

What is Outsourcing?

- Outsourcing is the practice of contracting out business processes to a third party. It can be done in various ways, such as through a contract, a joint venture, or a merger and acquisition.
- Outsourcing can be offshoring, where the work is moved to a different country, or nearshoring, where the work is moved to a nearby country.
- Outsourcing can be vertical, where the work is moved up or down the supply chain, or horizontal, where the work is moved to a different industry.
- Outsourcing can be partial, where only certain parts of the business are outsourced, or full, where the entire business is outsourced.
- Outsourcing can be temporary, where the work is outsourced for a limited period of time, or permanent, where the work is outsourced indefinitely.
- Outsourcing can be inbound, where the work is outsourced to a third party, or outbound, where the work is outsourced to a third party who then outsources it to another third party.

Types of Outsourcing

- Business Process Outsourcing (BPO): This involves outsourcing non-core business processes, such as customer support, payroll, and HR.
- Information Technology Outsourcing (IT Outsourcing): This involves outsourcing IT services, such as software development, network management, and data center operations.
- Manufacturing Outsourcing: This involves outsourcing manufacturing processes, such as assembly, production, and distribution.
- Logistics Outsourcing: This involves outsourcing logistics services, such as warehousing, transportation, and distribution.
- Professional Services Outsourcing: This involves outsourcing professional services, such as consulting, legal, and accounting.
- Call Center Outsourcing: This involves outsourcing customer support and sales services to a third party.



Further reading and resources

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[The outsourcing challenge: organizing workers across fragmented production networks](#)

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[Eurofound Restructuring Events Database: Factsheet Outsourcing](#)

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OFFSHORING

Offshore outsourcing. A handbook for employee representatives and trade unionists

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