

Outsource for Expertise

Increasing your company's expertise by outsourcing

by Joe Beers



Running a business is like bailing the Titanic with a Dixie cup. No matter how hard you bail, the water just keeps coming. How do you get ahead of the game? Successful people find ways to multiply themselves. Cloning can be expensive and confusing for visiting relatives. But outsourcing for expertise works.

Many people think of outsourcing simply as a way to get paperwork off of someone's desk. It accomplishes that but it also does much more. Engaging the right outsourcing firm will exponentially increase expertise. It is like a human Internet. One mouse click or one phone call and a world of knowledge opens up. It is a powerful tool.

Here's an example: Very few small-to medium-sized businesses have in-house counsel. If they do, it is doubtful the area of legal expertise stretches beyond one or two specialties. Yet, correctly operating a business typically takes input from various lawyers with various specialties. Real estate, business contracts, employment and tax law can all enter the picture to help a business position itself for success. Does it make sense to hire all these people in-house? Of course it doesn't.

Now apply this concept to Human Resource Management. It is often said that a business' most important asset is its people. But when it comes to Human Resources or Risk Management many businesses try to do it internally. They cut and paste an employee manual from a previous company that is several years old. They usually do not know if the manual they are using meets current labor law standards. They buy payroll software and spend time learning how to use it. They fill out the 940 and 941 tax forms. They shop for group health insurance and try to put together a 401(k) plan. They fight unemployment claims and handle wage verifications. And who does this? Sometimes it is the receptionist who is promoted and then asked to handle it. Everyone hopes for best. How can that possibly work? It might work to some degree but eventually serious problems could arise. At a minimum, it is not the best way to handle this part of a business. There is a better way—outsourcing.

Every business has a specialty. It may be a service or a product. That service or product is provided to customers for a profit. In every company there are about three things

that really matter. Identify them and perfect them. Successful businesses focus on those vital few things that make their business tick. Everything else should be outsourced. Why does any business owner spend any time doing anything else?

Outsourcing increases a company's internal capacity for production, service and quality. It also gives access to experts in diverse fields. Think about it. The outsource company has it's specialty too. It is full of people who focus on the vital few things that make them successful.

A Human Resource Outsourcing firm can handle a myriad of issues. Do you pay? Absolutely, but it is worth every penny if you like sleeping at night. A good HR Outsourcing firm has expertise in payroll taxes, group benefits, background screening, garnishments, risk management, unemployment, labor law and many other specific areas. They can provide an employee manual that meets current labor laws. They can help your employees gain access to 401(k) and group health plans. They can help you navigate the confusing waters of exempt and non-exempt employees and how that relates to overtime wages.

They can assist in INS and Department of Labor audits. They can design safety programs and assist injured workers in getting back on the job.

By and large, the things listed above are probably not the specialty of your business. They are the specialty of an HR Outsourcing Company. Hire the expertise. Focus on your vital few. Maximize your opportunity in the marketplace. Hire internal staff that will produce bottom line results. Don't staff up with people who will manage and track all the internal people who produce the bottom line results. It is really not the best use of internal resources. For about the price of one good internal employee, you can hire a firm of fifty experts. Leverage that into pursuing your dreams. That's why you went into business in the first place.

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