



THE POSITIVE IMPACTS OF **OUTSOURCING**

The word outsourcing has earned a bad reputation with many Americans. The act of outsourcing is often associated with jobs being transferred by large companies to other countries.

Unfortunately, because of its bad reputation, many people don't realize the positive impact and benefits outsourcing can have, not only on the United States but on third-world countries as well.

Outsourcing is going to continue to expand and be used in the business world, so knowing how it benefits the economy, small businesses and other countries can help shed new light on the term for those who are unaware of its positive effects.

Consumer Benefits

As a consumer, you may assume that outsourcing has nothing to do with you – this is incorrect. Outsourcing can actually benefit the consumer in a number of ways.

- When a company outsources the manufacturing of their products, this can essentially reduce the costs for the consumer. Not only does this make the item more affordable but it allows the customer to utilize the money they save on something that is more valuable to them, such as a rent or insurance payment. For example: it could cost a United States company \$1,500 to produce a tablet but a Chinese company \$800. This will save the consumer \$700 for other expenses they may have.

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- Because many customer service jobs are outsourced, the consumer has access to service assistance almost every day of the year at any time of the day.
- Much of the negative connotation that is associated with outsourcing comes from the sympathy Americans have for those who lose their jobs to outsourced employees. While some of these jobs are lost to outsourced employees, because the costs of labor have been reduced, new jobs can be added to the company.

Advancing Third-World Countries

The positive effect outsourcing has on third-world countries may not be the first thing that comes to mind, but many of these countries are experiencing increased development because of these outsourced jobs they have available.

- Outsourcing allows residents of third-world countries to increase their income. For some people, even with a college education, they could never earn wages from outsourcing as they would if they were to be employed by a job based in their own country.
- Countries like Africa do not have access to banking institutions but outsourcing can provide them with these luxuries. For example, freelancer.com has a debit/banking card available for its employees, which allows them access to shop online or anywhere credit cards are accepted.
- Increased Internet access allows anyone to expand their knowledge, education and have the opportunity to work. In many third-world countries, women are not allowed to work but websites that outsource jobs such as transcription or customer service allow women to work right out of their homes.

Benefiting Startups

As much as outsourcing benefits the entire world, startup founders can find some relief in utilizing outsourcing for their business. Startup founders have a lot on their plates during the launching stages, so outsourcing can be a great option.

- Before you launch your startup, you may be the only employee for your business. Outsourcing can provide your business the opportunity to grow and gain the employees you need in a brief amount of time. The hiring process can take years to find experienced and



educated employees, but outsourcing or hiring independent contractors can expand your business in months.

- The cost of labor can be through the roof for many startup founders, but outsourcing allows you to employ qualified individuals for less than the average employee. This option can also provide you with the option to search far and wide for a qualified employee who has many different areas of expertise and knowledge rather than settling for someone local.
- Prioritizing and focusing on what is important can be difficult as a startup founder, because you have so

many tedious tasks to take care of. Outsourcing jobs can give you some relief and allow you to focus on some of the more substantial aspects of your business. It can also give you more flexibility to be wherever you need to be – such as meeting with investors or potential clients. Many outsourced employees can be assigned a task and left to work on their own without your supervision.

Knowing that outsourcing benefits people all over the world can help change the way you view it entirely. If you can see how it is positively affecting the world, maybe there is acceptance for outsourcing after all.



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