

CORE VALUES

Clear the deck and call in the experts

THE beauty of operating a small business is the knock-on effect. That is, in order to help their businesses grow, more and more small operators are outsourcing tasks they don't excel at so they can concentrate on what they do best.

Which means more small to medium sized businesses (SMEs) are emerging to help out the existing ones.

It's not a new trend, but it's a growing one, RPO Group managing director Liam Ovenden said.

Outsourcing is now worth an estimated \$US4 trillion around the world, and he believes that small to medium enterprises are responsible for an increasingly bigger part of this figure.

"Outsourcing professionals to perform common tasks is becoming a popular and necessary function for SMEs of only 20 to 30 staff, or smaller again," he said.

Partial payroll, training consultancy, marketing and direct marketing, accounting, office administration and IT networking are just some of the functions they are sourcing independent professionals to help them with.

"If a particular function is not your core business, and you are waylaid from performing the functions of your core business, then outsourcing becomes an option," he said.

"If you're a lawn mowing business, you need to be mowing lawns, not attempting to figure out website displays."

He said that outsourcing started to gain pace with SMEs when Generation Y began moving from the classroom to the workplace.

"I'm of this generation and



Outsourcing... have mowing and surfing done by people who know how



we've never wanted to do anything other than that what we're good at," he said.

"It may mean you pay more but you don't have to maintain it internally when it's not needed. You need to focus on what you're good at."

For those nervous about

handing over precious income to do something they have been doing themselves, Mr Ovenden suggested they do a cost exercise.

"The key thing from an SME point of view is the cost," he said. "You have to ask yourself some questions. What would it cost to do it yourselves? Then what would it cost to do it badly?"

The savings that can be made depend on many factors, such as the size of the company and what's being outsourced, he said.

"The real big firms make the big savings, small firms won't make hard dollar savings," he said.

"All their savings will come in the efficiencies, such as how much more they will make with their core business."

Mr Ovenden said there were ways to measure outsourced performances and even how to pay them.

"An independent business consultant will often give you tangible comparisons to gauge its worthiness," he said. "For example a promise to lower your payroll errors from X to Y, thus improving your bottom line."

"There is usually a pre-determined charge but it can also be a collaborative process."

"Other things to consider include relevance to your business, cultural fit, references from similar businesses and to question if they will adapt to your business and be unbiased in recommending a course of action."

"For example, their business plan should not be built around on-selling and recommending technology that ties you to them."