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## Outsourcing 'could save millions'

By Kaye Wiggins, Third Sector Online, 1 April 2009

### Medium-sized charities could save £136m on back-office costs, claims Cass Business School

Medium-sized charities could save a total of £136m by outsourcing their back-office functions, according to a new [report](#) by [Cass Business School](#).

The 3,500 charities in the £1m to £10m income band have a combined annual income of £3.4bn, said Cathy Pharoah, professor of charity funding at Cass Business School's Research Centre for Charitable Giving and Philanthropy.

She said they could make a combined saving of £136m if they outsourced all their back-office functions, estimated to take up about 10 per cent of their total annual income.

Pharoah added that some charities were already outsourcing these functions, including areas such as IT and human resources. But she said many were reluctant to do so because they were unsure which functions could most efficiently be outsourced and who could best provide these services.

Pharoah called for a website providing advice on outsourcing for charities, and more advice and training from infrastructure bodies.

