10 SMALL BUSINESS FUNCTIONS THAT CAN EASILY BE OUTSOURCED

Contributed by Lana M. Glovach, U.S. Small Business Administration (<u>SBA</u>)
Authored by Anita Campbell, November 19, 2019 on www.sba.gov at http://ow.ly/4CHn50xhros

Outsourcing allows you to get more done and trust important tasks and processes to professionals without having to actually grow your full-time team in a significant way.

More than a third of small businesses <u>currently outsource</u> at least some of their operations. And even more plan on exploring this option in 2019.

Outsourcing describes when a business obtains a product or service from an outside provider, rather than handling it in-house. As a small business, outsourcing allows you to get more done and trust important tasks and processes to professionals, without having to actually grow your full-time team in a significant way. It allows you to keep costs under control, increase efficiency and focus on the parts of your business that you actually enjoy and are good at.

This idea can be helpful in a number of different business areas. Here are some of the top areas where you might consider it.

Accounting

Accounting is one of the most common areas where small businesses choose to outsource. If you're not a financial expert, then it can take a lot of time and skills to learn all the processes and compliance standards your company must meet. However, a skilled accountant can often manage this area for multiple businesses at once. This increases efficiency and saves you money.

Marketing

When it's time to grow your business, an outside marketing firm can help you do it quickly. They can take the ad design, content creation or social media posting off your plate so you can focus on the internal functions of your business. Additionally, these firms are usually filled with professionals who can help you come up with creative ideas and helpful strategies you may not have otherwise had access to.

Sales

Similarly, your company might not have the personnel or expertise to make sales calls or set up funnels and processes geared toward closing deals. By outsourcing to sales firms or professionals, you can hand those tasks over to skilled individuals who will bring in more business.

IT Management

IT is one of the largest outsourcing industries around. In fact, the global market for outsourced IT services <u>reached</u> \$85.6 billion this year. You can outsource to a managed service provider or work with a firm that offers on-demand assistance to handle any tech issues or initiatives you may have.

Administrative Tasks

Virtual assistants are becoming more and more common, especially for solopreneurs and entrepreneurs who work out of a home office. There are VAs who can handle everything from inbox management and scheduling to social media posting. This is often one of the least expensive ways to outsource, as there are VAs who charge as little at \$10 an hour. However, you'll likely pay between \$30 and \$75 per hour for skilled VAs or those with a particular specialty.

Customer Service

For businesses that deal with customers mainly online or over the phone, you can outsource your customer service strategy to an outside call center or chat service. To do this, you first need to have processes in place and make sure you provide clear instructions to the company that will be dealing directly with your customers.

Manufacturing

Setting up a dedicated manufacturing facility can be quite costly for a small business. That's why so many product sellers choose to outsource this step. You don't necessarily need to offshore this process either. The U.S. still holds about an 18 percent market share in global manufacturing. So, you could potentially find domestic outsourcing partners to keep your operations nearby.

Shipping and Logistics

Additionally, you can actually have your manufacturing facility or a separate drop shipping service handle the shipping and handling of your products directly to customers. This is a popular option for ecommerce sellers that want to really focus on the online and marketing aspects of their business.

Research

Is there something you need to learn about your customers or your industry as a whole? Whether you're thinking about launching a new product or considering expanding into a new market, proper research is key. So, if you don't want to spend days or weeks surveying your target audience or buried under tons of online content, you can outsource this step to a research firm. They should also have access to more resources to bring in especially valuable insights.

Human Resources

Human resources encompasses any tasks in your business related to hiring, onboarding or managing your team. The most common type of outsourcing in this area is to work with a recruiting service to bring in qualified candidates for a new position. However, there are options for outsourcing training, benefits administration, payroll, and time and attendance issues as well.

As Benjamin Franklin observed, "if you fail to plan, you are planning to fail." Let the SBA help your small business plan for success! Assistance is available in languages other than English, including Spanish, and all SBA programs and services are extended to the public on a non-discriminatory basis. To learn more about the SBA's programs and services, please contact Lana M. Glovach, SBA Economic Development Specialist, at lana.glovach@sba.gov or 401-528-4575, or visit www.sba.gov/ri.