**12-1: List two or more reasons why organizations outsource.**

Two reasons why a company would want to outsource are lower operational/labor costs and focusing on core business processes.  Lower operating costs can be achieved by having a different country with a lower cost of living work on those business activities.  A company can further focus on its core business processes by outsourcing work not entirely related to its operations (call centers, general tech support) to an outside agency.  This allows the company to shift more of its employees to essential work.

**Define the difference between outsourcing and offshoring.  When should an organization choose not to outsource?**

Outsourcing involves buying a part or service from a third party that the buying company used to produce itself.  Offshoring shifts a location that something is being produced from one area to another.  Outsourcing has a number of drawbacks, two big ones being quality issues and bad publicity.  Issues in product or service quality can arise because there is little to no oversight on operations in the outsourcing location.  Bad publicity is often linked to outsourcing because people want companies to produce in a certain area.  For example, a company like General Motors outsources a number of its parts from different areas and gets flak for being an American car company subsidized by the government.