

# THE PARAPLANNERS

Are you ready to outsource?



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# OUTSOURCING ISN'T FOR EVERYONE SO HOW DO YOU KNOW IT'S FOR YOUR BUSINESS?

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At The Paraplanners, we find initial discussions with advisory firms considering outsourcing their paraplanning are often exploratory – both parties working out if we'd be better together. We often find we're helping people decide whether outsourcing is right for their business and their ambitions. Outsourcing isn't for everyone – there are many factors that need to be taken into account when deciding if this is the right step for your business at this point.

We've partnered with Dominika Sieradzka of RIE Solutions to bring you this simple guide designed to help you make the decision.

# WHAT IS OUTSOURCING?

## A short guide to deciding whether outsourcing is right for you.

Most financial planning firms outsource at least some of their non-core business activities to specialist third parties, for example HR, accounting, graphic design or compliance. However, when it comes to outsourcing core competencies, such as client administration, paraplanning or investment management, there is often greater hesitation and the fear of potential loss of control prevents some firms from taking this step.

Outsourcing is traditionally viewed as hiring external resources to be responsible for business activities that could be done in-house. In this guide, we define outsourcing as forming strategic partnerships with third party experts in their respective fields. Forming such relationships combined with fast-paced technological advances, facilitate endless opportunities for creation of innovative and flexible business models and strategies. Reducing hassle, increasing flexibility and the ability to quickly adapt to changing trends are some of the greatest benefits of modern outsourcing.

### What motivates firms to form strategic partnerships?

- Access to specialist expertise and experience that might be too expensive or time-consuming to build in-house
- A desire to be hassle free and to support the existing team by providing flexible access to an increased resource pool
- A desire to ensure that everyone focuses on what they do best
- Ensuring contingency for absences, holidays etc. This is particularly important for smaller teams
- A desire to improve efficiency and productivity
- Flexible access to a wide talent pool irrespective of the geographical location
- Increased business flexibility
- A desire to improve internal processes with access to tested and effective methods of working
- Risk reduction
- Limiting time spent on HR and team management

### Is it all or nothing?

If you're considering outsourcing your paraplanning, you can completely outsource the paraplanning function and have no in-house team or use the strategic partnership to support your existing team. That is, you can use outsource companies to complement your existing team that may not have the expertise you need or sufficient capacity to deal with the workload.

Similarly, you may choose to outsource most business functions or parts of your business process. For example, you could outsource both client administration and paraplanning or you may wish to outsource only one of these aspects of your business process.

### Is it for us?

This short questionnaire should help you reach a decision on outsourcing. Once you've completed it, tally up your responses. The higher the ratio of 'yes's to 'no's, the greater the likelihood that outsourcing is for you.

	Yes	No	Maybe
We are or strive to be process driven			
We want to focus on what we are great at			
We want to have flexible access to specialist expertise			
We believe in simplifying where possible			
We want to limit time spent on HR and team management related issues			
We want access to a large talent pool that isn't limited to our geographical location			
We understand the importance of clear communication			
We believe in remote working			
We don't require regular face-to-face contact to communicate about client work			
We have a reliable internet connection			
There are specific areas/tasks that we would like to outsource			
Our culture is open to giving and receiving feedback that leads to improvements			
We understand or are willing to get to grips with our existing processes			
We're looking for ways to improve our service			
Total			

If you plan to form a strategic partnership, choose well. It must be the right fit for your business, so undertaking rigorous due diligence is critical. As Ray Kroc, founder of McDonald's used to say, "You are only as good as the people you hire". This is true of both internal hires and strategic partnerships you form.

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# ABOUT THE AUTHORS

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**Richard Allum**

Managing Director, The Paraplanners

Since setting up The Paraplanners, Richard has concentrated on creating something more than basic paraplanning support. On a day-to-day basis, his technical knowledge and expertise is relied upon by many clients. He has also worked with many advisers, on a consultative basis, to help them to develop their services and has even helped financial planning and advice firms set up and train their own in-house paraplanning team.

[theparaplanners.com](http://theparaplanners.com)

**Dominika Sieradzka**

Founder, RIE Solutions

Dominika is an insightful business and operations consultant, working with financial planning firms who want to make a real difference and run great businesses. She is the founder of RIE Solutions, helping firms master practice management, and offering operational guidance and mentorship.

Dominika specialises in generating operational solutions, designing improvements to processes, and structuring teams. Most importantly, she helps put these into practice. She works alongside Practice Managers, Operations Directors, business owners and their support staff. Dominika ensures that the businesses her clients want are the businesses they have.

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