

Which services are businesses most likely to outsource?

☰ YouGov analysis of how small, medium, and large firms use external suppliers

Contents

Introduction	03
 Does business size affect likelihood to outsource?	04
 How London outsourcing practices differ from the rest of England	06
 Motivations for outsourcing	08
 Conclusion	13
About the data	15

Introduction

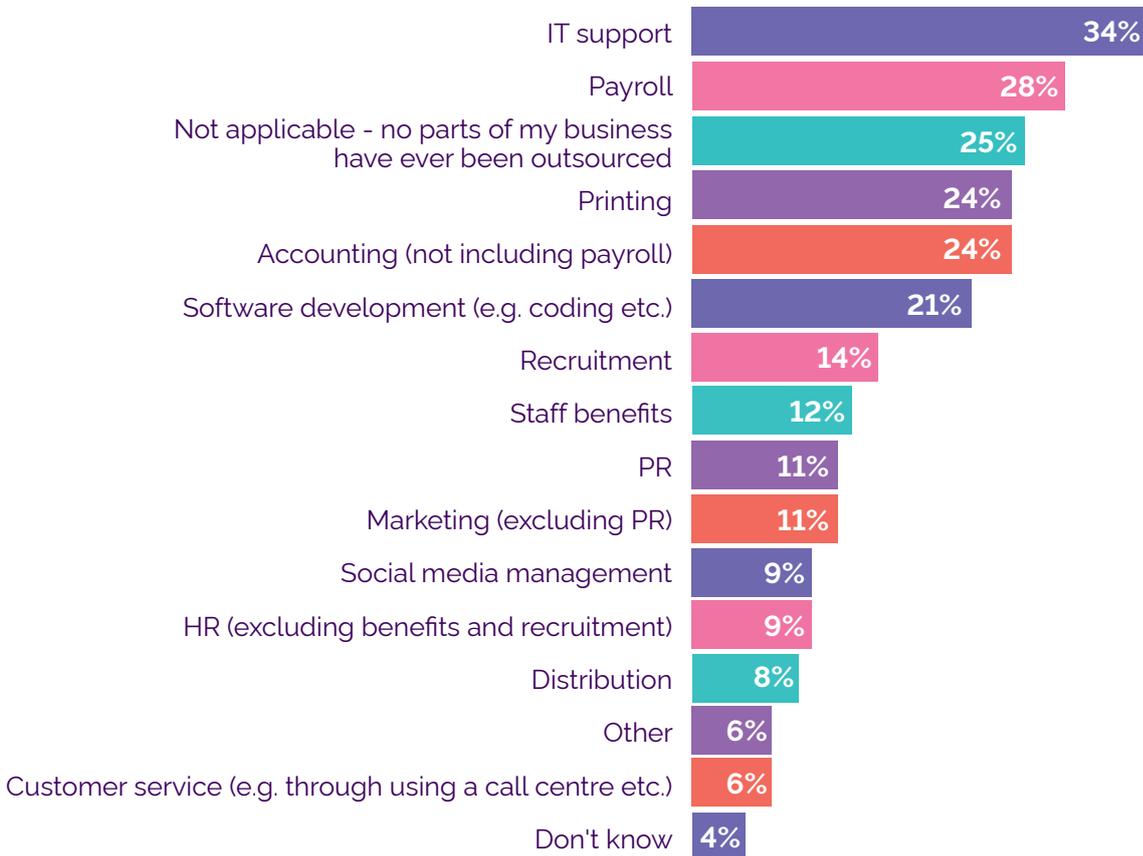
Outsourcing is the practice of hiring an external company to perform some service or activity, whether because of a lack of capacity, expertise, or infrastructure.

Over 70% of B2B decision-makers say their company has outsourced some part of their business, with IT support (34%) being the most likely function to be performed by an outside supplier. Customer service is the least likely activity to be outsourced.



Which, if any, of the following parts of your business have ever been outsourced? (Please select all that apply).

For the following question, by 'outsource' we mean using outside firms to handle work rather than it being performed by staff within your company



This short paper uses YouGov RealTime data to look at outsourcing among British businesses and how it differs depending on business size and region.

02 | Does business size affect likelihood to outsource?

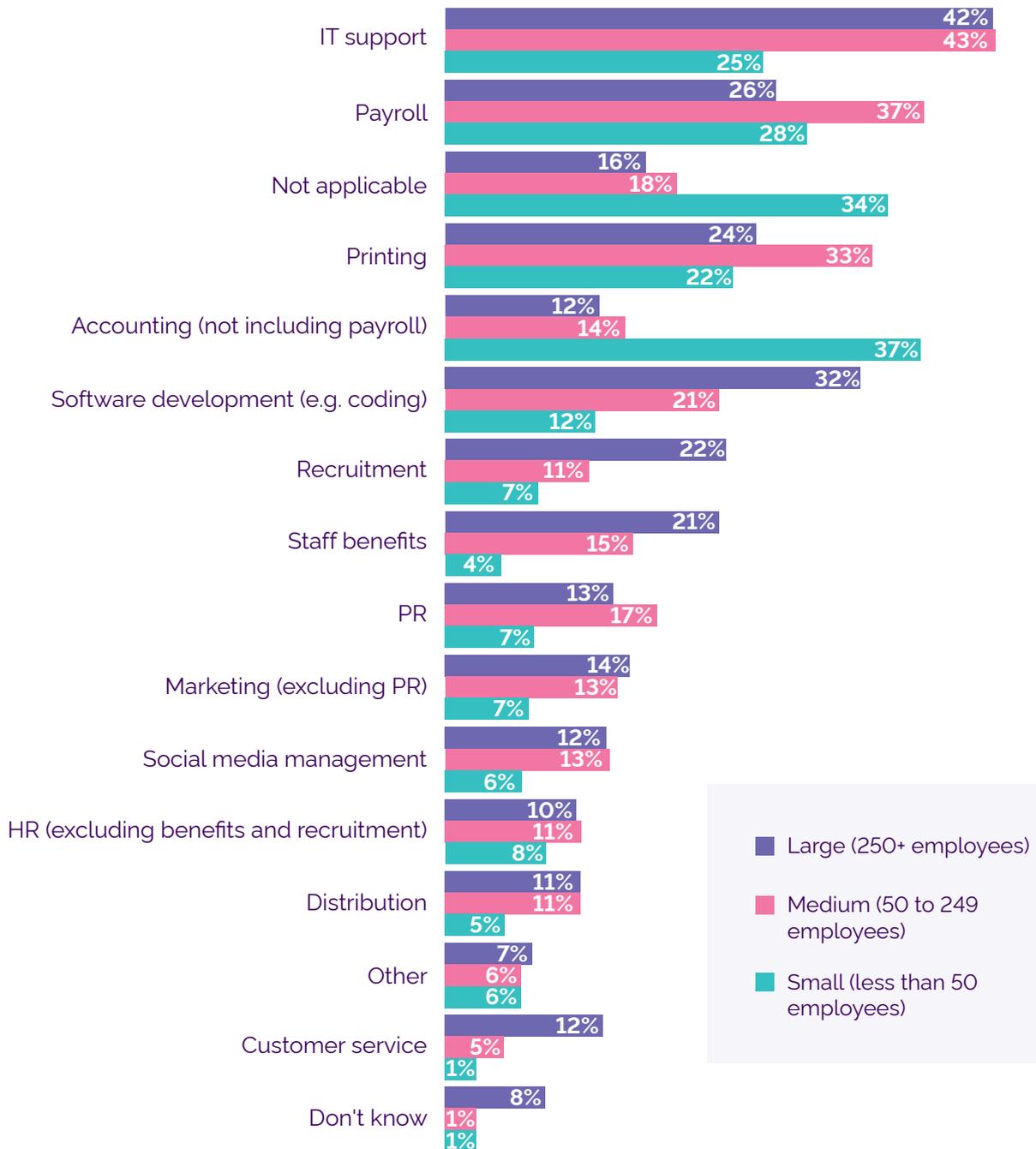


02 | Does business size affect likelihood to outsource?

Large businesses are much more likely to use external suppliers for services such as IT, software development and recruitment. However, the data shows that smaller firms are much more likely to hire a supplier to keep on top of their finances, with 37% of small businesses selecting this, compared to 12% of large businesses.



Which, if any, of the following parts of your business has ever been outsourced? (Please select all that apply).



03 | How London outsourcing practices differ from the rest of England



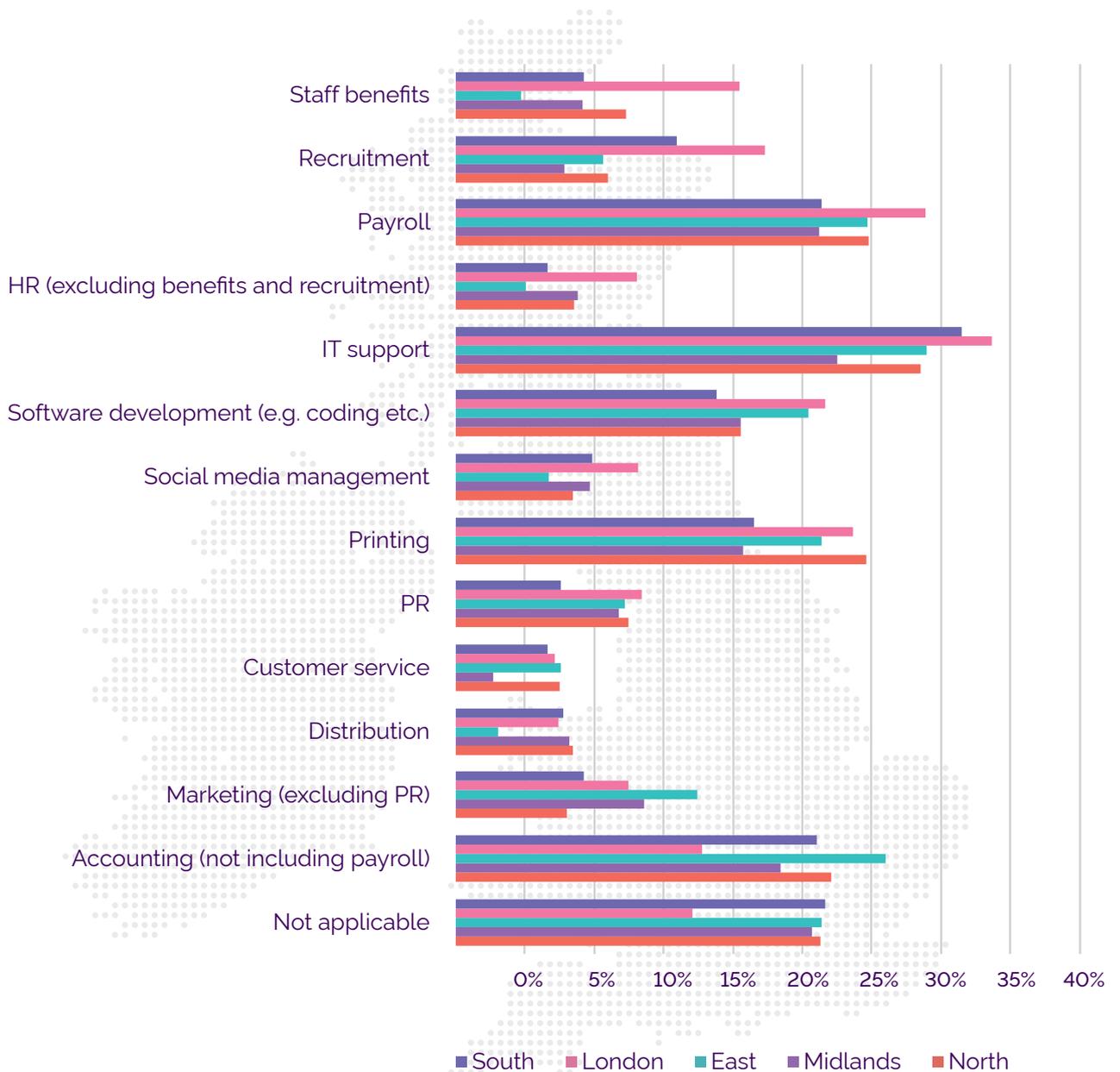
03 | Does business size affect likelihood to outsource?

London businesses are much more likely to outsource certain functions than those in the rest of England – particularly IT, payroll, recruitment and staff benefits. What's more, only 17% of London bosses say their business has never outsourced any function, compared with 26% in other regions.

Accounting and marketing stand out as functions significantly more likely to be outsourced in the East of England.



Outsourcing in London vs the rest of England



04 | Motivations for outsourcing



04 | Motivations for outsourcing

Businesses are most likely to outsource printing, IT support, payroll, and accounting, but the reasons vary.

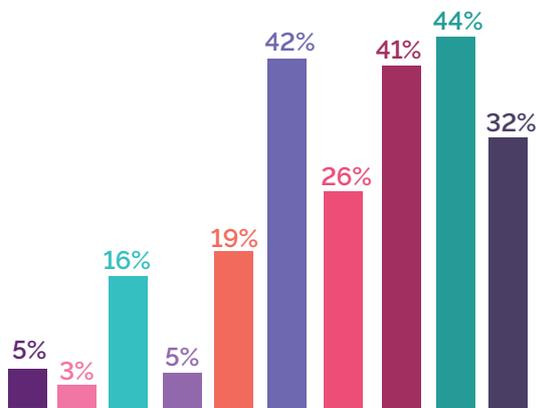
The primary rationale for outsourcing printing is efficiency. This makes sense because printing firms often need specialist equipment which takes up valuable office space as well as requiring trained staff.

Businesses outsource IT and accounting because they don't have qualified in-house employees. It may be simpler for some businesses to hire external suppliers when needed rather than employing a full-time specialist.

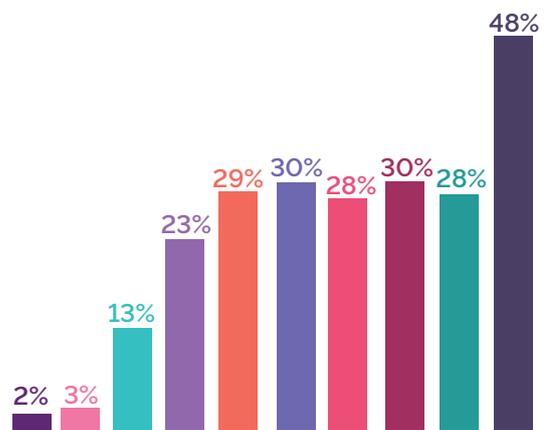
Firms relying on external payroll experts believe it's more efficient to do so.



Why businesses outsource certain functions



Printing

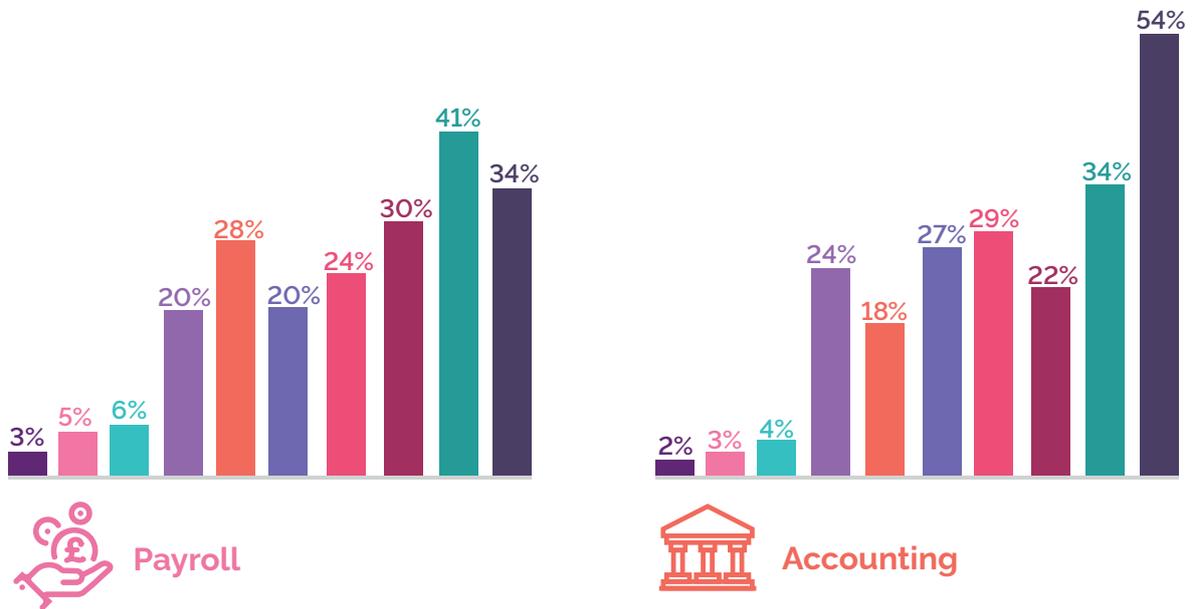


IT support

- None of these
- Don't know
- We can't afford to do it in house
- It reduces risk
- It reduces staff costs
- It delivers better results
- To focus on other areas of the business instead of the outsourced area
- It's cheaper (excluding staff costs)
- It's more efficient (i.e. it's faster)
- We don't have qualified / relevant staff



Why businesses outsource certain functions



Payroll



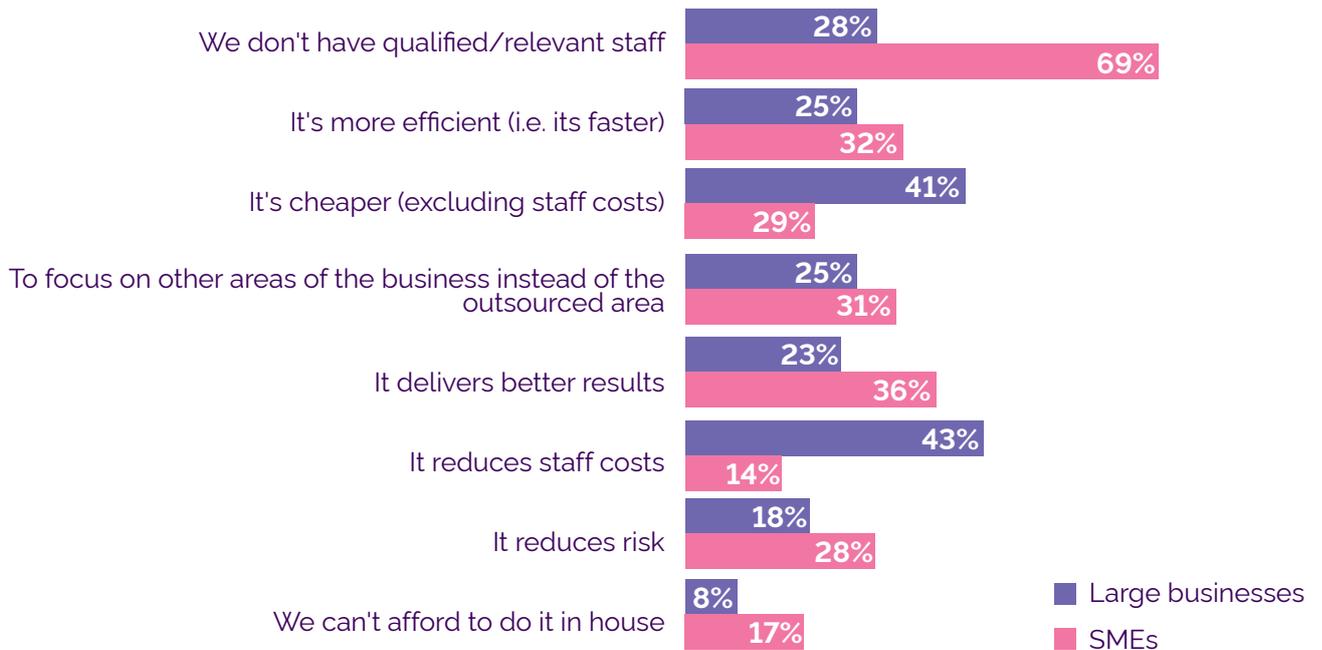
Accounting

- None of these
- Don't know
- We can't afford to do it in house
- It reduces risk
- It reduces staff costs
- It delivers better results
- To focus on other areas of the business instead of the outsourced area
- It's cheaper (excluding staff costs)
- It's more efficient (i.e. it's faster)
- We don't have qualified / relevant staff

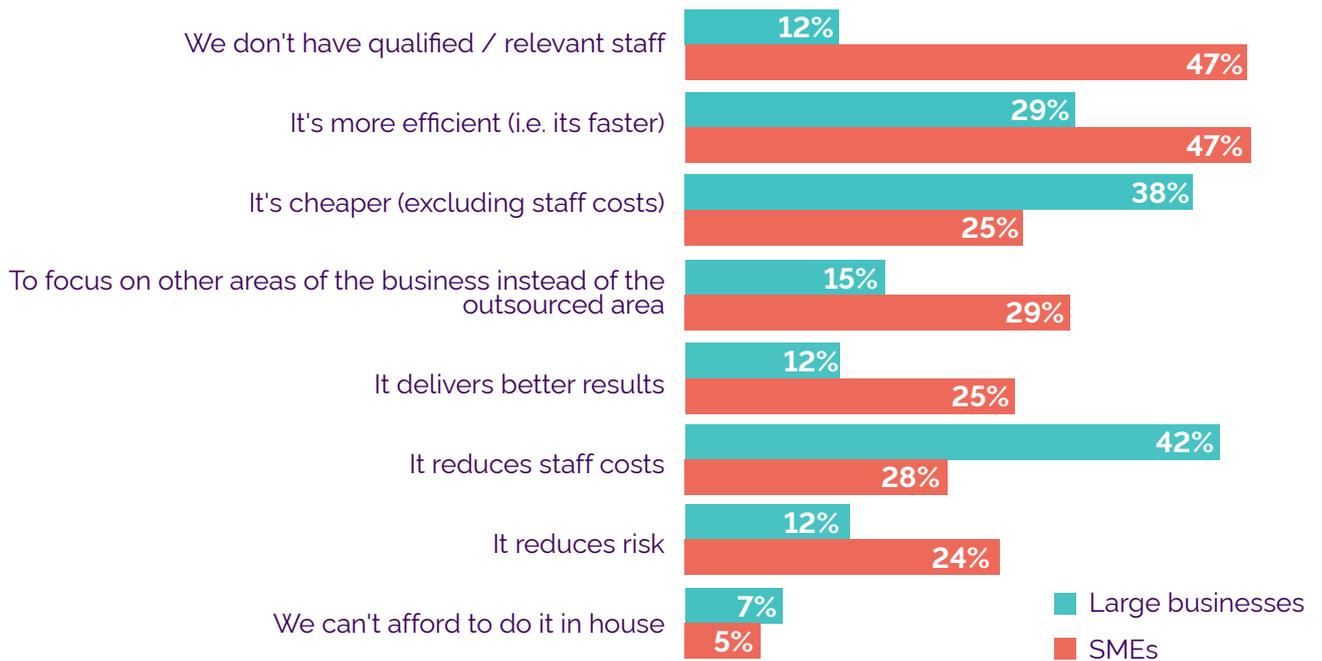


How SMEs differ from large businesses: IT support and printing

Reasons for outsourcing IT support



Reasons for outsourcing printing

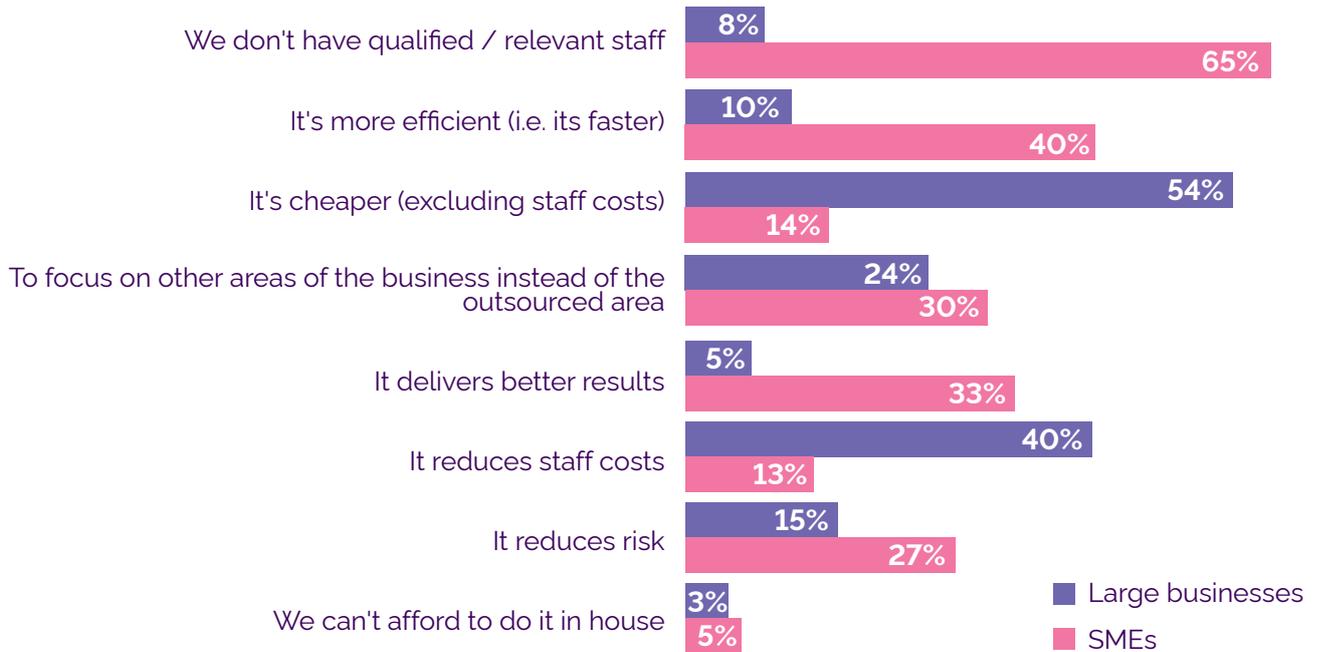




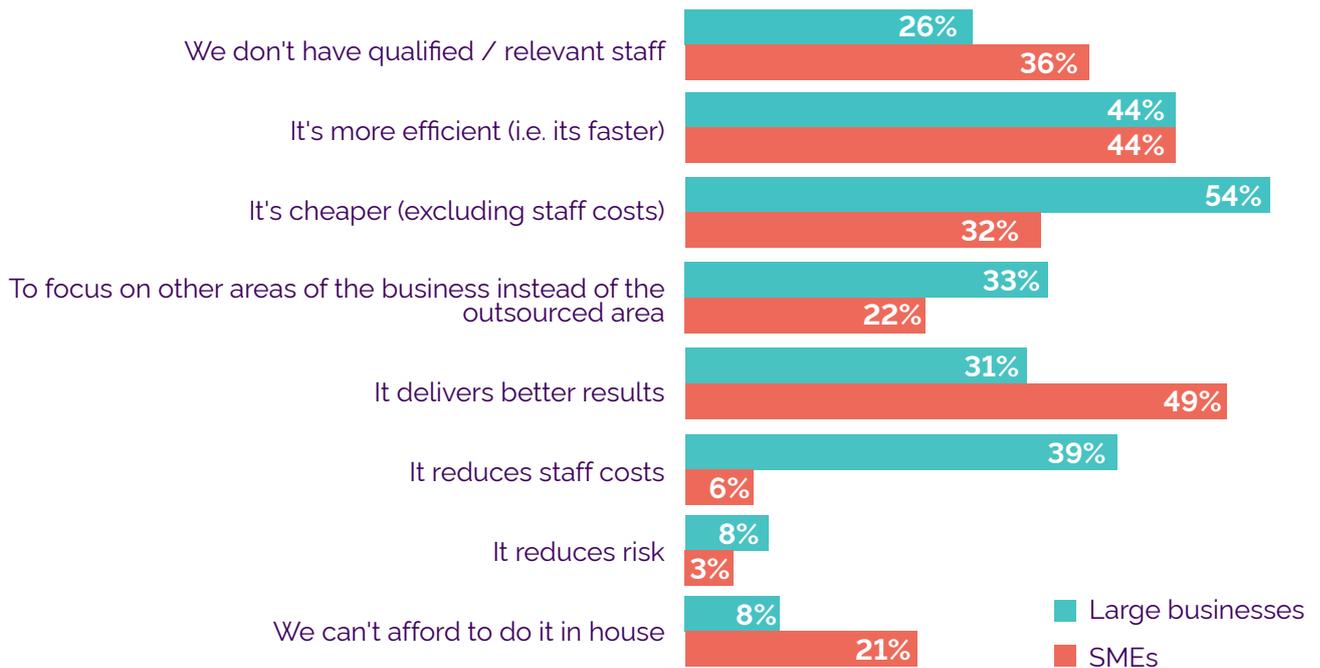
How SMEs differ from large businesses: accounting and payroll

Reasons for outsourcing accounting

sample of 35 for large, all others at least 70



Reasons for outsourcing payroll



05 | Conclusion



Many businesses outsource at least some of their functions. For some it's done to save money, while for others it's about efficiency - allowing internal staff to concentrate their efforts elsewhere.

London businesses differ from the rest of the country in terms of how frequently they engage external suppliers. The higher use of contractors for staff benefits, for example, could reflect the competitive nature of the capital's job market and the need to offer attractive perks.

With over 70% of business decision makers saying their firm has outsourced some part of their business there appears to be a great opportunity for suppliers across the country.

This paper is a snapshot of the data we can provide on business decision makers. Get in touch to commission your own research and reach this audience as well as other niche groups across the UK.

Rudy Sooprayen

Director



+44 207 012 6023

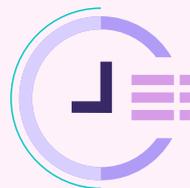
Rudy.Sooprayen@yougov.com

YouGov Research Solutions



Plan and Track

YouGov's Plan & Track service combines the detailed audience segmentation power of Profiles with the brand tracking capabilities of BrandIndex. It helps clients understand and target key consumer segments, track the effectiveness of advertising, marketing and public relations strategies and campaigns, and measure brand perception on a continuous basis. All of this data is collected in the YouGov Cube, our connected data set which holds over 260,000 data variables collected from over 300,000 YouGov panellists in the UK.



RealTime Research

YouGov RealTime research provides survey results as soon as the next day from our industry-leading omnibus and targeted research services, with live reporting available on most services for an even quicker read on results. Whether you're looking for domestic or international research, YouGov's vast, engaged and highly profiled panel enables you to reach consumer and business audiences at a fraction of the cost of a typical ad-hoc study.



Custom Research

YouGov Custom Research engagements leverage cutting-edge research and analytic techniques with an eye for assessing the economic impact of your actions. Our industry experts deliver you crucial insights and tools to plan and make strategic and tactical decisions while maintaining a focus on tangible outcomes. We have expertise across a variety of sectors, including consumer products and retail channels, financial services, luxury goods, technology, education, public policy, and more.

+44 (0) 20 7012 6000 ■ yougov.co.uk ■ info@yougov.com



YouGov[®]