



Thinking of Outsourcing? Five Tips for Picking the Right Outsourcing Partner

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If you are considering the possibility of outsourcing some of your practice's functions, you've probably made a list of some of the things you are looking for in a vendor. That list probably includes: size of company, financial stability of the company, and longevity or how long they've been in business. You will find listed below five other very important factors to consider.

- 1. Identify what you are trying to accomplish; what problem or problem(s) are you trying to solve?** Choose a partner who has expertise in your specific problem area. For example: Suppose you are considering outsourcing your billing, and you identify credentialing as a problem you would like to solve or improve. Knowing that, you would narrow your outsourcing search to billing companies who offer, and preferably specialize, in credentialing services.
- 2. The lowest price does not always equal the best outsourcing partner.** For most of us, reducing cost is one of the motivating factors when considering outsourcing. Be careful, though, that you don't weigh it too heavily. The adage, "You get what you pay for," is often true when it comes to picking the lowest priced vendor. Additionally, a price that seems too low may be indicative of the fact that the vendor doesn't understand the complexity of your particular needs or perhaps this particular vendor has a tendency to over commit and under deliver.
- 3. Check references and check them well.** This is oftentimes either an overlooked step or one that is done half-heartedly as part of the due diligence process. It could be the most important thing you do in terms of picking the right outsourcing partner. When it comes to references, don't simply accept a list of references provided by the vendor as they are most assuredly their happiest clients. Instead, ask to speak to:
 - **Their most recent new client.** (You can ask them why they selected the vendor and what their experience has been so far.)

- **Their longest-standing client.** (You can ask them why they have continued to remain a client and what impact working with this vendor has had on their practice.)
- **Their smallest client.** (You can find out a lot about a vendor by how they treat their smallest clients. How often does the client hear from the vendor? Are they pleased with the level of service/response they receive from the vendor?)
- **The client who has most recently cancelled their service.** (You can ask them why. It may raise some red flags and at the very least prompt you to ask some additional questions.)

If a potential outsource partner will not provide you access to the above clients or seems to have difficulty providing you a list – cross them off your list and move on. In this case, the inability to provide specific requested references is a deal-breaker.

4. **Chemistry matters.** Whomever you choose as an outsourcing partner will become a valued member of your team; someone you will interact with on a regular basis. Hold your primary point of contact at the outsourcing company to the same chemistry standard you apply when hiring in-office staff: Do you see eye-to-eye with this person? Are you able to easily communicate with this person? Is this person easily accessible? Do you enjoy spending time with this person? Are you looking forward to working with them? If you answered “No” to any of the above questions, stop and reconsider if they are the right outsourcing partner for you.
5. **Hope for the best; plan for the worst.** While everyone enters into outsourcing relationships with high hopes for success, more than half of these relationships do not work out long-term for one reason or another. Discuss this possibility openly and honestly with the potential outsource vendor prior to making a decision. Map out the specific steps involved with ending the relationship and the potential impact on your practice. Not only is it much better to have this conversation in advance when emotions do not play a role; but, how your potential outsourcing partner handles such a conversation can be eye-opening. It could potentially make or break your decision to move forward.

Please do not let the above tips and suggestions deter you from outsourcing. Outsourcing can be an extremely positive step for both you and your practice; but, picking the right outsourcing partner is critical. As with anything you do in your role as office manager, you must do your homework. After completing your due diligence to the appropriate degree, you can move forward with outsourcing knowing that you have dramatically increased your odds of its success.

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