Working Smart: Why Outsourcing Roles to the Philippines Could Make Business Sense



Interview with: Erika Wager, Partner & CEO, and Jeff Collinson, Partner & General Manager, Phil Labor Pty Ltd

"Companies can grow much bigger by working smarter and outsourcing certain roles to the Philippines," says Erika Wager, Partner & CEO, **Phil Labor Pty Ltd.** "Focus on the key roles that bring in money into your business, and outsource any position you can. That would allow you to have more people working on a project, and speed up the time to market," adds Jeff Collinson, Partner & General Manager.

Phil Labor Pty Ltd is a sponsor company at the marcus evans CFO Summit 2023.

What is driving growth in the business process outsourcing (BPO) industry? What concerns do some CFOs have when facing the outsourcing decision?

Wager: There are a number of reasons why companies outsource. Most looking companies are for cost reductions, increased profitability, and the flexibility to upsize and downside quickly. However, some CFOs are concerned that outsourced staff cannot do the work, their English will not be good enough, they will be difficult to manage, and there will be a negative perception of their company if they outsource labour. This is not necessarily

the case. There are highly-educated English speakers in the Philippines who can fulfil different roles for around half the cost. The time difference is also much less than outsourcing to India, South Africa or European countries.

Collinson: With Covid-19, many CFOs realised that there are many roles that can be done remotely. If the job can be done from home, then it can be done from overseas. This allows them to grow their support and administration staff very quickly if there is a big new need, and when the contract ends or if they lose the client, they can downsize quickly without huge infrastructure or employment costs and large redundancy payouts.

Is this process quicker than finding and training staff in Australia?

Wagner: For some positions, it is definitely quicker to hire people in the Philippines than in Australia. The laying off process is also shorter and less tedious. There is a lot more flexibility and less red tape in the Philippines. In many cases Filipinos are happy to do the work that many Australians may find tedious and below them.

How does having an office on the ground add value for your clients? What type of training do you provide?

Wagner: Having staff managed by Australians on the ground in the Philippines is key. We provide training on understanding about Australia, the Australian people, what makes Australia unique, and what Australians look for in a virtual assistant. We ensure their work does not get affected by any power cuts, that their office is a secure and happy place, with free lunch every day. The floor managers can make sure everyone does their job. Companies spend a lot of time training people, so they do not want staff leaving or unproductive. Their employer trains them on their services or products, but we ensure they are managed effectively and help resolve issues should they arise.

What trends should CFOs prepare their organisations for?

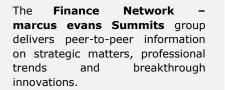
Collinson: Social media. Many of our clients are not savvy about social media. They know it is important, but they don't understand it. They may have a marketing manager but one person cannot do it all. Getting assistance from someone based in the Philippines could make sense for them. The same with graphic artists, video editors, CAT designers, engineers and personal assistants. There are hundreds of roles they can outsource. You do not always need someone sitting next to you for the job.

CFOs need to focus on the important roles, the roles that bring in money. If they are not outsourcing certain positions but their competitors are, they may be less competitive in the market. Wages in Australia are much higher. By growing their company, they can actually employ more people in Australia for the jobs that need feet on the ground. If they need to employ web developers, they can design and get a programme up and running at a fraction of the cost, and get to market faster. Instead of having three software programmers in Australia, they can have nine in the Philippines. That would have a huge impact on their speed to market.

Would those web developers in the Philippines have the same skillset and education as those in Australia?

Collinson: They would be just as educated in programming. Their level of English might not be the same, but then you won't be paying them the same either. What works best is when you have a team leader in Australia coordinating and guiding the team overseas. Some of them are actually better than their Australian equivalent, and a lot more humble and grateful for being able to work.

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About Phil Labor Pty Ltd

With over 20 years' experience in the business process outsourcing (BPO) industry, Phil Labor is the smart choice when it comes to outsourcing staff from the Philippines. We cater for small to large companies, offering loyal, motivated staff at a low cost (often 50% – 70% less) and flexible solutions to suit any budget.

www.phillabor.com

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