

The Pros and Cons of Outsourcing

Pros of Outsourcing	Cons of Outsourcing
Reduce or Control Costs – by hiring part-time contractors or outsourcing work to less expensive parts of the world.	Cost Savings Can Shrink as You Grow – due to inefficiencies or higher hourly rates for contractors. As your needs ramp up you may need to adjust.
Accelerate Revenue Growth – Tap into new revenue streams by hiring marketing and salespeople who specialize.	A Potential Lack of Responsiveness – Since contractors work with several clients, they must compartmentalize and may not be readily available.
Improved Internal Focus – Let others own certain processes so you and your team can focus on your core competencies.	Outsourcing Is Not for Micromanagers – This option requires that you hire people you trust, set expectations for quality, and allow them to work autonomously.
Gain Expertise and Fresh Ideas – External providers work with a mix of companies and can bring a constant flow of new ideas.	The Potential for Internal Resistance – Your employees may feel threatened by external providers. Make it clear that they are there to help, not replace current staff.
Increased Productivity and Flexibility – Hire for what you need, when you need it, and scale up or down as necessary.	An Efficient Process is Essential – It is not easy to find and manage people. Develop a reliable process or hire a service to do it for you.
Enhance the Customer Experience – Get extra help when you expect a surge in customer inquiries or need to improve the customer experience in other ways.	Communications Can Break Down – Be sure to develop a good system for regular check-ins and sharing of important data, files, etc.
Risk Management – Create a better system of checks and balances and expand your potential talent pool.	Time Zone, Language, and Cultural Differences – Every business is different. Working with people from across the world is not a viable option for everyone.

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