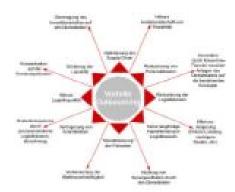


# **Outsourcing**



#### Business Lesson



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.



# **Outsourcing**



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 <u>invest \$200,000</u> for the boutique.
- 3. The fast development of <u>IT</u> in India makes Call Center business viable in India.
- 4. We purchase bars and steels from Margo Construction. We <u>pay</u> \$250,000.
- 5.Philippines is one of the viable grounds for call centers. Fluency in the English language of the <u>workers</u>, cheap <u>labor</u> 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?