

Answers to Your Questions to Get You Outsourcing Successfully, Even Faster!

Many ***love the idea*** of outsourcing, but are a little wary of trying it out and just need to know more before they jump in with both feet. I absolutely can understand that, so I'm back with answers to five more common outsourcing questions.

QUESTION #1: "What are the tax implications?"

Definitely consult with your tax department or accountant on the requirements for paying contractors and claiming these expenses. But generally speaking a contractor is not an employee, so they are responsible for paying their own income taxes, agreed upon expenses, etc.

Overall, hiring a contractor is often **more cost and time efficient** than hiring an employee. Contractors do the required work on their own time for you. You aren't responsible for paying their income taxes, employment insurance, etc. but you still get to deduct their fees as a business expense. It's an ***ideal situation for a solo entrepreneur*** and it's a lot less complicated than having to hire an employee where you have to do all that paperwork and pay out extra amounts.

But before you begin, check with your tax department or accountant on how to claim these expenses and what your obligations are.

A few tax department links: Clearly, this is not an exhaustive list. Do a quick search on a search engine to find the official website of your country's tax department, if you don't see it below. ***Always*** use the OFFICIAL government website as other websites may be out of date or contain inaccurate information.

- U.S.A: <http://www.irs.gov/businesses/index.html>
- Canada: <http://www.cra-arc.gc.ca/tax/business/menu-e.html>
- UK: <http://www.hmrc.gov.uk/businesses/>
- Australia: <http://www.business.gov.au/Business+Entry+Point/Business+Topics/Taxation/>

Once you're informed on the process, you'll be ready to roll!

QUESTION #2: “How do you speak nicely to a person you are outsourcing to if they keep missing deadlines?”

It can be frustrating, but really make sure that you're communicating any work requirements adequately. You are just as responsible for your communication as your contractors are. Ensure they are aware of the priorities and deadlines for everything you assign to them. If you have given them a few things to do, make sure they know what needs to be completed now and what can wait until later.

I've had problems with this before, but I've learned from my own mistakes. I have previously assigned a number of tasks and thought I hadn't overloaded anyone. I gave everything a deadline and priority, but it seemed like a bunch of deadlines were coming up at the same time. When a thing like that happens, it's my fault and I need to ensure I'm more careful in assigning/changing deadlines and assigning a priority to tasks.

Everything you assign should have a deadline, but of course some deadlines are more flexible than others. Make sure your contractors are also aware of what needs to absolutely be completed on time and which deadlines can be stretched.

If you do find deadlines are not being met, **don't stay quiet** and let yourself become more and more frustrated over time, because your contractor may not even know it's an issue. When you let it build up like that and then finally do talk about it, it may not come out so nicely. Communication is DEFINITELY the key.

If your contractors are having trouble meeting deadlines, ask them if there's anything you can do, ask if you aren't giving them enough notice or if they aren't sure of the priorities. Try to determine if there's an even deeper issue. Maybe it's taking them longer because they're new to working with you and they're doing new kinds of tasks. Or maybe there is a personal issue that is keeping them from working. Again, keep the lines of communication open, so you're on top of all potential issues.

If the problem continues, you have to decide how much it matters to you. If a job is a day late and it's not that important, decide if you can live with it or if you have to let the contractor go.

Again, realize you're not really dealing with an employee / employer relationship. It's not as though your contractors are in your office from 9:00 to 5:00 and within that 9:00 to 5:00 period you can expect them to have certain things done. They are still working in their home and they have other things going on. Not that that's an excuse not to get work done, but realize it's a different situation so sometimes you do have to be a little bit more patient.

If they're missing important deadlines and it's causing you grief in your business, you've talked about it **and** nothing seems to be changing, then it's probably time to move on and be firm in your decision.

Here's some advice from Kelly McCausey that might also be helpful:

Someone once explained to me that if somebody misses a deadline or doesn't show up on time, or whatever the situation, don't say, "Oh, that's okay."

It's not okay. It's like a knee-jerk reaction to make the other person feel better by saying "That's okay."

Don't say that. Instead, say, "Tell me what happened."

Give them an opportunity to explain themselves and then you can say, "Well, I can understand that situation. I'm sure it won't happen again."

If instead you're always saying "Oh, that's okay. No big deal," people are more likely to take advantage.

Wise advice Kelly received, and definitely a great lesson in good communication.

QUESTION #3: "What freebies can you recommend to keep on track of what the people you are outsourcing to are doing?"

Unfortunately, I can't actually recommend anything specific because I haven't tried any free solutions – but let me see if I can still help you here.

Really, I do think it's important to invest in a system that does exactly what you want it to do. It all goes back to communication, and the system that will allow the most efficient communication for you is worth any expense you might have to pay, in my opinion.

Tasks Pro – <http://taskspro.com>

But I personally use a service called **Basecamp** - <http://www.basecamphq.com>.

For simplicity, I do like Tasks Pro, but Basecamp is a more complex program that is useful if you have a number of people working on a project. Basecamp also allows for more interaction and updates on a project, which Tasks Pro doesn't. Tasks Pro can be purchased for a one-time fee and installed on your service. Basecamp is a hosted solution for which you can expect to pay a decent chunk of change each month. But again, if your needs are complex, it's a worthwhile investment.

But let's get back to the original question about freebie solutions.

Personally, I ***don't*** recommend using straight email as it's just unreliable and doesn't allow you to see any threads of discussion on a project. But if you want something more reliable and free, here are some options...

You can simply set up a forum with software like <http://www.phpbb.com> or <http://www.yabbforum.com>. You can password protect the whole forum and allow your contractors access to certain forums. For example, if Jane is your virtual assistant, you set up a forum called "Jane" and set up the permissions where only you and her can view it after you enter the password to get in.

Then you can start a new thread when you want to assign a new task and put the due date in the subject line so it's easy to see. Then post the instructions as the first post and you can discuss things right there. Once the VA completes it she can edit the subject line to show it's completed. It's a way of making it work and it's more efficient than email because email just gets lost and you can get confused. At least the discussion is here in one place.

The nice thing about solutions like Basecamp and Tasks Pro is they'll remind you when the deadlines are, you can upload attachments and you can be notified when a project is completed. In addition, those systems will notify users when a new project is posted. Without modifications, most forum software doesn't notify users of new posts.

You could also try setting up a free support ticket system where you assign tickets; as assignments are completed they are closed. There are free programs available like phpOnline and cPSupport. If you have cPanel hosting, you can actually install the free forum and the support ticket scripts easily.

As far as something specific for managing tasks that is also free, I did a quick search on Google ("free project management software") and there are some free options. But like I said, I haven't tried any of these, so I can't say how they work.

You might want to check them out:

- <http://www.softwareprojects.org/free-project-management-software.htm>
- <http://www.jxproject.com/>
- <http://www.openworkbench.org/>
- <http://www.moogsoftware.com>

Just make sure you find or buy something that's going to last you for a long time and has all the features you want.

Before we move on to the next question, Kelly also has a suggestion for you. She uses Gmail and Google documents to communicate with her contractors:

You can create a document or spreadsheet in your Google account and then you can collaborate with other people. You can invite them and they can just view it, or you can invite them to edit.

It's pretty simple and it's something that anybody can quickly do. You can invite anybody anywhere to collaborate with you on something. They don't need a Gmail account to collaborate either. You can invite somebody with another email address, but they're going to get an email that invites them to register.

Thanks Kelly for that great idea!

QUESTION #4: "I would like to know the expense that comes with outsourcing on a budget."

Really **the cost is whatever you want it to be**. The key is to have tasks regularly managed by someone else, as opposed to what Rich Schefren called "*out-tasking*". If you want to free up more time for yourself, you need to be working with someone on an ongoing basis.

Let's say you pay a graphic designer 25 dollars today and then you never do anything again; that's not really outsourcing. You want to work with someone regularly, even if it's just two hours per week - that's when it can make a tremendous difference. For example, if you find a virtual assistant who starts at \$15 per hour, you're looking at about 120 dollars or so per month.

Now if that sounds expensive, **always look at where you're spending your money in your business already**. Is there any advertising that isn't producing results? Reassign that cash to outsourcing because it will give you more time to market your business. If two hours per week is still too much, start with just one hour per week. Whatever you do, just get it started. The expense can be as little or as much as you want it to be.

QUESTION #5: "Do clients have to be aware that I outsource?"

This is a very interesting question and from my experience, one that causes a lot of service providers a bit of conflict.

Let's look at this a few ways.

If the outsourcing you're doing has nothing to do with the service you're providing to your client, why should they have to know? For example, if you are a VA and somebody is doing your bookkeeping, doing market research for you, etc...obviously, there's no reason why your clients should have to know.

If the work you outsource doesn't have a lot of bearing on the final product or service you provide them with, they probably still don't need to know. For example, if you're a writer for hire and you hire an editor...they don't need to know that. The writing is still done by you.

But let's say you're a writer who outsources to other writers. In that case, I'd say it's likely to be a good idea that **your website reflects a "we"-type language**, instead of "I". I don't think you have to explicitly say that someone else might be doing the writing, but convey that you own a business that offers writing services.

But the overall reality is, if you're **outsourcing responsibly** and ensuring that all projects are consistently completed to your standards, then your clients will be provided with the quality work they expect from you.

I'm not saying you should lie or be dishonest, but you should be conveying yourself as a professional business that has staff to conduct day-to-day business. The horror stories I've heard where outsourcing goes wrong for a service provider is in situations where he or she is not checking the quality of the work and isn't working with his or her contractors to ensure work is completed to the appropriate specifications and quality. This is **your business** and **you're responsible** for it.

What Now? "What Should I Be Doing Next?"

Over the past few weeks, I've delivered practical suggestions on taking that outsourcing leap and even taking it to a whole new level if you've already been outsourcing. I hope you've been able to take action on what you've discovered and you're enjoying the benefits of having more time to attend to the more profitable parts of your business...and having more time in general.

It is my goal to help you **run your business...instead of having it run you.**

That's why I'm happy to continue to give you a hand and give you more solutions to any outsourcing stumbling blocks you may come across (and don't worry – there's rarely anything you can't overcome!).

To continue to simplify the outsourcing process, let's us help:
<http://www.OutsourcingSweetie.com> - I'll see you there!