# Outsourcing success

Outsourcing key financial and administrative functions remains a popular operational model, especially for cross-border business. So how do you find the right provider for your needs?

According to recent research, the global outsourcing market exceeded USD 525 billion in 2025 and continues to grow at around 8 or 9% every year[1]. In a separate study, more than half of businesses in the UK (57%) said they planned to increase the number of services outsourced to third party providers[2].

Outsourcing is growing but it is also changing. Businesses are moving away from a purely transactional model of outsourcing and towards a more holistic approach. Providers are increasingly seen as partners and advisors rather than vendors. In the best examples, outsourced teams are barely distinguishable from in-house colleagues. In addition, outsourcers are embracing the latest innovations (like AI) and offering it as part of a complete package that combines cutting edge technology and human intelligence.

The evolution of third party corporate service provision comes at an interesting time. Some multinational businesses are taking services back in-house and hosting a range of back-office functions in purpose-built global service centres (GSCs). These modern units tend to be in markets where office space, digital infrastructure and skilled talent is both plentiful and relatively cheap.

But despite the rise of GSCs, outsourcing continues to be the most popular model for many cross-border businesses. Internal service centres remain the preserve of the largest multinationals with deep pockets, wide geographic reach and complex requirements. For smaller organisations looking to expand into one or two jurisdictions, the question is not whether to outsource, but who to outsource to.

It is an important decision, because third-party providers are not the same. In this article, we will explore outsourcing's continuing popularity and discuss what companies should look for in a corporate services provider.

## Enabling cross-border trade

Businesses of many sizes and sectors enjoy the benefits of outsourcing. But it is cross-border businesses that may need third party providers most of all, for several reasons.

"International expansion has become more complex while organisations have moved toward leaner operating models in order to be more profitable," says Franklin Bendoraytes, partner at Brazilian UHY member firm UHY Bendoraytes & Cia – Auditores Independentes. "Rather than building large local teams in every market, foreign investors prefer to focus on their core business and outsource administrative functions such as accounting, payroll, tax compliance, corporate secretarial and regulatory filings."

When organisations cross borders it makes sense to rely on indigenous expertise. Outsourcing allows businesses to benefit from that local knowledge without the

> Outsourcing allows businesses to benefit from local knowledge without the expense and time of building an internal team.

expense and time of building an internal team from scratch.

"It is not always feasible to hire your own team," says Michael Coughtrey, managing partner at UHY Haines Norton in Sydney, Australia. "That can be true for many reasons, one of which is firms just not being sure at the outset exactly what roles they need to fill in a new jurisdiction. But also, commonly, it's because the local employment laws can be difficult to navigate."

## Local laws and regulations

Outsourcers play a crucial role in helping cross-border businesses navigate an often bewildering web of local laws and regulations.

"In Brazil specifically, the complexity of the tax system, labour legislation and reporting obligations makes local expertise essential," says Franklin. "Foreign investors also need partners who understand international standards like IFRS, US GAAP, and SOX. Outsourcing offers the flexibility and scalability to enter markets quickly, integrate acquisitions efficiently and grow without carrying significant fixed overhead."

Around the world, tax and labour laws are tightening, investor and regulator scrutiny is becoming more intense, and compliance is getting more difficult. Against that background, outsourcing can have significant benefits. Or it can, if you choose the right third-party partner.

## Finding the right fit

Corporate service providers come in many shapes and sizes. Some attempt to provide a 'one stop shop' of services, while others specialise in particular areas. Some are nationally focused, others have global reach. Some compete on price, others on expertise and experience. When your business is looking to cross borders, how do you choose the right provider for your needs?

Technical skills are a given. A partner needs to be able to do the job, however complex it turns out to be. Experience working with businesses like yours, with similar requirements, is also something to look for, alongside a clarity of communication.

"The right service provider is one that has a wide range of experience dealing with businesses and with foreign controlled entities, and understands that they typically need a lot of hand holding," says Michael. "A service provider should appreciate that overseas companies entering a jurisdiction for the first time need lots of explanation to understand local laws and business customs. Communication should be impeccable. They should be willing to jump on a call quickly and often at odd hours to speak to the client's overseas team, so days are not lost due to time zone differences."

## The reach you need

In other words, a good service provider will be as dedicated to your cause as you are. They should be invested in your success and engaged with your teams. You may be one client among many, but it should not feel like it.

"The right provider effectively becomes an extension of your finance, compliance and governance functions," says Franklin. "The quality of their work directly impacts management decisions, regulatory standing, financial reporting and enterprise value."

Businesses should look for proven expertise in accounting, tax, payroll, labour law and regulatory compliance, and whatever else an outsourcing arrangement might involve. For multinationals, experience with global regulations is essential. Your outsource partner should be able to identify where local and

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international regulation intersect and plot a smooth course to compliance.

If you already operate in several jurisdictions, or you plan to in future, it can be useful to find a service provider with relevant reach. Even if you are focusing on a single overseas market for the time being, be aware that laws, regulations and business culture can differ within countries, as well as between them.

"On reach, assess whether the provider has genuine coverage across the relevant jurisdictions. In Brazil, state and municipal tax rules vary considerably, so local depth matters," says Franklin.

## A question of culture

Technical skills, relevant geographic reach and dedication to your success are all essential, but the relationship is unlikely to work without an alignment of cultures.

To put it simply, you need to be able to work with your provider, day in and day out when necessary. They should understand your values, vision and work ethic, and buy into them. They should be an extension of your own operation.

"Culture, though often underweighted, can make or break the relationship," says Franklin. "Responsiveness, transparency, proactive communication and the ability to work effectively with international stakeholders are as important as technical competence. The best partnerships combine deep local knowledge with a service mindset that matches how the client actually operates."

## Making the right choice

Getting the right third-party service provider is essential. It can speed your entry into new markets, create seamless overseas operations and help you avoid the financial and reputational impacts of a compliance misstep. But the opposite is also true.

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> The right provider understands that businesses and foreign controlled entities need hand-holding.

"Getting it wrong can lead to issues from day one," says Michael. "That can be in problems with how the structure has been set up, or it might be an issue with compliance. Whichever it is, it's often very costly to have to start afresh, and it will delay your time to market. You need a business partner that can make sure everything works right from the start."

Franklin agrees. "The consequences of a poor choice are serious – inaccurate financials, tax errors, payroll mistakes, labour violations, weak internal controls and inadequate audit support. In M&A transactions involving Brazil, it's common to uncover significant tax and labour contingencies traced back to substandard service providers. The cost savings from choosing the cheapest option rarely outweigh those risks."

This is a trap that too many companies fall into. Price may be a factor in the decision to contract an outsourcing partner, but it should not be the only one and nor should it be the most important. Technical skill, relevant experience and cultural fit should be given equal or greater weight.

Most companies moving into new markets do not have internal service centres with knowledge of local laws and regulations. In many cases, internal teams are stretched. In these circumstances, outsourcing makes perfect sense. But assessing a potential partner should be treated like any other critical business decision. Give it the time, focus and attention to detail it needs to make an informed choice.

**Sources:**

[1] The 2026 Outsourcing Industry Report, pub. May 2026

[2] Parseq, Businesses to boost back-office outsourcing by £3bn in 2025, pub. 2024

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## Choosing a corporate services partner: Four questions to ask:

**Do you have the expertise we need?**
Does a potential partner have the technical skills to meet your needs, and can they prove it? Do they have experience with businesses like yours?

**Do you have the scale?**
Do they have the resources to meet your needs now, and can they continue to meet them as you scale? Ideally, you will not have to go through this process again in two year's time when you outgrow a current provider.

**Do you have the reach?**
Your partner's geographic reach should match your ambitions. It would make life simpler if one provider can fulfil your requirements across states and jurisdictions.

**Who will we be working with – and how?**
When you talk to prospective partners, do they seem a good fit in terms of responsiveness, values, communication and team make-up? Do they pick up the phone when you call and answer emails promptly? Do they make things clear?