

## Why Outsourcing?

There are many reasons why a company may choose to outsource a particular function of their business, which may include:

### Resource Shortages

A particularly strong reason to outsource involves a shortage of a critical resource. This can be available employees that possess knowledge in a certain area (e.g., engineers), the availability of raw material (e.g., petroleum or minerals) and an available labor force that possesses a necessary level of expertise at the right price.

### Realignment with Core Business

Some peripheral operations are outsourced frequently. It gives the managers the ability to concentrate on the core business issues instead of devoting resources to areas that may be necessary but are not related to the business' core competencies. A good example is a major hospital that outsources its security operations to an outside company that specializes in security.

### Cost Savings

The prices of labor and/or materials keep increasing, and competition keeps forcing prices

lower. If there is an outsourcing solution that can save your company money and overcomes the disadvantages of outsourcing, these areas should be investigated.

### Business Flexibility

Seasonal or cyclical demands that ebb-and-flow put varying demands on the resources of the company. An outsourcing contract could provide the flexibility needed to stabilize these varying demands. Example: A business brings in extra accountants during tax season and when being audited by the holding company that owns the business.

### Reduced Overhead Costs

Some functions require a large outlay of money just to get started. This expenditure could be avoided by contracting with a third party. For example, outsourcing a call center rather than undertaking a costly expansion to the telephone system and office space to meet increasing customer service demands.

*Excerpts from [www.thebalancesmb.com/introduction-to-outsourcing-2533558](http://www.thebalancesmb.com/introduction-to-outsourcing-2533558)*

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Comments or suggestions? Please email  
[assets@CenterStateBank.com](mailto:assets@CenterStateBank.com)



“...a strong economy with demand is better than a weak one with low interest rates.”

## Small Business Borrowing Hits 6-Year High

American small businesses increased their borrowing to their highest levels in six years in July, in a sign that many owners are anticipating an uptick in economic activity. The Thomson Reuters/PayNet Small Business Lending Index, which measures commercial-loan and lease volume, climbed 11 percent in July to 117.7. That makes it the highest level since August 2007 and up sharply from the 105.7 reading in June, PayNet said.

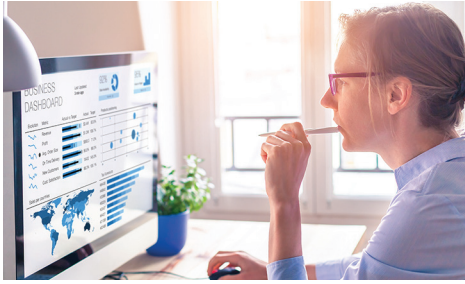
“There is some optimism returning to small businesses. They are responding to some demand,” PayNet President Bill Phelan told Reuters. “As long as interest rates are within reasonable boundaries, a strong economy with demand is better than a weak one with low interest rates.”

What is unclear is how that borrowing will manifest itself into growth at companies. Traditionally, small businesses take loans for equipment purchases, upgrades in technology, or expansion of facilities. It could be that such activity leads to job growth—or, conversely, could simply be moves by businesses to boost productivity with existing staff.

On the bright side, amid the increase in borrowing, businesses are paying their bills on time. Delinquencies of 31 to 180 days on loans fell in July to 1.48 percent of all loans made, according to the Thomson Reuters/PayNet Small Business Delinquency Index. That is the lowest level ever recorded by PayNet, the firm said.

*Excerpts from [www.entrepreneur.com/article/228188](http://www.entrepreneur.com/article/228188)*

# 4 Essential Technologies Powering the Digital Supply Chain



Growing customer expectations for personalized products and immediate service are making supply chains more complex. And as businesses extend their reach globally, processes are further complicated. We see that industry boundaries are blurring due to new business models enabled by the digital economy.

More than ever, the entire supply chain network needs access to vital information, real-time data analytics, and internal and external collaboration tools to drive this digital transformation.

So, where can businesses turn?

The evolving digital world requires innovative answers. Fortunately, technologies are emerging and converging to help address these challenges faster than ever before.

## Internet of Things

The Internet of Things (IoT) is generating massive volumes of data, connecting everything from the products we buy to the cars we drive to the homes we live in. With products and assets becoming more connected and intelligent, the easier it'll be to efficiently integrate predictive,

automated activities with business processes. And as functions get smarter, new business models – based on data from goods, assets, machines, and vehicles – will begin taking hold, ushering in an era of new and radically adaptable businesses.

## Machine Learning and Artificial Intelligence

The wave of Big Data flooding business is helping make assets smarter through embedded, easy-to-consume machine learning capabilities. Machine learning uses sophisticated algorithms to “learn” from, and make sense of, this data. Machine learning is the core of artificial intelligence (AI). It continuously learns and improves, every time you feed in new data by accessing, analyzing and finding patterns in Big Data in a way that is beyond any human capabilities. The ability to continuously monitor data and make precise, intelligent predictions has a massive impact on business success. Organizations are taking advantage of insights based on artificial intelligence and business analytics to support competitive capabilities such as predictive maintenance and usage-based billing.

## Predictive Analytics

Within Big Data is an abundance of unstructured contextual information – weather, traffic, social media trends, and demand signals – that offer companies real-time, 360-degree views of their supply chains. Businesses are using this information to identify new opportunities and mitigate risks as the entire value chain becomes more transparent. By leveraging this data to support predictive analytics, decision makers can

pinpoint trends and optimize operations faster than ever – a critical competitive advantage in today's fast-paced environment.

## Blockchain

Blockchain, though a young technology, has the potential to accelerate supply chain digitalization by securing transactions, ensuring traceability and chain of ownership, and shoring up cyber security. In fact, according to Gartner's latest Hype Cycle for Supply Chain Execution (July 2017) – Blockchain was rated “transformational” but with a market penetration of “less than 1%.” The key is to identify use cases that involve improved transparency, greater traceability, enhanced performance, and secure transactions.

## Laying the Foundation for Your Digital Supply Chain

With innovative technologies providing a road map for the future, companies are beginning to see the full potential of a digital supply chain. To make this a reality, knowing when and how to use and combine these technologies to solve specific business problems is key.

IoT, for example, generates huge amounts of data. Predictive analytics and machine learning process this data to make it smarter. And by leveraging artificial intelligence, the data can be used to automate processes, with blockchain ensuring the processes remain traceable and secure.

*Excerpts from [www.forbes.com/sites/sap/2018/04/17/4-essential-technologies-powering-the-digital-supply-chain/#7789c78969a1](http://www.forbes.com/sites/sap/2018/04/17/4-essential-technologies-powering-the-digital-supply-chain/#7789c78969a1)*

## Top Reasons to Start a Business Blog

Blogging, especially when combined with social media, is a powerful way to promote your business online. There are still many small business owners that are hesitant to make the jump and start a business blog, but they're missing out on a big opportunity.

There are several reasons why small business owners don't blog. It takes a commitment of time and resources that can be overwhelming or they don't know how to get started from a technical perspective. It can also be challenging to develop a loyal and engaged following on a business blog that focuses on one specific topic, and it can be difficult to consistently come up with interesting business-related post ideas.

But, starting a business blog doesn't have to be an intimidating or overwhelming

experience. Once you get started, the benefits of a business blog can make the effort worthwhile. Here are four of the biggest reasons you should start a blog for your business:

1. Target Potential Clients
2. Establish Yourself as an Industry Expert
3. Develop a Community
4. Create Valuable Connections

Although creating a successful business blog takes time, dedication and patience, once you get started, you'll be on your way to realizing these plus many more benefits.

*Excerpts from [www.thebalancesmb.com/top-reasons-you-should-start-a-business-blog-2951626](http://www.thebalancesmb.com/top-reasons-you-should-start-a-business-blog-2951626)*

