

Why Fortune 500 Companies Need Virtual Assistants

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Executive Summary

In today's competitive push for greater revenue, greater profit, and lower costs with most Fortune 500 companies and their executives, business executives are increasingly interested in how **Business Process Outsourcing** (BPO) can help them.

Under the main heading of BPO, there is a growing need for highly-qualified Virtual Assistants to help serve C-Suite Executives, Mid-Level Managers, and also high-capacity on-site Executive Assistants who are equally as busy as the leaders they serve.

As pressure mounts in the workforce to develop results, the life of the leader can become taxed. Expectations to produce at work, coupled with the leader's personal life, demand an alternative to getting things done. This is where the leader ends the rat race of doing all things, and instead enters a new race of delegation, working alongside a trusted Virtual Assistant.

Introduction

Large corporations are intimately familiar with Business Process Outsourcing. Odds are, they've been doing it in earnest for decades to build leaner, more efficient enterprises.

Traditional BPO has involved divesting your company from non-core activities. For example, a computer manufacturer may outsource its customer support so it can focus on being a better computer manufacturer. A law firm may outsource its accounting department so it can focus on being a better law firm.

This type of BPO has been going on for many years. However, many companies have stopped short of outsourcing administrative functions to qualified virtual assistants.

This paper will examine both the burden administrative tasks place on high-level managers and the opportunity virtual assistants present toward building a more efficient business.

The Risk of the Do-It-Yourself Manager

According to an [Inc. Magazine interview](#) with CEO-coach Jim Schleckser, effective leaders focus their time the urgent, high-level strategic parts of their job that demand their expertise and attention. On the other hand, less effective leaders

spread their time more evenly across a number of roles, including lower-level administrative projects.

As executive assistants have been disappearing from the office landscape in an effort to cut costs, managers have ended up doing more administrative tasks themselves. In fact, a 2005 [Pace Productivity study](#) found that managers are spending up to **25% of their time** on administrative functions! It seems crazy for a company to pay someone \$100+ an hour to fill out an expense report, but that is the world we live in.

The **opportunity cost** to corporations of these 10 hours per employee per week spent on non-core activities is immeasurable. Perhaps some money was saved by reducing the headcount of the full-time administrative assistants, but at what cost to executive productivity and business growth?

A Virtual Solution

The good news is the next generation of administrative help is already here. They are **virtual**, in that they work for you remotely, and they are **on-demand**, in that you only pay for the hours you need, against the results you are looking for.

These virtual assistants are educated and qualified administrative professionals, and they differ from the secretaries of yore in a number of key ways.

First, they work **off-site**. That means companies don't need to worry about desk space, office equipment or furniture, or workplace distractions.

Next, they don't need to be full-time. Corporations can contract for **just the hours they need**, without the necessity of filling a 40-hour week.

And finally, they are very **cost-effective**. Virtual employees are independent contractors and typically aren't subject to payroll taxes or employee benefits. And the hourly rates are far less than what the executive down the hall is being paid to set his own appointments and manage his own calendar.

Delegation Education

High-level business leaders are already experts in delegation as they have likely been in managerial roles for many years. In our case studies, it was demonstrated that physical proximity did not impact the speed or effectiveness of delegation.

However, in many cases some upfront work is required -- to create detailed process instructions and other training materials, for example.

Areas of Opportunity

Beyond administrative support, several other "back office" functions are strong

candidates for virtualization. Among those are finance, accounting, payroll, and HR.

In recent years, the BPO industry has also seen growth in outsourcing research data processing, fraud detection, and claims processing for insurance companies.

The Payoff

The payoff is twofold. First, companies can realize an immediate **cost-savings of 30-60%** when compared with in-house hires. (Cognizant) That means extra cash flow straight to the bottom line for reinvestment and growth.

Second, firms that invest in BPO realize a **renewed focus on their core business**, which allows more time and energy to be spent driving new sales and exploring new opportunities.

Agility and Competitiveness

In terms of being a nimble and agile organization, remote positions are much faster to fill. A 2012 oDesk [study](#) found that in-house positions took an average of 23.9 days to fill -- more than 3 weeks!

In contrast, virtual jobs were filled in only 2.8 days. Would closing that hiring gap have an impact on your business?

In the same survey, nearly 90% of respondents agreed that **hiring online workers made them more competitive**.

Engagement

An article in Harvard Business Review explored some surprising findings, that remote workers were actually **more engaged in the business** than their on-site peers. The study cited how proximity seemed to breed complacency, and how virtual team members better utilized the communication tools at their disposal.

Productivity

In 2011 and 2012, the Chinese firm CTrip (China's largest travel agency) conducted an experiment with the help of researchers from Stanford University. They wanted to gauge who was more productive: on-site staff or virtual team members.

To complete the study, they asked more than 250 of their employees to work from home for 9 months. The surprising results? The **home-based workers were 13% more productive** than their in-office counterparts, had a 50% lower attrition rate, and reported more positive job satisfaction.

In 2012 in London, more than 2,500 workers from UK Telecom giant O2 took part in a home-work experiment. Upon conclusion, nearly 90% said they were at least as productive as they normally were in the office, and more than a **third of employees reported being more productive working from home.**

References

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- Large Scale Experiment Shows Working From Home Improves Performance, Reduces Costs ([oDesk](#))
- Making the Case: The Value of BPO in a Tight Economy ([Cognizant](#))
- Olympic Home Working Trial Makes Staff More Productive, Richer ([Tech Republic](#))
- Online Work Survey, Fall 2012 ([oDesk](#))
- What CEOs Do, and How They Can Do It Better ([Harvard Business School](#))
- Why Remote Workers Are More (Yes, More) Engaged ([Harvard Business Review](#))
- The Rise of the Supertemp ([Harvard Business Review](#))

Topics and Questions for Your Corporation/Organization

1. Inefficient Leaders are way overpaid to perform inexpensive tasks. Leaders solve complex problems, and yet we find numerous C-Suite Executives wrapped around the axle on simple administrative tasks such as travel bookings, calendar management, email management, travel expenses, etc.

Question: Do you see inefficiencies in these areas above within your organization?

2. Leaders are non-responsive to their teams by lack of organization and lack a detailed system for workflow management. The result is a leader and team that fall behind in producing results, communicating effectively, and others feel like they are being led by an inadequate leader. Worse yet, decision-making slows to a halt when a leader is unnecessarily unresponsive.

Question: Do your teams/employees feel that their leaders do not care about them because the leaders are not responsive enough? What does a responsive leader look like in your organization?

3. Leaders have never been educated on how to work and partner with an assistant. The old-school style of dictation and shorthand are a thing of the past. The new leader who works with a virtual assistant must be agile and open-minded in terms of how they communicate what they need done. There is art and science in delegation. Workflow management must be mapped out and constantly improved upon.

Question: Do the leaders in your organization delegate results or tasks? Are there training courses readily available to your leaders and assistants on how to delegate and/or work together as a team from an administrative perspective?

4. Proximity does NOT equal Productivity or Efficiency. More and more companies are seeing efficiencies increase with a “push” to allow certain team members to work from home, even if just for one day per week. In fact, several companies leverage “going green” by allowing their workforce to work-from-home. This is not for lessening their carbon footprint, but rather because more and more executives are aware that employees produce greater results and productivity when they can focus and have fewer distractions. This is true with the use of executive virtual assistants as well.

In a recent Harvard Business Review article entitled “The Rise of the Supertemp” (HBR, May 2012), the article does a masterful job demonstrating that even high-level, high-paid

consultants do not wish to be tied to a physical office or connected to a full-time job. They are far more comfortable and happy working from their back decks of their homes than in an office environment 24/7.

Question: Do you think you are more productive when you are at home or in the office? What costs are you sacrificing by having your team always work in the office?

5. Today, corporations with robust IT policies are finding safe ways to allow virtual team members and contractors/vendors access to critical applications for productivity and communication. In most instances, a C-level executive will need to sponsor this initiative for a season of time to trump IT managers and policies that prohibit “outside access” as the company gets acclimated to outside players working within their applications. To mitigate this, a corporation can just as easily ship a machine with all protections enabled to the remote worker and/or virtual assistant. Additionally, the prudent corporation will make sure that vendor, employment, and contractor agreements express and demand certain level of privacy and confidentiality.

Question: Does your organization maintain rigid IT policies that inhibit the ability to work with a virtual assistant? As a leader in your company, what can you do to help them create a better environment connected with a virtual workforce without compromising IT security concerns?

6. Virtual Assistants are not a Luxury ... they are a Necessity. Old school HR Directors and other traditional hiring managers have been beaten over the head that only C-Level Executives can afford the luxury of an Assistant. They have an image of an Assistant as overindulgence into corporate greed and thus run from the idea of an Executive Assistant altogether. However, as more and more companies are starting to see, having an Assistant is actually a savvy business move that creates greater profitability, greater focus, and greater responsiveness.

Greater profitability comes when a business leader realizes that he or she is doing work at a higher wage than that of an Assistant. WHY would a leader do their own expense report at \$79.00 per hour when their Assistant is paid \$15 per hour? This realization coupled with a mountain of tasks has helped leaders over the edge in acquiring a new Assistant, especially in a virtual capacity.

Question: How can your organization develop a “both/and” strategy that mitigates the “luxury” stigma of placing virtual assistants, while at the same time measuring ROI connected to productivity?

7. Human Resource (HR) Departments must be held accountable to profitability associated with employee burden costs. Time after time, numerous HR teams/employees adhere to antiquated, outdated HR policies where they are expected to fill positions that could be filled quicker and at less cost. However, today, one of the greatest enemies against outsourcing is the HR department to protect jobs, old policies, and mitigate hiring managers. Numerous hiring managers would hire more outside vendors/contractors but large, internal HR departments are expected to try to fill the role for 90 days first, before a hiring manager can look at alternatives. This silly practice/policy slows down productivity for the manager wishing to deliver results. Additionally, hiring managers that maintain and are held accountable to budgets/P&Ls also desire less costs because they understand that a salary is only the beginning of their costs to their cost center.

Question: As a hiring manager in your corporation, do you find the above true for you? What dialogue can you begin inside your corporation to change views/policies that enable faster hires and lessened cost to produce results? How can you best create change that is lasting in this area/topic of your organization? What decision makers should be included in this dialogue?

Summary

While companies like Yahoo and Best Buy are mandating or reversing work-from-home models, in 2013, more and more corporations are embracing the virtual model with more enthusiasm, because the benefits are too great to overlook. Between the cost savings, productivity gains, and even the environmental impact, we see **now** being the perfect time to invest in a virtual staff, embracing virtual workforces, and creating a more agile organization.

About the Authors

Nick Loper is the author of *Virtual Assistant Assistant: The Ultimate Guide to Finding, Hiring, and Working with Virtual Assistants* and the founder of VirtualAssistantAssistant.com, the leading resource for honest virtual assistant company reviews. Working with remote staff since 2005, he's made just about every outsourcing mistake in the book. On a typical day you may find him writing at his treadmill desk, playing rec softball, or skiing in the California sunshine. He blogs on marketing, business, and a healthy dose of randomness at nickloper.com.

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