

What is Outsourcing and How Does it Actually Work, Anyway..?

 chrisducker.com/how-outsourcing-works/



Following on from the last post that I did on **outsourcing**, I received quite a few emails on the subject, as well as having a TON of visitors sign up for my **free bootcamp course** (make sure you also do this if you haven't already, at the bottom of this post, or on the top-right side of the site!)

I thought a quick breakdown on the subject might be welcomed. So, here it is...

Outsourcing is also known as Business Process Outsourcing (BPO). This is the process of hiring another individual or company, either domestically or internationally, to handle business activities for you. It has become a common business practice that allows small and medium-sized businesses to gain services and skills they would usually find hard to develop, because of either financial or manpower restrictions, or possibly a combination of both. **Meaning, you can grow your business as and when you need to, without any major investment.**

It also allows your business to focus on core competencies and, more importantly, **cut costs and improve efficiency**, all very much hassle-free. As time has gone by over the last decade or so, business owners now realize that there are many reasons that companies, both big and small, outsource various jobs, but the most prominent advantage seems to be the fact that it saves money.

Lower Costs is Where it All Begins!

Many of the individuals or companies that provide outsourcing services are able to do the work for considerably less money, as they don't have to provide benefits to their workers, and have fewer overhead expenses to worry about, especially if they are based in a non-Western country, such as India, China or where I am based, here in the **Philippines**.

Outsourcing also allows companies to focus on other business issues while having the details taken care of by outside experts. A perfect example would be knowing that telemarketing is the best way to get the word out in regards to a new product or service you're launching (either locally, nationally or internationally), but admitting that it's not really your forte. You can hire an outsourcing company that provides these services, **whilst you concentrate on getting ready for the influx of inquiries** as a result of the campaign.

It also means that a large amount of resources and attention that might fall on the **shoulders of management professionals** can be used for more important, broader issues within the company – which is always a good thing! The specialized company that handles the outsourced work is often streamlined and will normally have world-class capabilities and access to new technology that a growing company simply couldn't afford to invest in on their own. Plus, if a company is looking to expand, outsourcing is a cost-effective way to start building foundations in other countries, too.

Such tasks can be, but are not limited to roles such as accounting, bookkeeping, sales and marketing, design and manufacturing, development, promotions, administrative and back office assistance, customer service, web development and much more.

Different Outsourcing Categories

Nowadays, most freelancers or **outsourcing** providers will fall into one of the following categories, in regards to the services that they provide their clients. Some will even offer several of these:

- Inbound Customer Service
- Outbound Telemarketing
- Web Design & Development
- SEO and Online Marketing
- Back Office / Admin Support
- Virtual Assistant Services
- Accounting and HR Management
- Marketing & Sales Support

Simply put, **outsourcing will give away some of your business tasks** that can easily be managed by an independent entity, making life easier for business owners. And most of the time, as well as being able to pass on these tasks to someone more experienced than yourself (or your company), you will also save money, against hiring someone locally to do the same job – sometimes as much as 60%!

Just Start – Now!

Regardless of what area of your business you might be thinking about outsourcing, the bottom line here is that taking part in this extremely worthwhile activity will give you the opportunity to **expand your business** at the same time as saving costs.

As someone who has been involved in the **outsourcing** industry in one way, shape or form for close to a decade, I'd be happy to answer any questions you might have on the subject – regardless of content. So, feel free to comment below, join me on **Twitter** – or **email me directly** if you would like to keep things a little more 'private'. Cheers!