

# HOW TO OUTSOURCE YOUR BUSINESS TO THE PHILIPPINES



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## Introduction: The New Economy

*The times, they're-a-changin', fast.*

This e-book will educate you on all you need to know about propelling your life and your business into the “new economy”. By the end, you will be ready to join the growing number of successful business owners who hire Filipinos to do much of the “heavy lifting” in their businesses and you will be able to delegate tasks and provide leverage for your team by hiring talented, inexpensive employees. You will regain your own time so that you can focus on being the true CEO of your business and reignite those passions that have gone neglected since work took over. You can join thousands of people in the outsourcing revolution.

### Outsourcing for you could mean:

1. Living the 15-hour workweek, whilst travelling the world, watching your kids grow up, pursuing your hobbies fervently.
2. Continuing to work hard but achieving 3 times as much with your time – more clients, more sales, faster web development. All whilst you're focusing on the things in your business that matter.
3. Both!

## What is Outsourcing?

Outsourcing essentially means delegating tasks to third-party businesses or virtual workers. Any business of any size can benefit from this type of outsourcing. Delegating work in this way will help you improve grow your business, lower operational costs and improve the quality of your product.

Outsourcing has transformed the businesses and lives of many - those doing the outsourcing and the workers in the economies in which outsourcing has exploded, traditionally to China and India.

More recently, one destination has taken the outsourcing world by storm – The Philippines. In fact, just last year the Philippines overtook India in the total number of call-center employees. There are several key drivers contributing to the rise of this brilliant nation and we'll go through those in more detail in a later chapter. With that in mind, let's take a deeper look at the system and its benefits.

## Benefits of Outsourcing

Whilst the benefits of the Philippines grow to outweigh those of many other nations, there are a number of benefits that are accessed by major corporations across the globe, and increasingly, the enlightened few who have discovered them for their start-up or SME.

### 1. Regain time

Time: Where does it go?! Arguably the most valuable commodity today, our time, is growing scarcer and more precious.

Dozens of entrepreneurs and business owners are working fewer than 10 hours per week, and virtually all of their work has become simply catching up, motivating and maintaining weekly goals.

Once you set your gears in motion, you allow yourself significantly more time to spend being the real CEO you were meant to be, and more importantly, with your family and

friends. It's a very personally empowering route. Don't you like the idea of someone else growing your business while you're lounging on the beach with your family?

Your contractors, who (with the right training) will become perfectly autonomous and knowledgeable, can evolve and develop your business independently at a significantly lower cost than if you had to put in all those hours by yourself.

## 2. Up to 80% cheaper

Are you ever daunted at the cost of hiring a local Australian or US employee? We were too! Thankfully, outsourcing is 60-80% cheaper than hiring locally in most cases. If you're in need of a telemarketer, for example, the numbers speak for themselves: a typical Australian telemarketer costs around \$4,500 per month whereas a Filipino with perfect English will earn almost a quarter of that, just under \$1,300. A Filipino accountant can earn \$1,400 per month, whereas an American accountant typically earns over \$7,000.

It's important to keep in mind the substantially lower cost of living in the Philippines. A thousand dollars per month stretches considerably further for a Filipino than it does for an Australian. Additionally, by choosing to outsource your employment you are actually creating well-paying and sought-after jobs for Filipinos. Working remotely for international employers is in very high demand in the Philippines, not only because of the wages received, but because this type of employment allows a Filipino to work from the comfort of their own home.

## What Can You Outsource?

Today, almost any job can be outsourced. A short list of possibilities include web and graphic design, copy writing, software design and testing, bookkeeping, project management, architectural design, legal assistance, customer service and even the

stereotypical telemarketing. Jobs that require specialised skills can easily be filled by qualified Filipino university graduates.

Outsourcing is a brilliant opportunity for entrepreneurs in particular. What better way to save overhead costs while getting your business off the ground? Similarly, small business owners will benefit from the savings realised by outsourcing in comparison to hiring SEO marketers, graphic designers or other talent locally.

## Why Outsource to the Philippines?

India, China, and Sri Lanka have long been the traditional destination countries for employment outsourcing but there are many reasons why the Philippines is a smarter choice.

- In 2012, the Philippines had a literacy rate in excess of 92 percent, which is significantly higher than that found in India, China and Sri Lanka.
- The Philippines is home to the third largest English-speaking population in the world, with English being taught to students in every school from an early age.
- Approximately 360,000 university students graduate each year in the Philippines; 180,000 with degrees in business administration or marketing, and 30,000 to 50,000 holding degrees in computer science and programming.
- Filipinos are well-known around the globe for their strong work ethic and their high level of productivity.

- The country has a reliable infrastructure, which offers considerably more stable electric, Internet and telecommunication services than those found in China, India and other outsourcing competitors.
- The cost of living in the Philippines is substantially less than that in Canada, the UK, the US and Australia, with wages being correspondingly lower as well.
- The Philippines offers a diverse talent pool comprised of intelligent, English-literate and well-educated workers who can meet the needs of any international employer.

## A Bit More About Filipino Culture

The 7,100 islands that comprise the Philippines are home to a population of more than 92 million, as well as a diverse and adaptive culture. English and Filipino are the two official languages, but Spanish, Arabic and approximately 175 native languages are also spoken. English instruction is a requirement for all Filipino students, from fourth grade on, with many courses being taught solely in English.

Filipinos, particularly those who obtain degrees, are proficient in speaking, reading and writing English, and many are multi-lingual. Hard work, loyalty and dedication are emphasized in the family-oriented Filipino culture, resulting in a work ethic not often found in modern society. These qualities are what make Filipinos the ideal contractors for any international employer.



## How to Recruit the Perfect Filipino Employee for Your Business

Recruiting and hiring is a multi-step process that should ideally be tweaked to suit your particular business and needs, but here are some basic suggestions:

- Find an outsourcing company with a good reputation. It's wise to look for a company with a team on the ground in the Philippines so that they can locate the best candidates from talent pools, which an online-only company may miss. The company should verify that candidates have a private room for working in, possibly in their own home, a stable DSL Internet connection and functional computer.
- Opt for a company that will both screen and pre-interview candidates for you. This saves you time wasted sifting through the resumes of those who may not fit your needs.
- Look for a company that will handle all payroll and administrative duties so that once you select a candidate they can take care of these details. Unless you have experience in these areas on an international scale, delegating them will reduce needless headaches and allow you to focus solely on your business.
- Write a compelling and colourful advertisement for your business. Explain in ample detail what the job is, what qualifications you're expecting in an employee, both technical and personal, and include a description of the type of skills you want a candidate to bring. Mention the kind of personality best suited for the position, and indicate any particular interpersonal and communication skills you expect. The more clear and direct your advert, the easier it will be for an outsourcing company to assist you in finding the right people to fit the bill. Be sure to include your business's strongest suits and merits to help attract the top candidates.



- Set up Skype video interviews with your selected candidates at a mutually convenient time. Have a list of pertinent questions prepared to help you decide on the right candidate for the position.
- Check the references provided by each candidate. This is a step in the process that should be mandatory for each contractor you interview. It's not only necessary to verify experience and credentials, but it can be an ideal way to learn more about a potential employee.
- Set up a test for each candidate. You might decide that a single test is sufficient or that a week-long trial period is in order. Testing allows you to judge the skills of a candidate and further evaluate their suitability for the position before you do any hiring.

## How to Get the Best Out of Your New Filipino Employee

You may be wondering what gives Filipinos job satisfaction. It's not very different from what satisfies Western employees -- a sense of belonging, a sense of job gratification, receiving honest feedback and enjoying a tangible reward system are all key components. When outsourcing, don't focus on the fact that these are employees working abroad, but rather integrate them into your company culture as if they were in the same country, city and office.

Having an awesome company culture and a great work atmosphere are incredibly important, and their creation is largely dependent on management. It's important to always maintain a positive attitude when dealing with your employees to avoid fostering discouragement that reflects in poor job performance. Good communication with your employees is essential, especially when they are living and working several time zones

away. But remember, communication is a two-way street; listening is just as important as talking.

On that note, take advantage of any opportunity to absorb ideas for improvement your employees may provide. Business specialists have long been telling business owners to embrace, rather than discourage, racial and personal differences among their employees. Different perspectives on a single issue can lead to a uniquely multi-faceted approach to a topic, which may solve a problem that's been eating at you for weeks. So, mention from the outset that you'll respond to any emails your outsourced employees may send, and follow up if they make good on your offer.

Another good way to keep in touch is to create regular team huddles. Connect via Skype or Go To Meeting (more on this software below), or, if you're outsourcing several employees, establish a live virtual chat room where you can have regular 10 or 15-minute discussions to clarify your business goals. Keep it light, inspiring and efficient so that employees will want to start every work-day with gusto. Create a regular meeting time that's convenient for everyone and make attendance mandatory.

Many employers use what are called key performance indicators, or KPIs, to keep a running record of employee activity. These are a great way to establish what everyone in your business should be striving toward. For example, in marketing, they might emphasise things like customer turnover and acquisition rates, existing customer satisfaction data and so forth. Utilising up-to-date KPIs, and making everyone aware of these metrics, lets you keep track of your business's progress, as well as your employees' work as a team.

Offering bonuses is another way to reward your outstanding Filipino employees. Implementing an achievable reward system will encourage virtual employees to strive to meet company goals, help keep them focused and avoid disenchantment. You can offer financial incentives, gifts or other rewards that demonstrate to employees that you value their dedication and hard work. Tying bonuses to job performance reinforces the idea that when the company succeeds, they reap the benefits, which is excellent motivation.

Lastly, you may want to consider time-logging software. This is available for free download from a number of sources. This type of software is a handy tool that requires contracted employees to log in at the start of each shift and log out when finished for the day. Some variations will take a screen shot of an employee's desktop, typically every 10 minutes at random intervals throughout a shift. It can also monitor mouse clicks and keystrokes. A few may offer an optional web cam hookup that will snap a photo of a contractor working, or initiate a periodic pop-up where an employee will report the task they're currently working on. While this software may seem a bit intrusive, it's an indispensable tool for ensuring that employees are doing the work you've requested. Many of the programs will email a report at the end of each day so you can know exactly what your employees have accomplished, and at what speed, as well as how many hours they've actually worked.

## Online Management Tools

We've spoken a bit about our free and safe time tracking software, online chat rooms and Skype. But there are even cheaper, or even free, online software tools that exist to make virtual communication and collaboration even easier.

One of the most basic tools is right under the lid of most email addresses: Google Drive, or until recently, 'Google Docs'. This is an extremely reliable database that allows for privacy and flexibility among co-workers. Anyone with a Gmail account can create a text document, spreadsheet, form, drawing or presentation and share it with anyone else's Gmail account. The document creator can also change the privacy settings so other users can be limited as to whether they can edit or simply read it.

Google Drive is geared towards everyone, not just businesses, and is free of charge. If you want to upgrade, Basecamp is an option that requires a small monthly fee, but in exchange boasts a sleeker, more controlled interface specifically created for businesses. Basecamp ([www.basecamp.com](http://www.basecamp.com)) compiles all your business's information onto a single

page, including separate sections for text documents and various media files, corporate to-do lists and online discussions. It also offers real-time updates, an interface that's easy to use, a corporate calendar and daily summaries. Basecamp is particularly geared towards overseas employees and outsourcing businesses, and has a good customer service record and high customer satisfaction. It's definitely worth checking out.

Lastly, if Skype is not meeting all of your company requirements – and being free, it might not -- take a look at Go To Meeting ([www.gotomeeting.com.au](http://www.gotomeeting.com.au)). Go To Meeting is a Canadian-made software that features a minimalist interface that can support up to 25 members from across the world at a single time. You can share documents and flip through web cams to get the true feeling of being in a face-to-face business meeting. Again, it costs a small fee, but offers significantly more corporate-geared opportunities than Skype, and is generally easier to use.

## Conclusion

- Outsourcing is a rapidly growing business strategy in the contemporary corporate climate.
- If you're thinking about saving money and personal time, and you're able to outsource employment, you should do it.
- Dozens of jobs can be outsourced, from legal assistance to web design to accounting.
- The Philippines is among the world's fastest growing economies, filled with a rich supply of hard working, intelligent and eager university graduates.

- The cost of living in the Philippines is significantly lower than in Western countries, which means Filipino wages are correspondingly lower, and they often work for 75 percent less than their Australian or American counterparts.
- The literacy rate in the Philippines trumps China's, India's and Sri Lanka's, and the country is home to millions of fluent English speakers.
- Hiring a dedicated and hard-working Filipino contractor is easy to do, in just a few steps, with the help of an experienced outsourcing company.
- You can browse through the resumes the company will collect for you, conduct the interviews yourself and then choose your own employees personally.
- Look for free downloadable time tracking software that will ensure that your employees are following your instructions entirely and consistently.
- Working with others across the world is easier than ever with cheap, or free, online software such as Skype, Google Drive, Go To Meeting or Basecamp.
- You will save yourself hours of time by outsourcing your work, allowing you to spend more time relaxing with your loved ones and breaking that "entrepreneur working late" stereotype.

So, in other words, outsourcing to the Philippines is cheap, easy and will assuredly not detriment the quality of your business in any way at all. It saves you money, frees up

your time and creates new well paying and highly sought after job opportunities for qualified workers in the Philippines. The only question that remains is: What will you do with all your newfound spare time?

For further information on how to effectively outsource roles within your company to the Philippines, go to [www.virtualcoworker.com](http://www.virtualcoworker.com) or contact one of us directly.

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