

## Hiring a Business Services Provider vs Offshoring vs Freelancers

|                     | BUSINESS SERVICE PROVIDER  | OFFSHORING  | FREELANCERS  |
|---------------------|--|---|--|
| DEFINITION          | External/Third-party partner<br>provides non-core business<br>operations on a managed, SLA-<br>backed model. | Company-owned offshore unit hires and manages its own staff in a lower-cost market, retaining full control. | Hires self-employed specialists<br>for project-based or time-<br>bound tasks without<br>organizational infrastructure. |
| SETUP SPEED         | 4 to 7 Weeks   | 6 to 12 Months  | 1 to 7 Days  |
| SETUP COMPLEXITY    | <b>Low</b> - Immediate access to teams, minimal admin  | <b>High</b> - Legal entity formation, infrastructure, local compliance, recruitment                         | Low - Many freelancing platforms where you're free to browse talents   |
| COST PREDICTABILITY | High (per full-time<br>equivalent/FTE)   | Medium  | Low (Variable Rates)   |
| COMPLIANCE SUPPORT  | Provided   | Full Internal Responsibility  | Minimal/Self-Managed   |
| SCALABILITY         | Flexible and Rapid   | Slower  | Not Designed for Scale   |
| TALENT              | Pre-Vetted, Specialized  | Requires In-House Recruitment   | Do Your Own Sourcing/Hiring  |
| OVERSIGHT           | Dedicated Account<br>Management  | Internally Managed  | Directly Managed   |
| INFRA/SECURITY      | Provided   | Must build internally   | Not Provided   |
| RELIABILITY         | SLA-Guaranteed   | Process Dependent   | Itemized Contract  |
| REGULATORY          | <b>Low</b> - Provider handles compliance   | <b>High</b> - You must handle all local laws compliance for your staff.                                     | <b>Low</b> - Freelancer does their own compliance  |
| REPORTING/AUDIT     | Included   | Self-built  | Included   |

