



THE *Strategic Benefits* OF *Outsourcing*

Outsourcing enables companies to focus on their core business activities and their bottom line without sacrificing quality or service in the back office. Companies that adopt business process outsourcing (BPO) also realize its benefits in periods of rapid

growth when back-office operations also expand and start to consume resources, both human and financial.

BPO refers to contracting out activities or functions to a third party to bring about economies of scale and specialist expertise

to business processes that are not part of a company's core business. By outsourcing non-core activities and functions, companies can convert fixed costs into variable costs, thereby releasing capital for investment into other parts of their business.

How does BPO work?

The outsourcing specialist company meets with management of your company to map out business processes and come to a clear understanding of what you need and how the outsourcing can best be implemented.

Outsourcing enables companies to refocus on their core business activities and their bottom line without sacrificing quality or service in the back-office.

A service-level agreement specifies clearly what will be delivered and at what cost. Consultants work with you to develop a thoughtful change-management plan that covers all the issues in moving a business process over to the outsourced company. Pricing and investment planning allow you to tailor a solution to your needs, including options like unit pricing, cost-savings rebates, profit-sharing models, and other variable pricing methods.

What are the benefits and payoff?

- Equal or superior quality of service at a reduced cost
- More time to concentrate on your core business
- 100% compliance with your business processes and objectives, as well as statutory and legislative requirements and changes to these requirements
- Flexibility so that the level of service fluctuates along with the demands of your business

The many back office functions that can be outsourced include:

- payroll
- accounts payable
- call centres
- shipping, receiving, and logistics
- interim manufacturing steps
- assembly processes
- facilities management
- housekeeping services

What are HR outsourced solutions?

Companies are also outsourcing critical HR-related functions. Small- to medium-sized employers don't have the luxury of large internal HR teams, so too much of management's time is spent dealing with operational people issues rather than adding strategic long-term value to the business.

Whether small or large, companies are turning to BPO as a way of handling nearly every HR function, from payroll and benefits to time and attendance. Outsourcing can provide solutions in these HR areas:

- expert industrial relations assistance, including on-site representations with union or employee representatives
- workplace grievances and disputes
- termination of underperforming employees
- on-site OH&S consultation and advice
- implementation and coordination of company induction programs
- outplacement and redundancy services
- retention and employer branding strategies
- recruitment and selection mentoring
- management of workers compensation claims, including reducing employer premiums
- drafting and implementing HR/ER policies and procedures
- employee training and development workshops, e.g., bullying and harassment awareness

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As BPO adoption increases, organizations are also looking at options for outsourcing more strategic talent management functions such as workforce analytics all the way up to leveraging comprehensive outsourcing suites.

What is the payoff?

Growth and expansion can consume resources, both human and financial, and the core activities that make a company successful can be affected. Outsourcing enables organizations to refocus on core growth functions as well as quality and service. Outsourcing also provides economies of scale by lowering costs and providing more flexibility than an in-house function.

When a specialist provider has the economies of scale to provide lower costs, better quality, and more flexibility than an in-house function, it is wise to outsource that process.

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To find out more on how Drake's business process and HR outsourcing solutions can assist you with critical back office and HR related challenges, visit www.drakeintl.com and click on Talent Management Solutions.