

Business Lesson



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

Express Yourself

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?