



**H**ow would one define the weather outside? Sunny? Overcast? Windy? Well, it can be any of those depending on the time of year when I ask that question. One weather that stays constant however is the weather of competition. The cutthroat competition of crushing the rivals in the field and grabbing a monopolistic status. Apple Inc. is considered to have one of the most successful business models of all times. What is so unique about their approach? How do they survive this climate and remain at the top of the game?

What is one key factor that maximizes your profits? Is it by increasing the prices of your goods and services? Well, though it might increase the profits, it might end up shrinking your target consumers and ultimately running you out of business in the competitive market.

The other, more efficient way to up your profits is to cut down the cost, the production cost of your services. Imagine you set up a business; get an office, a sales team, an accounting team, a legal team, transportation, utilities and the list goes on. This might make you feel like you are running in a big company, but do you not notice that you are increasing the production cost of your services? Now imagine an alternative situation where you open up a company and you ask a firm to do finances for you, another firm to manage transportation, yet another service provider to see your legal and everything at a lower cost than the in-house team. Voila, do you see your business booming? Do you see how you saved a fortune on the cost while employing the best talents in the field to do the work for you?

It is more affordable to purchase goods/services from companies with comparative advantages than to produce the good in-house which often has huge overheads. The strategic use of outside resources to perform activities that are usually handled by internal staff and resources is called outsourcing.

Outsourcing in business is hiring a firm, a consultant, an outsourced service provider, or a freelancer customer assistant, to handle tasks of your business or work on specific projects. Apple did that, google does that, WhatsApp, Alibaba, skype most of the businesses that saw a growth otherwise unimaginable in conventional ways outsourced the best talents to work with them and do wonders.

Now that we have had a glimpse at what outsourcing is, let us have a look at how it is a blessing for an ambitious business. Outsourcing has the following benefits:

1. **Focus on core activities:** For most businesses the workload increases during the growth phase, personnel multitask and due to this the focus of the in-house team often suffers and the productivity and employee motivation reduces. By outsourcing the additional workload, the in-house team stays focused and productive with the core activities.
2. **Cost Saving:** This happens to be one of the most important features of outsourcing. Increasing the in-house employees not only adds the expense of purchasing equipment or needing office space but also the friction between other departments.



By outsourcing, businesses can save a fortune on (a) A recruitment drive (b) Onboarding (c) training (d) Payroll taxes (e) Increased need for workers in management and HR positions (f) HealthCare and other benefits. When you outsource, you work with contractors instead of employees and it is cost saving.

3. **Skill availability:** The problem of local recruitment is that of unavailability of skill due to unavailability of training or education. This often means you have to compromise. Outsourcing is a viable alternative to this problem; it gives you access to talent in other parts of the world without having to compromise. For the need for specialization in your help, it is wise to expand the domain of your search. With outsourcing, you are pooling in international talent and creativity to your business without having to settle for a lower skill level.



4. **Value Creation of brand:** The overhead costs of some operations are extremely high, but you might have no option but to offer them to satisfy customers, to expand your business model, or to compete survive and excel in the marketplace. Outsourcing is a good option if the cost of those operations is too expensive to handle in-house, would take too long to effect, or would create inefficiencies in your business model. While the outsourced firms work for your business you can put your core focus on the value creation of the brand.

5. **Return on investment:** With the lowered cost of operations, involvement of best firms and increased focus on core activities, and most importantly cost-efficient outsourcing the return on investment is bound to skyrocket. This is particularly true for growing businesses. Outsourcing not only maximizes the return on investment but also sustains it for an extended period.



Other than the above-mentioned benefits outsourcing provides quality control, staff flexibility and operations control too. It is a cost-efficient way of performing extraordinarily in a marketplace that is competitive and makes growing businesses hard to survive. It is undoubtedly the future of successful business growth.