



Answers to these eight questions can help you decide

# IS OUTSOURCING THE ANSWER TO YOUR HIRING DILEMMA?



More than nine in 10 (94%) middle market business leaders say they've faced hiring challenges in the past year.

["What's driving the middle market talent gap?"](#), RSM, June 2022.

Supporting a business while keeping the right level of focus on what makes that business special has always been a challenge. Now, a combination of factors is turning a headache into a migraine: the Great Resignation/Great Reshuffle, employee demands for more remote work and greater flexibility, positions requiring more specialized skills and a slew of economic headwinds.

With recession worries and inflation concerns coming to the forefront, some companies are enforcing hiring freezes, laying off workers and moving forward cautiously. In light of this situation, how can businesses find a way to get the right people with the right skills to drive growth—and even gain a competitive edge?

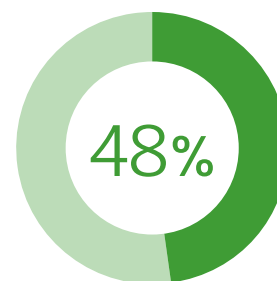
There's no simple solution, but more middle market businesses are looking to outsourcing and managed services to cost-effectively get the skills they need without the burden of hiring full-time staff.

The answers to these eight common questions illustrate how outsourcing can meet the unique needs of middle market businesses and help you determine if working with an outsourcing firm or managed services provider is right for your business.

### 1. Is managed services practical for middle market businesses?

Absolutely. In fact, with today's market demands, managed services are playing an increasing role in enabling success. Companies are able to leverage a team of specialists without the cost of high salaries and benefits that full-time employees require. This can help middle market businesses scale and compete against much larger enterprises.

Managed services can also help address risks. For instance, with cybersecurity threats on the rise, companies are deploying specialized technologies such as EDR (endpoint detection and response), SOC (security operations center) and SIEM (security incident event management) to help protect against cyberattacks and data breaches. These tools require multiple highly skilled and high-priced employees to build a security architecture from scratch. A managed security services provider can design a security environment, monitor it 24/7/365 and provide access to pre-built tools that help reduce cyber risks and remediate incidents allowing the company to focus on what they do best



48% of middle market businesses say cybersecurity and data privacy skills are the most difficult to find.

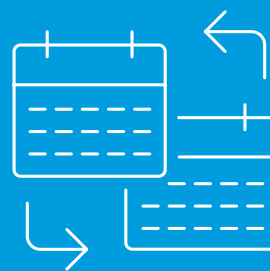
["What's driving the middle market talent gap?"](#), RSM, June 2022.

## By outsourcing repeatable tasks:



A middle market business reduced costs in its finance function by 35%.

"The advantages of outsourcing," RSM, 2021.



A middle market company with 50 subsidiaries reduced its close time from 45 days to five to seven days.

### 2. How do I decide which job roles to outsource?

Like many solutions, outsourcing can take many forms along the spectrum. Generally, the first step in the journey is to look at labor-intensive, repeatable tasks in which maintaining skills in-house brings more headaches than value. Such tasks typically include HR, operations and compliance, and back-office functions related to IT, accounting and finance. Outsourcing these lower-level functions allows employees to focus on more value-added activities leading to better results for the company and more satisfaction for the employees.

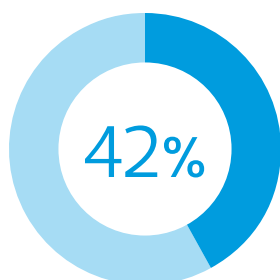
Generally, the next step involves exploring specialists—roles for which you may not need full-time staff. Managed services providers offer the expertise you need when you need it, allowing businesses to lower full-time employee numbers while still providing confidence that critical responsibilities are covered.

### 3. I already have an IT department. Why outsource?

The days of IT Renaissance men and women are over. Where historically IT teams were comprised of generalists who could dabble in many areas, you now need a cybersecurity expert, an Office 365 expert, a data privacy expert, an Azure cloud expert and so on. But can middle market businesses afford to hire every full-time employee it would take to cover these IT needs? Most can't.

By working with a managed service provider, companies get access to a broader team who are knowledgeable about and experienced with the latest solutions. These experts can help businesses operate faster and more efficiently, helping turn IT into a growth driver instead of a cost center.

A managed services provider can also take the burden off existing IT employees who have taken on additional responsibilities due to unfilled positions. Unaddressed, this situation can lead to employee burnout, low morale and productivity issues. With outsourcing help, employees can focus on the critical work they were hired for.



of middle market businesses say their employees are burdened by increased workloads.

"What's driving the middle market talent gap?," RSM, June 2022.

## Middle market businesses say they have problems with:



**50%** finding people with the right skills.



**68%** filling experienced positions.

"What's driving the middle market talent gap?," RSM, June 2022.

### 4. How can outsourcing help in the face of hiring freezes, reduced budgets and possible layoffs?

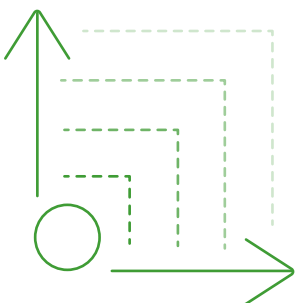
While no one knows if or when a recession is coming or how high inflation will go, it's clear that businesses are facing a volatile economic environment. Cutting costs is on everyone's mind. You may be surprised by just how cost-effective it is to leverage managed services versus hiring employees.

Another factor to consider with regards to outsourcing is the technology solutions that managed services providers can offer. Building on the security example from before, it's likely more cost effective to leverage a pre-built set of tools that are packaged together than to try to purchase or build your own. Outsourcing allows you to leverage the size and scale of the provider's client base which can give companies access to best-in-class platforms and capabilities.

### 5. Will I have to give up control when I bring a managed services company on board? How do I know a partner will deliver on its promises?

Many middle market businesses worry that an external partner won't care about their business as much as their full-time employees do. This is why it's critical you choose a partner who aligns well with your people, culture and goals. The right managed services provider will provide transparency into their operations and give opportunities for real-time feedback on critical issues over the course of the relationship.

As for making certain you get what you contracted for, well-defined service-level agreements and documented roles and responsibilities is essential. When expectations are set, they tend to be met. Documenting these expectations formally ensures there's not a disconnect between what you expect to get and what is actually delivered.



By outsourcing through a managed services provider, Argo Group increased its audit coverage by 20% without additional full-time staff.

"Auditor assistant helps global underwriter to enhance internal audit," RSM.

## 6. How can a managed services provider support our business as it changes and grows?

One of the benefits of a strong managed services provider is the ability to scale with your business. The provider should allow you to focus on creating that growth with the confidence that the outsourced function is in good hands. Additionally, the right provider should bring access to the right people. People with industry expertise, technical or specialized knowledge across a broad range of skillsets.

The right managed services provider won't just react to changes—it will anticipate changes by keeping a finger on the pulse of your industry and understanding how that will impact your growth strategy.

## 7. What's the advantage of working with a managed services provider rather than hiring contractors on my own?

When you hire independent contractors—who, like full-time employees are hard to find, attract and retain—you take on the responsibility of managing individuals with unique capabilities, work preferences and ethics. You'll spend time, perhaps a lot of it, coordinating multiple consultants to keep projects on time and on budget. You'll be relying on individuals, and if one of those individual leaves or gets sick, you risk a single point of failure.

By working with an established managed services provider, you'll benefit from the backing of an organization with a deep bench of skilled resources. Even if you opt for a single managed service, such as accounting operations, you'll have the entire infrastructure of the managed services provider behind you.

## Top 5 benefits of outsourcing according to middle market businesses



Talent can work remotely



Service providers stay abreast of industry and technology trends



Innovative solutions based on work with other clients



Ability to scale services up or down



Consistency

## 8. How are RSM's managed services different from other providers?

Unlike other managed services firms that focus on putting bodies in seats for an agreed-upon number of hours per day, our model is focused on results and responsibility. We take the time to understand our clients' unique needs and develop a solution that delivers those results, assigning a team that is best suited to achieve your goals and objectives.

From assessing your business strategy during kick off to onboarding and through execution, RSM understands the importance of responsibility and communication. That's why every one of our clients is assigned a designated manager. This single point of contact manages day-to-day execution and is also responsible for bringing in the right people to address your issues. When a new risk or opportunity is identified, this manager makes sure you have access to our deep bench of experts.

RSM is committed to developing long-term relationships with our clients. That means going above and beyond a specific project or solution and delivering the full power of the firm. As one of our clients, you'll have access to RSM's vast resources, which includes best-in-class tools and people and access to industry-specific best practices. With a long history of supporting the middle market, RSM understands the unique challenges our clients face. We are committed and able to support you now and well into the future.

State government isn't immune to staffing challenges. The state of Maryland's government struggled to be competitive with its salary and flexibility. Chip Stewart, CISO for the state, solved these challenges in two ways:



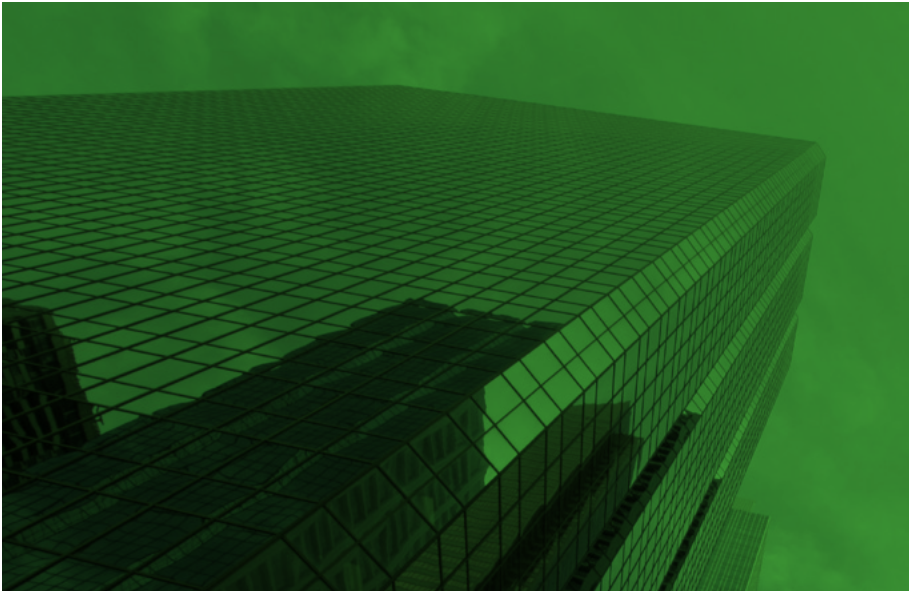
His IT department upskills and trains internal staff and promotes staff members who can make strategic decisions about risk and business operations.



He's created a "dream team" by tapping external consultants and managed service providers with broad and deep technical experience to strengthen his department.

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"By building only what you need and buying everything else," Stewart says, "you acquire the best quality talent to make the best decisions."



Outsourcing and managed services can provide middle market companies with the staff they need to support both their current business as well as their growth objectives. Working with an experienced managed services provider like RSM allows you to take a strategic approach to staffing that helps ensure you have the right people in the right place with the right skills at the right time.

**CONTACT OUR MANAGED SERVICES TEAM**

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