

Outsourcing





Outsourcing is <u>subcontracting</u> a process, such as product design or <u>manufacturing</u>, to a <u>third-party</u> company. The decision to outsource is often made in the interest of lowering firm <u>costs</u>, redirecting or conserving energy directed at the <u>competencies</u> of a particular <u>business</u>, or to make more <u>efficient</u> use of <u>labor</u>, <u>capital</u>, <u>technology</u> and <u>resources</u>. Outsourcing became part of the business lexicon during the 1980s.

VOCABULARY

- 1. Subcontracting- a contract that assigns some of the obligations of a prior contract to another party.
- 2. Manufacturing- the making of goods by manual labor or machinery
- 3. Cost- the price paid to acquire, produce, accomplish, or maintain anything
- 4. Capital- the wealth, whether in money or property, owned or employed in business by an individual, firm, corporation
- 5. Technology- use of technical means and their relationship with life
- 6. Resources- the collective wealth of a country or its means of producing wealth.





WORD APPLICATION: Give the synonym of the underlined words. You can find the words from the vocabulary section on the first page.

1) Sharp is a known company for making electronics gadgets.

2) Ell company invest \$200,000 for the boutique.

3) The fast development of IT in India makes Call Center business viable in India.

4) We purchase bars and steels from Margo Construction. We pay \$250,000.

5) Philippines is one of the viable grounds for call centers. Fluency in the English language of the workers, cheap labor cost and fewer competitors make this possible.

LET'S TALK

- 1. Does outsourcing gain popularity among businessmen in your country?
- 2. What are the merits and demerits of outsourcing?
- 3. Will you adopt outsourcing? Why? Or Why not?