

Outsourcing – Today's Realities Important for Successful Business Development

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Thanks to recent historic and economic developments, Russian business has become a world player in the capitalist market economy arena. As a result of this, the time has come to realize that if your business venture does not achieve results comparable to those of successful international companies, it will be extremely difficult to maintain your business in a healthy state, let alone develop it further. The main indication of a successful business is arguably the productivity achieved by employees — this holds both for shop-floor workers as well as members of a management team. This is why to achieve the highest possible return on every employee for the capital invested, which covers both fiscal and less tangible input such as time and training, it is extremely important to maximize the use of outsourcing in certain parts of the business.

When it comes to outsourcing, the main doubts arise when a business owner does not fully believe in the quality of the service provided by the outsourcing firms. In addition to this, in the past 15 to 20 years we have not yet managed to form an opinion as to which outsourcing firms we can trust. There is also a widely held belief among owners that no one can do the job better than them or their trusted managers and colleagues.

I see these issues — the low trust threshold among those who are executing the outsourcing, the desire to control all the processes within the business and at times even the inexplicable insistence on completing certain tasks oneself — as the main reasons why some projects do not work. Another factor that prevents businesses fully using outsourcing is a lack of understanding of the legal processes and legal protection required when involving third parties such as outsourcing firms.

Foreign companies entering Russia with highly defined and tried-and-tested business processes usually stay with their established operational models and often continue existing relationships with the outsourcing partners they were using prior to setting up ventures in Russia. More often than not, it is exactly because of this that these businesses carry on working and operating successfully in the new environment. This underlines the fact that established business processes and proven technologies support the smooth operation of a business in a new environment, meaning all that is required are small changes and fine-tuning.

Personally, when considering outsourcing, I am concerned about security. Low levels of protection for intellectual property and authors' rights can at times become an obstacle when using outsourcing fully as, unfortunately, there is always a risk that after having hired an outsourcer you will at some point see an almost exact replica of your product on the market.

Undoubtedly, market demands with regard to profitability, cost management and growth will in turn make demands on the existing ways of running businesses in Russia. This, together with an increasing awareness of the advantages of outsourcing, should increase demand for outsourcing services especially in IT, which is a fast-moving industry where at times it is difficult to keep up with the changes.

Therefore, outsourcing companies should raise their profile by being more visible. This can be achieved by arranging roadshows and face-to-face meetings with the target client audience to highlight the main advantages of outsourcing, with an emphasis on security and the

opportunities for improving profitability.

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