What is the Difference Between Outsourcing and Offshoring?

Outsourcing:

The act of delegating specific tasks or business functions to external service providers.

Risks:

➤ Quality control and service delivery concerns
➤ Loss of direct control over processes
➤ Dependency on external service providers
➤ Potential negative impact on local workforce
➤ Security breaches

Benefits:

➤ Access to specialized skills and expertise
➤ Reduced overhead costs
➤ Scalability and flexibility in resource allocation
➤ Focus on core competencies
➤ Improved service quality through efficient process

Offshoring:

The practice of relocating business operations or services to another country.

Risks:

➤ Geopolitical risk
➤ Cultural and linguistic barriers
➤ Poor communication
➤ Time zone differences
➤ Data security and intellectual property risks

Benefits:

➤ Cheap service rates
➤ Access to pool of expert professionals
➤ Increased operational efficiency
➤ Expanded market reach
➤ 24/7 operations

Outsource Philippines