



INTELLIZE INFO SOLUTION
Thinking Logic, Making Magic!

5

SUCCESSFUL STEPS

TO START OUTSOURCING IN YOUR SMALL BUSINESS

Discover how to successfully build and retain an exceptional team of professionals through the power of outsourcing!

NAVIGATOR

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OVERVIEW OF OUTSOURCING

Business Process Outsourcing (BPO) refers to hiring an outside company to perform in-house tasks. This includes everything from **customer service to accounting to marketing**. Outsourced services are often cheaper and faster than doing things yourself, making them attractive for businesses looking to save money and improve efficiency.

The global Business Process Outsourcing (BPO) industry shows positive growth, with a projected **CAGR of 9.4% from 2023 to 2030**. The popularity of business process outsourcing has surged in the past two decades, attracting a diverse range of companies, **from Fortune 500s to startups**. Across various industries, businesses now have the flexibility to outsource non-core processes, allowing them to allocate more resources to their core business functions.

Business Processing Outsourcing Market

Market Size

CAGR 9.4%



Source: [Mordor Intelligence](#)

THE ADVANTAGES OF OUTSOURCING FOR SMALL ENTERPRISES

Did you know?

Small businesses choose to outsource for various reasons. Often, the decision hinges on finding the most cost-effective solution. Additionally, companies may outsource to acquire specialized skills that are not available internally. **Accounting and IT services** are the most popular outsourced processes for small businesses.

1 in 3

small businesses outsource at least one business process.

37%

of small businesses outsource both Accounting and IT services.

24%

of small businesses said increased efficiency was their top reason for outsourcing.

According to a report by [Clutch](#)

These are some of the notable benefits for small businesses when choosing to outsource:

Cost Savings

Businesses, particularly smaller ones, often choose outsourcing primarily for cost savings. This potential for financial efficiency stems from accessing skilled labor at a lower cost, especially when operations are outsourced to countries with lower wage levels.

Flexibility and Scalability

Outsourcing offers flexibility in scaling operations up or down based on business needs. Small businesses can adapt more easily to fluctuations in demand without the fixed costs associated with maintaining an in-house team for every function.



SALARY COMPARISON

USA vs INDIA (in USD)

Job Role	United States Annual Salary		India Annual Salary		COSTS SAVING	
Bookkeeper	USD	54,600	USD	9,874	USD 44,726	82%
General Accountant	USD	71,500	USD	15,386	USD 56,114	78%
Financial Analyst	USD	106,600	USD	20,855	USD 85,745	80%
Customer Services Agent	USD	45,600	USD	10,673	USD 34,927	77%
Digital Marketing Specialist	USD	83,000	USD	16,216	USD 66,784	80%
System Administration Support	USD	118,000	USD	15,323	USD 102,677	87%
Data Engineer/BI Developer	USD	139,000	USD	21,409	USD 117,591	85%

NOTES:
Salary data comparison is calculated on gross base salary referenced from glassdoor.com



SALARY COMPARISON

UK vs INDIA (in GBP)

Job Role	United Kingdom Annual Salary	India Annual Salary	COSTS SAVING	
Bookkeeper	£ 35,000	£ 6,630	£ 28,370	81%
General Accountant	£ 46,450	£ 10,332	£ 36,118	78%
Financial Analyst	£ 50,000	£ 14,004	£ 35,996	72%
Customer Services Agent	£ 22,000	£ 7,167	£ 14,833	67%
Digital Marketing Specialist	£ 43,000	£ 10,889	£ 32,111	75%
System Administration Support	£ 38,000	£ 10,289	£ 27,711	73%
Data Engineer/BI Developer	£ 51,000	£ 14,376	£ 36,624	72%

NOTES:

Salary data comparison is calculated on gross base salary referenced from glassdoor.com



SALARY COMPARISON

Australia vs INDIA (in AUD)

Job Role	Australia Annual Salary	India Annual Salary	COSTS SAVING	
Bookkeeper	AUD 64,000	AUD 12,589	AUD 51,411	80%
General Accountant	AUD 73,000	AUD 19,617	AUD 53,383	73%
Financial Analyst	AUD 93,000	AUD 26,590	AUD 66,410	71%
Customer Services Agent	AUD 60,000	AUD 13,608	AUD 46,392	77%
Digital Marketing Specialist	AUD 70,000	AUD 20,675	AUD 49,325	70%
System Administration Support	AUD 83,000	AUD 19,537	AUD 63,463	76%
Data Engineer/BI Developer	AUD 106,000	AUD 27,296	AUD 78,704	74%

NOTES:

Salary data comparison is calculated on gross base salary referenced from glassdoor.com



Focus on Core Competencies

“Enabling focus on core functions” is the most common perceived benefit among companies that use outsourcing (Deloitte). Small businesses may have limited resources, and outsourcing enables them to concentrate on their core competencies.

Access to Specialized Skills

Outsourcing provides access to a pool of specialized skills and expertise that might be available in a variety of ways. Small businesses can benefit from the knowledge and experience of professionals in various fields without having to invest in extensive training or hiring.

Did you know?

According to [Upcity](#), strong problem-solving skills are the most important factor for small businesses choosing an outsourced team.

According to a study conducted by Clutch

37%

of surveyed small businesses choose to outsource various business processes

These business processes include:



IT
Services



Customer
Services



Marketing
Services





STEP 1

Assessing Your
Business Needs



STEP 2

Planning and
Budgeting



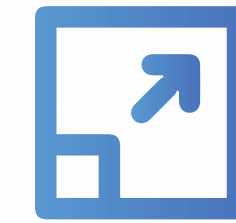
STEP 3

Finding and
Selecting
Vendors



STEP 4

Implementing
Outsourcing
Strategies



STEP 5

Scaling and
Evolving

5 SUCCESSFUL STEPS TO START OUTSOURCING IN YOUR SMALL BUSINESS

In this guide, we'll explore five successful steps to help you initiate and implement outsourcing in your small business effectively. From assessing your business needs to selecting the right outsourcing partners, each step is designed to empower you with the knowledge and tools needed to leverage outsourcing for sustainable growth.



STEP 1

Assessing Your Business Needs

Identify Areas for Outsourcing

Outsourcing is a strategic decision, and the first step is identifying which areas of your business could benefit the most from external expertise. This involves a comprehensive evaluation of various functions, such as IT, accounting, marketing, customer support, and administrative tasks. Consider tasks that are non-core, time-consuming, or require specialized skills that may not be available in-house.

Evaluating Business Functions

Factors to consider include the complexity of the task, the skill set required, the level of expertise available externally, and the impact on core business functions.

Setting Clear Objectives

Once potential areas for outsourcing are identified, it's crucial to set clear objectives for the outsourcing initiative. Define what you aim to achieve: cost reduction, improved service quality, scalability, or a combination of these factors. Articulated objectives serve as a roadmap for the outsourcing process, providing a benchmark for success and helping in the selection of suitable outsourcing partners.

How to Define Objectives

Below are three key objectives that small businesses aim to achieve when choosing to outsource. Take a look at the instructions to define these goals.



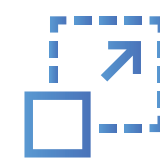
Reduce Cost

If cost savings are a primary goal, outline specific cost-cutting targets and identify key performance indicators (KPIs) to measure progress.



Improve Quality

If enhancing service quality is a priority, define the desired service levels, customer satisfaction metrics, and any industry-specific standards to be met.



Scale Operations

For businesses aiming to scale operations, outline the desired expansion goals, timelines, and the level of flexibility required from outsourcing partners.



STEP 2

Planning and Budgeting

Developing an Outsourcing Plan

Creating a comprehensive outsourcing plan is crucial for aligning the outsourcing strategy with your business objectives. Follow these steps:



Define Goals and Objectives

Clearly articulate the goals you aim to achieve through outsourcing. Whether it's cost reduction, process improvement, or gaining access to specialized skills, outlining specific objectives provides a roadmap for the entire outsourcing initiative.



Identify Key Tasks for Outsourcing

Based on the assessment conducted in Step 1, pinpoint the specific tasks or functions that will be outsourced. Prioritize these tasks based on their impact on core business functions and potential for improvement.



Select Appropriate Outsourcing Models

Decide on the outsourcing models that suit your business needs. This could include offshoring, nearshoring, or onshoring, depending on factors such as cost considerations, language proficiency, and time zone compatibility.



Establish Performance Metrics

Set key performance indicators (KPIs) to measure the success of the outsourcing initiative. Metrics may include cost savings, process efficiency, and customer satisfaction. Establishing clear benchmarks ensures accountability and facilitates continuous improvement.



Budgeting for Outsourcing

The most significant challenge for small businesses seeking to outsource is cost (UpCity). Therefore, efficient budgeting is essential to the success of your outsourcing endeavors. Consider the following guidelines:



Allocate Funds Strategically

Determine the budget for outsourcing by assessing the costs associated with selected tasks and services. Allocate funds strategically based on the priority of functions and the potential return on investment (ROI).



Factor in Hidden Costs

Be mindful of potential hidden costs, such as transition expenses, training, and ongoing management. UpCity reports that 40% of businesses encounter unexpected financial challenges due to overlooking hidden costs in the outsourcing process. Therefore, a thorough understanding of all associated costs ensures a more accurate budget and prevents unexpected financial challenges.



Calculate Potential ROI

Evaluate the potential return on investment by estimating cost savings, efficiency gains, and improvements in service quality. Consider both short-term and long-term benefits to make informed budgeting decisions.



Negotiate Pricing Models

When engaging with outsourcing partners, explore different pricing models. Whether it's a fixed fee, hourly rate, or project-based pricing, negotiate terms that align with your budget and objectives.

*In a recent survey of small businesses conducted by the Small Business Association (SBA), it was found that those **strategically allocating funds for outsourcing experienced a significant impact on their financial performance**. Among the businesses that effectively determined their outsourcing budget based on task priorities and potential ROI, 65% reported a measurable increase in overall operational efficiency. Additionally, this strategic allocation correlated with a **20% reduction in operational costs**, highlighting the tangible benefits of aligning budget allocations with task priorities in the outsourcing process.*



A list of key considerations and steps in planning and budgeting

Ensure a systematic approach to planning and budgeting with a comprehensive checklist with outlines key actions that must be undertaken:

1 Developing an Outsourcing Plan

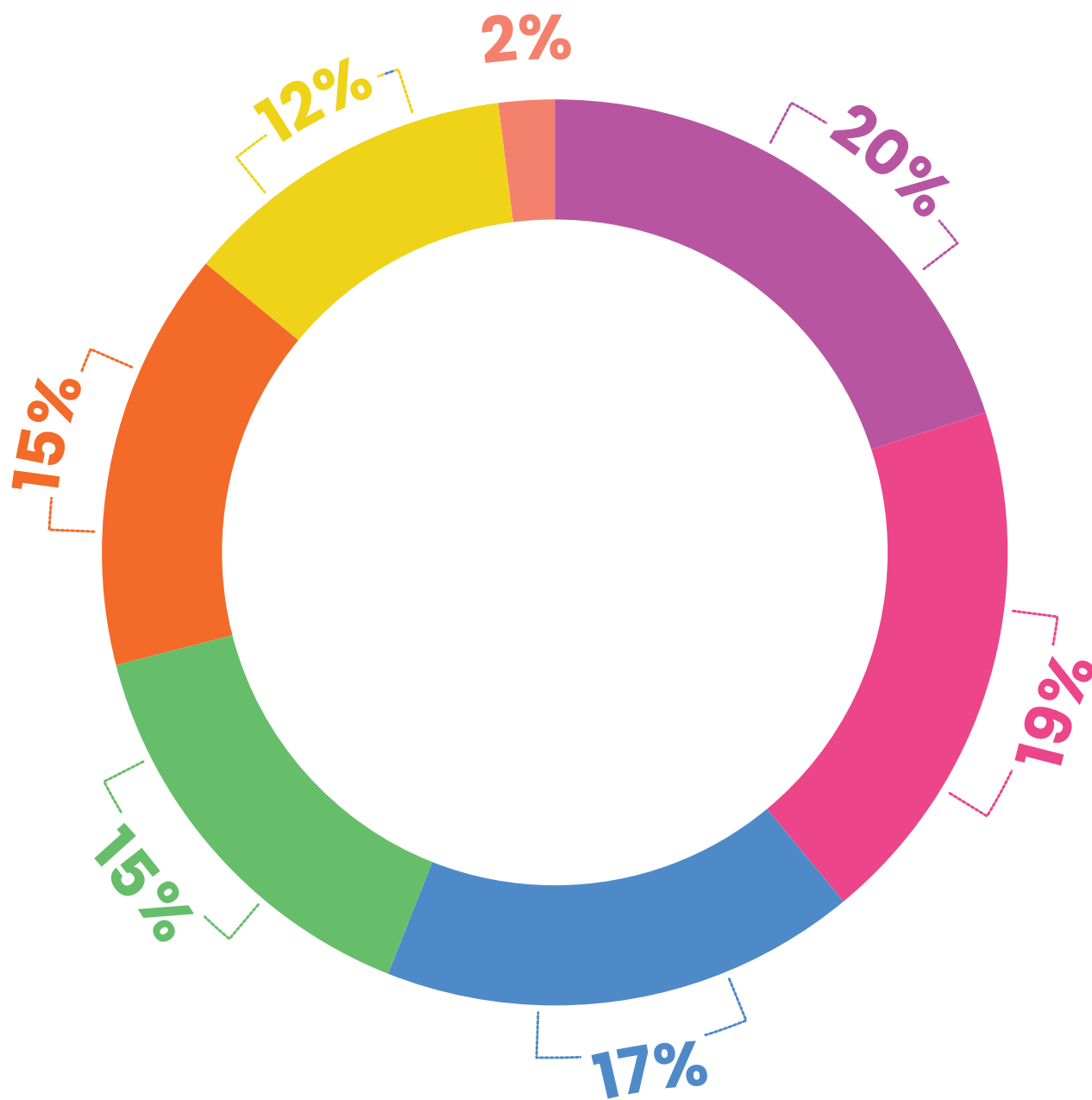
- ☐ Define clear outsourcing goals and objectives;
- ☐ Goals Should Be Concrete and Measurable;
- ☐ Prioritize outsourcing tasks based on business impact;
- ☐ Define the clear function your business wants to outsource;
- ☐ Choose appropriate outsourcing models (offshoring, nearshoring, onshoring);
- ☐ Establish performance metrics and KPIs.

2 Budgeting for Outsourcing

- ☐ Calculate the budget considering both direct and hidden costs;
- ☐ Evaluate potential ROI for each outsourcing initiative;
- ☐ Negotiate pricing models with outsourcing partners;
- ☐ Ensure alignment with overall business strategy.

STEP 3

Finding and Selecting Vendors



Overall Breakdown

- 20% - Referrals
- 19% - Social Media
- 17% - Online marketplace
- 15% - Online advertisement
- 15% - Google search
- 12% - Online forums
- 2% - Other

Researching Potential Vendors

Finding the right outsourcing partners is a critical step in the success of your outsourcing initiative. Take note of the following tips:



Utilize Online Platforms

Leverage online platforms, such as outsourcing marketplaces and directories, to discover a wide range of potential vendors. Platforms like [Upwork](#), [Freelancer](#), [Outsourced Accelerator](#), and [Clutch](#) can provide insights into vendor profiles, services offered, and client reviews.



Seek Referrals

Seek recommendations from industry peers, business associates, or professional networks. Referrals offer firsthand insights into a vendor's reliability, professionalism, and the quality of their services.

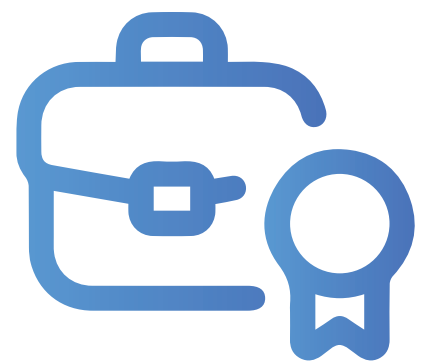


Tap into Industry Networks

Explore industry-specific networks, forums, or conferences where you can connect with potential outsourcing partners. Industry-specific expertise is often a valuable asset in the outsourcing relationship.

Evaluating Vendors

Once you've identified potential vendors, conducting a comprehensive evaluation becomes imperative. Take into account the following criteria to make an informed decision:



Experience and Expertise

Assess the vendor's experience in handling tasks similar to those you plan to outsource. A vendor with relevant expertise is more likely to deliver quality results.



Cost Considerations

While cost is a crucial factor, it should not be the sole determinant. Evaluate the overall value proposition, considering factors like quality, efficiency, and the potential for long-term collaboration.



Reputation and Track Record

Research the vendor's reputation by checking client testimonials, reviews, and case studies. A vendor with a positive track record is more likely to be a reliable partner.



Communication Skills

Effective communication is paramount in outsourcing relationships. Evaluate the vendor's communication skills, responsiveness, and ability to understand and meet your business requirements.

Negotiating Terms and Contracts

Successful negotiation is key to establishing a mutually beneficial outsourcing partnership. Consider the following key elements:



Scope of Work

Clearly define the scope of work to avoid misunderstandings. Outline specific tasks, deliverables, and performance expectations.



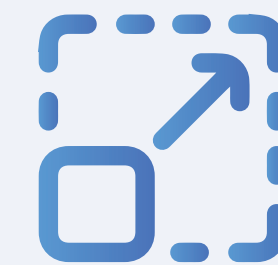
Service Level Agreements (SLAs)

Establish [SLAs](#) that define the expected level of service, including response times, quality benchmarks, and other performance indicators.



Cost Structure

Negotiate a transparent and fair cost structure. Understand how costs are calculated, whether it's on an hourly basis, project-based, or through other models.



Flexibility and Scalability

Ensure that the contract allows for flexibility and scalability to accommodate changing business needs. This could involve adjusting the scope of work, scaling operations, or terminating the agreement with reasonable notice.



Data Security and Confidentiality

Clearly outline provisions for data security and confidentiality in the contract. Ensure that the vendor complies with relevant regulations and standards.

STEP 4

Implementing Outsourcing Strategies

Integration with Existing Operations

Implementing outsourcing strategies involves seamlessly integrating outsourced services into your existing business operations. Consider the following strategies:



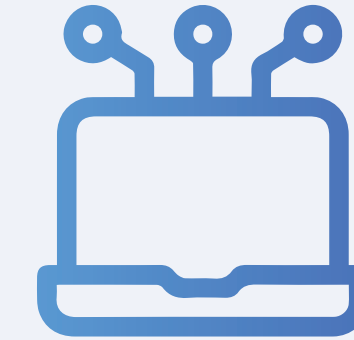
Communication and Collaboration

Foster open communication channels between in-house teams and the outsourced partners. Utilize collaboration tools and platforms to facilitate seamless interaction, ensuring everyone is on the same page regarding goals, timelines, and expectations.



Knowledge Transfer

Provide comprehensive training and documentation to ensure the outsourced team understands your business processes, values, and standards. Encourage knowledge transfer sessions to bridge any gaps in understanding.

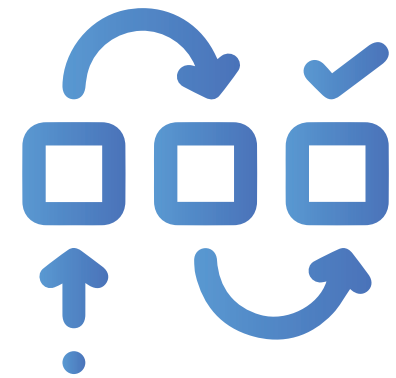


Technology Integration

Integrate outsourced teams into your existing technology infrastructure. This includes access to relevant software, tools, and platforms necessary for efficient collaboration and workflow management.

Managing Remote Teams

Effectively managing remote teams is crucial for successful outsourcing. Adopt best practices in communication, project management, and company culture maintenance:



Clear Communication Protocols

Establish clear communication protocols, including regular meetings, updates, and channels for immediate communication. Utilize video conferencing, messaging apps, and project management tools to enhance remote collaboration.



Project Management Tools

Implement project management tools that facilitate task assignment, progress tracking, and milestone management. Platforms like Trello, Asana, or Jira can streamline project workflows and enhance overall visibility.

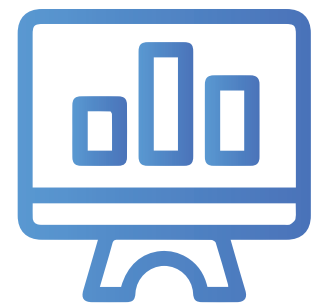


Company Culture Maintenance

Actively work on maintaining company culture among remote teams. Organize virtual team-building activities, recognize achievements, and create a sense of belonging through regular communication and engagement initiatives.

Monitoring and Evaluating Performance

Establishing robust monitoring and evaluation processes ensures ongoing performance improvement. Follow these steps:



Define Key Performance Indicators (KPIs)

Set clear and measurable KPIs aligned with the outsourcing objectives. KPIs may include productivity metrics, quality of output, adherence to timelines, and customer satisfaction scores.



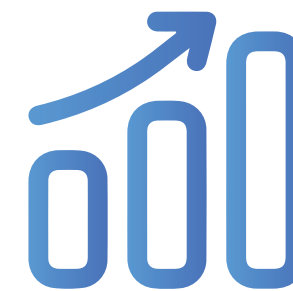
Feedback Mechanisms

Establish feedback mechanisms for both in-house and outsourced teams. Encourage open dialogue to address concerns, share insights, and continuously refine processes for optimal performance.



Regular Performance Reviews

Conduct regular performance reviews to assess the effectiveness of the outsourcing arrangement. Schedule periodic check-ins to discuss progress, address any challenges, and identify areas for improvement.



Continuous Improvement Initiatives

Implement continuous improvement initiatives based on performance reviews and feedback. This could involve refining processes, providing additional training, or adjusting the scope of work to better align with business objectives.

Key Performance Indicators for Managing Outsourced Teams



KPI Category	Key Performance Indicators	Measurement Criteria
Productivity Metrics	1. Output per Hour/Day/Week	Measure the quantity of work completed within specified timeframes.
	2. Task Completion Time	Track the time taken to complete specific tasks or projects.
	3. Utilization Rate	Monitor the percentage of available time that is utilized for productive work.
	4. Error Rate	Measure the frequency and severity of errors in tasks or deliverables.
	5. Accuracy Rate	Assess the accuracy of work produced against defined standards or requirements.
Quality of Output	6. Client Feedback on Deliverables	Collect feedback from clients regarding the quality and suitability of delivered work.
	7. Defect Rate	Track the number of defects or issues identified in the output and their resolution status.
Adherence to Timelines	8. Task Deadline Adherence	Evaluate the percentage of tasks completed within the specified deadlines.
	9. Project Timeline Adherence	Measure the extent to which overall project timelines are met.
Adherence to Timelines	10. Response Time	Assess the time taken to respond to client queries, requests, or issues.
Customer Satisfaction	11. Customer Satisfaction Score (CSAT)	Gather feedback from customers to gauge overall satisfaction with the outsourced services.
	12. Net Promoter Score (NPS)	Measure the likelihood of customers recommending the outsourced services to others.
	13. Issue Resolution Time	Evaluate the time taken to resolve customer issues or concerns.



STEP 5

Scaling and Evolving

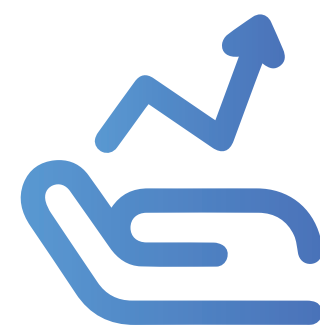
Adjusting and Optimizing the Outsourcing Relationship

The outsourcing journey doesn't end with the initial setup; ongoing management is crucial for sustained success. Consider these tips for effective adjustment and optimization:



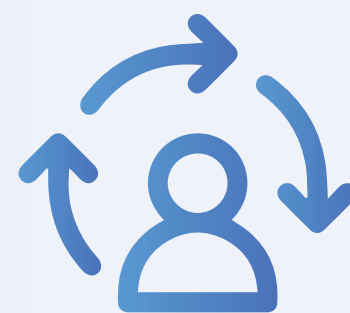
Open Communication

Maintain open and transparent communication with the outsourcing partner. Regular check-ins, feedback sessions, and addressing concerns promptly contribute to a healthy and collaborative relationship.



Continuous Improvement

Foster a culture of continuous improvement. Encourage the outsourcing partner to suggest process enhancements, and be open to implementing changes that contribute to increased efficiency and effectiveness.



Adaptability to Changes

Businesses evolve, and so should outsourcing arrangements. Be prepared to adapt the scope of work, adjust service levels, or explore additional outsourcing opportunities as your business needs change over time.



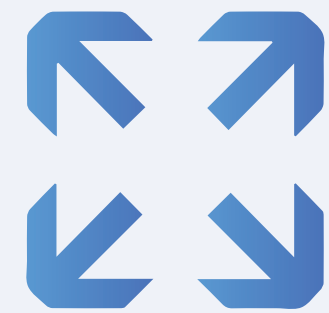
Scaling Outsourcing Efforts

As your business grows, scaling outsourcing efforts can be a strategic move. Consider the following steps:



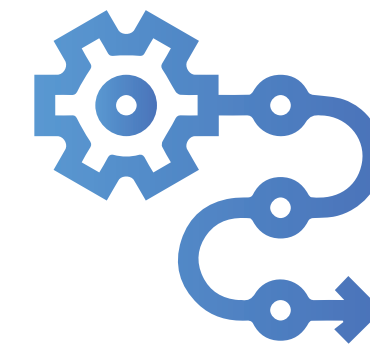
Identify New Opportunities

Assess additional areas within your business that could benefit from outsourcing as you expand. This could include scaling existing tasks or incorporating new functions to support growth.



Evaluate Current Capacity

Ensure that your current outsourcing partner or partners can handle increased demand. If necessary, explore new partnerships or adjust existing contracts to accommodate growth.



Streamline Processes

Streamlining internal processes is essential for seamless scaling. Identify bottlenecks or areas of inefficiency and work with your outsourcing partners to develop streamlined workflows that support increased volume.

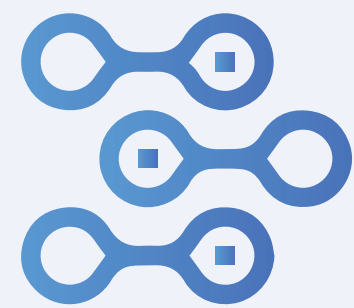


Collaborate on Scalability Plans

Discuss scalability plans with your outsourcing partners. A collaborative approach ensures that both parties are aligned with the changes and can adapt their processes accordingly.

Grasp the Future Trends

Stay informed about evolving trends in the outsourcing landscape to stay ahead of the curve. Consider the following insights:



Technological Advancements

Embrace emerging technologies such as artificial intelligence (AI), automation, and machine learning, which are increasingly integrated into outsourcing processes to enhance efficiency and reduce costs. [Deloitte Global Outsourcing Survey 2020](#) reported that 90% of companies consider cloud computing as a key enabler in their outsourcing efforts.



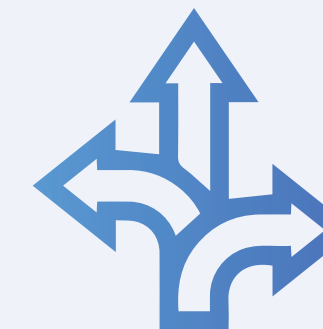
Cybersecurity and Data Protection

Stay vigilant about cybersecurity and data protection. As outsourcing involves sharing sensitive information, it's crucial to prioritize robust cybersecurity measures and compliance with data protection regulations.



Globalization and Diversification

Explore opportunities beyond traditional outsourcing destinations. With the rise of remote work and digital collaboration tools, businesses can tap into a global talent pool while diversifying outsourcing partnerships.



Flexible and Hybrid Models

Consider flexible and hybrid outsourcing models that combine in-house and external resources. This approach provides adaptability to changing business needs and market conditions.

START YOUR OUTSOURCING JOURNEY WITH INTELLIZE **INFO** SOLUTIONS

Established in 2011, Intellize Info Solutions has **experienced nearly 15 years** of providing business processing outsourcing services for global clients. Our diverse range of clients spans from Fortune 500 giants to burgeoning startups.

We specialize in offering a spectrum of services, including financial and accounting services, business intelligence and analysis, customer services, and post-production services.

SIMPLE STEPS TO WORK WITH US

Engagement & Solutioning

Initiate client collaboration and craft tailored solutions to address unique business needs.

Contract Signing

Formalize partnerships with precision through transparent and legally binding contractual agreements.

Recruitment

Assemble a skilled and dedicated team, meticulously selected to meet project requirements.

Onboarding & Training

Efficiently onboard and equip the team with targeted training to ensure seamless project integration.

Project Delivery

Execute projects with precision, delivering high-quality results in alignment with client expectations.

Performance Management

Vigilantly manage team performance, ensuring optimal delivery and client satisfaction.

Project Optimization

Implement continuous refinement strategies to optimize project processes and enhance outcomes.





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Front-Line Customer Service
Team of the Year and
Achievement in the Use of Data &
Analytics in Customer Service



HR Asia –
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to Work for
in Asia 2021
(Vietnam Edition)



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2024



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Health Insurance Portability
and Accountability Act
(HIPAA) compliance



SIA Corporate Membership | Global Advisor
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SAP Business Network Membership
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