



# Georgia Department of Revenue

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## OUTSOURCING

*When it's right and how to decide*

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A GREAT STATE TO SERVE



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## Topics

- Why Should you Outsource?
- What Should you Outsource?
- When Should you Outsource?



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# Why Should you Outsource

- Lower operational and labor costs are primary reasons why companies choose to outsource. When properly executed it has a defining impact on a company's cost savings
- Free internal resources that could be placed into effective use for other purposes is also a primary benefit realized when companies outsource
- Many times stranded with internal resource crunches, many world class companies outsource to gain access to resources not available internally



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## Why Should you Outsource cont.

- Delegating responsibilities to external agencies or companies can wash their hands off functions that are difficult to manage and control while still realizing their benefits
- Outsourcing also enables companies to realize the benefits of re-engineering
- The fruits of labor are visible among some of the leading enterprises world wide, where in outsourcing has become a core component of day to day business strategies



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## What should you outsource?

The tasks that you choose to outsource may vary depending on your industry. In general, there are two broad types of tasks that lend themselves to outsourcing:

- Tasks that are critical to your operations, and not a vital component of your strategy
- The activity isn't central to generating profits or competitive success
- Jobs that are routine and may/could waste valuable time and energy
- Tasks that are temporary or recurs in cycles
- Is less expensive to have someone else do than to do in-house
- Can be done in-house cheaper but drains resources that could be better used elsewhere
- The activity isn't one that people enjoy doing
- The skill required is so specialized that it's impractical to have an FTE perform it





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## When Should you Outsource

- One of the best ways to decide is to perform a cost/time calculation.
- As soon as the need is discovered
- Before future success is compromised
- Before legislative changes impact your business



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## Conclusion

Outsourcing is a viable option for many functions to include customer service, computer services, and mail services:

- Select a compatible company
  - Choose a company that understands your needs
  - Create a contract that is flexible to your needs
  
- Establish the standards you expect
  - Communicate the standard of performance you expect
  - Outline the standard in a contract
  
- Arrange for constant communication
  - Schedule regular meetings with partners



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