**10 Things Your Competitors Can Teach You about Outsourcing**

Outsourcing means contracting with another company or person to do a particular job or a function. The concept "outsourcing" came from American Glossary 'outside resourcing'. Most of the organization outsources in some way or the other. An insurance company, for example, might outsource its particular operational work to firms that specialize in those types of work since they are not related to insurance or strategic to the business. The outside firms that provide the outsourcing services are third-party providers, or service providers.

The world changes according to our perception and the same goes for our perspective towards your business competitors. We could take them as a threat and waste our time and energy wondering over them or incorporate their methods in our own business style and be inspired by their success.

1. **Business expansion-** Outsourcing helps us to introduce innovation, and expand our businesses. You might take pride over your executive skills, but at some point, it limits us as you don’t have large projects due to fewer resources. Hence, with diverse outsourcing options, you could always take up large scale projects which would end up boosting your business.
2. **Diverse portfolio of services-** We can engage our client by offering more and more diverse portfolio of services and create a sense of convenience for the client
3. **Offer the best price-** Outsourcing helps us in reducing costs and grow revenue. So, If your competitors are already using outsourcing, how will you compete on price? Will your client pay a premium for local services or will they expect that their provider can provide the benefit of global pricing?
4. **Take risks-** We often say “More risk, more gain”. Therefore, once you are successful in controlling the delivery and cost, then taking risk would come more naturally. Instead of saying no to the projects due to any reason, you will become more opportunistic in taking on new projects and clients.
5. **Reducing investments-** By Reducing investments in non-critical assets, firms can act with great flexibility with reduced financial burdens and can have the ability to respond with available investment capital.
6. **Innate knowledge-** Inherent knowledge of the business and its types of work are essential. Before making any decisions on outsourcing, it’s important to understand the business’s core competencies and what gives it the competitive differentiation.
7. **Increased rates-** Increased reinsurance rates put pressure on a number of companies finding difficulty with the profitability and competitiveness of their term portfolio.
8. **Managing data-** This is critical because the risk of inaccurate data moving from cedant to reinsurer to retrocessionaire which can result in added costs and stressed resources for all parties.
9. **Set clear objectives-** In this competitive world, it’s important to keep open communication, related to your goals and expectations. Be sure all the aspects of quality monitoring are defined clearly and can be tracked regularly.
10. **Aim for transparency-** Since outsourcing takes place out of your sight, it’s important to put transparency practices into place. Set meetings periodically discuss key elements.

Hence, by avoiding the pitfalls in this list, you’ll be able to focus on increasing Business’s productivity, quality and savings.