

HELPING HANDS: *Outsourcing Auxiliary Functions*

If you want something done right, do you have to do it yourself? Definitely not, according to businesses that “farm out” work just about as routinely as they open and close each day. Some even find the opposite to be true in a number of regards. They entrust certain auxiliary functions to outside service providers precisely because someone else can offer them better outcomes than can be generated in-house. For many, the practice of outsourcing hinges on the wisdom of retaining the best help at the best price. And for others, cost is not as critical as expertise is.

While large and mid-sized companies tend to view outsourcing primarily as a means of cutting costs, most small businesses consider it first as a vital staff extender. Across the marketplace spectrum, the one thing such enterprises have in common is realizing they need somebody’s help to operate effectively. So contracting the services of quality vendors to do what you might not have enough time or know-how to do well, generally, makes plain business sense.

In most entrepreneurial cases, organizational size dictates capacity. Therefore, the fact that the average small business, as the label implies, needs outside assistance to manage some operational support functions is certainly not a news flash. What’s noteworthy, though, is that the range of auxiliary services for which many of these companies are seeking help has broadened in recent years. Apart from typically outsourced duties, such as finance & accounting; marketing; printing; purchasing and equipment maintenance, business owners are turning to premium differentiators. Pressed by an ever-tightening competitive atmosphere, increasingly, small companies are reaching outward to fulfill requirements in information technology, human resources, public relations, training and comprehensive writing support.

And not all small outsourcers are doing so out of desperation. Astute leaders are invoking the Optimum Commitment Rule. In “*At What Cost?*” (*SuperVision* - 9/09), Michael O’Neil, assistant professor of business at Indiana-based University of Saint Francis, discusses how this rule can guide a company’s allocation of resources to a project. The basic premise states that certain activities should receive only an 80 percent commitment of a business’ internal focus. That’s why outsourcing can be so freeing. O’Neil writes, “Our job is, among other things, to be good planners and decision-makers. We have to utilize scarce resources in the most effective and efficient way possible.” Hence, the growing popularity of incorporating independent contractors into the effectiveness formula. Many times having little, if anything, to do with team reduction in the small company arena, outsourcing tends to be more about efficiency. Thus, before contracting out a job, be sure the prospective provider’s performance system fits your expectations. Also, look for a vendor that can add a dimension of significant differentiation to your company arsenal. With the goal of engaging in value-generating activities, these days, executives are pursuing partnerships of ingenuity rather aggressively. Searching for solutions that can distinctively propel them upwards, they are forming ancillary service alliances with suppliers whose assets can have a positive tipping effect on their corporate image.

“*The Changing Face of Outsourcing*” (*Malaysian Business* - 8/1/09) offers targeted advice on just what you should look for before entering into an outsourcing agreement. Khoo Kok Yeow, Accenture Malaysia’s director of outsourcing, writes, “Providers need to bring real differentiation to the table through industry skills and deep process knowledge. They also need to have the ability to develop new skills and build new assets and the capability to deliver multiple processes in one engagement.”

Yeow advocates working only with those who can deliver business outcomes and cost efficiencies. Yes, you need to get the job done well, but as O’Neil asks, “at what cost?” Hardly a small enterprise can chance losing sight of the affordability factor. But the “cost” question cuts both ways. Be sure that a relatively low price tag doesn’t compromise your company’s integrity. Short-term savings are never worth the risk of irreparable damage to your reputation. O’Neil warns, “A cost-reduction exercise that is not well thought out can destroy an infrastructure, alienate customers and severely affect an organization’s strategic position.”

Two other major considerations in selecting outsourcing partners are whether a candidate can deliver consistent, state-of-art services and whether principals can respond directly and immediately to client business challenges. And, certainly, when you can parlay “helping hand” quality and responsiveness into cash flow and revenue growth, you’ve made a win-win choice.

So, whether you’re in the market for general and administrative, back-office, or creative assistance, by all means do a cost-benefit analysis. Then give yourself enough time to screen prospects and weigh your options thoroughly. And should costs seem prohibitive or you’re just wary about the whole outsourcing process, you don’t have to sacrifice quality to get the help you’re after. Consider starting with a semi-retiree, an intern, or someone else who’s searching for résumé-building experience. There’s nothing quite like a relaxed entrée into new territory.

The procurement and contract opportunities noted below can be found on the Internet at www.itsmarta.com. Because dates for noted events are subject to change, you should contact MARTA's Contracts & Procurement and Materials Division at (404) 848-5131 for verification.

NAME OF BID/PROPOSAL	CONTRACT NUMBER	BID/PROPOSAL OPENING/DEADLINE DATE (Eastern Standard Time)
Procurement of Solar Emergency Message Boards	RFQ Q17690	To Be Determined
Group Health Wellness Insurance Coverage	RFP P17141	Pre-proposal Conference September 23, 2009 at 11:00 AM
Procurement of Government Affairs Services (State)	RFP P18246	September 23, 2009 at 4:00 PM
Group Health Wellness Insurance Coverage	RFP P17141	October 23, 2009 at 3:00 PM
Train Control & SCADA Systems Upgrade	RFP P15120	November 11, 2009 at 4:00 PM

Prospective vendors are urged to visit MARTA's web site for weekly updates.

Announcements

WEDA WORKSHOPS

The Women's Economic Development Agency (WEDA) offers various workshops to small business owners:

- October 8, 2009, 6pm to 8 pm - Patents & Trademark Issues

PRE-REGISTRATION IS REQUIRED FOR ATTENDANCE!

For registration information contact WEDA at (678) 904-2201 or <http://www.weda-atlanta.org/registration.htm>

The Edge Connection at Kennesaw State University offers several workshops and classes for business owners. Visit their website at TheEdge@Kennesaw.edu for the schedule of upcoming events. For more information call (770) 499-2338.

The Small Business Administration (SBA) has a refinancing program. The American Recovery & Reinvestment Act of 2009 includes debt refinancing and business expansion. For more information, visit www.sba.gov/recovery or www.recovery.gov

MARTA Information

All public events (i.e., bid openings and conferences) are held at the MARTA Headquarters Building, 2424 Piedmont Road, NE, Atlanta, Georgia 30324, unless otherwise indicated.

Most solicitations may be downloaded free of charge and are available via the web at www.itsmarta.com. Solicitations with drawings may be ordered for the above noted contracts via telephone by contacting MARTA's Documentation Control Branch at (404) 848-5580 or other sources as indicated.

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