



### **How High Can You Outsource?**

Outsourcing is typically used to reduce costs or manage hourly labor. But some companies gain advantages by outsourcing high-end management and even executive functions.

Sometimes a company faces complex issues of analysis and decision-making that are beyond the capacities of its controller, who's busy paying bills. Or its rapidly growing IT systems demand a chief information officer. The company can't afford more full-time expertise, but through outsourcing it can still bring specialized talent to bear.

#### **Available Across the Board**

Today manufacturing and distribution companies can outsource leadership responsibility for finance and accounting, insurance, safety, IT, human resources, supply chain, training — even executive functions.

Outsourcing at this level isn't like temporary labor. It involves strategic relationships of years, not months. These partnerships should be modeled on a company's relationship with its CPA firm — built for the long haul, not simply because the CPA can do a tax return.

The benefit to a company is stronger personnel with industry exposure and continuous, up-to-date knowledge. One company might “rent” a CFO with sufficient knowledge to represent the firm in dealings with banks or insurance companies. Another firm might outsource for a CIO who can quickly organize a fast-growing IT operation.

## **Experience and Objectivity**

Cross-pollination makes this possible. If your best practices are all developed in-house, how do you know they're best? A veteran who moves around the industry brings a more objective viewpoint.

An outsourced executive may be “virtual” — not present every moment. You're buying expertise in the quantity you need, not 24/7. But he or she can be every bit your partner and know your company almost as well as you do. An outsourced safety officer should know your shop floor and everyone on it.

For leadership functions, finding the right fit is as important in outsourcing as it is in hiring. Make sure you hone in on outsourcing candidates with a combination of skills and background precisely suited to your industry and your process.

*Is executive outsourcing right for your company? Our firm can help you decide.*