



## How to Find the Best Outsourced Service Provider for Your Needs

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In recent years, Los Angeles and Southern California business owners and entrepreneurs looking for talented workers have increasingly turned to outsourced contract service providers, as opposed to hiring full-time W-2 employees. This is especially true when it comes to hiring financial executives. By hiring such talent on an as-needed contract basis, companies are able to save money by not paying high salaries and overhead for high-level positions they might not need to be filled on a full-time basis. and, more importantly, they are able to obtain the specific expertise required to meet their current needs.

In the past, companies seeking to hire outsourced contract service providers would usually turn to a handful of recognized consulting firms for help in identifying good candidates. But as the demand among Los Angeles and Southern California businesses for outsourced executive talent has increased, so has the supply — but not all outsourced contract service providers are created equal.

### Create a Structured Process

In order to take advantage of the many benefits of hiring outsourced contract service providers, you need a structured process for identifying the right outsourced professional for your particular situation. Choosing the wrong outsourced professional will be a waste of money at best. In a worst-case scenario, it can have a significant negative impact on your business.

Here are a few suggestions to help you find the right outsourced contract service provider for your business:

- Be crystal clear on the scope of work that the service provider is being hired for.
- Get buy-in from employees who will be impacted by the hire. Also consider including them in the selection process if this is feasible.
- Clearly identify the skill sets and experience the service provider will need, based on the scope of work of the particular project.
- Determine the value of a successful outcome. Or, in other words, define what will constitute a successful engagement.
- Determine how much it will cost to realize an acceptable ROI for the engagement, and then create a budget based on this.
- Obtain referrals from trusted resources as your starting point for interviewing candidates.
- Perform thorough research on good candidates — including both online (e.g., LinkedIn, Google searches, etc.) and offline research — before bringing them in for in-person interviews.
- Obtain and check references from the top candidates and perform a background check on any candidate before offering him or her the job.

## **Potential Impacts of the Wrong Hire**

Not following a disciplined approach in searching for and hiring the right outsourced contract service provider can result in many potentially negative impacts on your company. For example:

- If the scope of the project is not clear from the start, there is little chance of success. You'll likely hire the wrong service provider, experience "scope creep," and employees will be uncertain and unmotivated.
- If there is a lack of buy-in, even best outsourced service provider will have difficulty with the engagement, leading to increased costs and lessening the chance of achieving your desired outcome.
- Hiring an outsourced service provider with the wrong skills and experience will also likely increase your costs and reduce the chance of success.
- If you don't know the value of a successful engagement, you likely won't get an acceptable ROI. You also might end up focusing too much on cost and not enough on value.
- If you don't create a budget designed to ensure ROI, you won't have any control over costs.
- Without referrals from trusted sources, finding the right outsourced service provider is like hitting the lottery.
- If you don't carefully research candidates, check their references and do background checks, you might end up hiring a "fly-by-night" outsourced service provider — or worse, a con artist or scammer.

To sum it up, failure to follow a disciplined, structured process for finding, interviewing, vetting and hiring an outsourced service provider can result in money wasted on a provider who does not deliver value, poor morale among employees who have to work with a provider who can't do the job, a loss of confidence in the leadership that brought in the wrong provider, and missed business opportunities or failure to resolve costly business problems.

## **Concluding Thoughts**

By hiring outsourced contract service providers on an as-needed basis, companies are able to save money by not paying high salaries and overhead for high-level positions they might not need to be filled on a full-time basis. At the same time, management has the opportunity to bring in the specific expertise required to meet a temporary need or successfully complete a particular project. As the demand for high-level executive talent has increased, so has the supply, but not all outsourced service providers are created equal. You need a structured process for identifying the right service provider for your situation in order to take advantage of the many benefits such a strategy offers. Not following such an approach can result in many potentially negative impacts on your company.

## **About CFO Edge**

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