OUTSOURCING

ADVANTAGES and DISADVANTAGES

ADVANTAGES

1. Low cost service
   Cost is one of the main reasons and may be the most
   influential factor when choosing whether to outsource
   or not. Outsourcing costs operating and overhead costs,
   leading to more profit and savings but with few
   considerations.

2. Concentration on core tasks
   It is outsourcing you can focus more on your main business
   functions and keep an eye on efficiency and output. With a
   third party doing tasks you don’t know, you’ll have the
   chance to concentrate on what’s best for your expertise.

3. No new hires
   If you can’t find a particular task, hiring an extra
   temporary worker isn’t a good decision because you
   must give further training and resources. When you leave
   the market, your hired staff will leave your business,
   helping you save money on hiring and benefits.

4. Access to pool of talents
   If you need to outsource to an outside party, you’ll
   gain access to a greater pool of skilled professionals
   spending your budget wisely with a group handling your
   project. The staff can
   work right away with no worry on learning, skills,
   and resources. Last, you’ll get quality outputs.

5. Economy booster
   Outsourcing adds to the economic growth of a country. In
   particular, it opens opportunities for many job seekers,
   freelancers, and even call center employees.

DISADVANTAGES

1. Loss of control or authority
   The biggest worry you can have when you farm out your
   business tasks is losing control over the outsourced
   functions. Likewise, this means taking control of your
   business or someone else’s accountability.

2. Low service quality
   An outsourcing firm can’t be guiltless if you’re a
   perfect output or service you expect. In such a case,
   the business reputation may suffer, resulting in loss of
   customers, sales, and profits.

3. Loss of job opportunities in home countries
   Some outsourcing facilities sending work overseas,
   can mean loss of jobs in their home country. This
   works the growth in, if not worsens, unemployment.

4. Risk exposure
   Security issues and threats that outsourcing can bring
   in which both partnering parties. In fact, confidential
   details, sensitive data, and intellectual property may
   become the goal because unforced failure can expose
   them to risk.

5. Cultural incompatibilities
   Other problems you may face when you outsource
   to a third party include firm’s language and
   communication barriers and cultural differences.
   These kinds of issues usually arise so often,
   because poor communication results in poor quality of
   output.