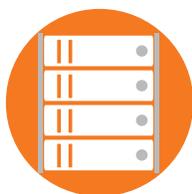




Six Services Every Small Business Should Outsource

As a small business owner, it can be hard to let go of control. But as costs and competition increase, it may be time ditch the “I can do it all myself” mentality and offload those onerous back office tasks. A June 2014 survey by Gigaom Research found that only 14% of small business leaders are happy with how they allocate their time to business activities. Nearly half said they spend considerably more time on operational tasks at the expense of business strategy. As a result, nearly all (92%) said they plan to continue or increase outsourcing in at least one area of their business.

While every business is different, here are six services that make sense to outsource.



1. Information Technology (IT):

A 2014 Deloitte survey found that 53% of companies outsource at least some of their IT functions; another 26% plan to do so in the near future. In addition to cost savings (which can be as high as 40%), using outside vendors or cloud solutions to manage your IT functions makes you more agile as a company and provides flexibility as your business grows.



2. Accounting/Finance:

Payroll is the commonly outsourced service, yet 60% of small businesses still handle this function in-house.² Handing this task off to the experts has been shown to decrease costs and increase compliance. Companies that outsource payroll save 18% over businesses that tackle it themselves.³ Furthermore, the IRS estimates that 40% of small businesses pay roughly \$845 per year in penalties for late or incorrect filings and payments. Sales tax can be equally burdensome. Aberdeen Research Group estimates that small companies spend 24 days per year manually managing sales tax compliance at a cost of around \$22,000. Face an audit and this cost increases four-fold. Online services and automated software can reduce this risk and save you a bundle in the long run.



3. People:

Three in four U.S. small businesses say hiring freelancers gives them a competitive edge.⁴ One-third of Americans are now opting to freelance, contract or consult, which means there is no shortage of skilled labor for hire.⁵ Utilizing freelance and contract workers gets companies talent they likely couldn't afford otherwise. Virtual assistants are also a hot commodity, with affordable admin experts a mere click away. Outsourcing allows your business to scale staffing needs according to seasonality or project. Just be sure to follow protocol for properly classifying workers to avoid IRS scrutiny and possible penalties.



4. Marketing:

Ecommerce and social selling has made e-marketing, web stores and social media more vital than ever for small businesses. But, for most, it isn't financially feasible to have full-time PR, social media, and web design functions in house, nor is it the best use of resources. A survey showed that small business owners spend roughly 33 hours a week on marketing activities. A high number (76%) of this group reports having insufficient time in the day to get everything done.⁶

¹ e4e, Inc. ² National Small Business Administration ³ PricewaterhouseCoopers

⁴ Elance ⁵ Freelancers Union ⁶ Constant Contact



5. Logistics:

As a retailer, outsourcing logistics frees up time to focus on selling and merchandising. Having fulfillment, warehousing, and delivery activities handled by third-party providers not only lowers overall spend, it helps improve customer service. These providers are experts in what they do. So they can respond quickly and scale to meet demand easier than you can.



6. Customer support:

For smaller organizations, having trained or dedicated customer service staff isn't always a viable option. This often means office staff or salespeople have to handle this function, dividing their time between getting new customers and keeping the old ones happy. Outsourcing to a contact center can give you that extra manpower to handle those customer calls. However, business owners should carefully weigh their options as costs and services vary widely. Cloud-based services or shared-agent solutions may be more affordable options.

Outsourcing can be a smart strategy for extending your capabilities as an organization while keeping a focus on your core competencies. One of the best examples of cost savings is utilizing freelance or contract workers—saving you between 30% and 50% over employing full time staff.⁷ But don't discount other advantages such as lower risk, better compliance and greater control over resources. Most importantly, outsourcing allows you to refocus your priorities as a business owner or manager and avoid wasting time, money and talent (including your own) on activities that could be better handled by an expert outside your organization.

Thinking about outsourcing?

- » Do a competency analysis: where can you offload non-core tasks to a freelancer or third-party?
- » Consider contracting out projects like web design, marketing and social media.
- » Look into automating sales tax in your accounting system to handle compliance issues.

Get Started.

To learn more about pricing, view online demonstrations, or chat about AvaTax's capabilities, visit:

www.avalara.com

or call



877.780.4848 today.

⁷ *Businessweek, Elance, Basex*

About Avalara

A privately held company, Avalara was founded by a team of tax and software industry veterans to fulfill a vision of delivering an affordable, scalable sales tax solution. Thus making what was not economically feasible in the past for mid-sized business not only affordable, but more accurate as well – all with the latest and most innovative technology available. From Bainbridge Island, close to Seattle, Avalara's knowledgeable staff works tirelessly to help customers put the hassles of sales tax compliance out of mind. Avalara's mission is to transform the tax process for customers by creating cost-effective state-of-the-art solutions. The company does so through integrated on-demand, Web-based software services that provide transparent transactions, accurate tax compliance, painless administration and effortless reporting.