

Free Guide:

10 Most Common Outsourcing Mistakes

Introduction

This eBook will introduce you to what outsourcing is and where so many entrepreneurs and business owners have gone wrong while attempting to outsource their operations.

It's a pleasure to provide you with valuable content that derives from our experiences hiring online workers over the past 7+ years.

We stumbled upon outsourcing while networking with other entrepreneurs and never looked back.

We ask you to share the eBook link with others so that they can learn about outsourcing and how it may impact their professional life.

It is our mission to help as many business owners capture the potential of outsourcing without the hassle of interviewing and hiring.

Yours truly,

The FreeUp Team

A Brief Introduction To FreeUp

[FreeUp](#) connects businesses to the top 1% of freelancers in digital marketing, eCommerce, virtual assistance, and web development, and more.

The company gives entrepreneurs and business owners the ability to hire online workers with specific skill sets without the hassles of recruiting and interviewing.

FreeUp is a marketplace of freelancers located in the US and outside of the US that it has recruited, interviewed, and tested.

These freelancers have skills specialized within the eCommerce, digital marketing, and web development industries, among many other online business skills including:

- Virtual assistants
- Customer service (emails, phone, live chat)
- Amazon, eBay, Walmart, Newegg, Jet
- Shopify, WooCommerce, Wix
- Blogging, copywriting, and content creation
- Photography and videography
- Social media management
- Facebook Ads, Google Adwords, PPC campaigns.
- Designers, front end developers, back end developers
- ...And much more!

FreeUp takes a hands-on approach to outsourcing because of the difficulties that we ran into when we started to hire online.

We take the time to meet with each potential client and listen to their needs as an entrepreneur.

Only then do we place the best worker from our team into your hands. You have 10-15 minutes to meet with the worker to ensure they are the best fit.

Once you're ready to hire, all payment and hours management is performed through your FreeUp account.

The team is available around the clock to make sure that your outsourcing experience is exactly what you want.

In this eBook, you'll learn the reasons that FreeUp was created and why outsourcing can be such a challenge when attempting to get into it.

[Get started with FreeUp.](#)

What Is Outsourcing?

Outsourcing is the process of hiring external workers or help to handle certain aspects of the operations of your business.

Outsourcing continues to be an alternative to hiring people to work full time in your company as it can offer greater flexibility and pricing than hiring and training a traditional full-time employee.

What You'll Learn

In the following pages, you'll learn the top 10 reasons why entrepreneurs fail to effectively utilize outsourcing and how you can avoid them.

We've gone through all of these mistakes over the past 7 years and all of them have taught us a tremendous amount about outsourcing.

We're here today because of the failures that we've made and we want to share with you the knowledge that we have attained. Enjoy!

10 Most Common Mistakes Of Outsourcing

As with anything, you must fail on your way to perfection.

When growing up and playing a sport, how many times did you strike out, lose a game, miss a shot, or score an own goal before you reached peak performance?

It probably took you hundreds if not thousands of mistakes. Business and outsourcing are no different.

To curb the number of failures that you have to go through as an entrepreneur, we've put together a list of the 10 most common mistakes that entrepreneurs and business owners make when outsourcing.

It is our hope that these words of wisdom will guide you towards a future where you are able to effectively utilize outsourcing to cut costs, create more time, and increase productivity within your company.

Mistake #1: Not Knowing Exactly What You Want To Outsource

The initial attraction of outsourcing is tempting.

- Cheaper rates...
- Less management...
- High quality work...

Why not start outsourcing today? Many entrepreneurs get into outsourcing without fully understanding how it will impact their business.

They don't take time to answer the questions: "What aspects of my business do I want to outsource?"

"How much money do I want to save through outsourcing?" "How am I going to integrate these workers into my current team?"

Through our outsourcing experience, we've found that bad experiences with outsourcing tend to stem from this type of unorganized approach.

Over the years, we've developed a strategy for discovering how you can initially start outsourcing that makes all the difference in the short and long run.

This is a strategy that we walk our FreeUp clients through when first learning about their business and operations.

Follow these steps and see increased success with your outsourcing efforts.

How To Determine Exactly What To Outsource First

STEP 1

Sit down in a quiet environment where you can focus. Write down every task that you are responsible for within your business.

STEP 2

Reorder the list from easiest to most difficult.

STEP 3

Go through each task and identify the skill set that is needed to complete each one.

STEP 4

Decide which tasks make the most sense to start outsourcing. (Need some help? [Book a meeting with us here.](#))

STEP 5

[Put in a request at FreeUp](#) and we'll connect you with a freelancer within 24 hours!

You are now well equipped to avoid mistake #1 that leads so many entrepreneurs down the wrong outsourcing road. Only nine more to go!

Mistake #2 Not Having An Organized Interview Process

You find yourself online searching through an outsourcing marketplace and you're thinking...

"Wow, there are so many people that would be a great fit for my company. I'm definitely going to give this a shot!"

If you're at this point and you haven't thought out your interview process, you're about to commit mistake #2: not having a prepared approach to the interview process!

When you don't have a strategic interview process, the odds that you will hire a reliable and skilled online worker goes significantly down.

With the number of online workers looking for new jobs, your inbox can become quickly flooded with tens of applicants from people all over the world

How do you find the right one? This all happened to us when we first started outsourcing in 2012.

We would set up Skype sessions with ambitious international workers with no real strategy as to how we would choose the right one.

We didn't know where they should be from, how many hours they should have already worked online, or what to believe from our initial chat with them.

They were located thousands of miles away from us in a world completely different from ours...

In order to avoid committing mistake #2, follow our set of instructions for creating a sound interview process!

Create an Outsourcing Interview Process

STEP 1: Immediate cut-offs

- Lack of English skills
- Lack of response to messages
- Too low of hours worked online
- Poor reviews
- Rate out of range

STEP 2: Basic Information

- Worker location
- Worker hours and schedule
- Hourly rate
- Past experience
- Number of hours worked online
- Available time in the week

STEP 3: Skills and commitment

- Role-specific questions
- How-to questions
- Scenario questions
- How do you handle communication?

Avoiding mistake #2 can put you on a path towards hiring reliable, skilled, and affordable workers that fit your business needs.

Mistake #3 Hiring The Cheapest Workers And Hoping For The Best

As you begin your search for the best online worker to complement your team, you are ultimately thinking...

“I wonder what the cheapest hourly rate is that I can get for the worker that I need.”

You've read about outsourcing and you've heard that some business owners have hired workers as low as \$3.00/hour. You dream to yourself...

“Wow! What if I could get \$3.00/hour? That would cut my costs by 4 times!”

You begin to imagine the impact that an hourly rate that low could have on your bottom line and you become fixated on getting that rate.

Welp...join the club!

Everyone wants to pay the lowest rate possible, but unfortunately, it also tends to come with poor quality of work, lower expertise, and infrequent communication.

Mistake #3 is trying to hire the cheapest online worker possible simply for the goal of financial gain.

Again, we tried this when we first started outsourcing and we paid the price.

Although these online workers cost the lowest on the Internet, there are many hidden flaws. Here are a few...

Hidden Flaws Of The Cheapest Workers

1. Poor Communication

Their English is not as good as other online workers making it more difficult to set up and manage. They are not as communicative as you need when running your business.

2. Poor Internet

A factor many don't consider...poor or slow internet connection. This factor can impact your worker's ability to get your company's work done.

3. Overworked

For lower pay rates, workers tend to attempt to work absurd amounts of hours to make enough money to support their lifestyle. Working over 12 hour days can lead to mistakes quite quickly.

4. Disappearances

It's not uncommon for lower-level workers to disappear without ever resurfacing.

5. Multiple Workers On 1 Account

From time to time, you will run into funny situations when trying to hire online workers at 11 the lowest rates.

One that has become more common is one worker taking the job, but outsourcing the tasks to someone else.

Paying the extra \$1 to \$2 per hour is worth the increase in quality and reliability that you receive from the workers.

Look past the hourly rate and focus on finding the best possible worker that is always going to be there for you and your business.

Mistake #4 Not Knowing Exactly What You Want To Outsource

You have now found the right online worker to hire and you are ready to get started!

You're super excited and so you jump right into setting them up in the role.

A week goes by and you are confident that they can perform the job on their own.

You meet with your new worker one more time and you say... "This has been a great week of set up. I feel like you really understand the process and I would like you to begin performing this task every day going forward."

Your worker replies "Of course. Thank you sir."

You leave the meeting thinking that everything is dandy. You don't have to perform that task anymore and so you move onto another area of your business that you can grow.

Time starts flying by with your new focus and two weeks later you realize that you haven't chatted with your new workers since you let him go on his own.

In the worst-case scenario, you go to check in on his work and you realize it has been done incorrectly for the past two weeks.

That would be a disaster! You lose it and immediately fire the online worker. The task ends up back on your plate.

In the best-case scenario, you check back in on your worker and there are only tiny mistakes that are being made. Overall, the task is being handled.

You meet with the worker and correct the errors so that they don't happen again. You hurry back to your growth projects.

In either scenario, you have committed mistake #4 of outsourcing...you didn't set clear expectations from the start.

You have to remember that online workers are employed by tens to hundreds of different businesses every year.

Because of the large variety, every client has different rules and expectations for their workers.

As an online worker, you very much depend on the instructions from the client on what they expect and how certain situations should be handled.

At FreeUp, we have an entire Operations Handbook that outlines our expectations in all situations so that there is no gray area.

We're also extremely accessible so that workers can ask questions when they are confused.

Our workers know that when we give them a new client, they are expected to ask what the client expects of them while working together.

Not all workers have this discipline leaving the work of setting guidelines up to you.

The good news is that you can set clear expectations from the get-go and avoid the frustrations associated with mistake #4.

Here's how...

Create Your Expectations

- How often do you want to be updated on progress? Daily? Weekly? Biweekly? o
We encourage daily updates via email and Skype

- How do you prefer to be communicated with? What is your contact information?
Options: Skype, email, phone, text, WhatsApp, Viber
- How do you want issues communicated? What defines an issue? What defines an emergency?
- How does the worker ask for time off?
- What hours do you want them to work each day? Is it a fixed or flexible schedule?
- When is it appropriate to ask for a raise?
- Are they allowed to outsource the work to a friend in busy times?
- What should they do if their Internet goes down?

By setting expectations before getting set up, you and the worker get on the same page.

This simple practice should help you to avoid nightmares like what we explained above.

Checking in on your worker every week is always smart and keeps them more honest with the guidelines that you created in the beginning.

Mistake #5 Not Diversifying Workers Across Your Business Operations

It took some time, but you finally found and hired the best online worker for your business.

Give yourself a pat on the back. It's been a month since you hired them and you couldn't be happier.

They've already taken 5 different tasks off of your plate giving you close to 4 free hours in your day. You're now thinking...

"Wow, this is amazing! I can't believe that I didn't do this before. What can I give them next?"

You sit back down and assess the tasks that you can continue to delegate to your new online stud.

Your goal is to fully optimize the worker's hours by giving them responsibility for all repetitive tasks within your business operations.

The worker couldn't be happier because they always want more hours. You're on cloud nine.

Let's take a quick step back and look at what has just happened.

You've taken repetitive tasks from all departments of your business and made 1 person responsible for all of them.

Do you see anything wrong with this picture?

Don't get me wrong...you've accomplished more than most with your outsourcing efforts, but you've also placed your business in a risky situation.

This brings us to mistake #5...failing to diversify online workers across your business operations.

When you fail to do this, everything can revert back to page one within a matter of seconds. Let's look at an unfortunate reality that could very much happen.

You have a great worker that has been learning and perfecting everything under the sun. Almost all of your time has been freed up and you begin to work on new projects.

One day, your worker decides to quit... Since you taught that one worker everything, you fall back to square one where you are again responsible for all of their tasks.

This is one of the more difficult mistakes to bounce back from and it can greatly demoralize your efforts as a business owner with outsourcing.

How To Properly Diversify Your Online Workers

In order to avoid this scenario, we highly recommend hiring multiple workers and diversifying them across your business operations.

You can receive the same quality of work for the same price while minimizing your risk if one of them is to quit.

Here is an example from our experience...

When we first started outsourcing, we identified all of the tasks within the operations of our business that had the potential to be outsourced – just as we outlined above.

For each specific task, we created a job posting and we hired a team of people that met all of our needs and specific skill sets.

As the workers became experts in their task, we hired other workers for them to set up and manage.

Once they made it to this point, we had established trust and we considered if their skill set could be used elsewhere. When it made sense, we added them to other teams.

In this scenario, a worker can quit and you aren't scrambling to rehire for weeks on end.

You are in a controlled position where you can intelligently and swiftly fix the lost worker with someone else on your team while you recruit the next person.

Mistake #6 Failing To Properly Set Up Your Online Workers

Proper setup, or onboarding, is one of the most important aspects of scaling your team regardless of whether the worker is in your office or remote.

A strong and organized set up process can bring the new worker up to speed and give them the tools to make a quick and lasting impact on the business.

It's even more important to have a fluent setup system for online workers because of the barrier of communication on the Internet.

Again, we find you at a new stage of your outsourcing experience.

You've just hired your worker and you are tasked with teaching them the first task that you want to outsource.

For argument's sake, let's say that you own an eCommerce company and you want them to take over the order fulfillment process.

You schedule a time and you begin a voice call with the worker.

You begin to tell them about the process slowly walking them through the order fulfillment interface.

You successfully walk the worker through submitting and annotating 10 orders and it takes you 1 hour.

You ask them if they have any questions and they simply reply "none for now."

You're not positive if they fully understand the process so you set up another integration session where you ask them to walk you through it.

The meeting goes well, but it could have been better. Frustrated, you decide to let them give it a shot.

Keeping a close eye on their work, you notice that they are completely forgetting a step.

Unfortunately, you have just become a victim of mistake #6...not properly setting up your online worker.

Create A Detailed Onboarding Process

It's nothing to be ashamed of. Before we failed multiple times, we did not know the best ways to set up our online workers either.

Now I'm here to explain how you can avoid it!

STEP 1

Create detailed systems with step by step processes. Document these in written format in 1 place. You can use Google Docs or a program like Notion.

STEP 2

Hold your onboarding via skype, slack, or another program where you can share video, audio, and screen share.

STEP 3

Walk the freelancer through the process. First, you want to show the worker the process on your screen.

They will get an overview and be able to answer questions.

STEP 4

After 2 or 3 sessions on your screen, test them by having them go through the process with you watching.

Provide feedback while they are going through the process so that they are perfect once you let them go on their own.

STEP 5

Provide them with the setup guide and have them update it as parts of the process change.

It is their responsibility to keep it as updated as possible for future workers.

When you follow this set of integration directions, you will be able to confidently leave them to run the process on their own.

It's always smart to check in 1-4 times per month to make sure everything is fine and dandy!

Mistake #7 Not Cross-Training

You've now properly set up your team of online workers in their specific tasks and your business is running efficiently.

The next most common mistake is reserved for those advanced business owners outsourcing who have created an efficient team of online workers.

One aspect of having workers that always comes up is time off, sick days, and vacations.

Depending on your company's policies, your workers may have 2 to 3 weeks of vacation time each year.

Vacations are great! They give your workers time away from work to enjoy their life and allow them a necessary reboot 3 to 4 times each year.

What could be wrong with vacations?

Well, for that period of time that the worker is on vacation, you lose someone that is a master of their craft.

When thinking about one of your online workers that specializes in a very specific task of your operations, you run into a bit of a challenge...

"Who else can do that task?"

This is where business owners can fall into the trap and commit the most common mistake #7...not setting up your workers to be able to handle multiple tasks.

Here is how you can overcome this challenge that many business owners unfortunately run into while managing their online team.

How To Cross-Train Your Freelancers

STEP 1

Identify all of the tasks that are handled by online workers in your company.

STEP 2

Next to each task, write down the names of people that know how to perform that task other than you.

STEP 3

For tasks that only have 1 person, find someone from your company that has the skills to perform that task. Write that person's name down next to the task.

STEP 4

Create a schedule that has everyone's vacation plans projected at least 1 month out. Ideally, your vacation schedule will pan out for an entire quarter.

STEP 5

Bring the two workers together – the one that knows the task and the one you wrote down in step 3. For each task that you identified as only having one person with the skills to perform the role, set a goal for passing off the knowledge of that task to the other.

STEP 6

Tell the worker that already knows the process to update the set up guide that you first used when getting them into the task.

Let them know that they will need to give this to the other worker as a reference after they effectively teach them to perform the task.

STEP 7

Follow up to make sure that the meeting happened.

By properly communicating with your team, you can avoid the hassles of having to pick up work for one of your online workers when they go on vacation.

Now you have an even more efficient team of online workers that can run without your interference.

You get to stay focused on building the business while the operations are handled by your team.

Mistake #8 Not Fully Integrating Your Online Workers Into Your Team

As I've said throughout this book, most online workers are always seeking new opportunities and may end up working for hundreds of clients over a period of one year.

Online workers are **extremely accustomed to short term contracts**, but most come from a professional background where they were working for a company for a long period of time.

They decided to move into online freelancing for the convenience of their family or because they saw a better opportunity to pursue their career goals.

Online workers are best utilized when fully integrated into your team and given the opportunity to really feel the culture of your business.

One of the biggest misconceptions that many business owners have of outsourced work is that they aren't really a part of the home team.

Rather, they are a foreign support team that performs specific tasks within the company.

If you are of this mindset, you are committing our most common mistake #8...not fully integrating your online workers into your business.

What Online Workers Care About Most

As we hired, fired, and built an ultimate online team of over 30 freelancers, we realized what was most important to the people that we were hiring.

It can be broken down into three simple themes:

1. Consistent work
2. Competitive rates
3. Being a part of a growing team

When we built the team, not setting up your workers to be able to handle multiple tasks meant that the worker understood the culture that we had created for the company in our home office.

We introduced them to our history, our team, our accolades, and showed them our office.

As the workers got to know the company better, they became more committed to working hard and sticking around to achieve the long term goals.

If you want to milk the most out of your online workers, you must focus on fully integrating them into your business operations from the get-go.

The more effort you put in, the more loyalty they will feel to helping you grow your company.

Mistake #9 Not Listening To Their Ideas And Asking For Feedback

Starting to get the feel for how this whole process of outsourcing works? It takes a lot of trial and error to discover the best practices. That's what we are here for ;)

Let's return to where you are now... You now have a dedicated team of online workers that are running as much of your operations as possible.

You feel comfortable and confident in your team and you are even beginning to develop relationships with your best workers.

You regularly chat with them on Skype and you keep them up to date with everything that is happening in the business.

They genuinely seem excited to be working for your company.

This is usually the stage of outsourcing where business owners can run into mistake #9...not listening to their worker's ideas and not asking feedback on how they can improve.

If it's been a few months since your online workers have joined your team then they have been performing their specialized tasks for quite some time.

They also probably know a decent amount about the inner workings of your business and how it makes money.

The truth that many entrepreneurs overlook is that your online workers can bring great ideas to the table, but you have to be willing to ask and openly listen.

Here are a few of the best practices that we have picked up from managing hundreds of online workers.

Because of cultural differences, you really need to pry the information out of certain online workers.

Best Practices For Getting Ideas & Feedback

One-On-Ones:

We suggest having 1-on-1 meetings with every freelancer on a weekly basis.

This gives them a consistent schedule for them to ask questions, and for you to check their work.

Anonymous Surveys:

Release anonymous surveys each month where your online workers can share their ideas and criticisms.

Read the results and create proper action steps.

A Culture Open To Ideas:

Your workers' performance is shaped by the culture that you create internally.

If you are always posing questions and rewarding people for their ideas, your online workers will be more open to sharing ideas that could improve your business.

The beauty of outsourcing correctly is that you are adding intelligent individuals to your team that wants to help you grow.

By failing to tap into that knowledge, you are making a major mistake.

Take our advice and be as open as possible to ideas and feedback from your online workers.

Mistake #10 Not Allowing Your Online Workers To Grow With Your Team

We've reached the tenth and final mistake that is most commonly committed by entrepreneurs as they start outsourcing.

If you can manage to avoid all 10 of these mistakes, you are in great shape to run your business with the help of an amazing team of online workers.

Remember earlier when I outlined the aspects of the role that is most important to online workers? Here's a refresher...

1. Consistent work
2. Competitive rates
3. Being a part of a growing team

The final mistake stems from aspect #3.

Online workers understand that their biggest asset is performing specific tasks, but that does not mean that all of them are content with performing that task with no growth for years on end.

One of the biggest mistakes that business owners make once they have formed their online team is not providing growth opportunities for their best and most trusted online workers.

If they are your best workers and it is clear that they can help your company in other areas of your operations, you must capitalize on that opportunity and let your online team grow with you.

It's very much a waterfall effect. Here is how we recommend managing these types of situations.

How to Manage The Growth Of Your Online Workers

You have two workers in one of your teams. One worker, John, excels at the task while the other, Rob, simply does their job well and as instructed.

You are planning to increase work in that team and you are planning to hire a third team member.

Use the opportunity to let both John and Rob grow within their positions.

Take John and place him in charge of managing the schedule of tasks that needs to be completed each week.

Put John in charge of managing Rob and the third worker that you are planning on hiring.

For Rob, give him the additional responsibility of setting up the new online worker that you are hiring for the team.

By offering these growth opportunities, you create less work for you. You also give your online workers the ability to make a greater impact on your business operations.

If the additional responsibility doesn't work out, it's very simple to move them back to how they were structured before.

You can also incentivize your online workers by providing them with milestones that they must reach before they are considered for a raise or promotion.

By simply offering this notion, it indicates that they have the ability to grow within the company.

When online workers have goals to strive towards, they work harder for your business and your job becomes easier.

Time To Get To Work

If you've made it this far, it is our hope that you have learned a tremendous amount about the power of outsourcing.

When we first started outsourcing, we weren't sure what would come of it, but we had a strong feeling that it would all work out.

While it took us a couple of years to fully identify the best practices for outsourcing within our company, the long term impact greatly outweighed the initial setbacks.

As the founders and owners of FreeUp, it is our goal to provide others with positive outsourcing experiences.

We wish you the best of luck as you begin your outsourcing journey!

Get Started Outsourcing With FreeUp

If you're interested in starting your outsourcing journey, we would love to connect with you.

It's extremely easy to get started - [Click here to sign up for an account](#).

If you'd like to speak with one of our account managers, just [book a free call here](#) and we can answer any questions you have.

Next, you'll put in a simple job request and our team will connect you with a pre-vetted freelancer within 24 hours.

[Click here to sign up for a FreeUp account!](#)