



# IMPACT SOURCING

## The Next Frontier for Your Business Operations

### Abstract

Differentiate your business while helping the poor and disadvantaged by incorporating impact sourcing into your business model.

White Paper

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# Impact Sourcing: The Next Frontier for Your Business Operations

The success of any business entity partly depends on the quality and consistency of its workforce. For that reason, business executives are always searching for sources of premium talent. If a low attrition rate is part of those talent pools' characteristics, the probability of finding ideal candidates is even greater. [Impact sourcing](#) is one of the outsourcing approaches that is becoming a game-changer in the business arena.

Also known as "socially responsible sourcing," impact sourcing focuses on outsourcing supply chains and jobs to economically disadvantaged areas. Although the strategy is primarily philanthropic, it affords progressive-minded entities solid business value. So, you may lag as an entrepreneur if you fail to prioritize impact sourcing.

The reason is that deploying "social" policies is no longer an afterthought. On the other hand, most millennials and gen Z'ers prefer working with organizations that implement long-term social impact strategies. That implies that embracing and embedding social impact into your company processes is now a necessity.

You also need to understand that you stand a better chance of attracting prospective employees when you infuse social practices into your overarching policies. Also, buyers have multiple options to choose from, thanks to today's increasingly competitive marketplace. In that case, such consumers will opt to patronize a company that adopts values that align with theirs.

## Unpacking Impact Sourcing

The term impact sourcing refers to employing persons from a disadvantaged background and giving them opportunities they may not otherwise find elsewhere. Inability to access higher education is, in part, the reason why most individuals cannot land professional job opportunities. For example, [Africa's workforce](#) may be large, but there are not enough jobs to go around in that continent.

Employment of persons in locations with persistently high unemployment rates is impact sourcing's priority. Additionally, most of those in slums and rural areas rarely have access to

higher education. When such people earn higher wages after landing better career opportunities, they can improve their family members' living standards.

## Benefits of Impact Sourcing

There are several reasons why impact sourcing should be part of your firm's policies, and below are details on some of them.

### 1. It Has a Social Impact

The global nature of [supply chain](#) logistics is something that most organizations appreciate. That explains why such establishments implement strategies for reducing costs and maximizing sourcing and distribution efficiencies. The only difference is that this strategy works at a purely "dollar and cents" level while impact sourcing seeks to shift the embedded "values chain" of a service or product.

The implication here is that impact sourcing assumes a more egalitarian approach towards wealth distribution, which is not the case with conventional outsourcing concepts. As such, most entrepreneurs consider impact sourcing a model that offers more potential for long-term growth and sustainability.

Unfortunately, the most underrepresented links and lowest paid contributors within the supply chain are primary suppliers. Indeed, impact sourcing may not untangle the complex socio-economic web that causes such producers to remain in different states of poverty, but it plays a significant role in providing relief to struggling communities.

In turn, that reduces the economic pressure on primary suppliers, making impact sourcing a huge step towards realizing sustainability. So, if you want to create opportunities for groups in the society suffering oppression or exclusion, [impact](#) sourcing is the way to go. That way, you will play your part in stabilizing the global economy, which is a worthwhile initiative.

### 2. Yields a High-Performing Workforce

Mostly, impact workers come from demographics with limited access to work-related opportunities or economically depressed areas. That does not imply that such individuals cannot deliver accordingly. Instead, you should consider such persons "high-upside" employees. It may be surprising to discover that impact workers' performance is comparable to that of conventional employees when you engage them.

Also, bridging the knowledge gap between traditional workers and their impact counterparts is possible through onboarding/training programs. Impact sourcing allows you to invest in people with great potential upfront so you can benefit from your conscientious efforts in the future.

### **3. Gives You a Competitive Advantage**

Setting yourself apart in the market you operate in attracts success, which is possible through impact sourcing. The reason is that you can access previously untapped talent pools to infuse your firm with innovative, skilled, and driven workers when you adopt impact sourcing. There are huge talent pools out there from where you can find motivated potential employees.

By leveraging impact sourcing, you will avoid damaging "wage wars" and stiff competition over talent with industry peers. You will also discover that impact employees can be just as productive as their traditional counterparts when you invest in proper training infrastructure.

### **4. Reduced Attrition Rate**

When an impact worker finally lands a job that can satisfy their basic economic needs, they appreciate what they have. That is why such employees remain loyal to the companies they work for, which results in a lower attrition rate. That suggests that you will save on the cost of recruitment, training new employees, and HR administration.

Impact sourcing affords business owners a stable, engaged, and experienced workforce capable of providing exceptional value to their target clients.

### **5. Attracts Savings**

Increased employee turnover is a headache for most firms out there because it comes with a cost implication. That is one of the expenses that you can tame through impact sourcing, making this strategy a high-value proposition. Also, you will enjoy upfront cost savings when you adopt impact sourcing, which is not what you expect from conventional BPO solutions.

According to [these statistics](#), some enterprises reduce their expenses through outsourcing. As much as that is the case, you can maximize savings without sacrificing efficiency and productivity when you embrace the impact sourcing model.

# How Can Your Firm Take Part in Impact Sourcing?

Impact sourcing may be philanthropic to some extent, but it goes beyond that. The reason is that the primary objective of this approach is maximizing business and societal outcomes. Some of the ways your organization can take part in impact sourcing include;

## Prioritizing Long-Term Relationships

You cannot afford to overlook the bottom line as an entrepreneur if you want the outside world to view you as one that prioritizes social impact. Beyond that, you should ensure that your clients get the right quality, price, and customer experience every time. You also need to note that happy employees are much more loyal and tend to be more productive.

Eventually, such workers become skilled in their roles to the extent of handling large volumes of work within a short time. The bottom line here is that offering an opportunity to an individual who, under normal circumstances, may not get such an offer is an ideal way to motivate and make them happy.

Finding and working with the right impact sourcing partner is extremely important, making sure that their vision and goals are aligned with yours.

## Shifting Your Attention to People

The success of your impact sourcing program significantly depends on people rather than the algorithm and numbers. Understand that each employee brings unique talents and gifts to your company, and they can spread the benefits to various communities through their tenure. That is the case since you are accessing a talent pool full of motivated individuals.

Changing your company values when working with suppliers from disadvantaged areas or hiring in a different country is not necessary when you focus on people. That becomes an added benefit of adopting impact sourcing.

## Conclusion

It is quite fulfilling when you realize you are making a difference in the world by helping disadvantaged persons to [overcome poverty](#). Impact sourcing makes that a possibility and attracts several other benefits as per the details herein.

Making a difference in one's life is a way of giving back to society, and Eclaro offers you that opportunity. We hire impact workers directly, but because of the very technical types of positions we support our clients with, we also incorporate education into impact sourcing. By offering a high quality education and college degree, we can help disadvantaged youth to get an education, bringing them out of poverty and helping them to learn the technical skills needed to support our clients.

Eclaro allows you to provide an underprivileged Filipino child a college education or put them through grade school, thanks to Eclaro's Impact Sourcing Program.

As such, your firm can leverage Eclaro's global delivery services to sponsor a child's scholarship to attend Eclaro Academy in the Philippines. The establishment is an accredited, technology-oriented academic institution offering college degrees with six majors as well as K-12.

Talk to us about how you can be a part of [Eclaro's Impact Sourcing Program](#).