

Procurement outsourcing for small business



Procurement outsourcing for small business is designed to help the small business owner take advantage of many of the strategic benefits larger companies have been using for years. According to KPMG, nearly 75% of all large companies plan to increase their use of outsourcing. Entrepreneur.com recently stated “Entrepreneurs have long seen outsourcing as a strategy reserved for big business, but technology has made it a more accessible tool for small businesses.” Times indeed are changing.

Here are 5 ways procurement outsourcing is helping small businesses succeed:

1. **Accesses to expert talent** – most small businesses have very limited procurement support that is usually a shared resource to other departments. Procurement leaders know there is an expected large talent gap coming soon due to baby boomers retiring and small businesses will feel the pain as they have limited resources to attract talent. Procurement outsourcing solves this problem by allowing access to industry experts on demand.
2. **Risk management** – adding additional head counts for small business is a major risk due to the fluctuations in business. More employees mean more risk. Having procurement outsourcing reduces risk since you get the benefit of the service without the additional overhead expense.
3. **Access to strategic partnerships** – any small business can use additional purchasing power, but how can you create negotiation leverage on your own? This is

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a huge benefit to using procurement outsourcing. There are strategic alliances in place to provide immediate savings across many goods and services that most small businesses are already using.

4. **Competitive advantages** – using procurement outsourcing allows small business to tap into competitive advantages most of your competitors are not using. Creative solutions come from collaboration with the supplier network which is exactly where the procurement outsourcing lives. Exclusive distribution, new product development, inventory solutions, packaging, and financing solutions are all areas that can help to separate small business from the competition.
5. **Cost savings** –using best practices helps to drive cost savings and it can even come through existing solution providers without the additional overhead costs. Needs change, technology changes and services from providers are constantly changing but most contracts remain in place costing small business huge amounts of money simply because they don't address these changes. In many cases, procurement outsourcing even pays for itself through cost saving splits creating no risk for the small business owner.

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There has never been a better time for small business to take advantage of procurement outsourcing to develop best in class solutions that can help separate you from the competition and increase your cash flow. These principles apply to virtually every industry. Procurement outsourcing allows small business owners to access many benefits larger companies use without the risk.

If you know any small business owners that can benefit from procurement outsourcing please email info@globalmpg.com for more information.

