

The Power of Outsourcing
with the right partner

Business & Travel Services

How Small to Medium Enterprise (SME) businesses can leverage the right external expertise to provide the rocket fuel for business growth.



Redefining Success: The integral role of outsourcing with the right partner

The winds of change brought by the pandemic have opened the window of conversation, raising questions as to whether productivity is chained to a physical workspace.

Either way, businesses were forced to explore whether they could achieve 'more with less' simply by using the expertise of an outsourced services organisation.

According to Deloitte, we're cruising towards an impressive global outsourcing spend of \$731 billion in 2023. Even more remarkable, business process outsourcing is set to sprint ahead, growing by over **9%** per year till we hit the 2030 mark.

In the fast-paced world of SMEs, this boom in outsourcing is not just a trend – it's a revolution. As businesses re-orient their focus towards their key functions, outsourcing of non-core tasks has emerged as the secret to success. It's the perfect blend that trims expenses while pumping up productivity.

For small businesses, outsourcing with the right partner is the key to unlocking a team's potential. By passing off routine tasks like HR or business travel to external specialists, internal resource time is freed up to tackle the high value business tasks.

As a travel management company that specialises in helping SME organisations succeed, we see this first-hand: we manage the performance of the entire travel program to ensure businesses extract the most value so that their teams can focus on what's important in their job!

24% of small businesses cited heightened efficiency as their top reason for outsourcing.

Other benefits include:

- expanding their talent pool (18%)
- gaining flexibility (16%)
- liberating their team to focus on crucial tasks (15%)
- Clutch Global Survey

While efficiency is a huge catalyst for outsourcing, in 2023 there has been a fundamental switch from using multiple suppliers for many mundane tasks to working with a few focused partners with capabilities across many aspects of a business portfolio. This saves costs, builds trust and commitment, and streamlines the path to achieving business objectives.

For SMEs that have found partners who pair cutting-edge technology with a strategic and service based approach, outsourcing has evolved from being just a handy tactic to a robust response to the dynamic business landscape. It's a testament to the remarkable adaptability of SMEs, and their drive to innovate, grow, and thrive.

In this paper, we'll take a deep dive into how SMEs can outsource with the right strategic partners to turbocharge their business growth.

Let's dive in!

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Australia's SME Superstars: Big Contributors, Big Challenges

“ Australian SMEs are the backbone of our economy, creating jobs and driving innovation. ”

Scott Morrison,
Former Prime Minister of Australia

Small and medium-sized enterprises (SMEs) are the backbone of the Australian economy!

They are responsible for creating two-thirds of all new jobs in Australia, they drive innovation in developing new products and services and contribute to economic growth with over half of all private sector investment

- SMEs account for over 99% of all Australian businesses
- SMEs employ over 40% of the private sector workforce
- SMEs contribute over 50% of Australia's GDP

source: (ABS Business Conditions and Sentiments, 2022)

However, it's not easy being an SME!

SMEs face a number of challenges, from cashflow and access to finance, to limited resources and talent acquisition, and competition with regulation! These factors impact the ability for SMEs to grow and this is only amplified in the current economic environment of rising inflation and pressures in the labour market and supply chain.

- 31% of employing SMEs are having difficulty finding suitable staff.
- 46% of all businesses experienced increases in their operating expenses.
- 41% faced supply chain disruptions in H1 FY23

source: (ABS Business Conditions and Sentiments, 2022)

Whilst the government provides some initiatives to support SMEs on loans, innovation connections and advisory services, this is not always accessible to a large number of SME businesses.

SMEs need to forge ahead on their own and now, more than ever, SMEs need to work smarter. It's essential for them to focus on their core competencies and ensure internal staff are working on what will contribute the most to the business.

In this light, the latest business data from the ABS showed that nearly 1 in 5 Medium sized businesses are planning on outsourcing during the Q2 period of FY23 and this is only set to grow in current FY24.

Table 4: Planned workforce actions over the next three months, by business size, %, June 2022

	Increase staff numbers	Increase wages or salaries	Introduce new flexible working arrangements	Outsource work to a third party	Re-train existing staff	Rearrange job roles and responsibilities
Small	25%	29%	14%	10%	21%	20%
Medium	52%	49%	20%	18%	45%	36%
Large	57%	49%	25%	22%	48%	39%

Source: ABS, Business conditions and sentiments, Table 11

So now let's explore how outsourcing with the right partner brings in expert help on essential business functions and enables SME staff to double down on what they do best!

Turning SME Challenges and Opportunities:

The power of outsourcing

As already discussed SMEs face unique challenges, such as limited resources, balancing growth with cashflow, restricted access to finance and a competitive market. These challenges can seem daunting, but also present opportunities when approached with the right strategies and partners to support. Here are seven ways that SMEs can turn challenges into opportunities through outsourcing:

1. Financial Management: Getting It Right

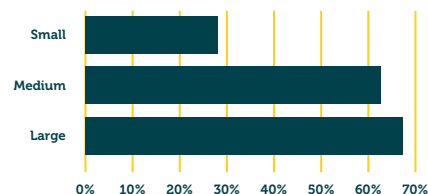
Managing cash flow, collecting payments from customers, expensing and securing loans are key financial challenges for SMEs. Inflation, an increasingly demanding and costly labour market, escalating rates, more stringent borrowing prerequisites and persistent supply chain issues, present a tough outlook! Business managers must remain informed about accessible resources, shifts in government policies and other prospects that can help contain costs and maximise value extraction.

Outsourcing aspects of financial management to experienced professionals, along with seeking opportunities for better cashflow management with the right partners, can help SMEs alleviate these challenges.

2. Talent Acquisition: Building Your Team

Finding and retaining qualified talent can be a challenge for SMEs, especially in competitive industries. Outsourcing HR and recruitment services can help SMEs attract and retain top talent, without having to invest in internal HR resources. Additionally partners that can also add value for staff is an enticing proposition in attracting and keeping talent.

Whether Businesses were having difficulty finding suitable staff, by business size, %, June 2022



SMEs now contend with 11% superannuation rate and a higher minimum wage of \$23.23 per hour.

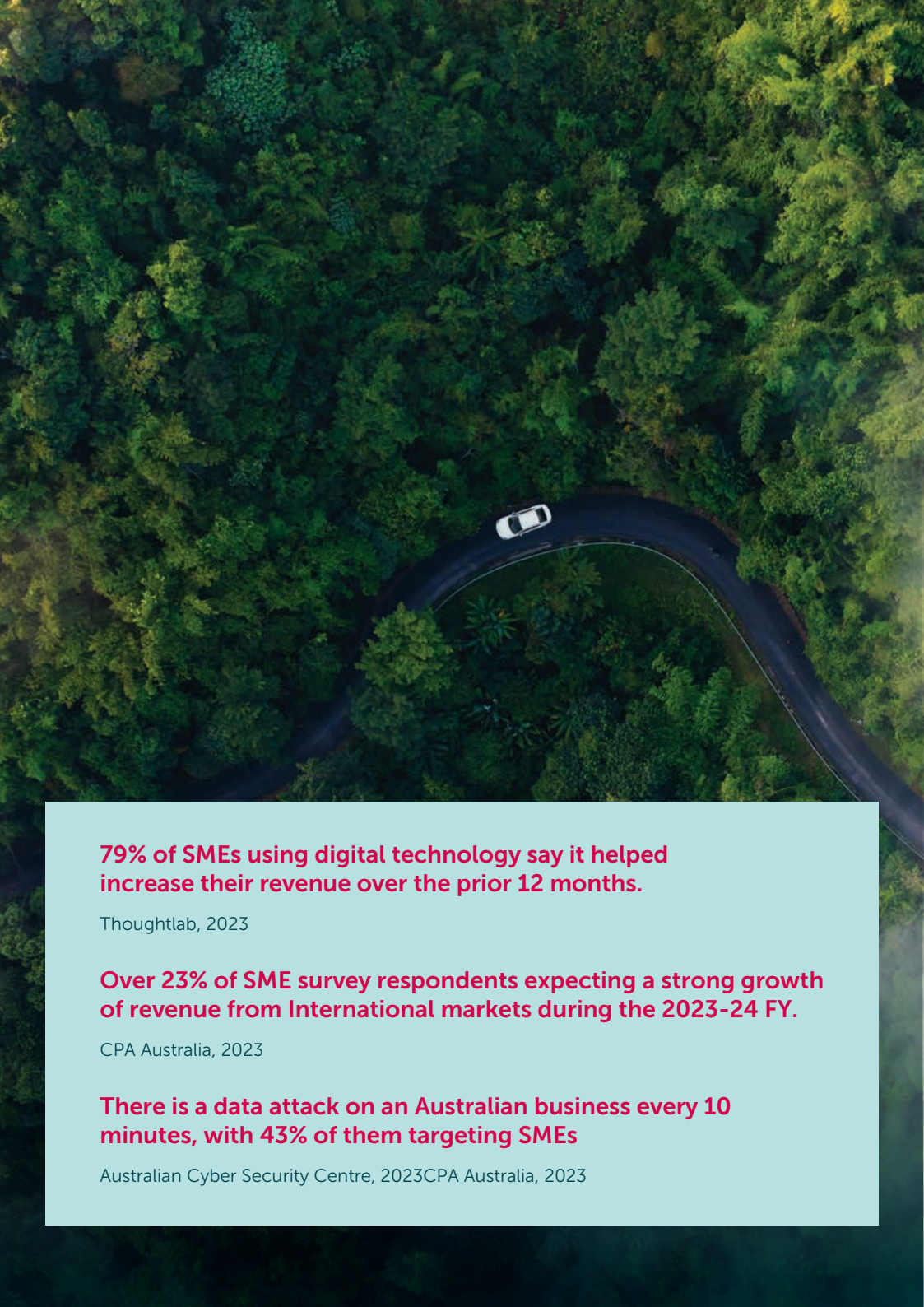
68% of SMEs struggle to fill job openings

(SME Loans Report 2023)

Two thirds of medium and large businesses reported difficulty finding suitable staff in June 2022

(latest ABS Business Conditions)





3. Digital Transformation: Staying Ahead

Digital transformation is essential for SMEs to remain competitive in today's tech driven world and can also increase efficiencies, lower costs and minimise pressure on resource. However, SMEs may not have the in-house expertise or resources to implement digital transformation initiatives. Outsourcing digital transformation, with partners experienced in onboarding, training and change management, can help SMEs stay ahead of the curve and embrace new technologies.

4. Global Expansion: Making Your Mark

Expanding into global markets can be a lucrative opportunity for SMEs, but it can also be very challenging. Outsourcing global expansion services to experienced firms can help SMEs navigate the complexities of international trade and regulations, and enter new markets with confidence.

Not to mention the travel involved! That's when SMEs can call in an experienced travel management company (TMC) to handle the nitty-gritty. Negotiating the best travel deals, managing logistics, and ensuring the safety of your employees on-the-go is essential to global expansion but even more so is working with a partner that has the experience, global network and levels of service to manage the intricacies and potential costs.

5. Data Protection: Safeguarding Information

Data is a valuable asset that needs protection. Businesses specialising in data security are your guards. They help SMEs navigate the complex realm of data protection, ensuring your business's data remains secure.

6. Market Competition: Standing Out

In a competitive market, standing out is key. Certain services firms can help SMEs carve a niche for themselves. They develop client acquisition and retention strategies, along with market research and branding, helping your SME thrive in the market and attract and retain customers.

7. Green is the New Gold: Sustainability Edge

Sustainability is becoming increasingly important for businesses of all sizes. Sustainability services firms can help SMEs align with this shift. They assess your operations and guide you in adopting eco-friendly practices, helping you become a part of the green revolution. Plus, many expert service firms will likely have sustainability solutions to consider, such as travel management companies that can also help you measure and offset your carbon footprint.

79% of SMEs using digital technology say it helped increase their revenue over the prior 12 months.

Thoughtlab, 2023

Over 23% of SME survey respondents expecting a strong growth of revenue from International markets during the 2023-24 FY.

CPA Australia, 2023

There is a data attack on an Australian business every 10 minutes, with 43% of them targeting SMEs

Australian Cyber Security Centre, 2023CPA Australia, 2023

Why SMEs hang on to all of the challenges?!

Why do some SMEs struggle with outsourcing tasks?

- ✓ **They're risk adverse.** SME business managers do not trust just anyone with their business. However finding partners with the right credentials and reputation can remove this feeling of insecurity.
- ✓ **They're time poor.** It does take time to source the perfect partners and brief them on the history, challenges, goals and vision of the business. A good partner will help drive this process, set policy and targets, and demonstrate how it will be achieved and measured.
- ✓ **They're concerned about costs and cash flow.** Yes, outsourcing costs money – but it can save plenty down the line (money, time and stress!) The right partner will be able to easily articulate the savings and value achieved in working with them.
- ✓ **The pain of change.** Many teams are averse to change and many business managers want to do things how they've always been done. With the right partner, a transitional period will be carefully managed with business managers and teams.

Some outsourcing decisions are obvious, but why not look at more strategic professional services as well?

Looking for professional tax expertise or legal advice, or even outsourcing the design of your company logo (unless you are team of graphic designers) are no brainer outsourcing decisions.

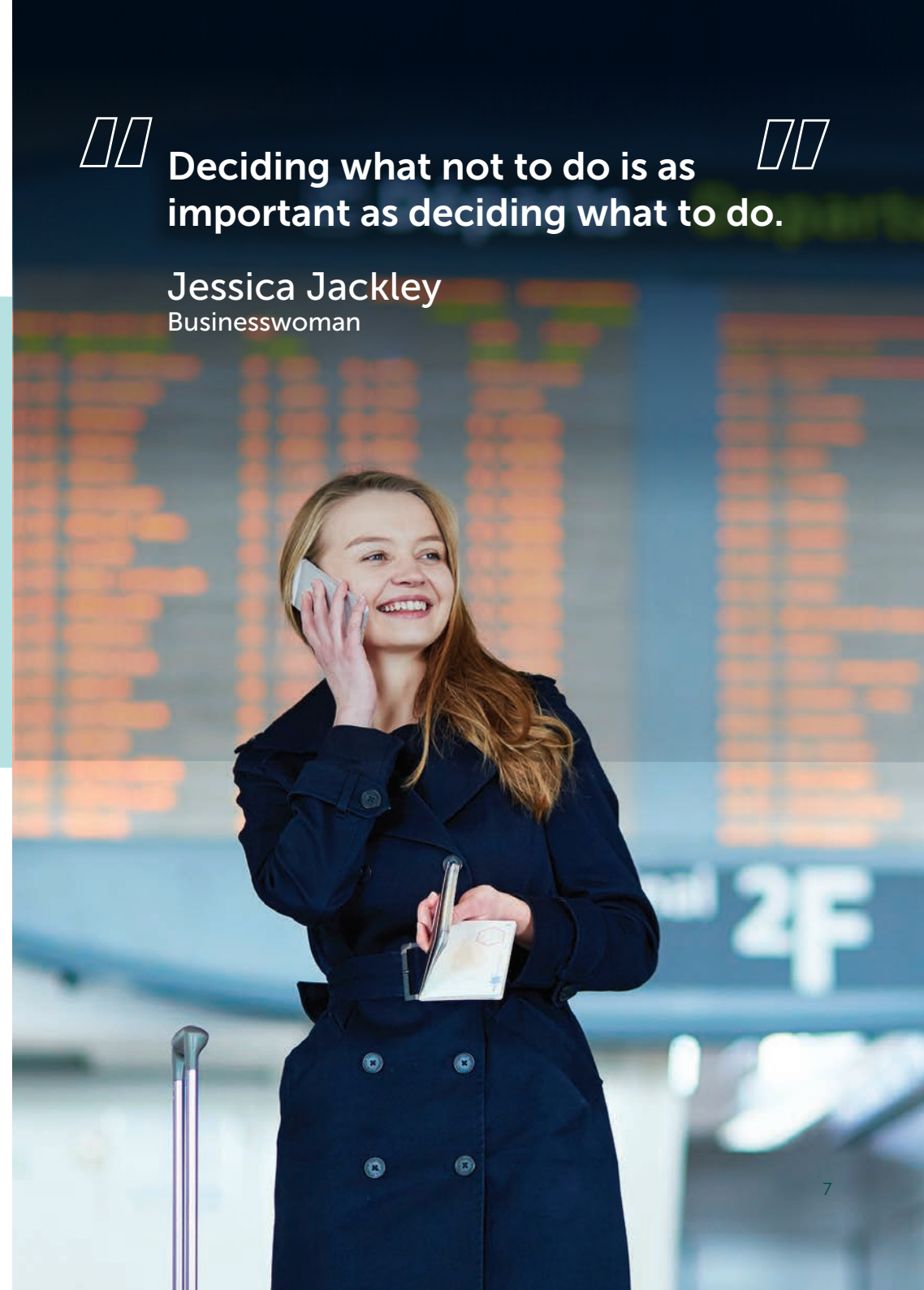
But what about when it comes to HR services, travel management or IT support? Often small business managers think they can take it all on themselves (and save cash in the process). For example, when it comes to business travel, yes, it's possible to do all the bookings yourself, but staying on top of travel requirements, visas, flight changes and cancellations as well as admin around insurance, expenses and duty of care can be time consuming and stressful. Plus, there are plenty of dollars to be saved, and value that can be added, when you know where to find the savings!



Deciding what not to do is as important as deciding what to do.



Jessica Jackley
Businesswoman



Understand the catalysts for change and assess your options!

As the global professional accounting body, ACCA, explains, many business managers are notoriously reluctant to seek external help, advice and support – unless there are critical, milestone events within the business. However, milestone events are constantly happening within SME businesses! For example, pressure to grow, a sudden uptick (or downturn) in business, changes in regulations, the purchase or sale of the business, and plenty of others. The most obvious reason for SMEs to outsource is to free up time and resources so managers and support staff can focus on the high value items within their area of expertise. But there are other reasons too. For example, professional services can also provide a trusted ear, advisor, sounding board, mentor and coach that can help optimise a business to the next level!

Once you've accepted that you need help, how do you decide which services to outsource and which services to keep in house? Easy. Determine where your internal team can deliver the most business success and fulfilment – and what sucks most of your team's time and energy, then delegate accordingly. Not an expert in business travel bookings? Outsource it. Struggling to manage IT needs? Hand it over to the experts.



When it comes to weighing the risks and benefits of engaging professional services, for me it really comes down to what my goals are or what I'm trying to achieve. If I can achieve these goals by using a professional service, the benefits will always outweigh the potential risks.

Jeremy Willoughby, Director, Corso Interiors, Auckland



If it helps, draw up a list of pros and cons...

Advantages of Outsourcing	Potential Disadvantages of Outsourcing
You can scale – without hefty recruitment costs.	Lack of control. At some point you have to put your trust in someone else – but it's not a problem if you find the right partner.
Immediate access to expertise, new talent, and a variety of skills.	Your culture, goal and vision might not be aligned. Again, finding the right partners makes all the difference.
A new perspective – when you feel stuck in the weeds.	Communication issues – make sure you have a strong SLA in place, and commit to transparency and open, honest communication at all times.
Access to the latest tools, tech and software (without being responsible for upgrades, licensing, maintenance or training).	Staff pushback. Your staff might feel confused or threatened if you outsource work. They may also be change averse. The right partner will manage this with you.
Increased capacity, productivity and efficiency – and the ability to free up internal staff to work on what's important.	Confidentiality and data security (although any organisation worth their salt will have strict data security measures in place).
More time to focus on your business. Strategic planning and big picture thinking.	
More flexibility (which is why you wanted your own business in the first place).	

Balancing Act: walking the cost - benefit tightrope

Can you measure the return on investment (ROI) of outsourcing?

Here's how you can ensure you get bang for your buck.

- ✓ **Set your objectives:** Establish specific goals with your consultant, like the particular actions and timelines.
- ✓ **Define tangible results:** Communicate measurable outcomes like increased revenue or cost savings.
- ✓ **Determine intangible results:** Share intangible aspirations such as improved morale or customer satisfaction.
- ✓ **Measure progress:** Stay on track by monitoring progress throughout the collaboration.
- ✓ **Evaluate KPIs:** Assess key performance indicators to gauge success.

So you've evaluated pros and cons, but true decision making comes with looking at the cost benefit analysis of outsourcing. You don't want anything to mess up your balance sheets, so outsourced services must be a good financial fit. Let's bust some common myths and find out.

Misconception 1: Outsourcing is too expensive for SMEs

Sure, hiring a professional consultant is an investment, but let's consider the long-term benefits that outweigh the initial costs. Outsourced services provide SMEs with specialised expertise, industry specific knowledge, and valuable experience which leads to smarter strategic decisions and:

- greater efficiency
- streamlined processes
- increased revenue
- reduced costs
- stronger market position

Misconception 2: There is no need for external expertise

Before you expect your business to grow, you must make sure that you have the right team to achieve your business goals – which means an investment in people. And the right people aren't always on your payroll. In fact, SMEs that utilise external expertise often achieve higher growth rates compared to those that do not. A Stanford Social Innovation Review put some encouraging numbers to this - they found an average 80 percent increase in sales and an average 120 percent increase in profits for firms receiving consulting advice.

Misconception 3: Outsourcing only creates additional costs

This one is actually an opportunity to save some serious cash. Business travel experts, for instance, know how to get your travellers great perks and benefits, while also saving your company money. Financial consultants have a knack for sniffing out areas where money is being wasted and provide ways to trim costs. Utilising experts can also speed up projects, get products to market faster, and decrease expensive mistakes.

According to the Nielson Norman Group, the total cost of an employee is at least double their salary. By hiring consultants, you can avoid the tasks of managing, training, and developing your own staff, and you can save money on things like hiring fees, payroll, healthcare, and insurance.

How to unlock the power of outsourcing with the right partner for growth.

Let's explore the role of various professional services in SMEs' growth.

// No business can grow and succeed without the right partners.

Bill Gates





Financial Services

– *financial stability and sustainability*

Your financial advisor is critical! Their main mission is to help business owners make smart financial decisions that will boost their chances of success. By ensuring an SME is fully compliant, businesses can be transparent and appear more trustworthy when doing business globally.

What they bring to the party:

Cash flow optimisation: A financial advisor helps a business owner understand and manage the money that comes in and goes out of the business. They can offer guidance and help put in place plans to save for future expenses and optimise vendor payments.

Planning: A business plan helps a business owner understand their goals, how they'll achieve them, and what to do if unexpected problems arise. A financial advisor can create a thorough plan to help SMEs manage their business better, prepare for any unexpected situations and invest in growth.



IT and Tech Services

– *enabling digital transformation*

IT consultants provide solutions for businesses to optimise their IT infrastructure, systems, and processes, helping them navigate the ever-changing technology landscape, achieve their goals, and stay competitive.

What they bring to the party:

Efficiency and productivity: An external tech expert can help make a business run smoother. They can make processes and tasks more efficient by automating repetitive work and streamlining operations leading to cost savings and efficiency.

Improved data security: Businesses of all sizes face the risk of cyber threats. These attacks can seriously harm a company, causing financial losses, reputation damage, and even legal trouble. IT consultants can set up defences like firewalls and antivirus software and teach employees how to stay safe online.

Data management: IT consultants can create systems to manage and combine data from various places. This delivers a clearer picture of customers, markets, and operations, and allows businesses to make smarter choices for their company.



Travel Management Services

– *streamlining travel arrangements*

A Travel Management Company (TMC) handles the nitty gritty of travel, like flights, accommodation, and visas across many and complex itineraries. They provide proactive, affordable options and special deals, help employees follow travel policies and resolve emergencies as they arise.

What they bring to the party:

Travel policy advice: A TMC will help an SME design and implement a policy (incl. which fares and accommodation to book) that suits their needs and the needs of their travellers.

Delivering savings and value: TMCs have buying power which helps them secure the best available rates and exclusive deals – generally out of reach for SMEs with an unmanaged travel program. They can identify areas for savings, based on company travel data and help find value-added perks for your travellers and extra value across your whole business travel program.

Prioritising duty-of-care: SMEs may be more flexible in terms of decision-making and the ability to get up and go, but staff wellbeing and duty-of-care are still important. A TMC should deliver peace of mind to travellers with up-to-the minute information and advice.

Outsmart, Outperform, Outsource:

Five winning moves to game-changing success



Regardless of your goals - cost savings, efficiency, expanding services, or daily operations relief - a future-focused plan is the backbone of successful outsourcing.

Here are five tips to help you out:

- 1. Understand Your Current State:** Know the ins and outs of your costs, end users, and operations. Going in blind isn't an option. Be in the know about what you'll pay before you get the proposal.
- 2. Fuel Competition:** Even if you're happy with your current provider, making them compete for your business optimises pricing and terms. It also provides insights from multiple organisations, helping identify efficiency opportunities and workflow improvements.
- 3. Craft the Right Agreement:** The right terms and conditions are crucial to successful outsourcing. Avoid terms that restrict your ability to hire managers or staff, and vague equipment obligations. Push for cancellation rights, labour, and equipment adjustment without penalty.
- 4. Manage Efficiently:** An outsourced operation requires efficient management. Monthly performance reports and regular operational audits are key. Adjust headcount and equipment based on real needs, not just for peak times.
- 5. Learn from COVID:** The pandemic highlighted new operational opportunities. Remote work, less administrative support for younger employees, and reconfigured support functions have become norms. These changes, combined with job submission tools and regular functional analysis, can make outsourcing more beneficial both operationally and financially.



The real value out of any agreement or relationship is actually working that relationship so you're working together to identify: where are the gaps, where are the improvements.



Michael Pasqual
Procurement Manager, Mode Nissin Australia

Time To Fly:

Finding the perfect partner

Often SMEs will wait until breaking point – or those milestone moments – before making the decision to outsource. But you have to get it right.



// Partnerships are about finding people who share your vision and values, and who are willing to work together to achieve common goals.



Richard Branson

Here are 10 steps to success:

- ✓ **Use your network.** Word of mouth is a fantastic way to identify potential partners, especially if they understand your industry and have worked successfully with other small businesses.
- ✓ **Do some research.** Don't be shy when it comes to researching prospective candidates, including reading reviews!
- ✓ **Ask the right questions.** You may want your future partners to share your culture, ethics and vision. Ask about their policies on data security, confidentiality, sustainability, DEI, etc.
- ✓ **Conduct a thorough interview** – and be transparent from the get-go. Make sure your shortlisted candidates have all the information they need in order to make a meaningful pitch.
- ✓ **Don't always default to accepting the lowest bidders.** Remember the old adage, you get what you pay for? Often clichés are a cliché for a reason. Do your due diligence and go with the best fit for your business.
- ✓ **Put a rock solid SLA in place.** Establish clear objectives and expectations in your service level agreement – leaving no room for misinterpretation (or disappointment) down the line.
- ✓ **Agree to open communication and full transparency.** Whether you're talking travel, IT or HR services, you have to be transparent about your goals and budget constraints.
- ✓ **Meet often.** It takes a while to build rapport and trust. Invest the time and you'll reap the rewards!
- ✓ **Keep control of your costs.** Once you've got into a groove with your new service provider you'll find it easy to offload more work. Exceeding scope often happens quickly. Make sure you've got a handle on your costs!
- ✓ **Be open to new ideas.** Don't fall into the trap of believing you're the only one who understands your business. It's amazing where new ideas can come from.

So, how does Corporate Traveller look as a professional services partner for business travel?

Corporate Traveller is a different travel management company, offering a more comprehensive and personalised approach, expect:

- ✓ **Independence and Agnosticism:** Not affiliated with any particular travel supplier, providing a wider range of choice and better savings.
- ✓ **Outstanding Service:** Committed to providing best possible service. This includes having dedicated travel managers who are experts in their field, as well as 24/7 emergency support.
- ✓ **Expert Onboarding and Training Processes:** Delivering a seamless experience for your entire team in getting started.
- ✓ **A true beyond-the-booking partnership with tier based Customer Care Program Up:** Extending beyond just travel booking and helping clients with all aspects of the travel program, from developing and monitoring travel policy to negotiating deals with suppliers.
- ✓ **Continuous Program Optimisation:** Constantly improving clients' travel programs using data from a Next Gen Reporting Insights Suite and account management specified within **Up**.
- ✓ **Value Through Streamlined Supplier Relationships:** A strong, long standing, network of relationships with travel suppliers, which allows negotiation of better rates and extras for clients.
- ✓ **Clarity and Transparency:** Committed to being transparent with clients, meaning that everything is defined upfront and there are no hidden costs.
- ✓ **Scalable Tech, Reporting, and Expensing Capabilities:** With scalable tech, reporting, and chargebacks via a trading account to manage cash flow.
- ✓ **Right-Sized Solutions:** Clients placed in tiers based on the complexity of their travel needs ensuring they only pay for the services that they use.

If you're an SME managing travel on your own or with another travel management company and questioning: how to save money, how to extract more value or how to make travel seamless for employees, we have the best playbook to achieve this.



So, where to from here?

Ready to see what we can do for
your business?

Let's chat



**CORPORATE
TRAVELLER™**

bring an expert on board

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