

EXPERIENTIAL ACTIVITY ON OUTSOURCING

Subject	BUSINESS STUDIES
Class	XI
Chapter/Unit	Ch. 5 / Emerging modes of Business
Topic	Outsourcing
Time	40 mins.
Nature of Activity	Individual

What will I learn (Learning Outcome)?

Understand the concept of Outsourcing

Examine the applicability of outsourcing in day to day activities

Appreciate the need of specialization in doing business

Skills:

Evaluating, analyzing, comprehending, relating, and concluding.

What I have to do?

I have to listen and understand the example/case study and comprehend that its always better to get the work done through specialization.

What do I require?

NCERT Book, case study, paper, pen

What do I need to know?

Believe it or not, outsourcing is not new. It began few thousand years ago and started with selling of foods, tools and other household goods. It was known as ‘barter system’ when the people of a village traded for goods. They trade what they produce on their lands.

After that, money was introduced to simplify this process and every person started sharing some sort of the work with other workers in exchange of money.

▪ **Teacher's Activity**

As Tom Peters said, *"Do what you do best and outsource the rest"* Concentrating on core process rather than the supporting ones:

Outsourcing- the supporting processes gives the organization more time to strengthen their core business process.

The Teacher will cite an example/case study to make students understand the concept of Outsourcing.

If ABC Ltd. wants to advertise its products, it may appoint XYZ Advertising Co. to design, prepare and release advertisements on its behalf. PQR Ltd. can be asked to select and train the employees. KIT Ltd. for maintenance of the office building.

In order to overcome the difficulties connected with the performance of many activities and to get the benefit of specialization, these services are now obtained from outside the organization. This is called outsourcing of services or BPO.

How will I proceed?

• **Student's Activity**

I will observe that in order to carry on business efficiently, ABC Ltd. has taken services of :

XYZ Co. for Advertising

PQR Ltd. for selection and training of employees

KIT Ltd. for maintenance of office building

I will analyze that the performance gets better when we get the particular job done by specialists.

It helps us in concentrating on our core or main activities in an efficient manner.

What have I observed?

S. No.	Types of Outsourced Services	Examples of nature of activities to be performed
1	Financial Services	
2	Advertising Services	
3	Courier Services	
4	Customer Support Services	
5	Security Services	

What have I learnt?

Outsourcing Concept refers to getting a business task accomplished through an outside agency. It helps in concentration on core competencies, reduction in cost, avoiding labor problem and benefits of latest development.

What am I curious to learn

How does outsourcing help in reducing cost of operations of a Business organization?

Let me evaluate myself:

Q.1. How does outsourcing represent a new mode of business?

Q.2. Evaluate the need for outsourcing

Q.3. Discuss any four areas in which outsourcing can be categorized.

Q.4. What are the advantages of outsourcing? Explain briefly.

Q.5. What are the limitations of outsourcing?
