

# Business process outsourcing

[Literature](#), [Russian Literature](#)



Postal Address To of your Senator, Senator's Jurisdiction, Postal Address.

Through of your Institution, Postal Address. Dear Senator (Name), RE:

Business Process Outsourcing One I take this opportunity first of all to

commend you for the good job you are doing in the senate as our

representative. Secondly, I wish to draw your attention to an important

subject that is of core concern to your people – the issue of outsourcing.

Outsourcing basically involves contracting out non-core business functions to a provider external to an organization. In other words, when two

organizations enter into an outsourcing agreement, one agrees to exchange

a certain service or set of services for payment by the other. Outsourcing is

also commonly known as offshoring, strategic outsourcing and off shore

outsourcing. Outsourcing has become a major practice in many a developed

country, thanks to the recent developments in online technologies. Through

such technologies, people across the world have built profitable and

sustainable businesses that are may be managed from virtually any location

in the world. As a matter of fact, many small businesses have grown and

thrive on legitimate online activities and to the benefit of larger

organizations domiciled hundreds or even thousands of miles away.

Advantages and Disadvantages of outsourcing There are a number of

reasons why organizations choose to outsource some of their services. Some of the main reasons include saving of costs according to Gamerman (15).

Costs are saved when the outsourcing organization enjoys benefits such as reprising, cost restructuring and through labor arbitrage. Yet again, in some

cases, offshoring is done do ensure that those companies that specialize in certain functions perform the job based on their core competencies or

functions. This also helps in the maintenance of high quality in service delivery. In some cases, outsourcing organizations seek to enjoy intellectual properties, knowledge and experience by contracting other organizations to offer them certain services. Other benefits associated with outsourcing include risk management, to secure tax benefits, to create time for leisure, to reduce business liability, to assure scalability in terms of production quantities and for the sake of business processes standardization (commodification). While outsourcing has several advantages, it is also associated with negative outcomes. One main disadvantage that comes with offshoring regards the security and confidentiality of an organization's vital information. Yet again, it is often difficult to manage an offshore provider compared to the company's employees. In addition to the aforementioned disadvantages, outsourcing may involve hidden costs that may end up increasing operational costs. One other major disadvantage of outsourcing regards employee redundancies. In some cases, the outsource providers end up providing substandard quality services as they seek to meet the demands of several different customers. Outsourcing in the US In the United States of America, outsourcing has become a subject of great concern and debate. The activity has been hailed by a significant proportion of the population as much as it has been criticized. The US economy no doubt is affected when organizations outsource some of their functions. For one, the federal government ends up losing a significant amount of revenues that would have been earned through individual and corporate taxes. In fact, a survey conducted in 2004 by Zogby International revealed that over 70% of American voters considered outsourcing an activity that negatively impacted

the US economy (Greaver 212). On the other hand, outsourcing has been associated with union busting in which case employees end up losing their bargaining power and risk losing their jobs for flimsy reasons. Yet again, those organizations that opt to outsource their activities do so on the premise that the cost of labor in the US is extremely high and that the taxes paid in the US are equally high thereby significantly reducing business profits. It is also worth noting that not all of those who are employed by offshore organizations benefit when US based companies engage in offshoring. In many cases, it is the company owners who reap massively as they subject their employees to deplorable working conditions and extremely low wages.

Conclusion Outsourcing no doubt has a number of advantages and disadvantages. To the outsourcing business, it is evident that the benefits of outsourcing far outweigh the disadvantages. However, when the country's concerns are considered, it is realized that indeed outsourcing hurts the US economy significantly. Several people lose their jobs as a result of outsourcing to other people in other countries due to their redundancy. Those most affected are those who are less qualified or whose technical knowledge is not highly valued. Outsourcing also hurts the economy in the sense that job opportunities decrease with increased outsourcing. As a result of this, the country's unemployment rate rises significantly putting the country at risk. As the US government struggles to raise the living standards of its people by creating more employment opportunities, I take this opportunity to beseech you to support the majority of citizens in fighting against outsourcing in the senate. Yours Sincerely, (Your signature)

(YourName) Works Cited Gamerman, Ellen " Outsourcing Your Life". Wall

Street Journal. 2007. 1 December, 2011. Print. Greaver, Maurice. Strategic outsourcing: a structured approach to outsourcing decisions and initiatives. AMACOM Div American Mgmt Assn. 1999. Print.