?
- Does the customer demand something that your in-house staff cannot currently meet?
- Will outsourcing improve the quality of your shipping efforts?
- Can outsourcing open the door for future improvement?

When you're deciding on how you want to outsource packaging, or other aspects of your business, be sure that you can safely answer some or all of these questions as a litmus test for yourself. Overall, the customer experience should be your prime concern, and if outsourcing will save your company cash while keeping the customer experience at a similar or higher level of satisfaction, outsourcing will work for you. [MORE: Managing the highs and lows of talent demand](#)