

REASONS AND RISKS OF OUTSOURCING IN BUSINESS

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ABSTRACT

Nowadays, the increasing development of globalization and technology and the demands of non-limiting growth of the businesses have enabled the competitive environment to gain an effective structure. In such an environment, many businesses benefit from different management strategies in order to sustain their activities, take their place in the world market and compete in this market. One of the different strategies that businesses benefit from is outsourcing. Outsourcing is a management strategy based on enterprises focusing on their core capabilities and transferring their non-core business activities to other specialized businesses.

Initially, outsourcing is referenced only with the aim of lowering costs but later it has become an increasingly popular management strategy depending on various reasons. The strategy of outsourcing which are becoming more and more important with each passing day, provides a number of risks while providing significant advantages. In this context, this study aims to explain how to outsourcing strategy which has an application area around the world, has developed, why businesses use this strategy and what are the possible risks that this strategy carries.

Keywords: Outsourcing, Core Competencies, Risks of Using Outsourcing