



Using Back-Office Services and Outsourcing to Accelerate Growth

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The practice of outsourcing back-office services is becoming increasingly popular, and it's easy to see why.

- Immediate upfront savings: Outsourcing dramatically lowers costs for many simple, yet necessary, daily tasks. Highly paid employees no longer spend their hours billing for rote responsibilities, and even entry-level workers have time to learn essential tasks that are core to the mission of the company.
- Instant expertise: Outsourcing means a lot more flexibility when compared to keeping staff on hand. A traditionally run company may need to hire a new, highly skilled person—then pay for the costs of training for a one-time job or project. The rest of the time, that employee carries out duties that could easily be performed by others. However, their expertise is invaluable in one particular area, so letting them go is not a practical option. Outsourcing allows instant access to any necessary level of expertise required for a project, without the commitment that permanent employment requires.
- Greater focus on core strategy: There's no substitute for a lifetime of expertise. Yet, those workers who have been around for ages are all too often underutilized because their time is taken up by basic, trivial tasks. Outsourcing enables a company to focus its most talented employees on core operations, allowing the business to develop in ways that align with its vision.

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- More streamlined employment: It's expensive and impractical to keep a staff of experts on hand, and then keep them so bogged down in daily operations cannot perform to their full potential. Outsourcing helps you free up your most valuable asset: your employees. Once they're out from under all their trivial and time-consuming responsibilities, those great minds can focus on the tasks you hired them to do.

As an extension of this sentiment, many businesses are combining efforts and sharing outsourced back-end services. An obvious example of this would be a company that has multiple branch locations and needs to access the same functionality across the board, but shared outsourcing can benefit completely separate organizations within the same industry as well.

Many nonprofit organizations share similar needs when it comes to back-office support: a database of donors, fundraiser tracking, specific types of office productivity software, and the basic functions that are required in any office, such as payroll, accounting, and HR. If one nonprofit invests in the infrastructure to outsource many of these needs, it makes sense to charge a nominal fee for similar companies to also utilize that infrastructure. This helps the originating organization to offset its investment, while the secondary organization still enjoys premium services at cost compared to setting up their own similar outsourcing.

Even unrelated businesses can share back-office support. Small businesses suffer from lack of sufficient staffing to help with daily operations and management questions. Outsourcing means lower stress, tremendous cost savings, and the freedom to return to focusing on the original mission statement and vision of your organization.

Accounting operations become much more efficient with outsourcing, and transparency increases as well.

Examples of back-office outsourcing

Several services can be outsourced, but here are a few in-depth examples that can better illustrate some primary benefits to be gained by calling in the experts to handle some of your typical daily workload.

Accounting

- **What's Taken Care Of:** The outsourcing of your accounting needs can include bookkeeping, accounts payable, and accounts receivable services. At tax season, you can outsource your tax preparation and filing services as well.
- **How It Saves:** Accounting operations become much more efficient with outsourcing, and transparency increases as well. Documents are typically scanned and are then available online for easy, instant access. Companies enjoy a more accurate overview of their financial operations and have better overall control. Since the majority of small businesses don't need full-time accounting services on staff, outsourcing offers a tremendous reduction in overhead costs associated with hiring permanent employees.
- **Additional Benefits:** Many contractors use highly advanced processing software to take care of complex accounting needs. This is often above and beyond the skill level of a single bookkeeper in a small business. Software licenses that are cost-prohibitive for a small organization suddenly become accessible when using an outsourced firm that has multiple licenses; a dedicated accounting firm has a high enough client volume to justify the extra costs.

Document Management

- **What's Taken Care Of:** Document management includes the control of all documentation from its creation through its deep storage or destruction. Document management can include physical documentation, email archives, classification & storage of projects & spreadsheets, and physical or virtual storage.
- **How It Saves:** Outsourcing document management not only saves money up front, but there are also two other huge indirect savings to be gained: a decrease in the physical space required for storage of documents, and the time savings afforded by transitioning to a system that allows for more efficient searches of existing data. When document management is handled by one group of outside experts instead of multiple employees from different departments, a much higher caliber of organizational skills are introduced. The existing system becomes much more functional.
- **Additional Benefits:** There are several enterprise-class documentation management platforms available today, with so many features and possibilities that most businesses do not understand where to start when deciding what will work best for them. Outsourcing to a document management team allows experienced document management professionals make that decision for you, and at a more manageable service cost that won't kill your available capital.



Human Resources

- **What's Taken Care Of:** An outsourced human resources department takes care of all the details related to your employees, like tracking accrued vacation time, managing payroll, and handling general employment or benefit questions. They can also help manage employment applications, streamline the hiring process, and ensure legal or compliance matters are addressed in a timely manner.
- **How It Saves:** Like accounting, many businesses don't need a full-time HR staff. Yet, the frequent, trivial tasks that must be done often take away from core operations, especially for small businesses, start-ups and entrepreneurs working with limited (or no) staff. Instead of stressing about these things, you can outsource them instead.

- **Additional Benefits:** While HR duties include many administrative tasks which can be easily outsourced, there's still the human factor to consider, as HR can sometimes play the role of guidance counselor. Many outsourcing firms offer a hybrid approach to HR management that still offers significant savings by keeping one representative on site, while the rest of the work is taken care of off-site and behind the scenes.

Assistants/Administrative/Clerical

- **What's Taken Care Of:** Every company has miscellaneous administrative and clerical tasks that, if not carefully managed, will expand into every available nook and cranny of available time, leaving no room for the real work of your business. Even personal tasks, such as answering emails and phone calls, can add up quickly once a startup really takes off. Outsourcing the minutiae of everyday business life can free up huge amounts of time so businesses can focus on what really matters.

- **How It Saves:** It's hard to calculate how much time theft costs businesses every year. However, outsourcing administrative and personal assistant duties is an important step in dramatically reducing lost time that costs the company indirectly.

- **Additional Benefits:** By outsourcing, time is spent more efficiently on both ends of the partnership. The outsourced company can accomplish small duties quickly and effectively because doing so is the company's job. The outsourced company ensures that nothing falls through the cracks, no matter how seemingly insignificant. In-house employees can get away from the constant stream of small, nagging errands that take their attention away from more important tasks and projects.

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Is outsourcing right for you?


All those tiny details—payroll management, looking for the right documentation, making a spreadsheet to track your employees' vacation time and returning calls or emails—add up to significant time that could be spent on your core operations where your attention ought to be focused.

Despite all the advantages that outsourcing offers, that doesn't mean it's right for every company. It often seems like a tough dichotomy to overcome: the businesses that may benefit the most from outsourcing are smaller companies or startups that may not feel they have the volume of work necessary to justify outsourcing at all.

In reality, all those tiny details—payroll management, looking for the right documentation, making a spreadsheet to track your employees' vacation time, and returning calls or emails—add up to significant time that could be spent on your core operations, where your attention ought to be focused.

- Outsourcing saves on staffing overhead by limiting the number of full-time specialists you need to keep on-hand.
- Daily tasks that are easily automated can be taken care of quickly and easily, leaving your most valued team members more available for developing your company's growth.
- External firms often have access to the most cutting edge technology and methods, many of which are otherwise cost-prohibitive to invest in outright and costly to maintain.
- You have all the benefits of an expert in the field, without the high expenditures of keeping expertise on your staff full-time.

By sharing outsourced back-office services, you're giving your enterprise—whether new or established—the opportunity and freedom it must evolve, and without getting bogged down by juggling your internal infrastructure at the same time. Outsourcing allows for incredible flexibility and scalability so you're never limited by peripherals when growing your business.



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your back-office services
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