

The Evolution of Outsourcing: How It Started and What Benefits You Can Get From Hiring VAs



San Francisco, California Mar 2, 2022 ([IssueWire.com](https://www.issuewire.com)) - *Magic is a flexible, on-demand workforce solution that's changing the way businesses outsource tasks. Magic's remote workforce is made up of vetted college-educated staff experienced in admin, sales, marketing, and recruitment best practices. Founded in 2015 in San Francisco, California, Magic is now a fully remote Y Combinator and Sequoia Capital-backed startup. For more information, visit www.getmagic.com today.*

All around the world, the pandemic has influenced businesses to move their operations from physical buildings to online spaces and place less pressure on employees to report on-site. Stay-at-home mandates and the need to boost company efficiency amid the health crisis led to the [rising demand](#) for virtual assistants (VAs).

Virtual assistants are incredibly easy to find, and nowadays, companies hire them for knowledge work such as social media management, content creation, graphic design, research, and more.

Outsourcing for industrial and technical skills has been going on for a while, but virtual assistants and digital outsourcing were mostly seen as a source of clerical and call center work until recently. This shows how far digital outsourcing has come.

The History of Outsourcing

To understand this change, it's important to know what [outsourcing](#) is. A portmanteau of “outside” and “resourcing”, outsourcing occurs when companies enlist outside help to produce goods and/or services instead of doing so in-house. It dates back to the 1970s when manufacturing companies looking to optimize operations started hiring external talent to manage less-than-essential processes. Outsourcing empowers them to do that.

These days, [71% of financial service executives outsource](#) or offshore a portion of their services, and financial firms are among those that outsource the most. Nearly 70% of retail and transportation companies outsource as well. Meanwhile, 82% of pharmaceutical companies outsource services.

Small businesses outsource 37% of their accounting and IT operations, making them the most common jobs in small businesses to be handed off to third-party workers. Digital marketing, development, and human resources follow at 34% and 28%, respectively.

According to Michael F. Corbett in his book *“The Outsourcing Revolution: Why It Makes Sense and How to Do It Right”*, companies may grow to be more outsourced than “in-sourced”, which could indicate a major reorganization that will impact workers, executives, and customers. Corbett also stated that this change will increase consumer choices, decrease product costs, and change workers' roles.

In the 21st century, the capabilities of outsourcing have significantly expanded. Companies are no longer limited to outsourcing only vertical business units as they can secure horizontal services with business process outsourcing (BPO). The entrepreneurial need to operate businesses more efficiently has pushed outsourcing to evolve and it also lets companies shorten response times and develop new products quickly.

Motivations for Outsourcing

Before, outsourcing merely served as a way to lower operating costs. Nowadays, it also helps companies complete tasks that they could not have done themselves. A [2021 Deloitte survey](#) found that “standardization and process efficiency” has become the top objective for investing in Global Business Services (GBS), outperforming “cost reduction” and “business value” at the second and third spots, respectively. GBS refers to the evolution of Shared Services and BPO.

That being said, businesses outsource because they need external talent to complete deliverables that are beyond the competencies of their in-house employees. Almost [60% of virtual assistants](#) these days are college graduates. As such, they can take on numerous responsibilities apart from scheduling meetings, placing calls, and entering data from one platform into another.

Aside from enjoying monetary advantages like saving as much as [78% on operating costs](#) annually and filling in skills gaps, companies gain other benefits from hiring virtual assistants. According to a [Stanford University study](#), remote workers take fewer sick days and breaks than regular employees do, which leads to a 13% increase in their productivity. The aforementioned research also noted that taking on remote workers can halve attrition rates, resulting in organizations spending less money on hiring and onboarding costs.

Despite the flexibility of virtual assistants’ work, 58.9% of virtual assistants perform such work full-time. So if you’re looking for a helping hand that can produce long-term benefits for your company, then getting a virtual assistant could be right for you.

How Outsourcing Works

To understand how outsourcing works among different functions, it is important to know the [six types of outsourcing](#): engineering process, information technology, knowledge process, legal process, recruitment process, and human resource outsourcing. There are different ways you can outsource tasks. You can hire a specialized agency that will complete the entire output for you, hire a worker through a recruitment agency, work with freelancers directly, or with an onshore team.

At Magic, we help companies outsource services by connecting them with qualified virtual assistants that can get the job done. We can find you a virtual assistant that matches your business needs within 72 hours. We offer Dedicated Assistants who have skills in the following areas:

- Executive assistance
- Administrative assistance
- Business Development
- Customer Service
- Marketing

- Social Media
- Copywriting, Ads (PPC/Analytics)
- Performance (SEO/SEM/Analytics)
- Campaign (Brand / Email)
- Creative Assistance
- Bookkeeping Assistance
- Project Management

To learn more, visit [this link](#).

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