

Essential Outsourcing Tips for Better Decision Making

by Satya K Vivek | October 04, 2021



Outsourcing is quite common in many organizations today. At the same time, when measured in terms of output, not every outsourcing decision achieves its objectives. In this context, a company or organization needs to be aware of the fact that serious risks are involved if things are not planned properly. Relying on the services of a remote workforce even partially in a project can lead to some anxiety. However, if the decision to outsource is backed by proper groundwork and planning, the business will reap benefits in no uncertain terms.

This article shall focus upon some important guidelines. These are the tips that greatly help businesses in arriving at the right decision regarding outsourcing.

- **Proper planning:** Firstly, planning must be foolproof. The company must have good clarity about the operations that have to be outsourced. The business should outsource only that work, which cannot be completed with its existing capabilities. Likewise, outsourcing should also be considered when the tasks can be executed with the same quality cost-effectively.
- **Small beginning:** This is especially more relevant to small businesses or entities that just began their operations. The company should start by outsourcing only small and

uncomplicated projects. As the organization keeps on gaining experience and increasing its competencies, it can then outsource more complex operations.

- **Assess costs:** A business must have an idea about the costs related to outsourcing. Organizations should understand this pivotal aspect. Once the services are outsourced to an external entity, there are going to be multiple costs that were not anticipated in the initial stages. You have to keep this facet in mind while planning. A comfortable budget has to be set aside accordingly.
- **Avoid hastiness:** A company would be immensely helping its cause if it refrains from hastily choosing a service provider based only on the cost aspect. Businesses typically give high weight-age to vendors offering services at the best price! However, choosing a vendor purely on price might lead to other problems. It's more important that the personnel of the outsourcing firm are skilled enough to meet your requirements. In this regard, the best thing would be to carry out extensive research and compare the capabilities of the different providers.
- **Feedbacks & reviews:** Businesses have to make a careful note of various feedbacks and reviews about the vendors. If possible, they should interact with people/businesses that have already outsourced their activities to the concerned vendor. There cannot be a more dependable way to assess credibility than that. You will then obtain clear details about the service provider's reputation. This will be about the quality of work, adherence to deadlines, and other relevant aspects.
- **Clear objectives:** Another significant tip is that, in the early stages; the business must come out with its objectives and specifications that the vendor should meet. All that should be communicated in writing using a clear unambiguous language to the vendor and all other stakeholders. Even a small negligence, could affect the outcomes expected of your outsourcing deal.
- **Enable transparency:** Since the outsourced work is done at a distant geographic location, the business has to be particular about transparency. The contract to include terms regarding the communication and governance process and protocols to be adhered to. Latest digital technologies can be leveraged.

The above discussed points are general guidelines that will help as a starting point. Each organization and decision-maker may choose their own framework keeping the organizational culture, maturity of development & operational processes, in-house capabilities etc. in mind.