***What criteria should be used to determine whether to outsource a   
project component and/or resources?***

Outsourcing according to ventureoutsource.com is subcontracting a service such as product design or manufacturing, to a third-party company. The company that outsource work is called the client. The company to which work is outsourced is called the vendors. Therefore, the following criteria need to be considered to determine whether to outsource a project component and/or resources , or not outsource it:

1). *Lowering cost*: Is the cost price of the goods be lower if we manufacture the products our self than outsource it to a vendors? Outsource if the price of the goods is lower.

2). *Core process of the business*: If the task we a performing is the core process of our business, do not outsource. For example, if the assembly a motorbike is the core process of our business, we will not outsource it, but outsource the production of its spare parts to vendors.

3). *Specialized skills*. If the activities involved highly specialized skills which we did not have, outsource it.

4). *Protecting proprietary product technology*: For competitive advantage over rivalry, do not outsource it, if confidential and sensitive information will be release to our competitors during production of the products.

5). *Duration of the project*: If the work will last for many years, you have to decide whether to outsource or not.

6). *Management control*: Does the activity require strict management control?

By weighing these criteria above we can determine whether to outsource a   
project component and/or resources, or not..

**Bibliography**

1. C. W.L, Hill. (2007). International Business. Competing in the Global Market.

6th Edition McGraw-Hill Irwin, United State. Pp 568-575.

1. *ventureoutsource.com*.

[http://www.ventureoutsource.com/node/18/print. Retrieved 2007-10-05](http://www.ventureoutsource.com/node/18/print.%20Retrieved%202007-10-05).

.