

# Offshore Outsourcing:

## Addressing the Unique Needs of Small and Mid-sized Businesses (SMBs) While Delivering Best Practice Methodologies

*The Verticity SMB Offshore Program is elegantly simple and easy to implement.*

**Noticeably absent from the 2005 editorial calendars of IT publications are topics covering going offshore outsourcing.** The reason? For large companies it is old news. It has become a business necessity. Large companies have done the painful work of setting up off shore centers, putting best practices in place and reaping the

significant benefits of wage differentials. Through the process, initial issues concerning language, cultural differences and control have faded to the back ground as outsource providers in developing nations have become more sophisticated and U.S. firms have put best-practices communications and management programs in place.



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Small and mid-sized businesses (SMBs) have largely remained on the sidelines and for many very good reasons:

- Knowledge: lack of experience, knowledge and business contacts in the countries of choice for offshore outsourcing.
- Cost: overwhelming start-up costs.
- Control: concerns over management and control of remote workgroups.
- Time: lack of time it takes to gain the core competencies that would ensure a reliable best-practices offshore business model.
- Work Volume: lack of work volume to justify the cost of opening an offshore center.

Further, SMBs buy services differently than large corporations. Statistics have shown that SMBs:

- Demand flexibility,
- Seek solutions that deliver swift return on investment,
- Are willing to pay for services that deliver reliable profitability rather than risking on costs that hold the promise of profit,
- Prefer user-based pricing or a “pay for what you get” model,
- Are less likely to outsource IT management services and
- Are more likely to supplement through IT staff augmentation than fully outsourcing a given process.

In 2000, the founders of Verticity understood that SMBs could realize the benefits of offshore outsourcing if the barriers to going offshore were lowered or removed entirely and if the unique buying patterns and needs of SMBs were directly addressed. Verticity solved the challenge by

- Put an offshore “on the ground” management structure in place to supervise and manage the direct hires closely.
- Opened offshore facilities where employees could come to work daily for their U.S. SMB employers.

SMBs can realize swift, reliable return on investment without the time, expense and risk opening offshore facilities requires.

re-shaping big-business best-practices offshore models to accommodate the needs of small and mid-sized businesses.

To accomplish this, Verticity:

- Put an HR and IT platform infrastructure in place that would allow for the direct hiring offshore talent by SMBs. This would address the business volume challenge.
- Provided hiring flexibility that allows SMBs to hire flexibly, one employee at a time, making it easier for SMBs to consider an offshore solution.
- Addressed work volume concerns by offering offshore employees on a monthly basis with a three-month minimum engagement.
- Built an IT platform that would allow for direct supervision of employee work by U.S. SMB employers.

The Verticity SMB Offshore Program is elegantly simple and easy for a small or mid-sized business owner or manager to execute:

1. The owner or manager of the U.S. SMB logs onto Verticity’s unique Offshore Employment Management System (OEMS) to search resumes of potential employees suitable for the project at hand. Searches can be made by basic category/job post or advanced category/skills and experience. Or the employer can post a job description in the OEMS and a Verticity Account Service representative will contact the employer with the most qualified candidate.
2. Verticity sets up videoconference candidate interviews and the U.S. SMB reviews and hires the candidate that best meets its needs.

3. The employee then begins work for the U.S. SMB at Verticity's offshore offices. There, the employee has a fully deployed workstation with all the appropriate software tools to begin work.
4. In addition to traditional email and telephone communications between employer and employee, management and supervision is accomplished two ways:
  - a. Onsite by Verticity project managers who supervise employees.
  - b. By the U.S. SMB via Verticity's unique collaboration tools that allows the employer to monitor everything from employee arrivals and departures, to the software tools being used, to the progress of the project at hand. Managers even have a screen shot view of the employee's desktop.

Early adopters of the Verticity SMB Offshore Program were U.S. based IT Solutions providers who required an efficient, reliable way to augment staff

for client projects while lowering costs. Subsequent clients have been mid-sized firms developing projects in house. Currently at Verticity's Offshore facilities dozens of workers are providing a variety of services for U.S. based SMBs. They include:

- Web Developers
- Software Developers
- Data Entry Operators
- Research Assistants
- Quality Assurance Managers
- Administrative Assistants
- Project Managers
- Technical Writers
- Help Desk Support
- Network Administration

*Verticity's low-risk, flexible, reliable offshore solution provides SMBs with big business best practices packaged specifically for SMB business needs. SMBs can realize swift, reliable return on investment without the time, expense and risk opening offshore facilities requires. And many SMBs who may have thought that going offshore was simply beyond reach can now quickly and easily hire highly trained lower wage employees and compete effectively with larger corporations.*