

What Business Women Want

Outsourcing: The freedom of growing your business by 70%

By Tineke Rensen

In this article I dare to say something all business owners know already: working hard is not going to accomplish much, and working smart could be the only answer to professional fulfilment. Entrepreneurs work an average of 60 hours a week, and the most passionate can work in excess of 75 hours a week. For most entrepreneurs, working on weekends when others enjoy life and to re-charge their batteries, is, somehow, normal. How many times have you heard:

I work so hard so my family can live a good life
The weekend is old fashioned, I work in the 24 hour economy
My family knows that I don't have time for them, and they understand

What kind of tasks do they cover during weekend's and bank holidays?

Here are few answers:

- I like to do the bookkeeping – it is the only time when is nice and quiet
- I must launch this new client- even if I must work for 24 hours a day
- Staff members are costing me more than my budget, I have a cash-flow problem right now

There is a big difference between working hard for many hours and working smart to grow your business. One of the solutions I recommend is outsourcing.

Research shows that one of the main reasons for businesswomen who are owner/operators and experience setbacks in growing their business, is reaching a business plateau and being afraid or being overcautious when it comes to outsourcing.

Do they feel that nobody can do it better than them?

Women are very considerate, and research shows that it is not arrogance that holds them back, but fear and lack of understanding of the value of their main asset, their time.

Time is our most important resource. How much is your time worth? Your time is not only about how much you charge, but also what you spend your time on.

Outsourcing is the practice of contracting out a third party, another company or an individual to perform tasks, handle operations, or provide services that are time consuming to save costs and gain a competitive advantage. Here are few of our findings for your perusal.

SOVEREIGN

Column

Outsourcing: Pros and Cons

While loss of control over the outsourced team is often a potential business risk, you should consider carefully the pros and cons of outsourcing before making a decision.

What are the Pros of outsourcing?

There are many reasons why a business can benefit from outsourcing:

- Free up your business to focus on its strengths,
- Improve focus on core business activities
- Free up staff to concentrate on their main tasks
- Keep you focused on the next big thing/ future strategy
- Increase efficiency to achieve a more productive, superior quality service
- Cost-savings allow you to release capital for investment to grow of your business
- Increase reach and access to developments that are otherwise not affordable
- Gain a competitive advantage by leverage knowledge and skillsets
- Gain flexibility and the ability to adjust to changing market conditions
- Cost savings and service excellence

What are the Cons of outsourcing?

Outsourcing involves handing over direct control of a business function or process to a third party. As such, it comes with certain risks. For example, when outsourcing, you may experience problems with:

- Risk of delays on service delivery
- Risk of breach of confidentiality and security
- Contract/ supplier could not be suitable for your client's expectations
- Management difficulties could cause friction between your clients and your suppliers
- Conflicts of interest
- Your supplier could go out of business or be temporarily incapacitated

Offshore outsourcing is cost effective but present additional challenges

Although potentially more cost-effective, may present additional challenges such:

Hidden costs of provider selection or handover, severance, and costs related to layoffs of local employees who will not be relocated internationally, etc.
Time zones, different languages or cultural differences

The only way to make an informed decision is to examine all the pros and cons carefully, and create a solution where the pros outweigh the cons.

About Tineke

Tineke Rensen is the owner of Powerful Business Academy, she helps serious businesswomen, to scale up. She studied how "Women Do Business". You can download the free report here: www.powerfulbusinessacademy.com/e-book/

