10 Tech Tasks Small Businesses Should Outsource

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Outsourcing technology is a great way for startups and small businesses to cut costs and boost productivity. Instead of allocating resources to implement and maintain new IT systems, outsourcing enables startups and small businesses to focus on more important things, such as their products and customers.

Sometimes, however, outsourcing can cost small businesses more time and money if the wrong jobs are delegated. As with all the different types of tasks that can be outsourced, it can be daunting to figure out which ones should be handed off and which should stay in-house. Here are the 10 tech tasks experts say small businesses should outsource.

1. Infrastructure

Infrastructure-as-a-Service (IaaS) — or outsourcing equipment such as hardware, servers and network systems to an infrastructure provider — can save businesses millions of dollars in costs and manpower.

Constructing your own infrastructure is neither cheap nor easy. It will require not only a large budget to purchase and house the equipment, but also heavy maintenance by highlyskilled IT staff. By outsourcing IaaS, startups and small businesses can cut their budgets, since the infrastructure service provider owns the equipment and is responsible for running and troubleshooting the systems; users simply have to pay on a per-use or subscription basis.

"Transitioning from a data center to an Infrastructure-as-a-Service provider proved to be one of the best moves we made for our business," said Tim Maliyil, founder and CEO of AlertBoot Mobile Security, a global service provider for mobile device management and end-point protection. For AlertBoot, IaaS made it easier to deploy new services without facing a huge financial barrier. Maliyil also estimates that AlertBoot would have saved more than $7 million if IaaS had existed when the company was founded.

Maliyil, who often speaks about how he and his clients handle technology challenges in their companies, adds that transitioning to IaaS frees up valuable resources that help grow his business. "This evolution allows our engineering and customer-engagement teams to be more nimble and more focused on improving our product, instead of maintaining a large, cumbersome system."

2. Cloud hosting

Cloud computing allows businesses to access information anywhere, any time using any compatible device. Hosting a cloud system in-house is costly, and can pose security risks if the technology is outdated. By outsourcing cloud technology, small businesses can focus on using the cloud as opposed to maintaining it.

Outsourcing cloud services has helped AlertBoot stay competitive, Maliyil said. "In an effort to remain financially independent and profitable, all the technology we use for our operations changed with the times," he noted.

[Cloud Computing: A Small Business Guide]

AlertBoot initially hosted its servers via colocation services but eventually transitioned to cloud infrastructure services, eliminating the need to buy its own servers. The company hasn't purchased its own equipment in years, which has led to a huge savings for a bootstrapped operation that has 30 employees worldwide.

"This move also saves us over $85,000 in monthly hosting expenses," Maliyil said. "I wouldn't host our servers any other way."

3. Customer relationship management (CRM)

CRM entails more than just managing relationships with customers (as the name implies). It's also about having a strategic system that can help a business acquire and retain those customers. While CRM can be done manually, a growing business can only handle so many customers the old-fashioned way without compromising effectiveness. Early on, small businesses should think about outsourcing CRM to Software-as-a-Service (SaaS) providers.

Ohmid Rahmat, president at Burnside Digital — a mobile, cloud and Web development company — says that if your company has more than 50 customers, it's probably time to get some help managing your relationships with them. "You can't afford to leave this functionality to chance in any business," Rahmat said. "Outsourcing solutions at competitive pricing are out there, so use them."

Outsourcing CRM helps businesses focus on learning more about their customers and developing stronger relationships with them, as opposed to wasting time and effort managing an ineffective system. It will also give you the resources you need to leverage these relationships for future business and referrals, as well as meet or even exceed your sales goals.

"If you have anyone working on sales for you, you want to have a sales workflow for managing incoming leads and progressing them to close," said Rahmat.

Rahmat recommends services such as Salesforce, a provider of CRM solutions. "Salesforce gives you the power to do what large companies do, and it has a large number of add-on applications that leverage it as a platform," he said. "But there are other solutions, including HubSpot, SugarCRM, Zoho CRM and Spark."

4. E-commerce

Any business that sets up shop online should outsource its e-commerce needs to a single provider, experts say.

"You will probably rely on outsourced components of any e-commerce solution you pursue, even if you have the resources to build out your own stores and maintain them with an internal team," said Rahmat. Why? Because online stores comprise many moving parts — virtual storefronts, shopping carts, credit-card processing, security — that are typically provided by third-party applications.

By outsourcing e-commerce to a single provider, selling online becomes exponentially easier. It's always better to work with one company that has everything you need than to deal with a different provider for each function of your store. Instead, services such as Shopify give you the resources to create, run and maintain your store all in one place, Rahmat noted. (Customer service will be easier, too, as you only have to call one company that knows the ins and outs of the entire system.)

5. Cybersecurity

IT service providers will usually tell you that your data is safe, but businesses should also outsource additional cybersecurity, according to cybersecurity and risk management analyst Cedric Leighton, who is also CEO of a Washington, D.C.-based strategic risk management consultancy.

Leighton said it's smarter for businesses to outsource cybersecurity experts than to rely on IT vendors' guarantees because no single company can truly guarantee data safety.

"IT vendors are not cybersecurity experts," he said. "Their job is to sell you IT services, and you have to remember that many IT networks were built with security as an afterthought."

Simply put, there are IT vendors that provide services, and then there are cybersecurity experts who specialize in anticipating and mitigating threats. Although IT vendors have tight security measures in place, cybersecurity experts provide an extra layer of protection that can prevent disasters and quickly resolve security issues.

6. Two-factor authentication

Two-factor authentication is a type of security that requires users to have two forms of identification in order to access data, bank accounts and other confidential information. Typically, it's in the form of physical identification and a security code, or a combination of two completely separate security codes, such as a password only you know and an access code given to you.

Leighton recommends that anyone who deals with sensitive data, such as bank accounts or patentable technologies, implement two-factor authentication to help IT providers govern access and keep their systems better protected.

"Two-factor authentication is also something that should be set up by a professional who knows the software applications the business wants to protect," Leighton said.

7. Web design and development

These days, with the many drag-and-drop website builders and plug-and-play website templates available, anyone can build a website. This doesn't mean, however, that everyone can do it well. Your website represents your brand — so you want it to stand out, and you want it done right. By outsourcing Web design, your website will be built by experienced professionals who will make you look good online as well as have the technical know-how to optimize visibility and give visitors the best user experience possible.

Web design may be outsourced to large creative design agencies, but companies on a tight budget should consider outsourcing to fellow small business owners or freelance designers.

Lance McNeill, a small business coach and business development specialist at Business & Community Lenders of Texas, refers many of his clients to crowdsourcing sites, such as elance.com and freelancer.com. He says crowdsourcing helps businesses with limited budgets start lean, without sacrificing quality.

"These intermediaries are helping to ensure that a project is completed to specification," McNeill said. "I believe it is cost-effective when you take into consideration that multiple freelancers may be working and competing for your project at the same time, producing better results based on real-time competition."

8. Social media

Tired of updating your Facebook page? Running out of things to say on Twitter? Still don't understand Google+? You're not alone. Social media engagement is critical to keeping businesses visible and relevant online, but most business owners have more pressing things to do than tweet all day. If social media is taking up too much of your time, find a social media manager or social media strategist to do it for you.

"If the entrepreneur is looking to bootstrap their startup, I usually recommend that they manage their own social media at first to take full advantage of the free platforms like Facebook, Twitter and meet-ups," said McNeill. "These are time-consuming but can easily be one of the first tasks outsourced as a small business owner looks to delegate work to others as the business gets off the ground."

Startups that already have the budget to hire social media managers should weigh their strengths and weaknesses, McNeill added. "If your time is better spent developing the product and ensuring quality product or service delivery, then it doesn't make sense to spend time blogging, tweeting, etc.," he said. "These are things that can easily be outsourced."

9. Business applications

[App development](#) is not cheap. It may seem like a good idea to create apps that are customized to your business operations and staff, but hiring a developer to build business apps requires a considerable investment of time, money and patience. In the meantime, there are plenty of comprehensive business apps available to do just about anything you need to get done.

"There is a good choice of business suites available on the market, like MS Office 365 and Google Apps," said Dmitry Yakovlev, software architect at DataArt, a custom software development firm. "Businesses should outsource these types of infrastructures as much as they can, especially those that don't have IT people in-house."

These are feature-rich applications used by other businesses, so they are frequently updated with the latest technology to keep your business agile and competitive, and don't require the extra costs of hiring developers.

10. Projects outside scope of expertise

IT professionals are not experts in all types of technologies. They may be knowledgeable in a particular area, but it doesn't necessarily mean they can work on a related project without having the requisite training to gain expertise. If a task requires skills and time your company just doesn't have in-house, it's time to outsource.

"Development projects which are out of the team core expertise are good candidates to be passed to vendors," Yakovlev noted.

Although some projects will require vendor autonomy, many vendors are open to collaboration, which can keep your employees involved in the project while giving them exposure to the new technology and the processes involved.

In order for businesses to ensure quality control and that everyone is on the same page, business owners should have a clear vision of exactly what they want and assign a point person with a vested interest, Yakovlev advised.

"The project should have an accountable stakeholder in-house, well-defined scope and clear acceptance criteria," he said.