

# PECB

*When Recognition Matters*

-OUTSOURCING-



WHY OUTSOURCING?

How did outsourcing become so famous? It was 1981 when the term “outsourcing” first came to use and it came from American Glossary, which means ‘outside resourcing’. A more simple definition of outsourcing is: someone doing different tasks for you; and the reason for outsourcing is: not spending the time on, let’s just say, bookkeeping, sales, researching, taxes, legal issues, etc., and focusing on something more important. Another definition of outsourcing is to get someone to do your job for a certain amount of money.

Why is outsourcing a solution for lots of companies, small businesses, and projects? Certainly, one of the reasons is financial benefits, often one can get the same job done in a different country for less money than in their home country, but when it comes to the quality, does it have the same quality or not is a risk that we take with outsourcing.

# DISTANT WORK



## Which are the most outsourced business tasks?

Although outsourcing means to pay someone to do the job for you, there are still tasks that you cannot outsource at any cost. Among other countries, India is one of the most outsourced countries for various jobs. Due to economic issues, there are many people that have college degrees but jet work as customer support; by all means the quality is overwhelming. Not to forget here the cost savings, office space, training investments and taxes; where in America the same job is paid more than in India, or in some other outsourced countries. Nevertheless, there are some outsourced business tasks that are already in the market.

**Customer Support**, also known as “call center”, is one of the most outsourced business task around the world. People are happy to do it as outsourcing pays better than the country they live in.

**Accounting** is the second most outsourced job. There is a standardized methodology that professionals all over the world know, so it is easy to outsource this task and get the same results. The reason why this task is the easiest to outsource is that most of the professionals are trained in American accounting practices and this is what makes it easier.

**Web Design** is an outsourced job. There are a lot of web designers and team web designers who are very skilled in web designing, and also provide services as website templates.

**Computer Programming** is also an outsourced business task. A common task of a computer programmer is programming projects as message board, calculator, or database.

**Manufacturing** is one of the most outsource task. In America 70% of manufacturing is outsourced. The reason why this percentage is higher than some other outsourced jobs is the costs of social security, health insurance and risk safety.



**Research & Development** is a very time consuming job for everyone, so in order to spare a lot of time this task is outsourced. Researching includes everything, starting from customer demographics, financial researches, pharmaceutical, etc., whatever a company needs to research for further development.

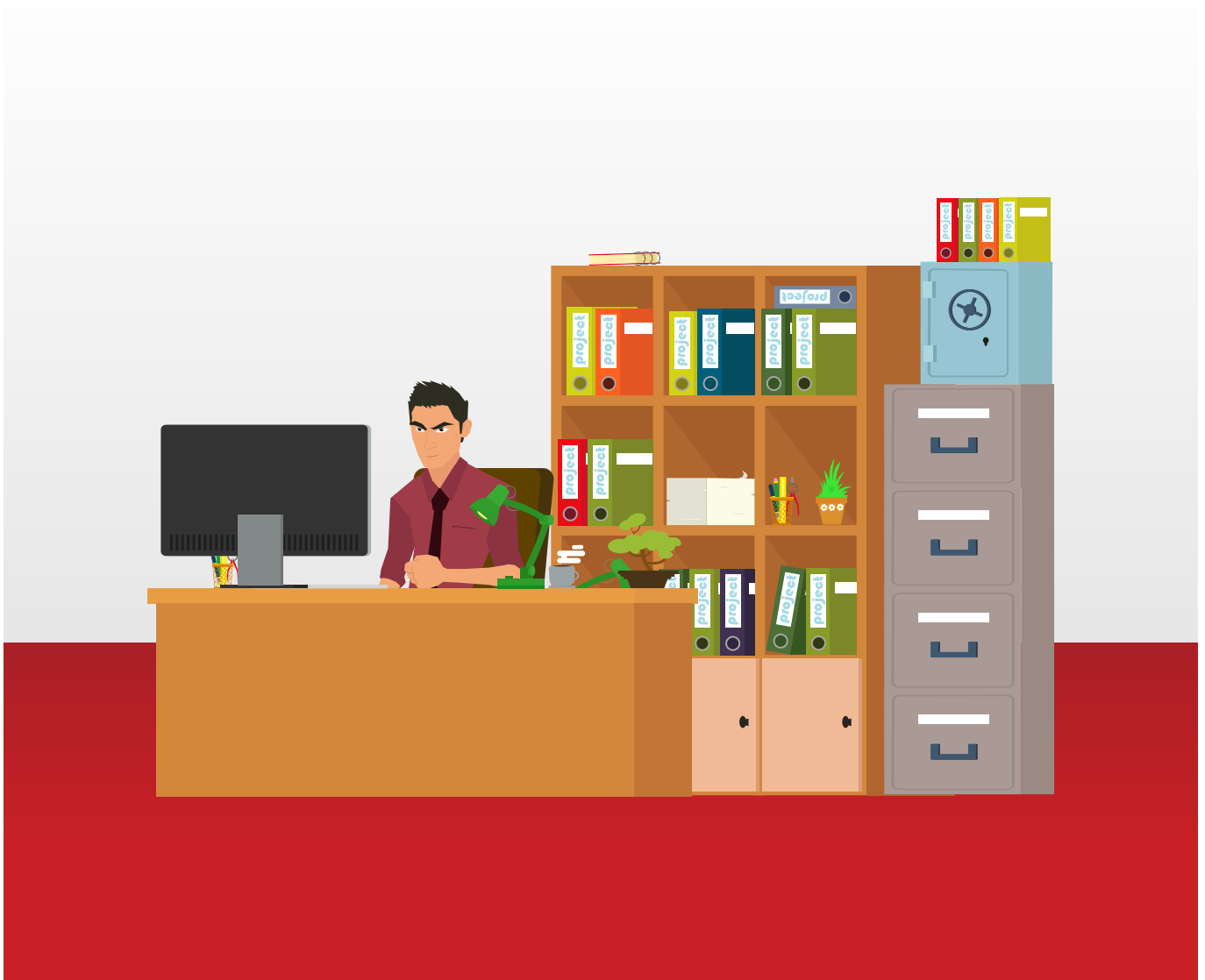


# Outsourcing Benefits

Today, outsourcing is very common in most of the companies around the world; of course there are lots of benefits from it.

Cost savings is one of the reasons why outsourcing happened at the first place. Outsourcing is an additional assistance for small and big companies wanting to grow its business with fewer expenses by outsourcing for research, marketing and customer service. It helps reducing the cost structure and operating costs. Another characteristic of outsourcing is staff control, hiring and training staff for a short-term period is rather expensive, whereas outsourcing gives you the opportunity to get well trained people for the job in a very short time and of course less payed.

## OUTSOURCE



However, one should never underestimate the risk that comes with outsourcing. Risk is highly present in starting companies. When you start a business, one of the things that you deal mostly with is the market competition, financial risk and technology. Thus with outsourcing you can find the right people for the market competition.

## Can you call it a Win-Win Opportunity?

Outsourcing is beneficial for both, the employer and employee. The employer needs to hire someone to do the job for him/her in exchange for money, while the employee benefits financially and professionally. For companies that operate in countries with a different time zone is very effective, while in Europe people are working during the day, in America they are sleeping. So when people in America wake up most of the work is already done and this is a win-win opportunity for both sides.

However, it is not always easy to find the right professional. To find the right outsource, you should always be precise and clear of what you want, how you want it and when you want it, so there will be no surprises afterwards. Monitoring is another issue worth mentioning, it is easy to supervise and monitor employees who are physically in the company, but with outsourcing is a different story. Monitoring and supervising outsource becomes tricky due to the physical distance. Outsourcing is more about believing and gaining trust by doing exactly what is asked, so this is a risk that businesspersons have to take.

Unemployment is one of the beneficiaries of outsourcing because it helps the employment rate to get higher. There are people with different professional fields that cannot find a job in their country, but can work as an outsourcer for small or big companies; so it is a plus for unemployment issues.

Last but not least, win-win opportunity is the money, since lots of services are more expensive in developed countries like US, UK, Germany, etc.; there are countries that are willing to work for less money doing various tasks. While a web designer is paid 30\$ per hour in US, the same job is done for a half of the price when outsourced and still both sides remain satisfied.

Outsourcing is a great opportunity for both sides as an employer and employee. When you want to start a company a lot of work has to be done and outsourcing can help you find the right people for less money to do the job.

PECB is an accredited certification body for persons, management systems and products on a wide range of professional standards. Among other standard certifications, it offers the Certified Outsourcing Manager course, which is based on ISO/IEC 37500 standard.

Rrezarta Halili is a Risk and Management (RM) Course Development Manager at PECB. She is in charge of developing and maintaining courses related to Risk and Management.

If you have any questions, please do not hesitate to contact: [rm@pecb.com](mailto:rm@pecb.com). For further information, please visit [www.pecb.com](http://www.pecb.com).

