



## Faster and Better

### Why Outsource and When?

By Tina Teree Baker, CEO, Cadence Group

Regardless of the industry, many companies have been, and continue, outsourcing more and more of their operations. In addition to using outsourcing as a way to cut costs, companies are also embracing it as a way to concentrate on their core competencies. Outsourcing or *managed services* is defined as contracting with another company or person to do a particular function.

The idea of outsourcing – to further enable business processes and build stronger organizations – is a powerful one. While there is much focus on outsourcing for transaction-intensive operations, companies can also generate greater economic value from streamlining operations. This is especially true if the outsourced functions are high in volume, or outside an organization’s core competency.

#### Best of Both Worlds

Companies that provide managed services retain senior level, broadly experienced experts with the knowledge to solve process-centric problems quickly. The most common forms of outsourcing are information technology outsourcing and business process outsourcing.

You can find qualified service providers offering everything from marketing, communications, and human resources (HR) to records and information management (RIM). Marketing and communications firms, such as MMI Associates, a full service public relations firm, serve as both a supplier and a buyer of managed services.

*“I think that outsourcing provides a company with the best of both worlds. It allows you to concentrate on your product or service and what you do best and utilize others to provide their product or service as a resource for you. I outsource all of my IT for instance, which is definitely not a strength of mine, which frees me up to devote all of my company resources to what we do best... which is public relations,” shares Patty Briguglio, President & CEO, MMI Associates, Inc.*

The risks associated with data security and records compliance give organizations the incentive to outsource functions like IT and records management. The expertise acquired through outsourcing records and information management can protect your company from potential fines and unnecessary e-discovery costs associated with inconsistent and non-compliant administrative practices.

And, whether you choose a local, more personalized service or one of the avenues the Internet has opened up for outsourcing, such as “nearshoring,” “noshoring,” and “rightshoring,” information security is also a priority.

## Legal and Regulatory Concerns

Legal and regulatory concerns affect not only records and information management across the organization but also infrastructure functions such as human resources.

*“Once you become an employer there are so many laws and practices of which you need to be aware. So the question then becomes outsourcing vs. having an in-house expertise. Outsourcing makes business sense – the areas in which you are not an expert will take you longer and create more exposure. For HR, it is not a matter of if you will get caught if you are not in compliance, it is a matter of when. We know when someone has true HR knowledge and when they do not – it is our business,” explains Sheila Lowden, President & CEO, Lowden & Associates, Inc.*

## Value of Quick Fix

One of the greatest advantages of the outsourcing relationship is derived from greater access to professional problem-solving resources for short-term “get in and fix it” situations – where the value of high-end expertise is needed as an immediate solution. This short-term cost can even be spread over several contract years rather than taking a hit in a single budget cycle. Understanding the level of expertise and the capabilities of a service provider, beyond the day-to-day operations, should be an important part of the vendor evaluation process.

*“When outsourcing to an HR or other vendor, the key is making sure that the vendor is going to deliver on your specific business needs. Often times, firms will provide you with a cookie-cutter style approach. Make sure you do your research so you know exactly what you are getting,” explains Sheila Lowden, President & CEO, Lowden & Associates, Inc.*

## Conclusion

Outsourcing or managed services can enhance business functions in many ways, including the ability to:

- ▶ Streamline operations
- ▶ Gain specific expertise without the overhead of additional staff
- ▶ Solve process-centric problems quickly
- ▶ Lower costs while concentrating on core competencies
- ▶ Reduce regulatory risks and potential fines
- ▶ Gain high-end expertise for immediate solutions

Both parties – the client and the vendor – must remember that outsourcing is not just a contract, but a relationship to be nurtured and strengthened for greater advantages on both sides.

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### **About the Author**

Tina Baker is President and CEO of Cadence Group<sup>®</sup>, an information and records management company. Ms. Baker has a National Partner role with Women Impacting Public Policy. She is active in ARMA International and The Brain Trust, an organization of CEOs, and has served on the NAWBO CEO Roundtable. Her community service includes leadership roles in various youth service organizations. Ms. Baker speaks at conferences and sits on panels such as the *Atlanta Business Chronicle* discussion on "Overtime Pay" and the Global Executive Women panel on "Business Intelligence: IT's Ticket to the Board Room." She has been quoted in *EContent Magazine*, *Atlanta Woman Magazine*, and *KM World* and published in *Enterprising Women*, the magazine for women business owners.

### **About Cadence Group**

Formed in 1988, [Cadence Group](http://www.cadence-group.com) is a women-owned and WBE-certified information and records management company headquartered in Atlanta with a satellite office in Washington, D.C. Clients range from Fortune 500 companies to large government agencies. Cadence Group serves a broad range of industries such as telecommunications, healthcare, finance, retail, manufacturing, energy, airlines, law firms, and federal and state government agencies.

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