

## Empirical Research of Outsourcing in Lithuanian Small Business Segment

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*In modern business where great competitiveness exists the changes of business surroundings create a situation where wishing to achieve dynamic development of an enterprise you need to search for innovator decisions of effective improvement of business activity. The assurance of effective business activity is connected with the changes of enterprise's structure. Such changes create the presumption for a simpler administration and execution of the enterprise's activity, ensures quicker development of the enterprise implementing new popular administration concepts.*

*Outsourcing has been actively used since 1990 as the method of cost reducing; later it transformed into the way of risk reducing, concept of concentration to the main activity; during 30 years of changes it became a modern strategy of enterprises' activity.*

*Outsourcing is quite a new and not very much investigated phenomenon in Lithuania though in the world it is highly expanded and used to ensure the effectiveness of enterprises' activities.*

*Having analyzed the aims of outsourcing presented in scientific literature four main aims can be distinguished: strategic, economic, organizational and motivational. Every distinguished purpose can be used depending on the enterprise's needs, however, they cannot be used to achieve only one objective as having achieved just one aim not always the effectiveness of the enterprise's activity can be ensured.*

*In scientific literature there are presented many types of outsourcing which are classified according to various specifics of outsourcing and are distributed to types having in mind the extent of application of outsourcing; strategic aims of the use; the place of activity's execution; the functions defined. Many of authors distinguish business processes and information technologies as the main types of outsourcing; but in other cases different specification of types is given so it can be stated that the presented classifications by the scientists are influenced by the modernity of outsourcing as a means of improving the effectiveness of business; therefore developing business the types can change according to the changes of business environment.*

*Having analyzed outsourcing, some main advantages can be sorted out: the possibility to get the service of high quality and high level; assurance of the enterprise's flexibility when conditions in market change; the use the experience of*

*other enterprise; the implementation of innovations. However, where there are advantages some disadvantages can be found as well: the risk of losing information, growing costs, dependence on the other enterprise, dishonesty of partners, the loss of control of the enterprise.*

*In Lithuania small business plays a rather high role in ensuring the country's economic and social welfare. However, small business companies encounter a lot of problems.*

*Evaluating the possibilities of outsourcing in small business the empirical research showed that of outsourcing is used in small business in Lithuania and highly spread among companies.*

*The main aims of use of outsourcing in small business companies in Lithuania are cost reducing, increase in productivity, and improvement of quality. The benefit received in a short time is: decrease in the need of personnel, concentration on the main activity increases, reduced costs.*

*The benefit received in a long time perspective is: reduce in administration problems, decrease in time needed for enterprise's management, improvement of product or service quality.*

**Keywords:** *outsourcing, empirical research, small business, the benefit.*

### Introduction

Outsourcing is quite a new business administration form that appeared and began to be used actively since 1990. However, the main catalyst of outsourcing has been the development of information technologies.

Outsourcing has been actively used as the method of cost reducing; later it transformed into the way of risk reducing, concept of concentration to the main activity; during 30 years of changes it became a modern strategy of enterprises' activity (Cambell, 1999; Molenda, Mykowska, 2004; Obłój, 2004; Zavadskas, 2007).

Outsourcing is quite a new and not very much investigated phenomenon in Lithuania though in the world it is highly expanded and used to ensure the effectiveness of enterprises' activities (Bartkus, Jurevicius, 2007).

In scientific literature many types of outsourcing are presented which are classified according to various specifics. Outsourcing is distributed to types having in mind the extent of application of outsourcing; strategic

aims of the use; the place of activity's execution; the functions defined. Many authors distinguish business processes and information technologies as the main types of outsourcing; but in other cases different specification of types is given so it can be stated that the presented classifications by the scientists are influenced by the modernity of outsourcing as a means of improving the effectiveness of business; therefore developing business the types can change according to the changes of business environment.

In literature these researches of outsourcing define these received benefits: competitive advantage, cost reducing, concentration on the main activity, risk reducing, the quality of executed functions, and the possibility to use resources (Niewiadomska, 2004; Курьянович, 2005; Хлебников, 2004; Стрикленд, 2004; Boguslauskas, Kvedaraviciene, 2009). However, to receive those benefits one has to raise the objects of the enterprise correctly; to evaluate if it is expedient for the enterprise to use of outsourcing; what functions have to be passed over; and achieve effective administration of the contract with the supplier.

Effective implementation and use of outsourcing in an enterprise depends on correct strategic decision making. Effective implementation can be ensured by the model of decision making defining if the rent is possible or if it is worth to apply; "the matrix of outsourcing" and models of stages of implementation of outsourcing help to define if it is necessary.

The **objective** of this article is to present basic problems of outsourcing in Lithuanian small business enterprises.

The **aim** of investigation is to define and evaluate the possibilities of application of outsourcing in Lithuanian small business enterprises in order to increase the effectiveness of their activity.

The main **tasks** are to:

- explore the extent of outsourcing in Lithuanian small business enterprises;
- analyze the reasons why small business enterprises use the services of outsourcing;
- define what types of outsourcing are used by small business enterprises;
- analyze what benefit is received when using outsourcing;
- define what problems arise if an enterprise implements and uses outsourcing.

**Research methods** to solve the scientific problem are - scientific literature review, analysis of analytical and empirical studies and synthesis of fragmentary knowledge on the subject.

### **Aims and Benefit of the Implementation of Outsourcing in an Enterprise**

Every enterprise has foreseen strategic aims in implementing outsourcing, however, it is necessary to reveal in what way they are implemented, how particular benefit is received and some competitive advantage is achieved.

Achieving competitive advantage helps to optimize the processes of business, increases productivity, possibilities

for implanting innovation in an enterprise become bigger which is stimulated by the supplier of outsourcing service. (Obloj, 2004).

To increase competitiveness you need to make the processes of business perfect, although in small business many administrative organization problems have to be solved as there exists small quantity of managers. In this case improving each stage of business process can be dragged out or the conflicting situation can emerge between the necessity of improving and the limits of resources in the enterprise. The experience of many world enterprises indicates that the best solution in such situations is not to try to improve business processes but to borrow the process from leading companies in similar sphere and use it. (Маслов, 2005)

To increase competitiveness and profitability in small and medium business you need to improve the process of business using and distributing the resources effectively.

Needs of market encourage producers or service suppliers to satisfy the needs of end users as much as possible, to increase their loyalty and to increase the number of constant customers.

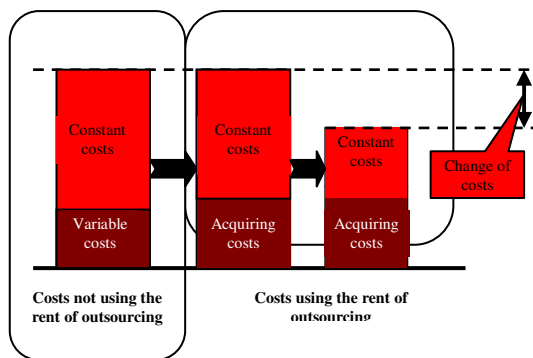
According to Д. Маслов in order to increase the competitiveness of small and medium enterprises in the market you should use the complex strategy of "Three steps" with the help of which it would be possible to increase and keep the amount of customers in an enterprise.

Universal quality administration is the improvement of business processes having in mind the whole organization.

Experience of competitors is taking over the improvement of standard processes in the enterprise; when inside and outside limitations allow to apply side processes for the needs of the enterprise.

Decrease of cost is one of the main economic objects of outsourcing. Obloj, (2004) states that using the rent of services one can decrease the cost of the enterprise shifting the manufacture of production or using the services of the suppliers that offer the same services cheaper. Costs are also decreased by handing the management of human resources of the enterprise over, as well as motivation and keeping the working places to the supplier of the service. Handing over certain management of the enterprise, the organization that provides outside services keeps greater discipline and standardization of processes which leads to the decrease of costs (Kalinin, 2008). Rent service supplier for resources realizes the given functions in a cheaper way than the enterprise itself could do it using its own resources. Small cost effect is seen when technologically and in organizational aspect minimal resources that are necessary for carrying out the mentioned functions are bigger than the effectiveness of their use – this particularly concerns the processes that are carried out periodically (Olenski J., 2004).

As K. Zimmewicz (2003) states, realizing activities in any enterprise and not using outsourcing some constant and variable costs appear. On the other side, enterprises that apply outsourcing in their activities meet the cost of acquiring the service. In accordance with that they replace the variable costs together with less constant costs, as their own (Figure 1).



**Figure 1.** Structure of Costs using outsourcing  
*Source: K.Zimmiewicz, 65 p.*

If the strategic aims of an enterprise are short-termed and connected only with the decrease of costs, this will not help to ensure the effective development of the enterprise; as it can be ensured by linking the rent of resources with long-term aims of the enterprise, the improvement of production or services supplied, implementation of new technologies, concentration on the main activity (Zimmiewicz, 2003).

Outsourcing helps an enterprise to concentrate itself on the main activity. Inner resources become free and can be directed for the improvement of the effectiveness of the organizational activity, for the concentration on the enterprise's specialization only, for the realization of the main tasks. Inner resources are distributed, applied and used according to the real needs of an enterprise, the elasticity of the enterprise increases in such way. Resource concentration on the enterprise's main activity helps to reduce the possible additional loss that can appear due to non productivity or lack of competency (Niewiadomska, 2004). Concentration on the enterprise's activity ensures both better effectiveness of the administration due to the leader's concentration on the main problems in the enterprise, and activities, not paying much attention to minor administration processes or those which have secondary nature. This effect is achieved in the enterprises which have the centralized scheme of administration and all the responsibility for the enterprise and its branches lies down on the principal leaders. Redistributing and directing the enterprise's resources into concrete specialized sphere the effectiveness of the activity increases due to specialization (Olenski, 2004).

Most enterprises that provide services of the rent of resources insure their activity; it gives the customers more confidence and helps to redistribute the risks which can appear due to badly taken decisions or non qualified personnel. At the same time concentration on the enterprise's activity grants the possibility to evaluate the change of various processes more quickly, to react to the changes better, what helps to increase the safety of any enterprise (Niewiadomska, 2004). Olenski (2004) states that the diminution of risk is achieved by cooperating with the enterprise that provides the services of rent of resources as the risks are divided and shared when cooperating enterprises have mutual responsibilities.

When the decision is taken to implement outsourcing one can achieve that the supplier of the service due to the

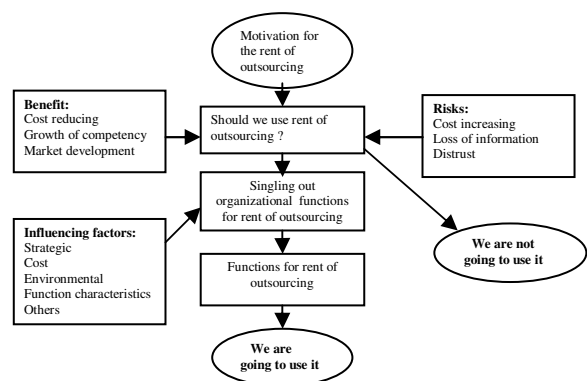
specialization in certain sphere, will ensure the highest quality of the supplied services; this is very important when secondary functions are passed over and they require high performance qualifications (rarely special knowledge or equipment) and the enterprise cannot fulfill the functions by its own.

Resources that are not available for the enterprise or cannot be purchased and used effectively to achieve the main goals, become available. Obtaining resources helps to optimize the structure of available resources, eliminating the resources that cannot be used effectively at the same time developing the resources that can be used at the most to satisfy not only the enterprise's needs but also the needs of other business units (Olenski, 2004).

In conclusion it can be stated that outsourcing can be estimated as a way, methods, conception or strategy which helps to create a competitive enterprise having great possibilities originating and implementing strategies where the diminution of costs and risk, the improvement of quality, the necessary resources, goals of obtaining competencies are important and they ensure the development of business.

### Implementation of outsourcing

Outsourcing is an effective instrument to improve the effectiveness of business, to implement strategic aims of the enterprise, however, it is very important to estimate if it is expedient for an enterprise to use outsourcing, what functions should be singled out and given to the supplier of the service. We are going to analyze some estimation methods as they are rather universal and applied to all business structures practically. With the help of these methods the potential of inside resources can be defined and then decisions can be taken if it is worth using outsourcing or better to expand inner resources and their potential.



**Figure 2. Model of the use of outsourcing decision**  
*Source: Kremic, T., Tukel, I., Rom, W., 2006, p. 470*

As we can see in Figure 2, the scheme of principal decision making is shown concerning the use of outsourcing. The enterprise that wishes to use the rent of services estimates the possible benefit, risks and comes to a decision to use it or not. If a positive decision is made depending on influencing factors, certain functions that are given to the organization providing the rent of services are singled out.

According to Campbell (1995), making a decision for outsourcing support one has to systematically answer the following questions:

Is it possible to implement the process of outsourcing in the enterprise?

Will the strategic aims of the enterprise be put into practice using outsourcing?

Do the organization and its structure, the elements of administration have a general possibility to suitably implement and use outsourcing?

Are there any other alternatives if not to use outsourcing, or is it possible to carry out changes in the organization and satisfy itself with the inner resources?

In the investigation the situation of outsourcing in Lithuania, the activities of the companies that provide the service of outsourcing and companies that use the service; the variety of provided services, effectiveness, disturbances are analysed. There is going also to be analyzed what future presumptions are in Lithuania to develop outsourcing; what variety of the needs of outsourcing will be. We are going to define the means with the help of which outsourcing could be used effectively.

### Empirical research on enterprises that use outsourcing

The employees of small business enterprises that use outsourcing and that do not use it were questioned according to the internet questionnaire. The information was gathered about outsourcing and the problems in business.

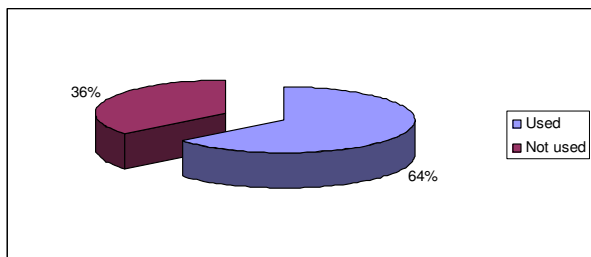


Figure 3. The distribution of the small business enterprises that use outsourcing and that do not use it

According to the data given in Figure 3, we can see that 64 per cent of all respondents use outsourcing, and 34 per cent do not use it in small business sector. In general one can state that outsourcing in small business enterprises in Lithuania is used and widely spread.

The aim of the question for the companies that use outsourcing is what services of other enterprises they use in order to define the type of outsourcing. In the answers services that were directly connected with of outsourcing were presented. Enterprises answering this question could choose from several variants of answers depending on the fact what services they use.

The question "What sort of outsourcing do you use?" was answered in the following ways: mostly the internet services, logistics, maintenance of programming equipment, subsidiary services, advertising and communication services which comprise about 40 per cent; programming services form 22 per cent. Other services

listed by the respondents (transport maintenance, service of electric economy, repair, work security, etc.) comprise 13 per cent in trade, 10 per cent in e-business, 5 per cent in market study and personnel management.

When the results of the question have been estimated, it can be stated that IT type of outsourcing has been mostly used; others were not widely used in business processes. Such distribution of outsourcing in small business companies could be influenced by outsourcing itself as a new phenomenon in Lithuania the development of which is encouraged by quickly spreading IT. Remembering the development of outsourcing exactly IT was the catalyst encouraging the appearance of other types of outsourcing, and their development. The same is happening in Lithuania.

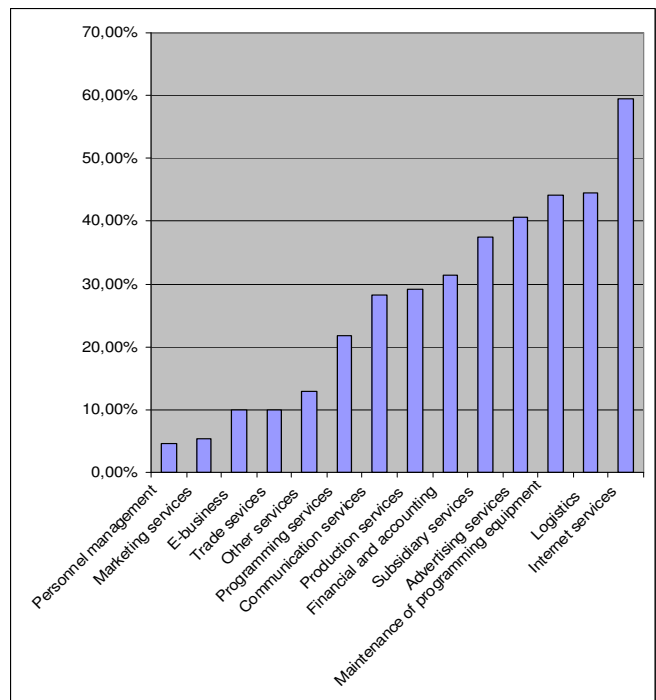


Figure 4. The services that are used by the enterprises implementing outsourcing

Before using outsourcing enterprises have raised the following aims (Figure 5): 15 per cent were aimed at strategic objects, 16 per cent were aimed at market objects, and most enterprises aimed at economic objects – 33 per cent; and organizational objects – 32 per cent; the least part was motivation objects, namely 5 per cent.

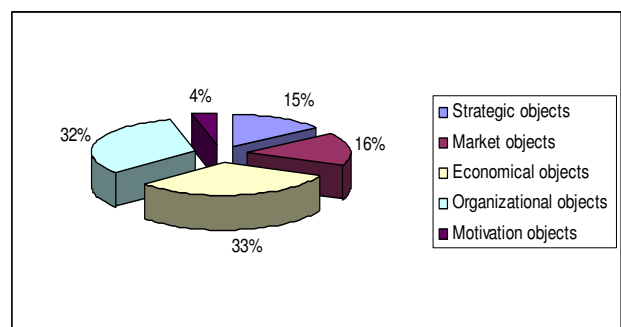
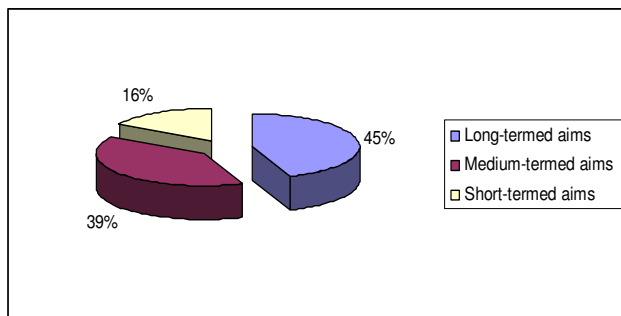


Figure 5. The aims of enterprises before using outsourcing

Having estimated the aims raised by the respondents, it can be noticed that strategic aims comprised only 13 per cent in the enterprises, while they have to play the most important role. Only having raised and implemented strategic aims correctly, the company is able to reach the effective implementation of economic, motivation, market and organizational aims.

In order to know what reasons were to choose the mentioned aims in the previous question, next question "What term aims is outsourcing connected in your company with?" is raised.



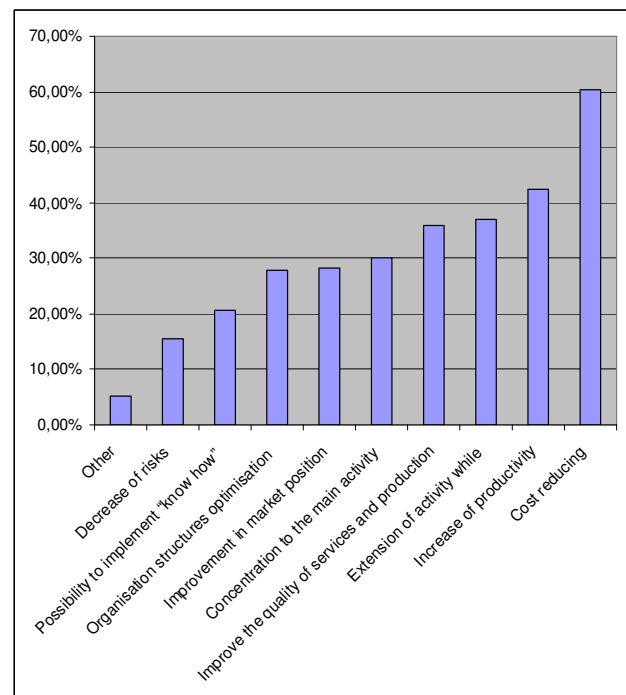
**Figure 6.** The term of aims raised by an enterprise

As we can see in Figure 6, 39 per cent of enterprises have raised medium-termed aims the implementation of which takes 2-3 years; 16 per cent of enterprises have raised short-termed aims and 45 per cent of enterprises have raised long-termed aims. Long-termed aims can be reached in 3-5 years in an enterprise; short-termed aims can be reached in a half year or one year. Therefore, the supposition can be made that before starting to use outsourcing most companies have raised economic and organizational aims wishing to achieve great activity results in a short period. Though strategic aims had little priority, having implemented short-termed aims an enterprise can reach the implementation of medium-termed aims; while implementing them a company can successfully go over to the implementation of strategic aims.

In Figure 7 the main objectives that encourage using outsourcing are revealed. The main encouraging aim is cost reduction, the next important aim is the increase of productivity. The 3<sup>rd</sup> aim is the extension of activity while in the 4<sup>th</sup> position there are the aims to improve the quality of services and production. Defining the aims that encourage using of outsourcing most, Small businessmen give the least priority to the possibility to implement "know how", the decrease of risks and some other (the respondents listed operative activity, survival in hard conditions, decrease of taxes, supply problems, etc.). According to the statements of the theory of outsourcing, the decrease of risks and the implementation of "know how" are linked with the main strategic aims of outsourcing. Respondents gave little attention to the concentration on the main competencies as the concentration on the main competencies redistributes enterprise's resources, ensures better effectiveness of management and activity.

Having analyzed the main aims encouraging using of outsourcing the conclusion can be made that the main aims encouraging using of outsourcing in small business are

reducing cost, increase of productivity, improvement of quality. However, the questioned business representatives pay too little attention to other objectives, because outsourcing has big use potential to implement not one or two objectives, but the whole complex of them.



**Figure 7.** The objectives that encourage using of outsourcing

The main benefit the enterprise gets in a short period is the decrease in the number of personnel and the other benefit is the concentration on the main activity. Next position is given to the increase in income and decrease in capital investments which take similar positions as getting benefit in a short time. Other benefits that the respondents listed are: improvement of quality, decrease in time consuming for the management of the company, works carried out more quickly.

As we can see, the benefit that is got during a short time has a direct link with the aims encouraging enterprises to implement the rent, analyzed previously. After having made the decision to use outsourcing the need for personnel decreases, as the supplier of the service implements the given functions using his own resources. On the other hand, after passing over some but not main functions, the enterprise can focus on the main activity and competencies of the company. Using outsourcing, the need for capital investments decreases, because the means necessary for the effective activity is supplied by the supplier of the service; cost reducing comes to light as the supplier realizes the given functions cheaper. The benefit that is got during a short time can belong to short-termed operative aims which can be implemented using outsourcing.

The benefit the enterprise gets in a long-term perspective using outsourcing where the decrease of administration problems, in time consuming appear as well as the improvement of production quality. This benefit in a long-term perspective was listed by several respondents

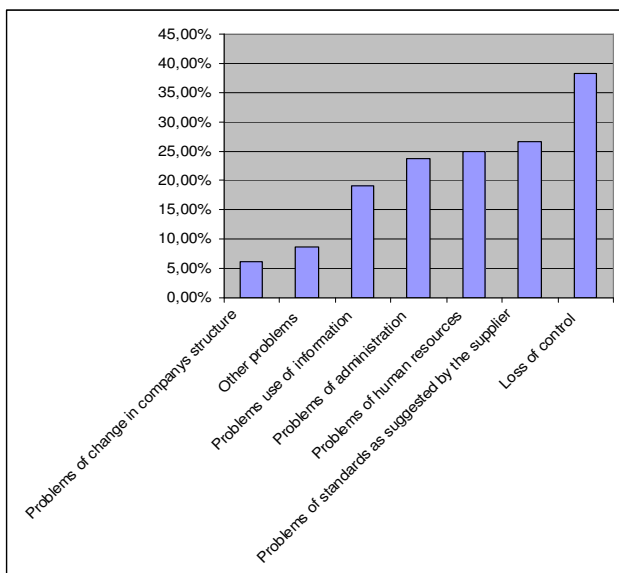


stating that it is received in a short-time periods as well. It could be possible that the benefit in other enterprises is received in a long term; in some small companies it could be received in a shorter term. Access to the necessary information, increase in productivity of the activity are as well ensured in a long-term period when using outsourcing. Other benefits that the respondents listed consist of professionalism, and profit increase. The benefits received in a long-term perspective are linked with the tactic and strategic aims of enterprises; if they are implemented, effective development of a company is ensured. Here a presumption can be made that outsourcing is one of the methods that helps to realize long-term enterprise strategies.

Generalizing all the benefits received by enterprises, a conclusion can be made that every enterprise depending on its way of activity, structure, business environment, conjuncture of the market benefits received in a short and long time period differ. However, the benefits supplied by the use of outsourcing can ensure the enterprise's activity development and help to solve problems quickly; especially the problems that can possibly be eliminated operatively or their impact can be softened.

Wishing to investigate the problems of outsourcing in small business it needs to evaluate the problems that are connected with the implementation and use in a small business enterprise.

The question "What kind of problems do you come over in realizing outsourcing in your company?" aims to inquire about any problems that occur to the enterprises that use outsourcing as effective business activity and its perspectives greatly depends the on them.



**Figure 8.** Problems of realization of outsourcing

Having asked the respondents and analyzed the results which can be seen in Figure 8, we see that the main problem that companies encounter is the loss of control. Other important problems are "implementation of standards and human resources" as suggested by the suppliers. Quite a lot of companies meet the problems of administration, use of information, the change in company's structure. The question what other problems

they meet, companies indicated financial problems, keeping of terms or prices, and efficiency being not sufficiently ensured.

Having estimated the answers of this question, it is seen that the main problem is the loss of control. This is quite a serious problem which is closely connected with the risk of business. The reasons of this problem might be not right singling out of functions and their passing over to the supplier; as when not additional functions but the main ones have been passed over to the supplier, the loss of control appears. In other case, if additional functions have been singled out correctly and have been passed over to the supplier, not much integration exists and no presumptions for the loss of control occur. The problems of standards as suggested by the supplier exist if a company has evaluated its potential wrongly and has chosen the wrong supplier of the service. The problem of the choice of the wrong supplier is also connected with the use and application of information.

The problems of human resources could appear where the number of employees has been reduced causing wrong motivation and disorientation of the personnel, especially where the lack of qualifications of the personnel exists, or the lack of integration of personnel between enterprises occur.

The problems of administration could be caused by the choice of the wrong supplier, by the problems of the implementation of outsourcing, by wrong definition of the responsibilities in the contracts, or by concentration on additional functions. The problems of change in the company's structure can be caused by the wrongly identified and defined general administration structure of the user and supplier or a wrongly created administration scheme.

### **Recommendations to increase the effectiveness of small business using the services of outsourcing**

Having done the quality research it became clear that outsourcing in Lithuanian small business sector is widely used and spread. However, it is more used in small business, but among very small enterprises it is not widely spread.

Having estimated small business enterprises that use outsourcing, we defined that Lithuanian small business enterprises mostly use IT type and the type of business processes of rent of outsourcing. The distribution of such type of rent can be caused by outsourcing as a new phenomenon in Lithuania the developing of which is quickened by highly spread IT.

Before starting to use outsourcing small business enterprises raised economic and organizational objects wishing to achieve effectiveness of activity in a short time. Though strategic aims had little priority, having implemented short-termed aims, an enterprise can reach the implementation of medium-termed aims, while implementing them a company can successfully go over to the implementation of strategic aims.

The decision to use outsourcing is valued well and excellently; such evaluation shows that using outsourcing the benefit is gained what satisfies the needs of owners, share-holders and the leaders of an enterprise. While using the rent satisfaction is shown as most companies are going to pass over more functions – so it is going to be quite an

effective instrument increasing the potential of the enterprise.

The main objectives to use outsourcing are: cost reducing, increase in productivity, extension of business activity, improvement in quality production. Small businessmen give little priority to the possibility to implement "know-how" and risk decreasing aims while mostly listing the factors that encourage the use of rent. According to the statements of theory of outsourcing, the decrease of risks and the implementation of "know how" are linked with the main strategic aims of outsourcing. Respondents gave little attention to the concentration on the main competencies, more exactly to the concentration on the main competencies redistributes enterprise's resources, ensuring better effectiveness of management and activity.

Having analyzed the main aims encouraging using of outsourcing the conclusion can be made that the main aims in small business are reducing cost, increase of productivity, improvement of quality. However, the questioned business representatives pay too little attention to other objectives, because outsourcing has a big use potential to implement not one or two objectives, but the whole complex of them.

The benefit that is got during a short time has a direct link with the aims encouraging enterprises to implement the rent, analyzed previously. After having made the decision to use outsourcing, the need for personnel decreases, as the supplier of the service implements the given functions using his own resources. On the other hand, after passing over some but not main functions, the enterprise can focus on the main activity and competencies of the company. Using outsourcing, the need for capital investments decreases, because the means necessary for the effective activity are supplied by the supplier of the service; cost reducing comes to light as the supplier realizes the given functions to be cheaper. The benefit that is got during a short time can belong to short-termed operative aims which can be implemented using outsourcing.

The benefits received in a long-term perspective are linked with the tactic and strategic aims of enterprises; if they are implemented, an effective development of a company is ensured. A presumption can be made that outsourcing is one of the methods that helps to realize long-term enterprise strategies.

Generalizing the benefits received by enterprises, a conclusion can be made that every enterprise depending on its activity, structure, business environment, conjuncture of the market benefits received in a short and long time period differ. However, the benefits supplied by the use of the rent can ensure the enterprise's activity development and help to solve problems quickly; especially the problems that can possibly be eliminated operatively or their impact can be softened.

Wishing to implement outsourcing, it is necessary to carry out the analysis of the enterprise's business processes, administration problems, evaluate its competitive and potential possibilities. An enterprise before implementing or making decisions to implement outsourcing carries out a certain analysis the type of which depends on the planning of the company's activity, strategic aims, business environment, and received benefit.

Most companies do not limit themselves to cooperate with one supplier, but work with several of them; so small business enterprises cooperating with several suppliers use more than one sort of outsourcing; abolishing dependence on one supplier at the same time.

In small business companies quite a serious problem is loss of control, which is closely connected with the risk of business. We should think that the reasons for this problem might be not right singling out of functions when they have been passed over to the supplier; as when not additional functions but the main ones have been passed over to the supplier, the loss of control appears. In other case, if additional functions have been singled out correctly and have been passed over to the supplier, not much integration exists and no presumptions for the loss of control occur. The problems of standards as suggested by the supplier exist if a company has evaluated its potential wrongly and has chosen the wrong supplier of the service. The problem of the choice of the wrong supplier is also connected with the use and application of information.

The problems of human resources could appear where the number of employees has been reduced what causes wrong motivation and disorientation of the personnel, where the lack of qualifications of the personnel exists, or the lack of integration of personnel between enterprises occur.

The problems of administration could be caused by the choice of the wrong supplier, by the problems of the implementation of outsourcing, by wrong definition of the responsibilities in the contracts, or by concentration on additional functions. The problems of change in company's structure can be caused by the wrongly identified and defined general administration structure of the user and the supplier or wrongly created administration scheme.

We are of the opinion that the main factor to ensure the use and implementation of outsourcing in a small business company is the appropriate planning with the help of which the effective business activity can be guaranteed. Such factor as a detailed function distribution can help in solving the problems of administration, company's structure, human resources and the loss of control.

As we can notice the realization of the use and implementation of outsourcing is rather problematic; in this case one should do separate research of problems of use and implementation of outsourcing; and to prepare the scientific study of actions ensuring the effective use and implementation.

Having estimated the theoretical aspects and results of empirical research, recommendations can be given to improve the effectiveness of small business using outsourcing.

Before implementing outsourcing every company has to evaluate the motivation, risks and influencing factors. The main instrument with the help of which decision can be made if the rent is needed and what type is "The matrix of rent of outsourcing". However, it has a drawback as it can be used in competitive surroundings. Decisions to use the rent are very important as due to wrong strategies, market research, competitiveness and competencies the implementation of the rent would be ineffective and have negative side.

Having evaluated the benefit, risks that appear the decision to implement outsourcing requires a detailed

strategic analysis and program of implementation. Having analyzed the methods of implementation of the rent given in various sources (where authors suggest stages of several steps), we present a simplified model of implementation of rent of outsourcing given in Table 1. The model has 4 stages including object raising and definition of functions; cost, benefit and market research of the rent; supplier choice and evaluation; contract making and control of supplier activity.

Table 1

**Recommendations to increase effectiveness of small business using the services of rent of outsourcing**

<b>Recommendations</b>	
<i>Raising objects and definition of functions</i>	In this stage enterprise should raise strategic aims and define functions with the help of which strategic aims of the company will be carried out
<i>Cost, benefit and market research of rent of outsourcing</i>	Having made decision to use the rent benefit should be estimated according to cost and risk
<i>Choice and evaluation of the supplier of outsourcing</i>	To ensure the real benefit of rent of outsourcing it is necessary to choose the right supplier
<i>Contract making and control of supplier activity</i>	Making the contract responsibilities should be defined, quality of services, effectiveness regulations, criteria of activity control should be set

Wishing to encourage the use and effective implementation of outsourcing a study of possibilities of Lithuanian small business segment should be done; detailed information on the use of outsourcing, implementation, economic benefit and ensuring business effectiveness should be given.

**Conclusions and Suggestions**

In modern business where great competitiveness exists, the changes of business surroundings create a situation where wishing to achieve dynamic development of an enterprise, it is necessary to search for innovator decisions of effective improvement of business activity. The assurance of effective business activity is connected with the changes of enterprise's structure. Such changes create the presumption for a simpler administration and execution of the enterprise's activity, ensures quicker development of the enterprise implementing new popular administration concepts.

Outsourcing is quite a new and not very much investigated phenomenon in Lithuania though in the world it is highly expanded and used to ensure the effectiveness of enterprises' activities.

Having analyzed the conception of outsourcing which appeared rather recently it can be defined as an effective method with the help of which having given some activity processes to the third part enterprise's competitiveness can be ensured; the enterprise can supply itself with resources, optimize the enterprise's inner processes, and the effectiveness of activity is ensured. Outsourcing as a method of business organization is based on long-term contracts, thus outsourcing can be estimated as the system of long-term contracts between enterprises. Enterprises'

cooperation based on long-term contracts helps to create effective ways of risk reduction or distribution.

Having analyzed the aims of outsourcing presented in scientific literature, four main aims can be distinguished: strategic, economic, organizational and motivational. Every distinguished purpose can be used depending on the enterprise's needs, however, they cannot be used to achieve only one objective as having achieved just one aim not always the effectiveness of the enterprise's activity can be ensured.

In scientific literature many types of outsourcing which are classified according to various specifics are presented. Outsourcing is distributed to types having in mind the extent of application of outsourcing, strategic aims of the use, the place of activity's execution, the functions defined. Many of analyzed authors distinguish business processes and information technologies as the main types of outsourcing; but in other cases different specification of types is given so it can be stated that the presented classifications by the scientists are influenced by the modernity of outsourcing as a means of improving the effectiveness of business; therefore developing business, the types can change according to the changes of business environment.

In literature that researches outsourcing, there are defined these received benefits: competitive advantage, cost reducing, concentration on the main activity, risk reducing, the quality of executed functions, and the possibility to use recourses. However, to receive those benefits one has to raise the objects of the enterprise correctly, to evaluate if it is expedient for the enterprise to use outsourcing, what functions have to be passed over, and achieve effective administration of the contract with the supplier.

Having analyzed outsourcing, some main advantages can be sorted out: the possibility to get the service of high quality and high level; to assure of the enterprise's flexibility when conditions in market change; to use the experience of other enterprises; implement innovations. However, where there are advantages some disadvantages can be find as well: the risk of losing information, growing costs, dependence on other enterprise, dishonesty of partners, the loss of control of the enterprise.

In Lithuania small business plays a rather high role in ensuring the country's economic and social welfare. The input of small business enterprises to the General Internal Product (GIP) is growing each year, mostly additional value is created by trading and service sectors, however, small business companies encounter a lot of problems.

The main small business problems are connected with the lack of resources. The development of small enterprises is impeded by the lack of financial resources, low technical potential, inadequate qualifications of human resources, huge costs of activity, finding of partners. There is also inadequate attention of the government to small business and high taxes. In the scientific literature analyzing small business problems the lack of its own potential which impedes to imply and execute innovations successfully is defined. The solution of this problem is possible delegating the part of its own potential and functions for other structures on the basis of cooperation. Other solution of small business problems is the application of innovations



in small business with the help of which it is possible to develop business successfully and solve the increase of enterprise's effectiveness, e.g. as an innovation the outsourcing potential can be used, and it will ensure the development of the enterprise.

Evaluating the possibilities of outsourcing in small business, the empirical research showed that outsourcing is used in small business in Lithuania and it is highly spread among companies. Having evaluated small business companies that use outsourcing, we defined that the greatest number of Lithuanian small business enterprises use both the IT type of outsourcing and business processes type of outsourcing.

Before starting using outsourcing Small business enterprises raised economic and organizational aims wishing in a short time period to achieve better results of their activity. The decision to use outsourcing is valued well and very well in small business companies; such evaluation shows that using outsourcing some benefit that satisfies the needs of owners, share-holders, and leaders is received.

The main aims of the use of outsourcing in small business companies in Lithuania are cost reducing, increase in productivity, and improvement of quality. The benefit received in a short-time period has a direct connection with the enterprise's aims encouraging to implement outsourcing.

The benefit received in a short time is: decrease in the need of personnel, concentration on the main activity increases, costs reduction.

The benefit received in a long time perspective is: reduce in administration problems, decrease in time needed for enterprise's management, improvement of product or service quality.

Most Lithuanian small business companies do not limit themselves with cooperation to only one supplier, but work with several of them. The statement is that small business enterprises cooperating with more than one supplier of services use more types of outsourcing as well as abolish the dependence on one supplier.

The main problem of the use of outsourcing in small business companies in Lithuania is the loss of control and problems of implementing "standards" suggested by suppliers, as well as problems of human resources.

Appearance of administration problems could be conditioned by incorrect choice of the supplier, problems of implementation of outsourcing, wrongly defined responsibilities in the contract, and concentration on additional functions. Problems of the change in an enterprise's structure could be caused by incorrectly identified and defined the general administration structure of the supplier and service user, or the wrongly established management scheme.

#### **Suggestions:**

To prepare the study of the possibilities of the implementation of outsourcing in Lithuanian small business.

To prepare a detailed information on the use of outsourcing in small business.

To create the economic model of the evaluation of effectiveness of outsourcing.

To form the models of an effective implementation and use of outsourcing in small business.

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#### **Išorinių išteklių nuomos Lietuvos smulkiojo verslo segmente empiriniai tyrimai**

Santrauka

Šiuolaikiniame versle didelė konkurencija, verslo aplinkos pokyčiai, sukuria situaciją, kuriai esant, norint pasiekti dinamiškos įmonės plėtos, reikia ieškoti novatoriškų įmonės veiklos efektyvumo gerinimo sprendimų. Įmonės efektyvios veiklos užtikrinimas susijęs su įmonės struktūros pokyčiais. Tokie pokyčiai sukuria prielaidą įmonės veiklą paprasčiau valdyti ir vykdyti, užtikrina greitesnę įmonės plėtrą diegiant naujas, populiarias valdymo koncepcijas.

Išorinių išteklių nuoma aktyviai pradėta naudoti nuo 1990 metų kaip sąnaudų mažinimo metodas. Jis vėliau pakito į rizikos mažinimo būdą, vartojamą kaip koncentracijos ir pagrindinę veiklą koncepcija, ir per 30 metų vykstant pokyčiams tapo įmonių taikoma šiuolaikine veiklos strategija.

Išorinių išteklių nuoma Lietuvoje pakankamai naujas ir mažai iširtas reiškinys, nors pasauliniu mastu pakankamai paplitęs ir naudojamas siekiant užtikrinti įmonių veiklos efektyvumą.

Išanalizavus mokslinėje literatūroje pateiktus išorinių išteklių nuomos tikslus, galima išskirti keturis pagrindinius: strateginius, ekonominius, organizacinius, motyvacinius. Kiekvienas išskirtas tikslas gali būti panaudojamas pagal įmonės poreikius, tačiau jie negali būti naudojami tik vienam tikslui pasiekti, nes įgyvendinus tik vieną tikslą ne visada galima užtikrinti įmonės veiklos efektyvumą.

Mokslinėje literatūroje pateikiama pakankamai daug išorinių išteklių nuomos tipų, kurie klasifikuojami pagal įvairias specifikas. Išorinių išteklių nuoma skirstoma į tipus atsižvelgiant į: išorinių išteklių nuomos taikymo mastą, naudojimo strateginius tikslus, veiklos vykdymo vietą, išskiriamas funkcijas. Daugelis nagrinėtų autorių, verslo procesų ir informacinių technologijų išorinių išteklių nuomos tipus išskiria kaip pagrindinius. Tačiau įvertinus tai, kad kitais atvejais pateikiama kitokia tipų klasifikacija, galima teigti, kad mokslininkų pateikiamiems tipų klasifikavimams daro įtaką išorinių išteklių nuomos kaip naujo verslo efektyvumo gerinimo metodo naujumas ir šie tipai plėtojantis verslininkystei gali keistis priklausomai nuo verslo aplinkos pokyčių.

Išanalizavus išorinių išteklių nuomą, galima išskirti pagrindinius jos pranašumus: galimybę gauti aukšto lygio ir kokybišką paslaugą, užtikrinti įmonės lankstumą keičiantis rinkos sąlygoms, pasinaudoti kitos įmonės patirtimi, diegti inovacijas. Tačiau išorinių išteklių nuoma turi ir daug trūkumų: informacijos praradimo rizika, padidėjusios sąnaudos, priklausomybė nuo kitos įmonės, partnerių nesąžiningumas, įmonės kontrolės praradimas.

Lietuvoje smulkusis verslas vaidina pakankamai didelį vaidmenį užtikrinant šalies ekonominę ir socialinę gerovę. Tačiau smulkiojo verslo įmonės susiduria su daugeliu problemų.

Pagrindinės smulkiojo verslo problemos susijusios su resursų stoka. Smulkiojo verslo įmonių plėtrą stabdo finansinių išteklių trūkumas, žemas techninis potencialas, nepakankama žmogiškųjų išteklių kvalifikacija, didelės veiklos sąnaudos, partnerių suradimas, taip pat nepakankamas valstybės dėmesys smulkiąjam verslui, didelė mokesčių našta. Mokslinėje literatūroje, nagrinėjančioje smulkiojo verslo problemas, išskiriama turimo potencialo stoka, kuri trukdo sėkmingai diegti ir įgyvendinti inovacinę veiklą. Šios problemos sprendimas galimas pateikiant dalį savo turimo potencialo ir funkcijų kitoms struktūroms kooperavimosi, bendradarbiavimo pagrindu. Kitas smulkiojo verslo problemų sprendimas - tai inovacijos smulkiąjame versle, kuriomis galima sėkmingai plėtoti verslą ir spręsti įmonės efektyvumo didinimo problemą kaip inovaciją panaudojant ir pritraukiant išorinį potencialą, kuris užtikrina įmonės plėtrą.

Vertinant išorinių išteklių nuomos galimybes smulkiąjame versle, atliktas empirinis tyrimas parodė, kad išorinių išteklių nuoma Lietuvos smulkiojo verslo įmonėse yra naudojama ir pakankamai paplitusi. Įvertinus smulkiojo verslo įmones, kurios naudojasi išorinių išteklių nuoma, nustatyta, kad Lietuvos smulkiojo verslo įmonės daugiausia naudoja IT išteklių nuomos tipą ir verslo procesų išorinių išteklių nuomos tipą.

Smulkiojo verslo įmonės, pradėdamos naudotis išorinių išteklių nuoma, buvo išskėlusios ekonominius ir organizacinius tikslus, norėdamos per trumpą laikotarpį pasiekti geresnius veiklos rezultatus.

Sprendimas naudotis išorinių išteklių nuomą smulkiojo verslo įmonėse vertinamas gerai ir labai gerai. Toks vertinimas parodo, kad naudojant išorinių išteklių nuomą gaunama nauda, kuri tenkina įmonių savininkų, akcininkų, vadovų poreikius.

Išorinių išteklių nuomos Lietuvos smulkiąjame versle pagrindiniai panaudojimo tikslai yra kaštų mažinimas, produktyvumo didinimas, kokybės gerinimas. Gaunama nauda trumpuoju laikotarpiu turi tiesioginį ryšį su įmonės skatinančiais tikslais diegti išorinių išteklių nuomą.

Nauda gaunama Lietuvos smulkiąjame versle trumpuoju laikotarpiu: sumažėja personalo poreikis, padidėja koncentracija į pagrindinę veiklą, sumažėja sąnaudos.

Ilgalaikėje perspektyvoje gaunamos naudos: valdymo problemų sumažėjimas, įmonės valdymui skiriamo laiko trukmės mažėjimas, produkcijos ar paslaugos kokybės pagerėjimas.

Dauguma Lietuvos smulkiojo verslo įmonių bendradarbiauja ne su vienu tiekėju, bet su keletu. Todėl galima teigti, kad smulkiojo verslo įmonės, bendradarbiaudamos su keletu paslaugų tiekėjų, naudoja daugiau nei viena išorinių išteklių nuomos rūšimi, taip pat nebeprisklause nuo vieno tiekėjo.

Lietuvos smulkiojo verslo įmonėse, naudojančiose išorinių išteklių nuomą, pagrindinė problema yra kontrolės praradimas, tiekėjo siūlomų „standartų“ diegimo problemos, žmogiškųjų išteklių problemos.

Valdymo problemų atsiradimui galėjo daryti įtaką netinkamas tiekėjo pasirinkimas, išorinių išteklių nuomos diegimo problemos, neteisingai sutartyse apibrėžti įsipareigojimai, koncentracija į antraeiles funkcijas. Įmonės struktūros pokyčio problemas galėjo sukelti neteisingai nustatyta bendra tiekėjo ir paslaugų naudotojo grupės valdymo struktūra ar neteisingai sukurta valdymo schema.

Straipsnyje pateikiami pasiūlymai, kaip toliau plėtoti tyrimus.

Raktažodžiai: *išorinių išteklių nuoma, empirinis tyrimas, smulkusis verslas, nauda.*

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