



HIMA Workshops

**How To Generate Massive Profits From
Local Business Owners**

Training Module Six:

Setting Up Your Own Outsourcing Network

Training Module # 6

Setting Up Your Own Outsourcing Network

A. Why You Need To Outsource

If you start to set the system up as outlined earlier, your volume of workshops and clients will increase exponentially. It doesn't take long before you are completely covered up in business. It pays to start researching the outsource market as soon as you have booked your first workshop.

I was one of the worst people in the world to think that nobody could do it as good as me, so I wound up doing all of the work just to make sure it was done right. Using this mentality, I was able to handle a whopping two clients per week. My workload could be as much as 20 hours to set up each client exactly the way I wanted it done. That could include everything from writing ad copy, building sites, installing capture mechanisms, beginning a blog, newsletters, emails, etc.

You name it I could do it. Was everything done absolutely correct? You betcha! Was I an idiot for doing it that way, you betcha!

No matter how you sliced it, I had effectively put a ceiling on my own earnings capabilities.

By not Outsourcing your work, you are severely limiting yourself in more than just one area. You are limiting your earnings potential, your creative potential, and your growth potential. Not to mention the fact that you'll be working yourself silly and probably won't be much fun to be around. Believe me – I know. I couldn't stand to be around myself sometimes!

Outsourcing can and should be your best friend. With the proper Outsourcing network you can handle volumes of new business and make a slice of the pie on each deal. An Outsourcing network will effectively allow you to change hats from a consultant/worker to a consultant/coordinator. There is a major difference in the "time factor" between the two. What I mean is that it takes much less time to **coordinate** work than to actually **do** the work.

As you and your consulting business grow, time will become more and more important to you. Dan Kennedy said it best when he stated that in order to become a true entrepreneur you have to get out of the mentality of work equals money. The tons of time that you save by Outsourcing can be used for far more productive endeavors such as finding new JV partners or new business.

Now that you understand **why** you need to out source, let's discuss **how** you can out source. By pure definition Outsourcing means that you are sourcing out the work that you either don't want to do or don't have time to do. My good friend Willie Crawford said, "If it's not fun I'm not going to do it." Using that as a business model has helped me decide what to outsource and what to do personally. So I wind up Outsourcing everything that is not fun. As a holiday bonus I send each of my Outsourcing partners a large bottle of Excedrin and a sincere thank you note for all they do.

There are several different ways for you to set up your own Outsourcing network. We'll cover a few of them and you can decide which route it is best for you. When setting up your own network you need to keep in mind that these are people that you would want to work with for years to come.

For whatever reason you will run across some folks who do a great job but you're just not comfortable with them. If you do find somebody that does a great job and you're comfortable with them, you may want to discuss an "exclusive use" deal based on volume. Just keep in mind that this is a long-term solution, not a short term fix.

B. How I Built My Network Fast and Easy

In the beginning I really didn't know anyone, which is another reason I tried to do everything myself. I did not know where to go, who to turn to, or where I might find people who were good. The more I thought about it the more I realized that I had an enormous source right here in my own backyard. Colleges! In my particular area I am fortunate enough to have five separate colleges and several technical schools available. What I did was actually quite simple and can be easily duplicated by you. I simply called each college and found out who the professor was in charge of computer or computer science related classes. I then went down there and spoke with each professor in person. I struck out on the first two, but as they say the third time is charm.

What I did was talk to the professor and offered this deal to him. If I could get some juniors and seniors that have some real talent to work for me part time as an independent contractor, I would pay them per project. In exchange for that, not only would they be paid very well, I would also give them exactly what they need when they graduate.

I would provide each student who worked for me with a letter of reference for their future employers. I would be able to tell their future employers just exactly how valuable they really were. I would also be able to show them examples of work they had done for my existing clients. So when the students graduated they would have a letter of reference from the CEO of a legitimate company proving to future employers what a great employee they would be. Plus, there was the added bonus that prospective employers could contact me directly.

This strategy was one of the best deals that I've made to date. I pay the college kids per project and they make very good money. To a college kid that's a dream come true. The added benefit to me is that these kids always deliver over the top! They are enthusiastic about their work and it seems that each project tries to top the prior one. Another great thing about this deal is that since this is what they are studying in college, they're always up on the latest, greatest when it comes to graphics and web design.

Like all great JV's it's a true win, win, win. It's a win for me, a win for the college students, and a win for the clients as well.

You can use the example as outlined above and start contacting some local colleges or technical campuses. Pretty soon you can have some of the best and freshest talent available working for you at a much discounted rate. It really doesn't matter what type of project you are looking to out source, I guarantee you there is a college or tech school that's teaching it right now.

If you don't want to directly interact with the college staff, you can always put in a direct ad for college students and cut the same deal with each applicant.

Each percentage needs to be straight across the board. Decide on what would be fair for the work and keep the difference. I will pay out as much as 75% of a total project, depending on how involved I will have to be. I also make sure they know this fact in advance! As a result, I have many more projects in that category than any other.

I haven't really explored other pools of talent locally, because I didn't need to look any further than this one resource. I'm sure there are probably many more ideas that you may have that would work equally well.

C. The Approach to Outsourcing Partners

One of the best methods to land some really good long-term talent is by guess what? Once again, by being totally honest with them right from the start. It's OK to let them know that you are just starting out, but you can also turn this into an enormous advantage if you do it right.

As I explained before, once you find some really good talent you're going to want to hold onto them. Here's how you do that. It's called a **soft proposition**. A soft proposition is not an outright offer, but rather a "seed" planted to harvest in the near future. You simply approach them with the fact that you like their work and you like them personally. "If I continue to grow I would like to be able to shift more volume towards you, if you would be open to that." That statement will either wrap the deal on the spot, or open the door for a possible JV partnership.

In any case, there's a real probability you'll be able to arrange a lower price point based on your volume alone. If they don't bite immediately don't worry. As your volume increases simply start shifting more work to them. The more volume they receive from you, the more money they make, which in turn moves you up the totem pole on their preferred list of clients. The soft proposition is meant to leave the door open for further negotiations.

They will often want to negotiate before they settle on a hard number. Just do your math, take care of yourself first, and take care of business. *NOTE* Never, ever negotiate based on future volume! Always base your price points on your current customer client volume. If it becomes an issue, you may want to start casting your net for another partner. It's great to speculate on future options, but never sign anything to that effect unless you seek legal advice first.

D. Where to Find Other Partners

There are of course many places on the Internet to begin your search for Outsourcing partners, if you're not comfortable with any of the above examples.

Elance.com is by far one of the largest resource pools available on the Internet. There can actually be an advantage to using services similar to this to begin building your network. The reason is because once you post a job on these types sites, the project will be bid on by several different professionals. This gives you several different options that other methods don't offer.

EGuru.com is another one that I've actually used before with good success. Another industry giant friend of mine used this service to build his own network in the beginning. Two of my current staff are long-term "negotiations" from an initial hiring, using the exact same method I just discussed with you.

Another advantage, especially when you're a beginner is the fact that you can go to similar sites and watch the bidding process. That's an enormous advantage that most entrepreneurs don't use. Watch current projects that are similar to yours and you won't be "flying blind" on your first project posting.

There's nothing worse than posting a project that blatantly tells them that you're there to be taken advantage of. Yes grasshopper, there are people on there that will take advantage of you. So you need to take advantage of a small amount of research first. You can even go as far as copying and pasting similar project offers so you can study them on your own time. I can't emphasize how important this little trick is to attracting the right type of talent.

E. Tools Your Partners May Need

Sometimes partners that you are working with long-term will need software or other tools to complete new more advanced projects you may have.

I personally have no problem footing the bill for the tool if it will help them do a better job for me. Many times I can buy it and use a unique log in that I only give to them. This way it's registered to me but they are registered as a user under me. Most software vendors will have no problem with that as long as you make that clear beforehand.

Most of the time we work out a deal. I will give them the money to purchase the product and take it out of our next few projects together. I've done this several times and it's always worked out to be a good decision. If you know, like, and trust the person enough to do this it can create a loyalty that can't be broken. There's nothing better than having partners who also know you, like you, trust you and feel like they owe you!

F. Tying It All Together

You may eventually grow to the point that you'll want to hire someone to coordinate all of your Outsourcing! I have recently crossed this threshold myself and it's a great feeling.

I chose one of my long-term partners that has worked with me and consistently shown the leadership ability to handle this step up. He is, in effect the best downfield blocker I've ever had. What I mean is that almost everything that does not require my direct attention filters through him. I speak to him once or twice a day for direction on certain issues, but for the most part he does a great job of handling it for me.

Over time, he has learned the "direction" that I normally think, and therefore knows how I will react to most situations. He does send me a daily breakdown and update on everything that he oversees. As you can imagine, this is a tremendous timesaver for me. I also compensate him accordingly. As an added bonus, I share some methods that will generate money for him personally.

I always thought when I reached this point that I would be able to make tons of money while sunbathing on the beach. After all, the business becomes almost self supporting at this point. What did actually happen was far from any time off. He gave me more time to start entertaining all of the JV offers that were starting to come.

So the bottom line is that you now have a full fledged successful business. If you grow to this point, you can start out by setting up separate emails for each service you offer and redirecting them to the partner that handles that. You can send a carbon copy to yourself if necessary to stay abreast of everything as it comes in, but eventually the daily report will be all you need.

In the next lesson we will discuss how to increase your volume through demand.