TOP 5 OUTSOURCING TIPS



By Shaunvir Mahil

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ABOUT THE AUTHOR



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My name is Shaunvir Mahil. I was born in the UK and raised in both, the UK and USA. In 2007, I graduated in Law, and only a few months after co-founded VirtualEmployee.com with my Dad (who himself worked as a senior software developer in London and Chicago).

Our business, VirtualEmployee.com, is the world's first and only online employee supermarket, where you can hire full-time, dedicated employees in any profession.

Since that time to date, we have helped well in excess of 1500 companies from 27 countries to offshore in more than 50 different professional domains – from literally everything and anything you can think of, be it software development and copywriting, to investment banking and law.

Once we even placed a medical doctor for a German pharmaceutical company!

So, naturally, over the years, we have accumulated a lot of valuable experience and expertise in remote staffing for Small to Medium Enterprises and also have an advanced understanding of the outsourcing landscape as a whole.

And, so, out of all that experience was born this book.

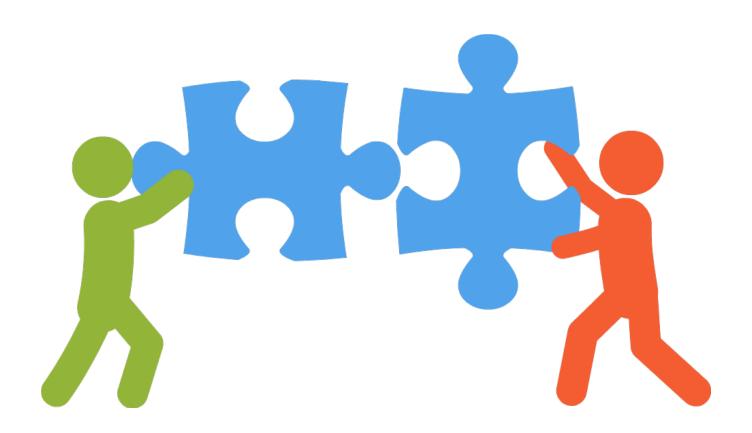
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Think about Rapport and Relationship

1. THINK ABOUT RAPPORT AND RELATIONSHIP



Cost, ability/talent, the vendor's business model, the country you are outsourcing to - generally speaking, these are the factors that most influence clients when they are determining with whom to outsource. Whilst all these factors are important, a key factor that gets sorely overlooked is rapport and relationship.

When outsourcing, we are very quick to forget the human element involved in the whole process. But we shouldn't because, ultimately, the foundation of outsourcing is still people interacting with people. So, if all the parties concerned are not on the same wavelength it's going to have a huge impact on your results.

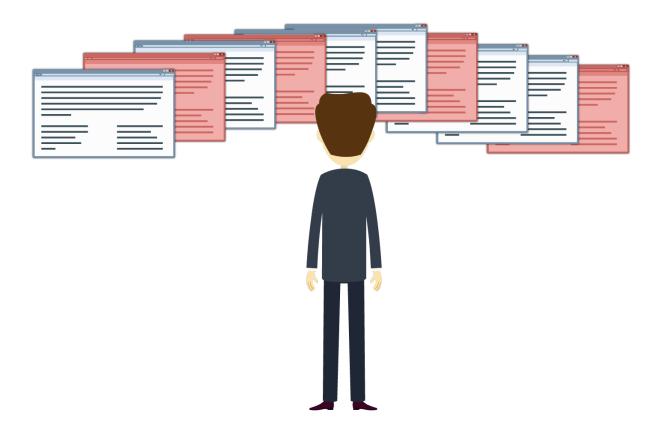
So there are three key points here:

- 1. Don't make the mistake of totally discarding 'rapport and relationship' as a qualifier for whom you partner with. In most business relationships we put a huge emphasis on the relationship, but when it comes to outsourcing, for some reason, many ignore this best practice and decide it is no longer important.
- 2. Actively look for ways in which you can assess the level of rapport and relationship you will have with your vendor and offshore team. You want a vendor and offshore team that "understands you, your business and genuinely cares and is passionate about your mission". If you ever have a hiccup when outsourcing (it may be at the beginning, it may be after 6 months or it may be 3 years down the line), you need a strong rapport and relationship to fall back on, so that you can both work to resolve the hiccup constructively. If you have a weak rapport and relationship to begain with, a difficulty in understanding one another along with mistrust, you may start to clash regarding the steps you take to resolve any issues at hand. We come across clients every day that refuse to talk to us on the phone (or even the staff they will be working with). They only want to correspond via email and they just want a quote. This, quite frankly, is highly reckless because picking up the phone and having a meeting is an opportunity to assess the kind of rapport and relationship you will have with a vendor. You are outsourcing work half way around the world and you are doing nothing to gauge whether you and the people you will be working with will 'click'.
- 3. Once you finalize a vendor and an offshore team that you have a strong rapport and relationship with don't then go and disregard this critical aspect of outsourcing. Ensure fair weight is then given to rapport and relationship when you are determining whom you work with.



Don't believe everything you read online on outsourcing

2. DON'T BELIEVE EVERYTHING YOU READ ONLINE ON OUTSOURCING



Be aware that there is a lot of misleading information on outsourcing for small to medium sized firms, the creation of ignorant (and, dare we say, biased) minds. And a lot of information that is also, quite simply, completely incorrect. Exercise caution and give the benefit of the doubt regarding all that online information about outsourcing.

I have read far too many articles on outsourcing that are just not factual — and, that too, in highly accredited websites and news outlets. For instance, I read one article run by the *New York Times* where the writer clearly did not even know the difference between 'project outsourcing' and 'remote staffing'. If you lack awareness about such basic differences, then you most definitely should not be giving advice to others about how to outsource.

I have also come across several kinds of 'outsourcing gurus' that do not actually even run outsourcing companies themselves, but who, nevertheless, dole out advice on outsourcing. Then there are some 'outsourcing gurus' who do run outsourcing companies but dish out information that is clearly biased and is only given because the underlying objective is to get you to take their services rather than genuinely helping and pointing you in the right direction (more on this in point number 3). The third type of 'outsourcing gurus' are clients that outsource or have outsourced. That is, clients who have (and, worryingly, sometimes even those who have not) a fair amount of experience with outsourcing, but do not actually run outsourcing companies themselves. Whilst some of their information can be valuable, it is often attained through trial and error as opposed to a true mastery and expertise over the domain of outsourcing. Sadly, a client can never be a genuine 'outsourcing guru' because they will never truly know the ground realities of outsourcing. In short, there is undoubtedly a lack of credible and accurate information online about outsourcing, so be sure that you take a lot of the information you find online with a pinch of salt.

Want to ensure an 'outsourcing guru' doesn't lure you into partnering with an inadequate outsourcing vendor?





Don't overly focus on "which country should I outsource to?"

3. DON'T OVERLY FOCUS ON "WHICH COUNTRY SHOULD I OUTSOURCE TO?"



In my opinion, the question 'Which country should I outsource to?,' gets far too much importance. Yes, it is important to identify a country with a pool of English-speaking talent that will deliver a cost-saving advantage, etc. However, by far, the most important criteria to focus on is the capability of the vendor you are partnering with, the ability of the offshore staff and the possibility of achieving any other goals you may have (such as meeting budgetary constraints). If these key objectives are met, then surely it does not matter which country you are outsourcing to?

Another key point to keep in mind when considering this question is that there are many commentators who stigmatize entire countries with just a few condescending adjectives and even classify such countries as 'no-go areas'. To me, this is highly biased and, more often than not, such commentators have a vested interest in depreciating the ability of another country. Again, this brings me back to the point I made in tip number 2, that a lot of the information online about outsourcing is actually incorrect and misrepresented.

Outsourcing to a country that boasts a proven track record in your industry will give you confidence that you are on the right track. And it is important that you outsource to a country which has not only a deep but also a diverse pool of talent (more on this in the next paragraph), a country with a rich work culture and experience and knowledge of how Western companies 'do business' and their expectations. But the key point is, don't make 'which country you outsource to' a focal point, but rather make your focal point 'which vendor should I partner with'. I come across many clients who will say they only want to outsource to a certain country (sometimes when they don't even have any experience of outsourcing). This, in my opinion, is rather illogical.

There can, however, be exceptions to this point. For instance, say you are based in the US and are outsourcing legal work; naturally, you would want to outsource to a country with a common law jurisdiction. Obviously, here, "which country should I outsource to" is now very important. Or say, you start by outsourcing software development, and if your initial foray turns out to be successful you then may decide to outsource in many other domains as well. In such a scenario, you would want to outsource to a country that has experience and talent in a variety of domains and not just software development (there are outsourcing destinations that do appear to have expertise only in certain domains. For instance, some countries are highly specialized in back office/call centre/ virtual assistance domains but not strong in technical domains and, sometimes, the opposite is also equally true).

In general, however, just don't lose sight of the fact that your primary consideration should be the quality/ cost of service you will receive, irrespective of which country you are outsourcing to.



Outsourcing is often associated with many false myths, such as 'working remotely is inefficient' to misconceptions such as 'you can't outsource core competency work'. But you have been lied to!

If you would like to know the truth about the common negative stereotypes associated with outsourcing then:

Click Here to download my **FREE** eBook 'The Top 5 Outsourcing Myths Busted.'



Consider thinking of your outsourcing partner as your 'offshore office'

4. CONSIDER THINKING OF YOUR OUTSOURCING PARTNER AS YOUR 'OFFSHORE OFFICE'



I believe many clients often develop 'tunnel vision' when it comes to offshoring as they solely view their offshoring endeavors in terms of merely hiring a remote employee. But to think like this can be to miss an opportunity.

On our website, we primarily talk about our service in terms of "Hiring a Virtual Employee," but, actually, the original theme or concept for VirtualEmployee.com was that clients could now open an offshore branch office in India (just like large organizations have been doing

for many decades). We, however, found that the "Virtual Employee" angle resonated more with clients than the "your office in India" angle and hence pushed the former more in our marketing material.

But this is not to say (particularly for those with large teams) that you are still not setting up an offshore office (albeit, your outsourcing partner is the one setting it up on your behalf). And so, why not consider presenting your outsourcing operations as your company opening a branch office overseas? Why not consider putting pictures of your offshore operations (your offshore team and the office) on your website with an address and local telephone number? It shows your company has expanded its reach, has a greater global presence and, thus, could well create an even more positive impression for your company. If you are hiring a Virtual Employee, for all intents and purposes, you are hiring an in house resource; so why not present them as part of your company, given that they actually are? This is a practice followed by all large corporations too. They showcase their offshore-based extended offices as their own. Why shouldn't you do the same?

And not only this, for clients with large teams, we actually give them their own rooms, and also signpost their rooms with the client's company logo (wherever possible). The rooms are also then often customized to the specific requests of clients and their virtual employees. This helps to integrate your offshore team and encourages your offshore team to truly feel like a part of your organization.

Additionally, I have also observed first-hand that when clients come to India to work with their staff, they very seamlessly and unnoticeably start working with their virtual employees from their own private rooms. It's almost like a mini office within an office. For all practical purposes, the client now indeed has their own 'offshore' office – an overseas extension of their local office!

When you view hiring VEs as more than just hiring VEs and as setting up an offshore office you will also feel a lot more comfortable travelling overseas to work with your offshore team; it is after all your own office.

Chapter

Don't feel guilty about outsourcing

5. DON'T FEEL GUILTY ABOUT OUTSOURCING



I suspect some clients that are considering outsourcing may initially feel a little guilty about outsourcing.

I feel this is a mistake because (aside from the fact that outsourcing is not actually bad for your local economy, as will be touched on below) you are starting the process with the wrong sentiments. And starting a process with mixed feelings is only going to be counter-intuitive to building a healthy relationship with your overseas vendor and virtual employees. All of this makes it not only a pitfall for working with your

outsourcing vendor, but also erroneous for how you work with your remote resources. This, inevitably, is a mistake because it is not going to aid the success of your venture in any which way.

There are many economics-based arguments that can be given as to why outsourcing is not bad for a local economy (and, hence, why you should not feel guilty about outsourcing). However, as this is not the objective of this eBook, I will not venture deeply into this area here but, rather, briefly touch on three economic-related examples which will (hopefully) showcase to you why you should not have any feelings of guilt about outsourcing.

Example 1:

Most economists agree that outsourcing overall has a positive impact on the local economy, and in the long run creates more jobs. However, if there is one point I wish anti-outsourcing advocates would appreciate, it is to view things from 'the other side of the fence'. Outsourcing is a two-way street. If you come to a country like India, you just may be surprised by how many Western goods and services are available in India. If you go to an Indian mall, you feel like you are in the US. Is this not a form of reverse outsourcing too? Anti-outsourcing advocates seem to forget just how much local job creation is generated offshore too. In short, outsourcing is a two-way street and just a part and parcel of globalization. With US and European firms increasingly selling to India's 350-million strong middle class (and soon to be 500-million strong), there is a lot more for the West to gain from globalization. If every nation were to take a protectionist mind-set, by far, the US and Europe would have the most to lose.

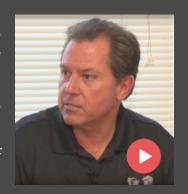
Example 2:

We have found that many clients actually only come to us after having thoroughly exhausted all local options. Only after they have explored all the possible local avenues to find the staff they need and have been unsuccessful, do they then come to us. If you are hiring employees overseas because you simply cannot either a) find talent locally (whether due to lack of qualified candidates or interest in the job role), or b) just simply cannot afford to hire locally, surely then there is no way in which outsourcing is detrimental to the local economy?

Consider the following example. A one-man business consultant working from home makes \$60,000 a year. This solo entrepreneur wants to grow his business further by hiring a digital marketer to help him increase his leads; a) Would a high flying digital marketer based in the US want to work for a solo entrepreneur? Probably not; b) If your profit is \$60,000 a year, could you afford to hire a digital marketer for \$40,000 a year? Again, this is unrealistic.

But could this solo entrepreneur hire a digital marketer in India for \$15,000 a year? Possibly. It's still a big move to make, but nevertheless, now a lot more feasible. If the solo entrepreneur does hire the digital marketer in India, surely this is a value-addition for the local economy? No job was lost because no one was available locally in the first place, and so no one was bypassed locally. And, secondly, a small local business now benefits from an expertise or skill (which is a value to the local economy), which it otherwise was previously devoid of. Many businesses, both large and small, are forced to outsource not necessarily as a result of their own will but rather as a last resort. A vacuum is a good analogy for outsourcing; just as a vacuum is filled rather then replaced, the same holds true for outsourcing.

A good example of this is the following case study. In 2014, I met Spencer Freeman, the CEO of Freeman and Sons. He employs 20 people locally in the US and hired two Virtual Employees with us. His company simply did not have the funds to hire the staff he did with us, locally. Is Spencer hurting the local economy by bringing on two additional staff to help his local team of 20 work more efficiently? You can see for yourself in the case study below that I shot with him:



https://www.youtube.com/watch?v=SrqIa9pB0hk

Example 3:

Lastly, outsourcing helps to drive innovation. Any new business project launch is risky. Especially when it comes to large technical or software development projects. A lot of entrepreneurs have great ideas, but the fear of failure holds them back and their ideas never get released or tested due to the high costs involved in experimenting with their innovative ideas. By outsourcing, entrepreneurs are able to experiment more because now the risk factor is so much lower. What drives an economy is not jobs, it's entrepreneurialism and innovation! Ask, where do jobs come from? They come from successful businesses. And what creates successful businesses? Innovation and experimentation! How do you increase experimentation? You make it easier to experiment and that's precisely what outsourcing does. Many of our clients are running, and experimenting with, projects they quite simply would not run if they were to get the work done locally, because the stakes would simply be too high. In short, without outsourcing, a lot of innovative ideas would get left on the drawing board (and trust me on that, there is a lot of software developed in India that you would have never realized; whether for large companies or start ups). It is innovation and an entrepreneurial mind-set which has made the US the most powerful economy of the world. Putting the brakes on outsourcing is equivalent to depriving the local economy of innovation and, consequently, the future job growth that comes from such innovation.

We have seen first-hand that businesses go through a certain cycle. Take a new project launch (whether for an established company or a start-up); clients will exclusively outsource, because it is the only way they can take their dream project from a mere idea to actual development. But, as the start-up idea begins to grow, becomes more established and starts giving a ROI, the business organically begins to start hiring staff locally too. A hybrid approach starts to take form, where the company is now hiring staff both, domestically and offshore. This local employment would never have been generated, however, if it were not for the push and spark that initially came from outsourcing.

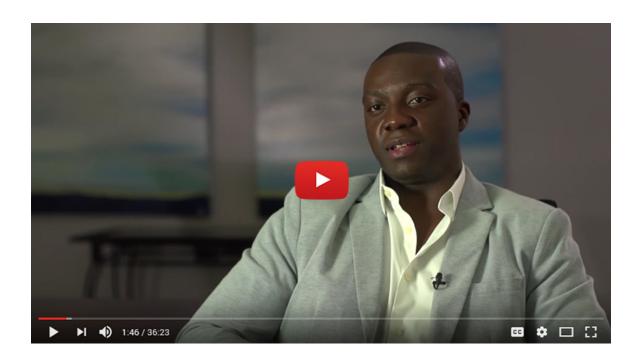
So, what we need to focus on is what makes it easier for entrepreneurs to be successful, because once a business is successful it will inevitably have a local presence which, in

turn, creates jobs that would have otherwise never existed. Outsourcing is one way to encourage entrepreneurialism, and it will have a cascading local job creation effect. Take that away and what you are left with is a lot more washed away ideas that could have generated jobs locally but were not given an opportunity to get off the drawing board. It is important to keep in mind just how difficult it is to hire staff locally for a new project launch; with no ROI on a new launch, hiring locally can devour a budget before the idea has truly had a chance to take off.

It is also worth keeping in mind that we are increasingly shifting to a digital and onlinebased economy. More and more jobs, for instance, are being created in social media (who would have thought of this even 10 years ago?). A natural consequence of a digital-based economy is that we will get more and more young entrepreneurs, quite simply because they are the demographic most in sync with digital, social media and mobile apps. A problem, however, for young entrepreneurs is that they are unlikely to have huge sums of capital investment at their disposal. Again, outsourcing gives such young entrepreneurs a chance, a window, and an opportunity to take their idea from the drawing board to the launch pad. In the absence of outsourcing, there is quite simply no way many young entrepreneurs could venture into the world of business. In such a scenario, how can outsourcing possibly be bad for a local economy? Rather, it offers a competitive edge for a country; if a large percentage of under-25s in the US are experimenting with entrepreneurialism (with the aid of outsourcing) vs. another country where the under-25s have next to little opportunity to start up their own business (or rather, are even working for the under-25 young entrepreneurs in the US), surely in the long run the former scenario is better for an economy?

If my logic sounds far-fetched, then I encourage you to watch the below case study. In 2015, I met Ike, the co-founder of Launch Pad Pro. Ike dropped out of college to pursue his dream of building a unique social media app. Could Ike have pursued his dream if he had had to hire developers locally? Of course not; it would have been literally impossible. But outsourcing to India has enabled him to take his idea to actual launch which, in turn, enabled him to get venture capitalist funding which, in

turn, enabled him to also hire locally! Had Ike not outsourced, would his application have been feasible to develop locally? Can a student, who has dropped out of college, realistically hire \$70,000 per annum programmers locally? And even if he could, would senior programmers want to even work for a start up (which doesn't have VC funding)? Take a look at the case study and consider for yourself whether outsourcing is really the villain it is often made out to be.





If you are thinking about Outsourcing... Do you know?

- 1. The 3 most common Outsourcing Models?
- 2. How to assess the knowledge transfer complexity of your work?
- 3. How to check if you are outsourcing correctly, in just 5 minutes?

Outsourcing can transform your business, but only if done correctly...

In my eBook, 'How to Outsource Work Overseas' (based on my lecture at the Social Media Week), I share with you The 7 Key Steps to Ensure 70%+ Cost Savings, and the 10 Most Common Client Pitfalls to Avoid

The 7-Step Process for Outsourcing Success:

Step 1: Ask Yourself, Are You Outsourcing for the Right Reasons?

Step 2: Invest Time to Learn How to Outsource Before You Outsource

Step 3: Analyze and Evaluate Your Work Before You Outsource It

Step 4: Choosing the Right Outsourcing Business Model for Your Work

Step 5: The Outsourcing Heuristic

Step 6: Choosing the Right Outsourcing Vendor

Step 7: Getting Started with Your Outsourcing Partner



By following my 7-step methodology, you will have an effective outsourcing strategy in place that will ensure you get outsourcing right, the first time.

Yes, I want to ensure 70%+ Outsourcing Cost Savings

Want to Hire Virtual Employees?

HIRE VES FROM ONLY \$995-\$1995/MONTH IN ANY DOMAIN

Now hire employees with.....







Zero Recruitment

Get instant access to talented professionals for free

Zero Long Term Contracts

Scale down with just 5/15/30 days' notice



Zero Liability

No more employee labor laws, tax, insurance, worker's comp, etc



Zero Management

No more HR, Accounts, IT, Admin, Maintenance, etc



Zero Capital Investments

No more startup costs, collateral damage or overheads, etc

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