

Armada Center

641 Alpha Drive
Pittsburgh, PA 15238
412-406-5700 [phone](#)
www.hub1.com [web](#)

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When Outsourcing Outranks In-House Solutions

Choosing to outsource any component of your business – from supply chain operations and optimized warehouse and logistic solutions to IT or accounting – is a big decision. However, there are benefits to outsourcing that frequently are overlooked.

While outsourcing may be an added expense up front, in the long run, it becomes a cost-cutting measure. Outsourcing any area of a business means that funds are being consistently and predictably spent; there are no surprises as to where your money is going or when it's leaving you.

Outsourcing also means that there is the potential for a more rapid implementation of new strategies and initiatives for your business. You can enhance existing plans for growth with the additional manpower and resources that come with outsourcing, and if you have outsourced a key area of your business, your own employees can put a more specific focus on completing key development and growth tasks.

You'll also gain the benefit of having increased control over your business, which means you'll be able to strategically plan better. Outsourcing can add structure to a poor workflow by allowing you to make more efficient use of your labor, resources and technology. By outsourcing, you'll have access to more knowledgeable people, to better and more expert business practices and processes, and to a larger and more diverse set of skills.

How to Determine if Outsourcing is Right for Your Business

If you know your business needs some improvement and you're not sure if outsourcing would benefit you and your employees more than a new in-house solution, consider looking at your resources, your continuity, and your future plans for growth.

First, look at the resources you have in your employees. Consider the number of people involved with a project and the time spent per person. Do you find that you have too many people undertaking numerous tasks to keep your business afloat? You may also want to look at the skills of your employees and how they're being utilized. Do you have employees performing tasks outside of their areas of expertise? Or perhaps you have employees who have taken on the role of multi-taskers, which again, can drain productivity. If any of these scenarios sound like your organization, you may want to look for an outside organization to provide you with solutions to help boost employee productivity and streamline your work tasks.

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You'll also want to look at the continuity of your business. Examine your management. If the managers you have take on too many diverse tasks, their own productivity may suffer. If you find that your business has a high turnover of managers, this could disrupt the continuity of programs and projects, and create gaps in productivity. Take a good look at your staff turnover rate as well. Constant changes in staff may result in staff being unable to adapt to current in-house systems, and new staff members may want to radically change the current infrastructure of in-house systems, causing a clash with existing employees. Outsourcing can streamline the tasks associated with a constant employee flow or a high turnover rate.

Lastly, consider if your business is ready to undergo any major changes. Outsourcing can become a catalyst for improvement. You may be undertaking a step in a growth project so large it simply cannot be achieved with in-house resources. You can also use your outsourcer as the force that intentionally drives the changes forward and keeps changes on track. Outsourcing during a time of change allows for acceleration of development and enables employees to focus on future tasks that promote growth, instead of completing multiple current tasks. Finally, during the implementation of any changes, outsourcing can oftentimes place the burden of risk outside the organization instead of taking on all risk internally.

Outsourcing as a Partnership, Rather than a Vendor Relationship

To help your outsourcing company perform at its best for your business, and also to enable your internal employees to have more visibility into the outsourcing services, a partnership-based relationship is recommended.

Hub One is part of the Armada family of companies, which promotes a sense of one-on-one partnership with all of its clients, including Chipotle, a national quick-serve restaurant (QSR), and Darden Restaurants, a nationwide chain of successful eateries. Both restaurant chains outsource to Armada for several value-added supply-chain services and both view Armada as integral to many important business decisions. As a subsidiary of Armada, Hub One is proud to uphold this type of relationship with the largest and most well-known QSR in the world.

“We know we can't be all things to all people. In order to grow and be successful in the long run, we must focus on the things we do best,” says Jeff Bayer, Vice President and General Manager of Hub One. “We're passionate about our work, which helps grow a trusting relationship with our clients. We recognize our competencies, which has led us to specialize in optimizing supply chains. And we use our people and our technology in the smartest way possible to create value for our customers.”

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Hub One Builds Strong Relationships through Innovation and Open Communications

Working hand-in-hand with its clients has allowed Hub One to develop strong, successful relationships that prove profitable for both parties. Hub One's customer-focused communications and state-of-the-art technology offer clients significant opportunities to improve their productivity without taking on the workload internally. One example of this is Red Prairie, Hub One's warehouse management system, which has led to greater efficiency in all areas of production – a benefit that is directly transferred to Hub One clients.

“We're very proactive in assimilating new methods and technologies that can enhance the service level for our clients,” remarks Bayer. “We offer our clients an electronic data interchange (EDI) for more effective communications, and we also give them the chance to view what's happening with their inventory on our web-based vendor homepage. Plus, we enforce labor standards at every turn. These labor standards lead to an even greater level of efficiency and are part of a repeatable process; we expect nothing but the best from our workers each and every day.”

Hub One works hard to anticipate its clients' needs and form an open and receptive dialogue throughout its work relationships. It is through this honest communication and a willingness to take on much of their clients' burden that makes Hub One an outsourcer that clients are happy to have on the inside.

“We believe in transparency in every aspect of our working relationships – from billing to processes,” adds Bayer. “Our business model is a sound one. We have nothing to hide, and our clients recognize this. When you're up front about your practices from the start, it builds a strong foundation for the future.”

Whether you choose Hub One or another company for your outsourcing needs, remember to always look for an outsourcer that's willing to take on some of the risks and form a partnership that has your company's best interests in mind. Only then can you truly benefit from the many advantages outsourcing has to offer.