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SMALL BUSINESS SECRETLY SENDING JOBS OFFSHORE

Terrified of community criticism, but urgently seeking cost savings and new growth opportunities, an increasing number of small businesses are looking to send jobs offshore, according to CEO and co-founder of Flat Planet Chris Moriarty.

“It’s no longer just big business seeking the cost efficiencies of employing staff based in Asia,” Moriarty says, “but afraid of the potential customer backlash, small businesses are going to great lengths to keep their decision to go offshore secret.”

Research conducted for the Finance Sector Union in 2008 and updated in 2012 found 20,000 jobs are being moved offshore every year, but attention is paid only to large scale employee movements by banks and insurers.

“It’s naïve to think that it’s only big business responsible for that number of jobs going overseas but it is also wrong to assume that movement is all bad news for the Australian economy,” Moriarty says.

“From accounting firms in regional Australia to manufacturers in Western Sydney, over the last twelve months we have increasingly been approached by businesses with less than 100 employees looking to expand their business capability but avoid a massive increase in labour costs and HR headaches.”

Flat Planet is an Australian owned and operated provider of ‘virtual staff’, linking domestic businesses with skilled professionals who are employed and based in the Philippines.

“Yes cost savings are important to our clients but another key motivation is the opportunity to enter the Asian market,” Moriarty says. “Securing a highly skilled, globally competitive workforce based in Asia represents a beachhead into that booming market.”

“It’s a no brainer, but it has to be a secret,” Moriarty explains of the decision for small business to employ offshore. “They are making the very rational financial and business decision to go offshore where employment costs are around 50% cheaper and growth is strong, but they are wary because the issue is generating such a hugely emotional response.”

“Our clients are quite literally scared to admit they have not employed locally.”

Moriarty defends the practice saying, “Sending jobs offshore shouldn’t be demonized. Research released by McKinsey in 2011 found that 2.6 jobs were created for every job lost as a result of the internet. That equation applies to virtual offshore employment which has emerged directly as a result of the internet.”

“Our experience is that smaller businesses are actually employing additional positions as opposed to replacing a domestic position with one based offshore, and offshore staff can also represent a life support system for domestic businesses under cost pressure.

“It’s not always a case of ‘lift and shift’ the position overseas, rather it’s the opportunity to employ a professional and experienced additional resource otherwise unaffordable in Australia with the added benefit of a knowledge and presence in Asia.”

“Australia is part of the global economy. Rather than scaring the small business sector we should be encouraging them to examine opportunities overseas.”

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Chris Moriarty began his career as a journalist and editor with Australian Consolidated Press before moving into marketing and strategy. He co-founded and was Managing Director of Strike Force Sales Pty Ltd, a business recognised by BRW as one of Australia’s fastest-growing firms. In 2011 he established Flat Planet and is now based in Manila.

Chris is an experienced media commentator on the benefits and realities of offshore employment in Asia.

As co-founder and CEO of Flat Planet Chris has published an opinion piece in The Sydney Morning Herald, [“Engaging with Asian business a two-way street”](#) appeared on [Sky News](#) and been interviewed by [Ross Greenwood on Radio 2GB](#).

Flat Planet is an Australian owned and operated business helping business tap into the global talent pool by offering easy access to high-value virtual staff and project teams based in the Philippines. www.flatplanet.com.au