

The Virtual Assistant

5 STEPS TO **OUTSOURCING** IN AUSTRALIA

How to free up **your time** and
help **your** small business grow

by Liz Pulo



The Virtual Assistant

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WELCOME

As the owner of a virtual assistant business, every day I speak with small business owners in desperate need of help but who have no idea where to start.

As a small business owner, you often do everything in the business yourself: from bookkeeping to marketing, sales to customer service — not to mention the actual work behind your product or service, too!

When you do reach the stage of needing an extra pair of hands, you often reach out to friends and family — and with good reason. They're cheap (generally free!) and willing to support you. It's easy to give out tasks to friends and family because you already know and trust them on a personal level, so trusting them on a professional level isn't a hard step to take.

But what happens if you need a set of skills your friends and family don't have? Or if you need someone who is as invested in your business as you are?

That's where outsourcing comes in.

This eBook will take you through the steps you need to take to ensure your first time outsourcing is successful, providing tips and tricks to help you define what you need, plan your budget, and manage your ongoing outsourcing relationships.

Happy Outsourcing!



Liz Pulo
Boss Lady
The Virtual Assistant
Hobart, 2014

INTRODUCTION

What is outsourcing?

The Macquarie Dictionary defines *outsourcing* as:

verb: to contract (work) outside the company rather than employ more in-house staff.

In Australia, the term 'outsourcing' is often used to describe work that has been sent overseas — for example call centre work based in the Philippines — and is often a 'dirty' word in business, as if it is something you should avoid.

What many Australian business owners don't realise is that you don't have to go overseas to outsource. Hundreds of small businesses based in Australia are ready to help you; all it takes is a simple search.



How can outsourcing help you?

Outsourcing is a great step between doing everything yourself (or relying on the kindness of friends and family) and hiring your first employee. To cut down on costs, some businesses actually prefer to continue outsourcing instead of investing in an employee.

As a small business owner, it can feel like you're working your arse off and not getting anywhere. Outsourcing can provide you with the opportunity to free up some of your time and take a step back to see the bigger picture. Often the tasks you outsource first are those you dislike or are not good at, so it often has the added bonus of helping you find your love for your business again!



What can you outsource?

People ask me this question all the time, and the simplest answer I can come up with is:

*anything that a person can do
remotely with an internet connection*

This could be answering phone calls, bookkeeping, setting appointments, replying to your customers' emails, updating your website, sending your newsletters, organising services to be connected, ordering stock, invoicing clients, formatting podcasts, transcription... the list goes on and on!

It's just a matter of finding a provider (or multiple providers) with the skills you need.

But before you jump in and start outsourcing, there are a few things you need to know, so let's get started!



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1 CHAPTER ONE — ASSESSING YOUR BUSINESS

Find your hourly rate

So far so good — you can outsource almost *anything* and you can do it locally. I'm sure you just want to know how you can dive right in and get some of those more annoying tasks off your plate!

But before we do that, you need to assess your business to ensure that outsourcing is what you need and that you can afford it.

And this is the difficult part: justifying the expense. You're probably at the stage in your business where you're making a small profit, so spending any of that right now seems like such a waste — and that's why it's important to start with some simple calculations.

The first thing I always suggest clients do is work out their own hourly rate. If you run a service-based business, you probably know what this rate is already. If you run a product-based business, you'll need to divide your earnings by the hours you work.



Below are some examples.

For a service-based business:

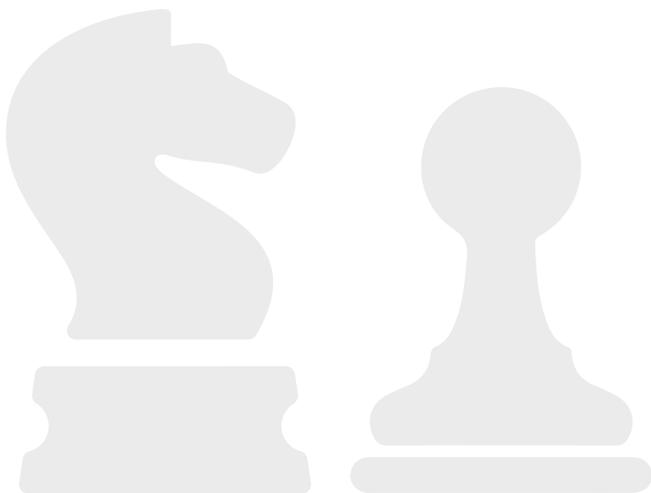
Sally runs a small web design business. Her business runs on packages rather than hourly rates, but by dividing the package cost by the average hours spent, she has worked out she receives \$85/hour for the work she completes.

For a product-based business:

Amy runs a boutique clothing store. By taking her monthly take-home earnings (after expenses) and dividing that figure by the number of hours she works (an average of five hours a day in the shop), she has worked out her hourly rate to be \$40/hour.

Yours may take a little longer to calculate. If you've never done an hourly-rate or profit margin exercise, take the time to do one now before we proceed. If you find that your hourly rate is super small, you should spend some time reassessing your margins before you consider outsourcing.

We'll come back to these figures later in the eBook, so keep them handy.



Set your goals

These days, it seems like it's a badge of honour to declare you have no spare time. Everyone is busy with work and life, and when you run a small business it can feel like the two have blended into one.

Outsourcing will free up some of the time you would otherwise have spent working in your business. But what will you do with your extra hours?

Before outsourcing any work, it's important to put some goals into place. It doesn't take much for your newfound free time to be taken up by other (less important) business activities, or even to be eaten up by procrastination.

It's likely you already have a business plan — probably from way back when you started. Now's the time to get that business plan out (or start writing one!) and evaluate your goals.

Ask yourself:

- How much time do you want to free up a day? A week?
- What will you do with this time?
- How can you use this time to grow your business?

Set yourself some realistic goals and refer to them often. If you outsource your administrative tasks only to be distracted by more administrative work, you're not outsourcing wisely.

Still not sure where to begin? Try completing this sentence:

Outsourcing [task] will allow me to [higher level task].

For example:

Outsourcing my bookkeeping will allow me to spend an extra two hours a week on bringing in new business.

Or perhaps:

Outsourcing my email newsletters will allow me to spend an extra hour per week reconnecting with past clients

You may have many of these sentences — and that's great!

Write these down and keep them handy (somewhere near your hourly rate). You'll be referring back to them soon.

Check your budget

It is important to know your business numbers. Ultimately, you're the only one who can decide if you can afford to outsource (except, perhaps, your business or financial advisor).

As a guideline, I recommend looking at your financial situation and working out *what you can afford per month* before you go any further. It might be something as small as \$50 per week (\$200ish per month) — but that's okay! Knowing your budget helps you make decisions about what you can and can't outsource and ensures you can pay your provider on time.



Knowing your budget helps you make decisions about what you can and can't outsource."



2 CHAPTER TWO — DEFINE YOUR NEEDS

Specify the tasks

Many small business owners leave it until it's too late to outsource, and by that stage they often 'don't have the time' to figure out what they need from their new assistant. This is, of course, an excuse (time can be found!), but in the stress of day-to-day operations it's easy to get caught up trying to find quick fixes.

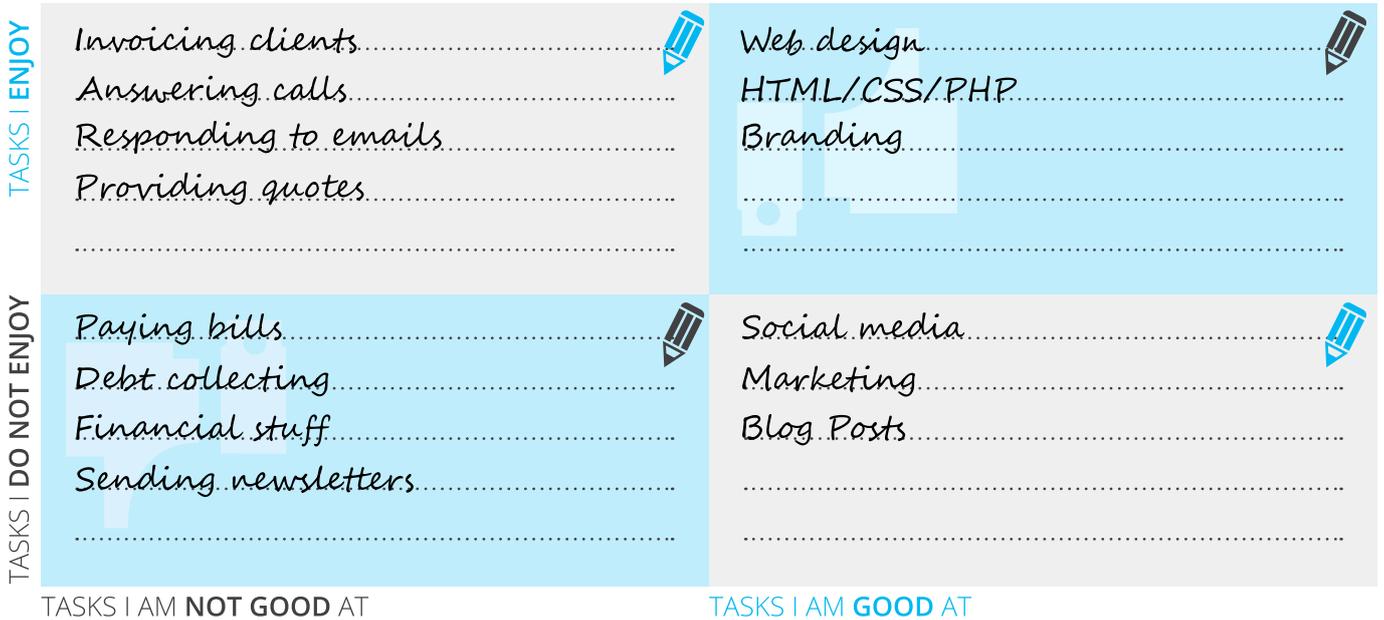
This leads to frustration on both sides: You have a person who wants to help you and your business but doesn't know

how — and you just want that person to help you out, but you don't have the time to tell them how!

In my experience, the more prepared you are to take on a freelancer or assistant, the more successful you will be using one, so don't skip over this step.

Let's start to write down all the tasks you do in your business. I've created a little chart below to fill in — you'll also find a printable version of this in the appendix.

TASKS I ENJOY			
			
			
			
			
TASKS I DO NOT ENJOY			
			
			
			
			
TASKS I AM NOT GOOD AT		TASKS I AM GOOD AT	



Remember Sally? Above is an example of what her squares look like.

Add more tasks as you remember them; you probably won't get them all down in one go! But when you're done, you'll have a great list of tasks that you can start with.

Get detailed

Let's start in the bottom-left corner. These tasks are going to be the *easiest* for you to outsource because not only do you not enjoy them, but you don't think you're particularly good at them either.

In the bottom-left of Sally's chart, she has written:

- paying bills
- debt collection
- financial stuff
- sending newsletters

Let's now take these tasks and flesh them out a little. It's going to look like this:



Task [the particular task]

Definition [what the task actually is]

Skills needed [what skills someone needs to complete this task]

Time needed [how long it currently takes you to do this task per week/month]

Here's Sally's description of 'debt collection':

Debt Collection

Calling or emailing customers with overdue accounts to ask for payment.

Working knowledge of Xero accounting software, friendly yet firm personality, ability to persist until completion, knowledge of debt collection processes in my state.

1 hour per week.

Complete this exercise for each of the tasks on your list (still working on the bottom-left square). Take the time to clarify each task. For example Sally's 'financial stuff' has turned into 'completing BAS and end of year financial statements', which makes much more sense.

Because Sally has so few tasks in the bottom-left square, she should repeat this exercise for the tasks in the top-left

square as well. These are tasks that she's good at, but doesn't enjoy. You may find you have plenty of tasks in the bottom-left square and if so, you don't have to worry about the top-left. These would be the 'second-level' tasks to outsource, once you already have your bottom-left tasks sorted.

Now that we have each task and have fleshed out the details, we're going to split them into similar categories. Sally's tasks come down to two categories:

Accounts/Financial

- Debt collection
- Paying bills
- BAS
- End of year financial statements

Administration

- Replying to customer enquiries via email
- Answering phones
- Sending newsletters

Now take a look at the tasks in their categories and consider: can one person do all of these tasks?

While it is likely one person could do the debt collection, pay Sally's bills, and complete her BAS and end of year financial statements, it'll probably be difficult for Sally to find someone who can do all that *and* send her email newsletters, reply to her email, and answer her phone.

Ideally, she needs to look for two people to outsource to: one for her accounts, the other for her administration.

At this point you may be thinking, *'Hang on. If I can do all these tasks — surely I can find one person to do them all!'* It can be easy get stuck in this mindset!

Don't spend all your time searching for that one elusive person that can do everything. Be smart and hand out specific tasks to experts in their field.

With that being said, if you do happen to stumble across one person that can do it all, *great!* Hold on to them with both hands, as they are a very rare breed.

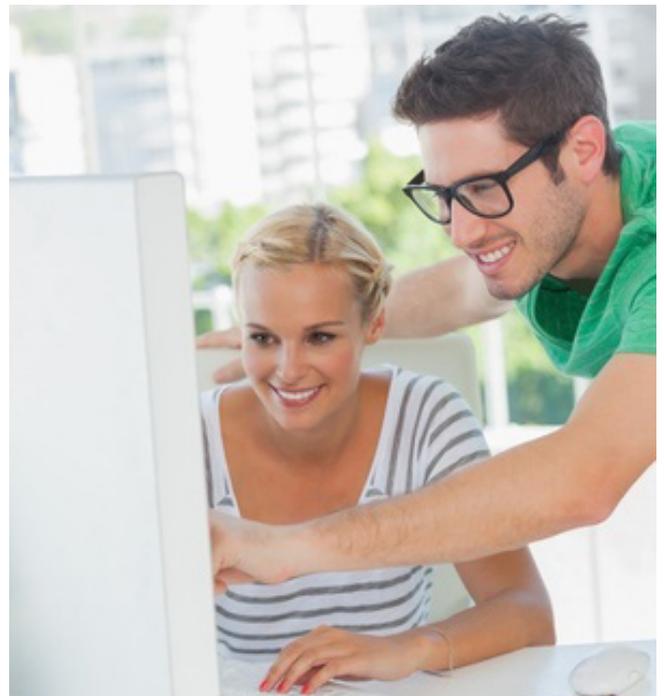
Create a role description

The work we've done so far in this chapter has put you in the right frame of mind to create a role description. In fact, you're over halfway there already!

You may be thinking *'I'm not employing anybody, so why do I need a role description?'*

And the simple answer is: because you should take this as seriously as you would employing someone. A role description provides clarity to both yourself (when searching for the right fit) and for anyone who you approach for a quote.

Let's have a look at Sally's role description.



Administration Assistant

Sally's Web Design is a boutique web agency providing online solutions to small businesses.

We are looking for a remote assistant for up to 5 hours per week, completing the following tasks. These tasks may change as the business grows.

Answering calls

Answer all calls to our 1300 number during business hours (M-F, 9am - 5pm). Provide customers with answers to their questions (training provided) and basic quotes. Take messages for Sally as required. On average, 10 calls received per week.

Replying to customer emails

Reply to customer emails with a one business day response time. Answer customer questions and provide basic quotes. Forward messages to Sally as required. Approx. 30 minutes per day.

Create and send weekly newsletter to clients

Using MailChimp, create and send weekly newsletter to clients. You will have the opportunity to create some of the copy — other portions Sally will provide. Must have previous experience using MailChimp. Approx. 2 hours per week.

This is a fantastic start. It contains clear and accurate information about the tasks Sally needs completed and the time she's allocated to each task. If she provides this to a potential assistant, they would be able to quote on the work quite easily.

Take the time now to create your role descriptions. If you have multiple roles, save them as different documents, but in the same location.

Now, you're almost ready to outsource!



3 CHAPTER THREE — RESEARCH AND IDENTIFY POTENTIAL PROVIDERS

Start with recommendations

You know your hourly rate and have defined your budget (Chapter One).

You've fleshed out the tasks you need, and created a role description (Chapter Two).

Now it's time to start searching for someone to help!

The best place to start is with recommendations. Reach out to your networks and ask who *they* outsource to. Who do they recommend? Can they provide any advice? They may be able to introduce you to someone straight away.

Don't just go with the first person offered to you, though — do some research!

Make use of online forums, social media, and good ol' Google to find other service providers that suit your needs.

Ask yourself:

- Does this person / business have the right experience?
- Do they look professional?
- Do they have any testimonials you can view?

If you like the look of the provider, give them a call or send them an email to ask for a quote. You can use the role description you created in chapter two to provide them with further details.

Make sure you enquire with a couple of different providers to get a feel for the average pricing of the industry, as well as their personalities.



Compare notes

Now that you have your quotes, you can start comparing the quotes with your budget. And this is the point where you're likely to experience some price shock. For example, one of Sally's quotes came back with the following:

...While we are unable to assist in answering calls at this time, we can recommend a small business that we trust for this service.

For the other tasks you have outlined (answering emails, sending newsletters), our rate would be \$40/hour +GST...

And you're probably thinking '*\$40/hour to reply to emails and send newsletters?! I can hire someone for half that amount — if not less!*'



And you're right. If you were to hire a casual employee, the award rate (depending on your state) would be around \$22/hour — and less again if you were to hire someone part time or full time.

However, don't forget about the little expenses that add up when you have an employee:

- recruitment (advertising your role, your time spent finding someone)
- equipment (you would need an extra computer, desk and chair at the very least)
- workers' compensation insurance (a requirement for any employee)
- managing payroll and associated taxes
- superannuation

And if you hire someone on a part-time or full-time basis, don't forget about:

- annual leave (and leave loading)
- sick leave / parental leave
- down time: coffee breaks, lunch breaks, toilet breaks
- bonuses and incentives
- and more!

When you're outsourcing, you don't have to worry about any of the above. The provider runs their own business and deals with their down taxes, superannuation, equipment, insurance, etc., and you only pay for the time they are working. Also, you generally don't have any ongoing commitment — they can assist you when the work is there, and when it's not, you don't have to worry about it.

That \$40/hour isn't looking too bad now, is it?

There's also Sally's time to consider. Earlier in Chapter One, Sally figured out that she earns \$85/hour. So if her plan is to grow her business, outsourcing her admin at \$40/hour makes good business sense — provided she uses her newfound time wisely.

And let's not forget our budget. Sally worked out that she could afford roughly \$400 per month. Based on

the time she allocated in her role description and the quotes she's received, she's worked out that she'd be spending around \$800 per month if she were to outsource all of her administration. This doesn't even take into account the financial work or phone answering she wants to outsource.

To ensure she doesn't blow her budget, Sally will have to cut back on the amount of tasks she wanted to outsource. The four-square chart she made earlier will help.

Focusing on the administrative work, Sally now has quotes from three different businesses and they're all around the same hourly rate. So how does she decide who to choose?



The provider runs their own business and deals with their down taxes, superannuation, equipment, insurance, etc."





Make the choice

It can be difficult to pick between three providers when they all submit a similar quote. The easiest way to do so is to rank them based on: **experience**, **testimonials** and **personality**.

Take some time to chat with each of the providers. Find out about any relevant experience they have, ask to see testimonials (if they don't have some already on their website), and gauge their personality.

Sally runs a modern web design business and speaks quite casually with her clients, so hiring an assistant who has a corporate personality might not suit the way Sally — or her clients — work. This is an important factor for her when she makes her decision.

Don't forget that you have to work with this person too, including training, giving tasks, and providing feedback, so it's important you get along with them.

4 CHAPTER FOUR — ENGAGEMENT AND TRAINING

Start simple

When you're taking on, say, an accountant, you can trust that you can hand over all your figures and your provider work out the rest. For flexible tasks, however, especially in administration, web updates or customer service, you will need to provide some training and information so he or she can hit the ground running.

Sally has picked her preferred provider and is excited to get started... and a little nervous, too. She's done *all* the work in her business from day one. How is she going to hand over all the little details that are saved in her brain?

Well, until technology catches up with us and we can download information from our brain, it'll just happen a little at a time.

The first thing you should do is collate a document with all the bits and pieces your new assistant might need to know.

This includes:

- a brief history about your business (so they can get some background)
- websites the assistant needs to use and their logins
- access to any email accounts he or she needs to use
- other people the assistant is to be in contact with, and any information about their situation (for example, you might have a 'current client' list or a 'current supplier' list with a short update about each that the assistant can refer to)
- your business pricing information (so the assistant can provide or prepare quotes on your behalf)
- an FAQ document (where you answer your clients' most frequently asked questions) and
- anything else that comes to mind!



Because you provided a detailed role outline, your assistant should be pretty comfortable with the tasks that need to be completed - and should let you know if there's anything further he or she needs to get started.

However, don't be afraid to ask:

- Is the task clear enough?
- Are you comfortable completing this task, or would you like training first?
- Do you have any questions about this task?

I recommend scheduling an hour catch-up with your new assistant to go over each task in more detail. You can use specific software to share screens (Skype, for instance) and show the assistant how to do the tasks in detail.

You may think there is nothing special about the way you do your work, but I can assure you everyone does things a little differently from everyone else.

Taking the time for a quick run-through of each task ensures that you and your new assistant are on the same page. It also provides the opportunity for your



assistant to ask questions and document the process.

It may take your assistant a couple of goes to get the hang of your systems — and that's normal! However if you feel your assistant is asking the same questions without any improvement over a couple of weeks, take the time to discuss your concerns with him or her. Don't leave it too long!

Keep checking in

It's important to check in with your new assistant every now and then. I often recommend 30 minutes once a week, whether via phone or email.

Ask them:

- How are you finding the tasks?
- Do you have any questions?
- Can you see any way of improving my current process?
- Is there anything outstanding that you are having trouble with?

This provides a great opportunity for the assistant to provide feedback to you on the tasks and the process, as well as an opportunity for you to provide feedback.

Don't forget — you've hired an assistant who is an expert in his or her field, so leverage that knowledge to your advantage! Your assistant may be

able to suggest other ways to complete a certain task that would be more efficient — or even ways to eliminate a task all together.

These check-ins are also a great time to discuss any future work that you might like your assistant to do. Just don't forget to include any extra hours into your budget!



This provides a great opportunity for the assistant to provide feedback to you on the tasks and the process."



When it doesn't go to plan

If a couple of weeks have gone by and you don't feel that your new assistant is providing you with value, it's time to have a serious discussion.

This is especially difficult if you like the person, but the work isn't living up to the hype. Arrange a meeting with your assistant on the phone, via Skype, or in person, and let him or her know what you're thinking. Be sure to keep it emotion-free, and focus on the work itself.

Firstly, ask your assistant if he or she feels comfortable with all the tasks, and if the tasks are being completed as requested. This gives your assistant the opportunity to discuss with you any difficulties he or she is facing or uncertainties about the work.

This is a great time to offer your assistant extra training and support, and schedule a time to check in again (perhaps in a week or so) to review progress.

If you feel at this time that it is not working out, it's time to let your assistant go.

Be honest. Let your assistant know the reasons why you no longer want to work with him or her, and again — keep it about business. It may be that:

- Despite repeated training, task are not being completed as they should;
- You are unhappy with the level of service being provided;
- You feel that this person is not a good fit for the business; or even
- It's just not working out.

Ask the assistant to invoice you for any outstanding hours, and to delete your usernames / passwords from their system. It's also good housekeeping to update all passwords for systems the assistant had access to at this point — just in case!

If you are going to engage another provider, be upfront with them. A great way to do it can be to say:

I recently worked with another assistant, but was unhappy with the level of service provided.

If you are able to give them specifics (e.g. *I really need someone who can reply to emails within 3 business hours, is this doable for you?*), this can prevent future disappointments.

5 CHAPTER FIVE — ONWARDS AND UPWARDS!

Remember your goals

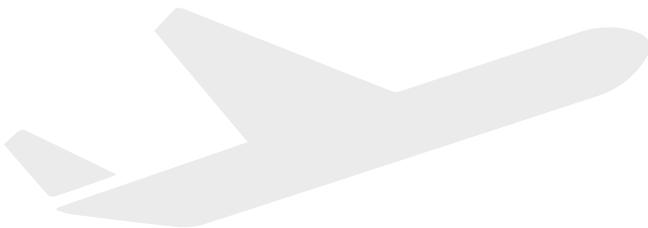
By now your new assistant should be kicking goals — getting those tasks done and out of your hair, and providing real value to your business.

It can be tempting to ‘hover’ and double check each task, but once he or she has proven themselves capable: relax and get on with your goals!

Don't forget our simple sentence from Chapter One:

Outsourcing [task] will allow me to [higher level task].

One great way to remind yourself of your goals is to put them up above your desk, so you can see clearly what you now have more time to do.



Use your new resource

It's easy to forget that your assistant is most probably a business owner themselves, with a wealth of information to boot! Getting stuck on something? Why not ask your assistant what he or she thinks? Or ask if he or she can recommend someone to help.

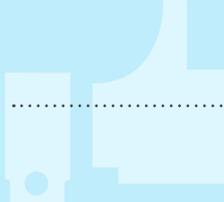
You would be amazed at how wide an assistant's network can be: from accounting to web design, printing to great venues, and the list goes on!

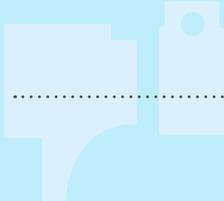
Say thanks

If your assistant is adding great value to your business, let him or her know! Even if it's just a quick email to say ‘thank you’, it can make a huge difference to his or her day.

Offer to write a testimonial for his or her website, or even refer him or her to your networks. Word of mouth is so important in small business, and you'll often find people are happy to reciprocate!

APPENDIX

TASKS I ENJOY		 

TASKS I DO NOT ENJOY		 

TASKS I AM NOT GOOD AT	TASKS I AM GOOD AT	