

Delegate more tasks; build your bottom line

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Continuing on last month's theme of assessing and improving your business, I want to share two concepts that I guarantee will yield immediate results.

The most important ideas in running an efficient, cost-effective and profitable practice are the concepts of outsourcing and "insourcing." Outsourcing is the delegation of activities and services from internal production to an external entity specializing in the management of that activity. Insourcing is the same type of delegation, except that it is done by somebody in-house that you hire.

The decision to outsource and/or insource is made in the interest of redirecting your energy to the strength of your particular business and to make more efficient use of time, labor, capital, technology and resources. Most importantly, outsourcing and insourcing allows you to focus all your time and energy in areas that you are best at and yield the most revenue.

When I started my practice, I performed every possible function. This included the bookkeeping, payroll, marketing, paperwork involved with new clients, making the coffee, cleaning the glass on the conference room table before meetings ... you get the idea. As my firm grew, I found it difficult to let go of some of the most basic of functions. I still insisted on writing every check for every bill and composing every word on every marketing piece we were using. Needless to say, many of these functions kept me from making the most productive use of my time.

And then it happened. During a sleepless night, as I lay in bed thinking about all of the menial tasks I had on my agenda for the next day, I decided in utter frustration that I would hire someone immediately to take over every possible function that could be transferred. I followed through by hiring a personal assistant within two weeks and proceeded to train her to handle most of the administrative functions I had been doing.

About a month later, I realized how much more time I had by virtue of the work my assistant was doing. I also realized that with the newfound free time, I had generated more revenue in that month than ever - an increase big enough to pay the salary of my assistant and then some. I was on to something - spending money to make money - a concept I learned in a textbook years earlier, but never saw its practical use until that point.

But I was still writing the checks and overseeing the marketing, among many other things. What happened next is what allowed me to transform my practice into something much larger than I could ever have dreamed. I hired three new people in one day to perform specific functions, and I hired a local marketing firm that would immediately take over the day-to-day tasks of marketing and public relations.

In one fell swoop, I tripled the size of my staff and was actually happy about all of the added expenses. You see, it took me years to be open to those concepts, but as soon as I bought in, I quickly adopted them in every facet of my practice.

As a bona fide outsourcing and insourcing junkie, I have adopted the following pledge:

1. I will only spend time in areas that generate revenue.
2. I will never dabble in areas where I am not an expert.
3. I am not an expert in everything. I will hire experts, either internally or externally, to bring the highest-quality talent to my firm.
4. I will invest money in others because it will allow me to stay focused and therefore more productive.
5. I will spend money to make money.
6. If I revert back to the old days, see numbers 1 through 5.

There are many reasons to consider outsourcing and insourcing, as the two concepts certainly go hand in hand. It's a matter of making the best business decision based on the facts and situation at hand. It's official - I am addicted to outsourcing and insourcing and encourage anybody interested in growing his firm to do the same. This is an addiction worth having ... like money in your pocket ... literally.