



6 Reasons Why Outsourcing Makes Good Business Sense



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For many business owners, the dream of running your own business and the reality don't quite match up. In many cases this can be due to the wide variety and sheer number of tasks which need to be done to keep the business running smoothly. Let's face it; an entrepreneur doesn't start a business to carry out mundane administration tasks.

More and more businesses are seeing the benefits of outsourcing. It improves efficiency, saves costs and allows companies to focus on their core business. In IT support for example, 43% of the market was outsourced in 2013 which increased to 60% in 2014. In other sectors - ranging from HR to Finance - outsourcing is estimated to increase by up to 26% in 2016 (Deloitte, 2014).

The stereotype of outsourcing overseas to take advantage of lower-cost labour has evolved. Now businesses are looking to outsource locally to businesses that are experts in a specific business area. By doing so, business owners can they can rely on specialists to deliver a high quality service, whilst focusing on their core business.

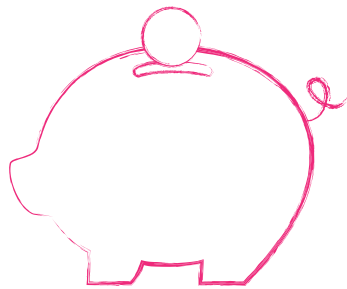
The most commonly outsourced functions include customer services, business administration, accounting, web design, IT support, manufacturing, research, marketing and creative services.

The 6 Most Common Reasons for Outsourcing

1. Cost savings

A report published by Datamark in 2014 showed annual cost savings of 31% for outsourcing a variety of functions, including IT and business administration. Cost savings are typically made through reducing overheads, but also because outsourcing suppliers can achieve economies of scale in their specialist area through resourcing as well as having access to the most efficient technology solutions.

The largest expense for a business is its people. Not only are salaries a large cost, but when you factor in recruitment costs, national insurance, IT equipment, software licences, training and on-going development, the financial and time investment is significant. This is why it's so important that the people you do employ can focus on what they are best at.



2. Focus on core business

By outsourcing administration and specialist functions, your internal resource can focus on what they are best at. Instead of having a team of people all wearing 10 hats, instead they can wear their favourite hat that fits them best. In other words, let your people do what they love and what they are really good at. You'll end up with a happier, more motivated, and more productive workforce. And more importantly, your management team can focus on the future growth of the business.

3. Improved business efficiency

When businesses outsource their administrative processes, they enjoy efficiency gains. Outsourcing companies tend to have the latest technology, specialist staff with up-to-date skill sets and much bigger teams. This allows internal resource to spend their time to focusing on higher value tasks such as sales or business development.

4. Access to the latest technology at a lower cost

The technology available to businesses is vast and it can be a minefield if you don't know what it is you need. It can also be extremely expensive to keep up with the latest solutions. Outsource suppliers are able to invest in the latest technology in their sector at a lower cost due to their size and business focus.

5. Access to specialist skills

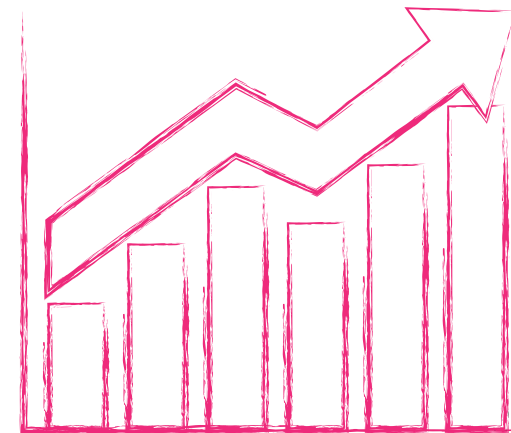
In many businesses it's not financially viable to employ a specialist in all business areas. It's often the case that you don't have a need for a full-time bookkeeper, receptionist, credit-controller, customer support manager, and a marketing manager. So the result is a number of people carrying out a variety of job roles not very well.

It's not unusual for a business manager to be carrying out finance, HR, IT and administration tasks, as well as taking care of the business development strategy for the business. By outsourcing, you can allow internal resource to focus on what they do best, whilst having access to the specialist skills of your chosen supplier.

6. Improved service delivery

Utilising the services of a specialist outsource business can help to improve the service you provide to your customers. In addition to this, many businesses are now looking to outsource their customer care function.

Outsourcing to a business that specialise in contacting customers on your behalf to see if they are happy with the service they are receiving can be valuable investment to make. Your customers feel valued and become more loyal. After all, it costs a lot more to find a new customer than it does to keep a customer.



Summary

The benefits of outsourcing non-core business functions are clear;

- ✓ Reduce costs
- ✓ Improve business processes and efficiencies
- ✓ Have a better focus on your core business activities

There are several other benefits that are not immediately apparent to businesses who choose to outsource, but are realised at a later date. Businesses that have a better internal focus and improved processes are much more productive. Teams that are able to focus on their job role are happier and tend to want to progress and develop their skills further.

There are advantages through working closely with your chosen supplier to ensure they fully understand your business and can deliver service improvements and enhancements when needed.

About Onit Business Assist

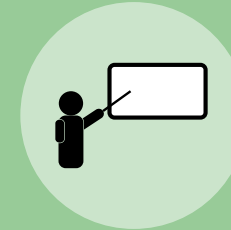
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Onit can help you stay on top of administrative tasks to keep your business running smoothly. Need some help? We're **Onit!**

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