

УДК 339.9

ОФШОРИНГ ПРОТИВ АУТСОРСИНГА: ОСНОВНЫЕ
РАЗЛИЧИЯ В ПОНИМАНИИ ЭТИХ ПРОЦЕССОВ
OFFSHORING VS. OUTSOURCING: THE MAIN
DIFFERENCES IN UNDERSTANDING OF THESE PROCESSES

Прокопович В.Н., Трацевская А.А.

Научный руководитель – Зиневич А.С., м.э.н., старший
преподаватель

Белорусский национальный технический университет,
г. Минск, Беларусь

valeria567523@gmail.com

V. Prokopovich, A. Tratsevskaya,

Supervisor – Zinevich A., Master of economical sciences, Senior
lecturer

Belarusian national technical university, Minsk, Belarus

Аннотация. В статье рассмотрены вопросы определения терминов офшоринга и аутсорсинга, основные различия этих процессов.

Abstract. The article discusses the definition of the terms of offshoring and outsourcing, the main differences between these processes.

Ключевые слова: аутсорсинг, офшоринг, бизнес, преимущества, инфраструктура.

Key words: outsourcing, offshoring, business, advantages, infrastructures.

Introduction.

In the business world, the terms "offshoring" and "outsourcing" are often used. Their meaning is generally known to everyone, but not everyone knows what their differences and main advantages are. Offshoring has become one of the most reliable and profitable business schemes, as a recognized competitive strategy for many successful businesses. However, even the best business approaches have their pros and cons.

The main part.

Outsourcing involves obtaining certain services or products from a third-party company. Examples include searching for parts, shipping, or

financial service. Many people think that outsourcing involves using a supplier from another (usually cheaper) country, but this is not always the case. Outsourcing can be used by a company from any country in the world, regardless of its high cost and tax rates [1].

Outsourcing's benefit №1: Cost. A company can obtain many services or goods from a third-party supplier at a much lower price than using its own resources, without losing quality. But even when such a technique does not significantly affect the quality of the goods, the cost savings are so significant that such an approach is a priority.

Outsourcing's benefit №2: Specialization. Some services or products are very specialized, so it is often necessary to outsource directly to specialists to get the best quality. To understand this, let's look at a simple example. Many companies manufacture computers, but not all of them need to specialize in microchip manufacturing. It is better to purchase a part from a third-party company that produces the highest quality products than to spend time and money on the production of such products yourself.

Outsourcing's benefit №3: Flexibility. Outsourcing gives businesses the ability to pay only for what they need. For example, if a company has a financial department, its employees need to be paid salaries even during downtime. But if financial services are outsourced, employees are only paid for hours worked. The same applies to specific material resources that are necessary for the production of products in small quantities. In this case, it makes no sense to purchase equipment and recruit personnel for the production of this component – it is easier to resort to supplies from outside [2].

Outsourcing and offshoring have a lot in common, so these concepts are often confused in the media. However, these concepts have several important differences. Offshoring involves obtaining services or products from another country, but from a branch of your own company, and not from a third party. This business strategy is becoming more and more popular in developed countries. If an American automobile company opens a branch in Thailand to manufacture certain parts, this would be an example of offshoring, as the products would come from the same company [3].

As offshore zones, countries are usually chosen where labor is cheaper and income tax rate is lower.

Offshoring's benefit №1: Cost. It is the lower manufacturing costs that are the main advantage of this way of doing business. Whether manufacturing auto parts in Thailand or providing IT services from India, the cost savings for a company based in the US or Europe will be significant.

Offshoring's benefit №2: Taxes and Tariffs. Many companies resort to offshoring to take advantage of the tax or tariff benefits, that certain countries provide to foreign companies. A country where income tax is lower is selected as an offshore.

Offshoring's benefit №3: Control. Another important reason, why companies choose to offshoring rather than outsource is the reluctance to transfer control of their products or internal business services to a third party.

In the case of outsourcing, the supplier may provide production resources (or required services) late or not at all, which can be disastrous for the company's future operations.

In the case of offshoring, the likelihood of such situations is sharply reduced, since all the processes of transferring resources and services occur within one company, which allows you to maintain control over all supplies [4].

It is impossible to say unequivocally whether outsourcing is better than offshoring or vice versa. There are many factors to consider when choosing between these two business strategies, and the "right" decision will vary from company to company. In the end, both outsourcing and offshoring can provide significant cost savings when doing business properly, which is why many companies resort to them. It is worth saying that both offshoring and outsourcing can bring not additional profit, but extra costs if things are done wrong [5].

Offshoring Disadvantages:

– language and communication barriers. Many offshore countries use English as an official language in business and government transactions. But there are varying degrees of depth and understanding of English language proficiency between workers in an offshore country and their overseas counterparts;

– cultural and social issues. Offshore countries have cultural and social customs that are very different from the countries of the parent companies. Both parties may misreport what they intend to say to each other, and this may lead to misunderstandings;

– quality control problems. For manufacturing offshoring, it is important to ensure that the product is built strictly to the standards of the parent company, which can be a problem in an offshore manufacturing environment. Even if the parent company provides quality guidelines, differences in working culture, language, logistics and supply chains in the country where the plant is located can affect the quality of the finished product.

Conclusion.

Thus, in modern conditions, offshoring is becoming a survival tactic for companies not only in the global, but also in the domestic market. Thanks to the offshoring of personnel, many companies have been able to minimize their costs by moving production to countries with cheaper labor. The use of an offshoring strategy enables the company not only to reduce costs and increase the company's capitalization, but also to grow and develop at a faster pace. As the experience of leading companies convinces, offshoring can become an effective economic mechanism: able to change old low-profit industries and free up capital and human resources for the development of new industries.

References

1. Kurbanov, A. Kh. Outsourcing: history, methodology, practice / A. Kh. Kurbanov. – Moscow: INFRA-M, 2017. – 675 p.
2. Pros and cons of offshoring [electronic resource]. – Access mode: <https://lifeglobe.net/entry/10575>. – Access date: 22.10.2022.
3. Offshoring versus outsourcing: the main differences in understanding these processes [electronic resource]. – Access mode: <https://businessman.ru/post/ofshoring-protiv-outsorsinga-osnovnyie-razlichiya-v-ponimanii-etih-protsessov.html>. – Access date: 21.10.2022.
4. Outsourcing versus offshoring [electronic resource]. – Access mode: <https://actualmarketing.ru/marketing/offshoring-vs-outsourcing/>. – Access date: 21.10.2022.
5. Sarkisov, A. K. New aspects of the international assessment of the “phenomenon of offshore zones” in terms of investment and tax advantages and as a threat to the financial security of states / A. K. Sarkisov. – Moscow, 2015. – P. 82-91.

Submitted on 25.10.2022