

A Guide to Outsourcing

for Your Small Business



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Running and growing a small business takes 110% of your time and energy. Wearing many hats, from salesperson to accountant to CEO, makes it even more challenging. Wouldn't it be great if there were a way to clone yourself so you could get more done in the same amount of time?

Try doing the next best thing: outsourcing.

Outsourcing may sound like something only big companies can afford to do, but it simply means you're handing off some duties to outside contractors rather than handling these tasks yourself or hiring employees to do them.

Today, a vast array of online resources makes outsourcing viable for even the smallest of companies. You can outsource to contractors in your own backyard, across the country or halfway around the world. That means you can find contractors with the skills you need—no matter how specialized—or seek out the lowest-cost solution to fit your business budget.

Start outsourcing today and get some peace of mind.



What and Where

1. Information Technology. You may not need a tech expert all the time—but when you need one, you really need one. Whether something goes wrong with your computer network, a virus hits your business or your laptop crashes, having an outside IT expert to turn to for tech support ensures you won't lose time (and money) to tech troubles. And then there's your business website—an essential part of your marketing and sales mix. Make it the best it can be (even if you're not a techie) by finding IT contractors who can handle everything from website design and maintenance to creating mobile apps.

2. Virtual Assistant. One of the first employees every small business owner dreams of hiring is an assistant. Wouldn't it be nice if someone could help with the small, but vital stuff like answering emails and returning phone calls, scheduling your days, sorting your expense receipts and making travel plans? Outsourcing to a virtual assistant is a perfect solution if you don't need or can't afford a full-time, in-house assistant. Even having a virtual assistant work for you just a few hours a week can free up lots of your time for more important tasks.



3. Bookkeeping. Maintaining the books, invoicing and entering financial data are sheer drudgery for many entrepreneurs. You probably have an outside accountant to handle your business taxes, but outsourcing plain old bookkeeping to a lower-priced freelance bookkeeper can save you a lot of money—not to mention a lot of time you'd otherwise spend on monotonous tasks like entering expense receipts and preparing reports.

4. Human resources. With employees come many headaches. Fortunately, there are plenty of online resources that can handle HR tasks such as payroll, benefits administration and attendance/scheduling.

5. Marketing. Marketing is possibly a small business owner's most critical task, but let's face it: Plenty of small business owners just aren't marketing-minded. If crafting clever Web copy is beyond your skills, or you simply don't have time to manage social media for your business, there are plenty of places where you can find marketing help to handle everything from blogging and tweeting to planning your marketing calendar and designing your marketing materials.



- 6. Sales.** Hiring in-house salespeople with salaries, commissions and bonuses is costly, but if you're tired of making sales calls yourself, try outsourcing to experienced salespeople. In most cases, you'll pay commission only so you're not paying until you get results.
- 7. Customer service.** Wouldn't it be great to have a whole staff of customer service people cheerily answering the phones or chatting with your customers on IM? Until that day comes, why not outsource your customer service? Outsourcing offers several advantages, including the ability to staff up or down at busy times (like the holiday shopping season), offering access to representatives who speak different languages, or providing representatives outside your time zone so you can offer 24/7 customer support.
- 8. Corporate compliance.** If your company is an S or C corporation or a limited liability corporation (LLC), you know how much red tape goes along with complying with the laws regarding corporate entities. Instead of enlisting a costly attorney to ensure your compliance is handed and your documents are in order, or trying to keep track of it yourself, try using an outside service. It will help you stay on the right side of the law without draining your bank account.



Independent Contractor or Employee?

When working with independent contractors, it's important to play by the IRS's rules. If the IRS determines that someone you're classifying as an independent contractor should actually have been classified as an employee, you could be liable for fines as well as withholding the person's employment taxes.

The IRS uses three tests to assess whether a worker is truly "independent":

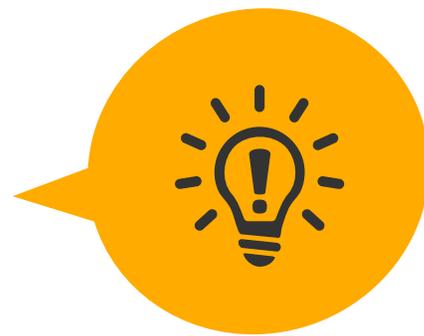
- 1. Behavioral.** If you tell contractors what to do on a daily basis, require them to do the job in a certain way or with specific tools, or require them to work certain hours, they may be employees.
- 2. Financial.** If you provide contractors with equipment to do their jobs, pay them a salary or restrict them from providing the same services to other companies, they may be employees.
- 3. Relationship.** Do you provide benefits such as health insurance to your contractors? Then they may be employees. Do you use a contract that states clearly when the relationship with the worker ends, such as after a project? Then they're probably an independent contractor.

This is a complex issue. Visit the IRS website to get more details on [how to classify workers](#).

Outsourcing Resources

Most outsourcing websites work in similar ways:

- The site lets you post projects, or search for freelancers, in a wide range of skill and project areas.
- The site serves as a “middleman” between your business and the freelancer. You pay the site, they take a percentage and then pay the freelancer.
- Some sites allow you to view past projects, reviews and resumes from contractors on the site.
- Some also provide a collaboration hub that lets you manage projects and communicate with your freelancers directly on the site.
- Sites may offer dispute resolution or rules for how businesses should handle unsatisfactory work.



Before you use a site, make sure you know what services and guarantees it offers. Read online reviews and ratings from other users like you, and talk to other business owners you know to see what websites they recommend.

Here are some of the most popular websites for small business outsourcing:

- **PeoplePerHour.** This web-focused site has everything you need to get your business website up and running—and keep the traffic coming in. From web designers to online marketing copywriters and SEO experts, you’ll find them all here.
- **TimeEtc.** Focusing on assistants and administration, this site can also help you find HR administrators, customer service assistants, sales administrators and more. Pay a flat rate (\$26/hour) and let the site manage the worker—you just tell it what you want done.
- **oDesk.** Find IT, web design and services, sales and marketing, customer service, writing and translation, and administrative support on this site.
- **Freelancer.** Data entry, logo or business card design, mobile app creation, website SEO and writing articles or blogs are among the tasks you can get handled at this site.
- **E lance and Guru.** Both these sites offer a huge range of services, from the usual suspects (SEO, web design, customer service, administrative and sales and marketing) to the more complex (engineering/architecture, legal services, finance and management).

- **The Company Corporation.** Corporations and LLCs typically choose a third-party Registered Agent to ensure their important legal documents can be received during all business hours. The Company Corporation's **Registered Agent service** includes the online **Compliance Watch** tool, which alerts you whenever your essential compliance filings are due, provides secure online storage for your business documents and provides a comprehensive to-do list that keeps your business on track.
- **EverNext HR.** This service matches you with a virtual HR assistant who handles all your HR headaches—but can also serve as a personal assistant to do things like schedule your appointments, book travel or even do online research.
- **ADP.** This well-known HR service handles everything from payroll and attendance to HR management and benefits administration.
- **Insperty.** Businesses with 5 to 149 employees can get full-service HR including access to health insurance and workers' comp, help with government compliance, payroll and administrative support.
- **Fiverr.** Got an odd job that doesn't quite fit into any category? Check this website where you can promote "gigs" to do just about anything you need done, and freelancers post their willingness to do anything from drawing a caricature to doing voiceover work.

Making It Work: Virtual Tools

When you're working with contractors you never meet in person but only connect with online, you need some extra tools to ensure that collaboration and communication go smoothly. Below are some popular apps that small business owners swear by for getting (virtual) work done.

For conference calls and/or videoconferencing:

- **Adobe Connect**
- **GoToMeeting.com**
- **Skype**

For storing and sharing files in the cloud:

- **Google Docs**
- **DropBox**
- **Box**

For project management:

- **Wrike**
- **Basecamp**
- **Redbooth**

To learn more call **800-818-6082** or visit **www.incorporate.com**.

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