



NO BUSINESS IS TOO SMALL

to outsource HR and payroll

PEOPLE HAVE A LOT OF OPINIONS ABOUT OUTSOURCING - SOME GOOD, SOME BAD, SOME TRUE, SOME UNTRUE.

We want to clear the air by getting rid of whatever preconceived notions people hold onto about outsourcing business process function.

DEFINE 'OUTSOURCING' ANEW

Plainly and simply, businesses outsource when they contract internal work to an outside party. If 20 different businesses operate in the same office building, chances are they all outsource their housekeeping needs to a single provider, usually one recommended by the facilities management team.

However, outsourcing does not only pertain to instances where companies want to give their dirty jobs to someone else - that's a common misconception that ought to be put to rest. Businesses can also outsource administrative duties simply because they believe a certain third-party specialist provides excellent service. Maybe they just want to reallocate complex processes elsewhere to prevent them from gumming up the works on site or simply allow the company to focus on growing its business.

WHO OUTSOURCES?

Another popular misunderstanding around outsourcing stems from the notion only big corporations have the power and operating budgets to outsource. And sure, they absolutely can if that's how they want to invest, but as we've learned already, outsourcing means much more than merely writing a check. Sometimes, outsourcing services involve onboarding integrated, innovative technology capable of simplifying important operations.

As with their large competitors, small to mid-sized businesses can count on the full spectrum of Payroll and HR functionality through technological advances in SaaS-based HRIS/payroll solutions and solutions providers, resulting in more effective management of and collaboration with their employees.



MORE THAN HALF OF ALL SMALL BUSINESSES OUTSOURCE GRAPHIC AND WEBSITE DESIGN SERVICES TO FIRMS OR CONTRACTORS

Before we talk about outsourcing solutions, let's investigate what drives small to mid-sized businesses (SMBs) to outsource in the first place:

LIMITED IN-HOUSE CAPABILITIES: Small business owners might recognize their enterprise needs a service or department to survive in an evolving market, but can't quite pony up the resources to get things started, at least not yet.

For instance, one recent study found more than half of all small businesses outsource graphic and website design services to firms or contractors. Small businesses understand the importance of these services, but also know these asset-intensive departments could break their budget. So, they outsource. In fact, according to a Financial Executives Research Foundation and Robert Half study, payroll and taxes are the two most outsourced services today.

PLANS TO SCALE CAUTIOUSLY: Many small businesses don't plan on staying small for very long, but they also don't see any point in rushing. With a patchwork enterprise comprised of freelancers and consultants, SMBs can function effectively in the short term and slowly phase out third-party services as they establish their own.

OUTSOURCE AS ADVANTAGE: With the right outsourcing processes in place, SMBs can draw from diverse and expanding talent pools. A PricewaterhouseCoopers survey found 7 out of 10 businesses of all sizes outsource for this exact reason. Not only that, 76 percent outsource to reduce costs and one-third do so to expand operations geographically to reach a wider market.

All businesses rely on outsourcing for good reasons, but small businesses in particular stand to benefit significantly from employing HRIS and payroll software providers designed with collaborative partnering in mind.

ONE-THIRD OF BUSINESS OUTSOURCE TO EXPAND OPERATIONS GEOGRAPHICALLY AND REACH A WIDER MARKET.

MASTER HR AND PAYROLL MANAGEMENT ON-SITE

How can SMBs get the most of their human resources and payroll departments when, by definition, they may only be made up of a few employees? Maximize HR and payroll with versatile software solutions like Evolution HCM, designed to optimize tasks like benefits enrollment and administration, as well as provide a centralized community resource for all compensation matters.

Better still, Evolution HCM comes with a powerful tax engine included, so SMBs don't need to spend their budgets hiring a tax wiz to ensure compliance with ever-changing federal, state and local tax codes. A recent Deloitte survey revealed half of all businesses outsource tax filing services to mitigate risk. This is especially beneficial if outsourcing requires certain employees to abide by different tax codes than others within the same small business.

SMARTER STRATEGIZING FOR THE FUTURE

As SMBs develop into larger enterprises – measured by workforce size or market prominence, among other metrics – they'll require greater transparency into the information they glean from their operations, namely HR and payroll.

Evolution Analytics delivers customizable visual dashboards capable of aggregating payroll data into easy-to-use, easy-to-read charts and tables. Users have access to valuable business intelligence and can track trends to make informed decisions about the direction of their business moving forward.

ORGANIZE AND EMPOWER OUTSOURCED STAFF MEMBERS

According to a study commissioned by the Freelancers Union, more than one-third of Americans work as freelancers. That's 53 million independent contractors, moonlighters, temporary workers and solo entrepreneurs in the U.S. alone!

Traditional human capital management strategies may not suffice in this modern work climate. A single small business with fewer than 20 employees may have a majority of its workers in disparate locations. Without the right resources in place for managing these workers, small businesses may be unable to capitalize on the advantages outsourcing. Worse yet, freelancers who find small business HCM restrictive and time-consuming may take their work elsewhere.



SMALL BUSINESSES WITH ENHANCED HR AND PAYROLL FUNCTIONALITY MAKE OUTSOURCING WORK ON THEIR TERMS

HR and HCM solutions like self-service community portals give employers and freelancers alike a centralized line of contact accessible from a desktop, as well as authorized mobile devices. From there, workers can obtain compensation information, update their certification and training statuses and manage tax withholdings. Likewise, employers can monitor all these changes to get to know their outsourced employees better, provide them the resources they need and perhaps even convince them to come aboard on a full-time basis.

Furthermore, employers may be required by the Patient Protection and Affordable Care Act (ACA) to offer outsourced employees health insurance, depending on their title and working hours. Evolution HCM helps small to mid-sized employers navigate complex ACA reporting mandates expertly. Everyone stays compliant, everyone stays happy.

BRING EVERYONE TOGETHER WITH ADVANCED HR AND PAYROLL MANAGEMENT

The power of outsourcing is no longer exclusive to big business - advancements in HRIS technology grant small business owners the same edge their larger competitors previously wielded alone. Small businesses with enhanced HR and payroll functionality make outsourcing work on their terms while treating freelancers, contractors and other similar employees as equal parts of the team.

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