Outsourcing Playbook for Private Equity Companies

MySource

STEP OUT AND THINK

When evaluating a new investment, private equity leaders focus intensely on opportunities to unlock value, improve efficiency, and scale operations. Yet one of the most powerful, often overlooked, options for accelerating value creation is outsourcing.

Strategic outsourcing is not just a cost-savings lever; it's a force multiplier. By offloading non-core functions such as accounting, customer service, IT support, and back-office operations to experienced global partners, portfolio companies can immediately reduce operating costs, free up internal bandwidth, and achieve the scalability required to grow without adding overhead.

More importantly, outsourcing enables PE-backed companies to implement process standardization, mitigate talent constraints, and expedite post-acquisition integration, which is a critical priority in any value creation plan.
This playbook outlines how private equity firms can integrate outsourcing into their business case from day one, ensuring operational excellence becomes a competitive advantage—not an afterthought—throughout the investment lifecycle.

WHY OUTSOURCING SHOULD BE PART OF YOUR VALUE CREATION PLAN

1. **Immediate Cost Savings**
   Outsourcing provides access to highly skilled, lower-cost talent, especially in countries like the Philippines, which can reduce overhead by up to 60% in key functions such as accounting, customer service, IT support, and data processing.

2. **Operational Efficiency**
   Outsourcing partners bring proven processes, industry best practices, and performance metrics that improve speed, accuracy, and consistency while freeing internal teams to focus on core competencies

3. **Scalability Without Overhead**
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4. **Faster Post-Acquisition Integration**
   As portfolio companies grow, outsourcing enables rapid team expansion without the burden of hiring, training, and managing additional in-house staff.

5. **De-Risking Talent Constraints**
   Outsourcing helps mitigate local talent shortages—especially in accounting and IT—by tapping into global labor markets with deep talent pools.

CREATION PLAN

IDEAL FUNCTIONS FOR OUTSOURCING IN PE-OWNED COMPANIES

Finance & Accounting

Bookkeeping, AP/AR, financial reporting, reconciliations, payroll processing

HR Operations

Employee onboarding, benefits administration, timekeeping, compliance support

Data Management

Cleansing, entry, validation, reporting

Customer Support

Phone, chat, and email support; order management; warranty claims

IT & Helpdesk

Tier 1 support, infrastructure monitoring, end-user support

WHEN TO INTRODUCE OUTSOURCING

Immediately Post-Acquisition: Introduce as part of the 100-day plan to drive early wins.

During Add-On Integration: Consolidate similar functions across acquired entities.

When Scaling Rapidly: Support growth without overloading internal resources.

When Preparing for Exit: Improve margins and standardize processes to attract higher multiples.

PARTNERING FOR SUCCESS

Working with the right outsourcing partner is critical. Look for a provider that:

- Has deep experience in your portfolio's industry verticals
- Offers a co-managed delivery model to retain control and visibility
- Provides strong onboarding, quality assurance, and governance structures
- Can scale quickly and adapt to evolving portfolio needs

Outsourcing is no longer just a cost-cutting tactic—it's a strategic tool for value creation. For private equity firms looking to maximize EBITDA, improve scalability, and build leaner, more agile portfolio companies, integrating outsourcing early in the investment lifecycle can unlock significant competitive advantage.

MySource is a proven partner for PE firms, offering flexible, scalable outsourcing solutions from our delivery centers in the Philippines. Let's talk about how we can support your next investment.

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Ready to change the way you do business or have any questions? We are happy to help.

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