

Benefits of outsourcing essay examples

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



Benefits of outsourcing

1. Efficient utilization of human resources

Outsourcing can help organizations to achieve several objectives. It helps companies to stay focused on their core businesses, while minimizing the required workforce and enhancing the quality of work by outsourcing non-core activities to the specialized organizations.

2. Elimination of the unnecessary section/department set-ups

3. Elimination of extensive training

The need to train employees often becomes an obstacle on the way to opening a new department. By outsourcing the companies can avoid additional personnel training, thus further reducing costs. Furthermore, people can benefit more from the existing training if they are able to focus on their core responsibilities, while the non-core activities will be outsourced.

4. More efficient cost management

As it has been already discussed above, outsourcing helps to decrease costs. In particular, the costs related to the non-critical departments and structures, as well as operating expenditures can be reduced through outsourcing.

5. Emphasis on core activities

Organizations can accelerate their growth by concentrating on the core activities. Meanwhile, the more basic and routing tasks can be outsourced.

6. Reduced risks

Outsourcing helps the company to reduce risks. Outsourced activities are performed by the experts, who are able to address the risks associated with

the tasks in a better way.

7. Access to same facilities as big companies

Outsourcing helps to reduce the differences between big and small companies. Since outsourced projects are handled in the same way and the access to outsourcing is provided to everyone, there are more opportunities for small companies to gain access to the resources that were previously available only to major business players.

8. The possibility to outsource offshore offers further costs reduction and other benefits

Outsourcing can significantly decrease labour costs, if the work is done offshore in a country, where labour cost is below that in the home country. In addition to that, time differences between the home country and the country for outsourcing help to reduce the time required for completing the work.

9. Rapid product development and customer satisfaction

Since tasks can be handled without delays by the outsourcing team and then sent back to the parent company, it is possible to get the work done more rapidly. Hence, products and services will be delivered faster, thus enhancing customer satisfaction.

10. Access to expert services and specialized products

Outsourcing is usually carefully planned, since it helps the company to achieve its strategic objectives. Thus, it gives businesses an access to specialized products and know-how in activities that companies are not able to do internally.

In general, outsourcing is highly beneficial for the companies, since it helps to improve company efficiency and to reduce its costs.