

157,877 views | Jul 17, 2017, 08:00am

# The Pros And Cons Of Outsourcing



**Deep Patel** Former Contributor   
Leadership



Shutterstock

Have you been mulling over the idea of outsourcing one or more tasks or employment opportunities? From [product development](#) to sales and marketing, there are a variety of benefits of taking this approach.

With [outsourcing growth expected](#) in the years to come, there may never be a better time to learn more about this topic. Before you move forward, it's imperative to compare the pros and cons of outsourcing. And it's also very important to understand the effect outsourcing can have on company culture.

## Advantages Of Outsourcing

Knowing the benefits of outsourcing will help you decide if this is something that could work for your business. Here are three reasons to give this a try:

### 1. You Don't Have To Hire More Employees

When you outsource, you can pay your help as a contractor. This allows you to avoid bringing an employee into the company, which saves you money on everything from benefits to training.

Today In: [Leadership](#)



### 2. Access To A Larger Talent Pool

When hiring an employee, you may only have access to a small, local talent pool. This often means you have to compromise. Many companies have found that [outsourcing gives them access](#) to talent in other parts of the world. If you need specialized help, it often makes sense to expand your search.

### 3. Lower Labor Cost

*Did you know there are approximately 300,000 [jobs outsourced by the United States](#) each year?*

Every company has its own reason for doing this, with many chasing lower labor costs. You don't want to trade quality for price, but outsourcing often allows you to get the best of both worlds. By searching a global talent pool, it's easier to find the right talent at the right price.

## Cons Of Outsourcing

Despite the many benefits of outsourcing, you don't want to go down this path until you compare these to the potential drawbacks:

### 1. Lack Of Control

Although you can provide direction in regard to what you need to accomplish, you give up some control when you outsource.

There are many reasons for this, including the fact that you are often hiring a contractor instead of an employee. And since the person is not working on-site, it can be difficult to maintain the level of control you desire.

## **2. Communication Issues**

This doesn't always come into play, but it's one of the biggest potential drawbacks. Here are several questions to ask:

- What time zone does the person live in and how does this match up with your business hours?
- What is your preferred method of communication? Phone, email, instant messaging?
- Does the person have access to a reliable internet connection?

According to [Cameron Herold](#), the founder of a [COO training](#) program, communication is essential to success in the business world. Since a large number of U.S.-based employees report [not being engaged at work](#), communication remains a major problem. Will this get worse if you outsource?

## **3. Problems With Quality**

Despite all the benefits of outsourcing, it is only a good thing if you're receiving the quality you expect. Anything less than this will be a disappointment.

This isn't to say you can't successfully outsource particular tasks, but you need to discuss the expected quality upfront.

## **Impact On Company Culture**

As a business owner, it's easy to focus on the benefits of outsourcing, all without considering the impact it can have on your company as a whole. If you plan on outsourcing, you need to take steps to ensure that it doesn't have a negative effect on company culture.

A [positive work culture leads to](#) a higher level of productivity, so you don't want to do anything to jeopardize this. Some of the ways outsourcing can negatively affect company culture include:

- Upset employees as they may feel they are being replaced
- Confuse employees who don't understand why you are outsourcing particular tasks
- Add challenges to the daily workflow of the company

Outsourcing doesn't always have a negative impact on company culture, but you need to protect against this before you ever take a step in this direction. This typically means discussing your decision with any employees who could be impacted.

There are many pros and cons of outsourcing, all of which you should carefully consider before deciding for or against this strategy. With the ability to affect company culture, this isn't something to take lightly. Do you have any experience with outsourcing? Did it benefit your company, or result in more harm than good?

*Follow me on [LinkedIn](#). Check out my [website](#).*



**Deep Patel**

I am a serial entrepreneur, marketer and bestselling author of *A Paperboy's Fable: The 11 Principles of Success*. The book was dubbed the #1 best business book in 2016 by... **Read More**