

Benefit of the offshore outsource

[Business](#), [Company](#)



Benefit of the Offshore Outsource 1) Improve the customer service Using high-quality specialist external providers can allow companies to capitalize on their strengths and, indirectly, help to improve customers' experience of using such companies' products or services. External providers can help a company's competitiveness by delivering greater flexibility and responsiveness than would be available in-house. 2) Swiftness and Expertise Most of the times tasks are outsourced to vendors who specialize in their field. The outsourced vendors also have specific equipment, technical expertise, better experience and skills. Most of the times better than the ones at the outsourcing company. Effectively the tasks can be completed faster and with better quality output. 3) Concentrating on core process rather than the supporting ones Outsourcing the supporting processes gives the company more time to strengthen their core business process. The company will have more time to put more effort, develop ideas and plan the strategies on the core business activity. 4) Risk-sharing Usually the main factors to outsource the company is risk-analysis. Outsourcing certain business activity process helps the company to shift certain responsibilities to the outsourced vendor. Since the outsourced vendor is a specialist, they plan your risk-mitigating factors better and recommend several method to improve the operations. 5) Reduced Operational and Recruitment costs Outsourcing prevent the need to hire individuals in-house; hence recruitment and operational costs can be decreased to a great extent. This is one of the prime advantages of offshore outsourcing to make the company operation cost-effective. The Disadvantages/ Weaknees of Offshore Outsourcing Even though offshore outsourcing gives advantage mainly on cutting the cost site

but the other way offshore outsourcing sometimes bring disadvantage to the company. A company must identify what is the risk to offshore outsourcing to avoid loss. The disadvantage are :

- 1) Loss of the managerial control Once a company sign a contract to outsource all or several part of the department, the company are turning the managerial function to other company. The managerial control will belong to the different company and its function will not be driven by the same standards and mission of the main company. The outsource company will only focus on how to gain profit rather than to meets the main objective of the management.
- 2) Loss of gain knowledge and information When a company outsourcing the business activity, the company will loss the opportunity to get knowledge and information that could benefit other company. Knowledge provide competitive advantage to sustain the strengthness of the company. As a result, when a business activity been given to the other company, the company will have more skills, knowledge regarding to manage the activity.
- 3) Threat to security and company secret Data and information related to the company will given to the outsource company for the operation matter. The information can be threat to the company because the other company can use the information to compete with our company. Most of the outsource company their goals are only to make more profit rather than to follow the objective of original company. At the end, both of the company compete each other to conquer the market.
- 4) Quality problem The outsourcing company will be motivated by profit. Since the contract will fix the price, the only way for them to increase profit will be to decrease expenses. As long as they meet the conditions of the contract, you will pay. In addition, you will lose the ability to rapidly respond to

changes in the business environment. The contract will be very specific and you will pay extra for changes.