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The guide to
OUTSOURCING

FOR
**DANCE STUDIO
OWNERS**

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INTRODUCTION

The method of outsourcing is almost as old as the concept of business itself.

While offline businesses have been taking advantage of this idea for decades, online businesses, particularly up to the last twelve months or so, have traditionally spurned this opportunity, instead focusing all of their energies on 'Doing it myself', or 'Wanting to feel in control'.

This notion is absurd.

As I mentioned, more and more online businesses (including dance studios) are turning to outsourcing and commissioning freelance work, as a means of concentrating their efforts solely on the areas of their studio that have the greatest effects on their bottom line.

While the idea of outsourcing will continue to grow, particularly in the immediate future, as more and more studios and businesses in general continue to outsource unnecessary or undesirable tasks, it is important to understand that outsourcing is not for everybody and can also have negative implications.

This guide aims to give you, as a dance studio owner, and therefore the owner of a small business, the tools to effectively reach your outsourcing decisions.

It offers an impartial look at both the positive and negative effects of outsourcing, and leaves it to the reader to decide if outsourcing is an option that they would like to implement into the running of their studio.

OUTSOURCING DEFINED

In the broadest possible sense, outsourcing is the method of utilizing external resources to manage the business tasks which do not meet the core competencies of an organization.

For instance, a dance studio may outsource the business accounts to a part-time accountant, or an online author may outsource the cover of her eBook to a professional graphic designer. Similarly, a surgery may choose to outsource its IT needs to a specialist software company.

In all of these cases, the participants are judging the core competencies of their chosen operation, recognizing both their operational strengths and weaknesses, and outsourcing the tasks that they are unable to complete to the desired standard.

Outsourcing can also account for contracting work, with a service provider 'handling' specific tasks for a studio over a longer, and agreed, period of time.

In this instance, it is imperative that both parties are bound by full written terms and conditions stating the task to be undertaken, the duration of the service and other factors including monetary agreements, pay frequency and use of company resources, such as welfare facilities, etc.

Infrequently, the service providers may also be granted certain, limited powers to act in the best interests of the organization and on behalf of their clients. Again, this responsibility must be included in the written terms and conditions, as agreed by both parties.

Probably the prime reason that outsourcing is becoming increasingly

popular is the fact that dance studio owners, and business owners in general, are beginning to recognize the benefits of allowing their staff members to focus directly on the operations that they are fully-skilled and qualified to achieve to a high standard – resulting in greater productivity on high-priority tasks.

Similarly, it is normally the more mundane and lower priority tasks that are being handled by external provider, at a lower cost to the studio.

The external providers would also be expected to perform their daily tasks to a higher degree of competency than regular staff members, resulting in a 'win-win' situation for studio owners, as all staff and external service providers are now performing the tasks that they are qualified to undertake, to a much higher level of both productivity and efficiency.

HOW TO OUTSOURCE EFFECTIVELY

Although outsourcing has always been fully incorporated and embraced by larger organizations, many smaller business, such as dance studios, are now beginning to implement the method, in order to keep costs to a minimum, while maintaining greater levels of operational efficiency.

Forexample, many dance studios are now outsourcing their payroll management to fully qualified accountancy firms, who are better skilled to calculate taxes, salaries and stoppages, etc., with a far greater depth of knowledge than even most middle management Finance Managers.

Dance studios may also decide to outsource their collection procedures, in order to enable their Finance team to concentrate more on making the studio

more revenue, as opposed to chasing up aged debts and the like.

It is important to recognize that in terms of modern clerical and administrative duties, there is very little that cannot be outsourced to an external service provider.

The operation simply requires studio owners to be brave enough to take the step and possibly risk upsetting its workforce by reallocating its workload.

However, as with most things in business – effective, timely communication, coupled with regular strategy meetings can help to alleviate this.

Aside from clerical and administrative tasks, it is also becoming increasingly popular to outsource larger, 'Project Management' tasks.

These could include the planning and launch of a brand new marketing campaign designed to attract new dancers to the studio, or an advertising campaign pitching the health benefits of dance as an exercise tool, while full-time employees focus their efforts on the relationship with their current clients.

It could also include PR projects, as most small to medium studios are unlikely to have the luxury of a fully operational and on-site Public Relations department.

Once again, it is important to repeat that once properly planned and researched, there are very few tasks within the scope of a dance studio, that cannot be outsourced to an external service provider.

It is even possible, and sometimes necessary, to outsource certain executive and 'owner based' tasks, as and when circumstances dictate that productivity and efficiency would be increased by doing so.

OUTSOURCING BENEFITS

Possibly the biggest attraction of effective outsourcing is the simple fact that it can save many dance studios lots and lots of money!!

Particularly for start up studios, where cash-flow may be tight and every unit of revenue requires careful investment, there is a more than reasonable expectation that choosing to outsource the operation will be more cost effective than renting or buying the necessary equipment and resources, hiring and training employees, and removing these employees from tasks in which their overall contribution to the bottom line of the studio is much greater.

Let's look at two common examples which may better serve to illustrate this:

1. Particularly in smaller studios, managing the business accounts can eat up disproportionate amounts of time. Managing the accounts correctly would also require at least one accounting employee, to be employed by the studio. Due to the nature and the importance of the task, this employee is likely to command a large-sized salary, as well as an expensive benefits package, in order to make it worth their time accepting the position.

2. However, by outsourcing these functions to an external accountancy firm, the studio could negotiate a monthly rate far lower than the size of a salary plus benefits, as well as not having to worry about the HR side of adding another full-time employee. Many dance studios are beginning to see substantial savings, plus a higher degree of accuracy and confidence in their numbers, simply by outsourcing this critical department to a professional firm.

3. Another popular function of outsourcing is for studios to seek professional IT services, in the form of Social Media Managers and software specialists. As most small to medium studios are unlikely to employ their own in-house IT department, outsourcing offers substantial benefits in the form of reduced system downtime, higher degrees of productivity and greater confidence in online security levels.

Professional IT service providers are also likely to offer regular maintenance of computer systems and software, as well as providing a troubleshooting support service. Again, incorporating these services dictates that there are no salaries to pay, no benefit packages to consider, and only a small monthly payment to the service provider to maintain.

Another advantage of outsourcing is that it dramatically frees up the time of studio employees to focus on higher priority functions, such as improving lesson plans, advertising, etc. In other words, the tasks that substantially increase the studio's bottom line figures.

Outsourcing is also of supreme benefit to start up studios, who may not have the resources or skills to perform these functions, but wish to convey the impression that they are a professional outfit.

Outsourcing functions such as automated answering services and systems management leaves the studio owner free to work on building their business, while offering a seamless degree of professionalism in all studio matters to potential customers and the existing client base.

This can help to speed up the growth of the studio dramatically, as low priority issues are replaced with sole focus on

the high-priority issues, and the benefits that come with achieving them.

Let's quickly recap on the benefits of effective outsourcing:

1. Potential to save a lot of money.
2. Higher quality of service.
3. Increased productivity and operational efficiency.
4. Conveys a greater sense of professionalism to new and existing clients.
5. Potential to vastly accelerate the growth of the studio.
6. Studios are not bound by the HR issues of employing several full-time staff members.
7. Greater deal of flexibility between the studio and the service provider.

OUTSOURCING NEGATIVES

As you can see, outsourcing offers multiple benefits to the dance studio owner. However, for the sake of parity, it is also vital to remember that there are disadvantages to outsourcing, which must be taken into consideration. Sometimes, these can be minor or trivial issues.

Whatever the size of the problem, it is imperative that studio owners take them into account before committing to an outsourcing strategy or service provider relationship.

Firstly, there is the very real threat of 'loss of control'. Particularly for the more dictatorial and independent studio owners among you.

Tasks undertaken within the business, by company employees, are much easier to regulate in 'real time', and there is always the option of a senior member of staff being on hand to resolve any urgent issues. If a project is not

proceeding as planned, it is very easy to quickly recognize this and correct the fault, before it's too late.

Let's use a specific example to further illustrate this:

When billing is done 'in-house', it is very simple to apply a credit to a customer invoice when a product or service fails to live up to expectations.

However, if the billing and invoicing procedure is outsourced, there may be many steps to undertake in order to confirm and apply the credit; increasing the risk of mistakes being made and decreasing the effectiveness and productivity of the procedure.

Next, you must decide on the specific level of authority that your external service provider is granted, particularly when the burden of client interaction is bestowed upon them.

While it is important when outsourcing not to be consulted on every minor detail of a project (or why outsource?), it must be made clear to the provider exactly what level of authority they have to make decisions and when they are obliged to contact the studio owner to make the final decision.

Remember, in the eyes of your prospects and customers, this is your business, and any decisions taken will be seen to be a reflection of your individual competence.

Never grant unconditional authority to an external service provider, unless you are 100% willing to support the decisions they may make.

Although not strictly a negative, it is also important to recognize that in many ways, outsourcing is very similar to hiring full-time employees. Sometimes

the relationships work and sometimes, well, they just don't.

When you begin to believe that outsourced functions are no longer operating as you wish, or when providers are failing to meet the service levels detailed in your written agreement, you will have to take two courses of action which are likely to take up disproportionate amounts of time in resolving.

Firstly, you will need to achieve the incomplete tasks before they are communicated to your clients and secondly, you will need to go through the process of severing the agreement with your current service provider and begin the hiring process for a new candidate.

Failure to ensure either of these steps are taken quickly and effectively can result in the loss of business and a great deal of negative press for your studio.

Let's quickly recap on the negative effects of outsourcing:

1. Lack of 'real time' control over projects.
2. Lack of efficiency in systems where confirmation steps are required.
3. Not ensuring correct levels of authority are agreed and implemented.
4. Failure to adequately monitor and control results of service providers.

FINDING THE CORRECT SERVICE PROVIDER

Before attempting to make contact with service providers, it is vital that you have developed at least a basic selection criteria, which will adequately fulfill the needs at hand.

This criteria should include such matters as detailing the task that you need accomplished, how the task will be performed, time-frames for completion, pay rate and pay frequency, etc.

Once you have reached a conclusion to these issues, it is possible to begin assembling the list of desired qualities that any outsourcing provider must possess before you commit to reaching a deal with them.

The ideal outsourcing candidate should be able to meet all of the various needs that you have identified. This could be something as simple as ensuring that instead of fitting in your tasks around the service providers current schedule and working methods, they tailor their methods and practices to achieve your studio's aims.

It is important to remember that you are the client in this relationship and that they are the provider. They are the party attempting to win your business, not the other way around.

Of course, this does not mean there is no room for negotiation in the deal, and it may be decided that a certain degree of flexibility is required in order for the outsourced functions to be completed to the highest possible standard.

The point to take away from this is that it is your studio, and your business, which holds the majority of the bargaining power in this customer and service provider relationship.

You have the right to carry on searching for a more compatible fit with your studio if your requirements are not met to your liking.

A second necessity of any outsourcing provider is the need to constantly meet the the deadlines implemented by the dance studio owner. As mentioned

above, it is absolutely essential that deadlines are agreed and stated in a written contract of the terms and conditions of your arrangement.

It is possible to research this effectively by asking the service provider for a list of recent customers they have worked for and then simply making a few phone calls to these companies to find out the provider's service levels and ability to work to deadlines, etc.

You will find that most businesses will be more than happy to provide you with this information over the phone, or via email.

Remember, the point behind outsourcing is to make your life as easily as possible, not to create expensive and time-consuming complications. Do your research thoroughly and you will reap the long-term benefits of doing so.

Next, you will need a service provider with the innate ability to 'think outside the box'. This is especially true if you are seeking a provider for a for a more complicated function, such as launching your studio's new advertising or marketing campaign.

The fact is that on a daily basis, there is simply too much that can crop up that can easily be brought to you as a problem, when you are paying somebody very good money to be dealing with them for you.

It is, therefore, important to find the perfect balance between giving your providers creative license to deal with tricky circumstances, and bestowing too much authority upon them.

A failure to accomplish this balance can result in the loss of business for your studio and the poor reputation you are likely to garner as a consequence of this. This potential problem can often be

alleviated in the interview stage of hiring. Run through common and uncommon issues that may arise in daily undertakings with prospective providers, and listen carefully to how they respond.

If their responses make you feel uncomfortable, or leave you thinking that you would have to be more involved with the outsourced project than you would wish to be, then keep researching and looking for further providers.

Although the next point may sound a little contrary to the above statement, it is not. It is vitally important that a service provider knows exactly when to deal with a situation and when to contact a studio representative for further information or confirmation of an undertaking. This can often be alleviated in the initial negotiations between yourself and the prospective providers.

Ensure these boundaries are communicated clearly and effectively, so that both parties are acutely aware of where the 'line in the sand' is drawn, and at which point the studio owner needs to become personally involved with a project in order for it to reach maturity.

A clear understanding of this boundary very early on in the relationship can pay colossal dividends for your dance studio further down the line.

Of course, other relevant skills and qualifications will be necessary. Always ensure that the needs of your studio are thoroughly researched and that your chosen service provider meets the selection criteria detailed at the beginning of this chapter.

Again, I will repeat the fact that to your clients, it is you and your studio that will be at fault if things take a turn for the worse. Very few clients will accept that it was your service providers fault and that you are completely absolved from

blame. Your service providers are merely representing your studio, they are not employed by it.

OUTSOURCING ONLINE

This chapter is solely concentrated on online outsourcing, as more and more studio owners, and business people in general, turn to the Internet for their outsourcing needs.

As most of you will probably look to online, as opposed to offline, outsourcing, this will no doubt be the longest chapter in the book, as I seek to set you on the correct online outsourcing path.

The most obvious thing to say about outsourcing online, is that the Internet is an overwhelmingly large and complex animal, and despite the wealth of information available to you, it can sometimes be difficult to target the advice and guidance you need when it comes to seeking a service provider.

Fortunately, the Internet is also filled with capable, skilled and willing freelancers ready to undertake your assignments and there is always a freelancer capable of taking on any job you have in mind, though it is important to research your prospective freelancers carefully, as I will explain in detail a little later.

Let's start by listing some of the sites where you can find freelancers in large numbers, and it may be an idea to register an account with one or more of these sites, ready for when you begin looking to hire service providers.

Below are five of the more popular freelance auction sites and micro-worker sites (so called, as they offer smaller jobs, or gigs, for much lower payment, usually around \$5):

- www.elance.com
- www.fiverr.com
- www.odesk.com
- www.freelancer.com
- www.guru.com

All of these sites, apart from Fiverr, which is one of the aforementioned, micro-worker sites, are freelancer auction sites, where freelancers can 'bid' for your assignment and submit a proposal stating their experience and qualifications that qualify them for your project, as well as estimating the project completion time.

From these bids, you can choose the lowest price or the proposal that interests you the most, just bear in mind that there are many sub-standard freelancers plying their trade online – do your research, ask the right questions and don't always be tempted to choose the lowest bid offer. Online, more than anywhere else, you tend to receive exactly what you paid for.

Don't worry about not receiving applications or proposals on your assignments. There are literally hundreds of thousands of freelancers working online and you rarely see a project on the sites above, without at least a couple of proposals submitted.

Just provide an opportunity, market it at one of the sites above and I guarantee you will attract interested freelancers to your position.

So, how do you find a freelancer and how do you know that he/she can be trusted to deliver your work? This is a legitimate concern for many small businesses, including dance studios, and should not be ignored.

The below is a list of common problems that sometimes plague the outsourcing endeavors of many small business owners:

- The freelancer submits work that is different to your request – This can be avoided by clear and effective communication with your freelancer. Encourage the freelancer to ask you questions and check his understanding of the project before awarding it. Also, ensure that you keep the communication lines open pending completion of the project.

- The freelancer is not as qualified for the project as he claimed – Unfortunately, this is a very common problem online, brought on by the anonymity that pervades the Internet. All I can recommend is talking with your prospective freelancer through Skype or IM and checking his understanding of your project before you award it. Check through his portfolio for similar instances of work and read previous reviews of assignments he has undertaken. Put simply, if you feel that something is amiss, move on and find another freelancer, even if verified freelancers are a little more expensive.

- The freelancer violates a confidentiality agreement – Interms of most ghostwriting, or similar gigs, found online, you will find that most freelancers will transfer all rights to the created product over to you upon delivery of your project. However, it has been known for a freelancer to renege on this and keep the rights to the product for himself. Therefore, you must have a clear and binding confidentiality agreement in place to protect yourself from this unpleasant possibility.

- The freelancer 'disappears' in the middle of a project – While several of the online auction and micro-worker sites will provide you with a refund if your freelancer goes missing mid-project, several still don't. This is another important to 'vet' your prospective freelancers carefully and research their previous credentials.

I should add that the vast majority of online freelancers are hard working, reliable, polite and more than happy to meet and exceed their clients needs.

So, how do you go about choosing the right freelancer for your assignment? The below list aims to give you a little further guidance around this area:

- Know the age of your prospective freelancer – Though some people under 16 are exceptionally gifted when it comes to specific undertakings, always remember that a contract with somebody who has yet to reach legal age cannot always be considered binding. Therefore, it is important to protect your interests and discuss your project with freelancers aged over the minimum limit.
- Know the freelancer's native tongue – This is crucial, particularly in terms of written assignments – say, an eBook on How to manage your own dance studio. Although English is generally considered a universal language, native speakers should normally be considered for writing projects, as opposed to those who have merely learned English. In fact, many clients will often ask solely for 'native speaking' freelancers in their project request, such is the importance of knowing a freelancer's preferred language.
- Study the freelancer's portfolio – Always ensure that you are choosing a freelancer with the right skill-set to complete your job to your exact requirements. Do not expect a Social Media Manager to author your How to manage a dance studio eBook and expect the same results as somebody with nine or ten previous eBooks to his name. Also bear in mind that many freelancers will simply bid for any job, particularly when there is a high budget involved, and you may need to search through those who have the correct skills for your task and those who do not. However, this is

always a worthwhile process to take.

We have covered a lot of ground in this chapter and I hope you now have a good idea of where to look online for your outsourcing needs, the common problems you should be wary of and a few helpful tips on choosing the correct service provider for your assignment.

In short, online outsourcing offers a quick, convenient and affordable way for your studio to designate all its external service provider needs. Do your research, interview your prospective clients thoroughly and you will be impressed with your general results in this area.

SO, SHOULD YOU OUTSOURCE OR NOT?

It is beyond the scope of this book to tell you exactly whether or not you should outsource daily aspects of running your dance studio.

When all is said and done, it is up to you as the studio owner to weigh up the benefits and negative aspects of each outsourcing decision and to decide whether to seek external help or keep matters 'in-house'.

Providing that your decisions are based solely on the best interests of your studio, I am confident that you will choose the correct path. However, before you reach your decision, it is important to ask further questions of yourself and your outsourcing needs:

1. What is it that your studio aims to get out of the outsourced tasks: Is it free time, monetary savings, or a way to get necessary, yet undesirable tasks, completed by external professionals in their field? Is it the motivation to avoid hiring excess full-time personnel? Refusal to hire or buy expensive equipment and machinery? A combination of these factors?

2. Whatever your motivation for seeking an external service provider, it is vital to understand the benefits you wish to gain from the outsourcing process in order for you to fully decide whether or not the move is actually worth it.

3. What can your studio afford to pay for outsourcing services? This is essentially finding the balance between the resources and skills that you have, and the resources and skills that you require to fulfill a certain task.

4. While you may wish to outsource multiple areas and tasks of your studio, it may be that you cannot currently afford to outsource more than one function. At this point, it is again important to remember your motivation for outsourcing in the first place, and undertake a cost-benefit analysis on the functions you wish to outsource, making your decision based on which area meets your requirements as detailed in Point 1.

5. It may be that due to the increased productivity enabled by outsourcing only one area of your studio, you may soon be in the position to outsource further functions at a later date.

6. How long is the outsourcing project likely to run for? Is it a short term project, such as launching a sales or marketing campaign, or will it be an ongoing relationship, such as an automated answering service or IT help and support?

7. For projects which are likely to run for an indefinite amount of time, many providers will offer discounted rates, or added benefits – in order to secure a long term relationship with your studio.

8. Again, despite the tempting nature of these packages, ensure that all terms and conditions are written in binding

contractual document, and that there is plenty of scope for you to replace the service provider if their service levels begin to fall below the agreed standard.

It is important to take all of the above factors into account before making an educated decision on whether or not outsourcing is truly beneficial to you and your studio.

CONCLUSION

Outsourcing certain tasks, projects and departments of your dance studio can be one of the shrewdest moves you will ever make for your studio, either online or offline.

However, always remember to have a detailed selection criteria prepared so that you know exactly what you are looking for in an external service provider.

Take your time to find the correct provider and bear in mind all of the points that have been discussed in this book, particularly the Online Outsourcing chapter, as this is an area of outsourcing which is only going to become increasingly popular in the coming months and years.

Ensuring that a written contractual agreement is agreed and signed by both parties will also increase the likelihood of a long-lasting relationship between your studio and your service provider, as both parties understand exactly what is required of them in the partnership.

Effective outsourcing enables you to focus solely on the aspects of your studio that add value to your bottom line, thus ensuring your energy is concentrated on the correct areas and enabling your studio profits to grow stronger and more sustainable than they otherwise may have over the long-term trajectory of your dance studio business.