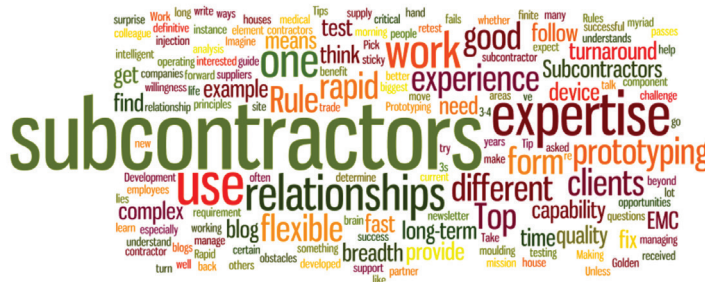


- building work
- warehousing
- catering
- cleaning
- gardening
- marketing services
- IT maintenance and support
- security services
- recruitment.



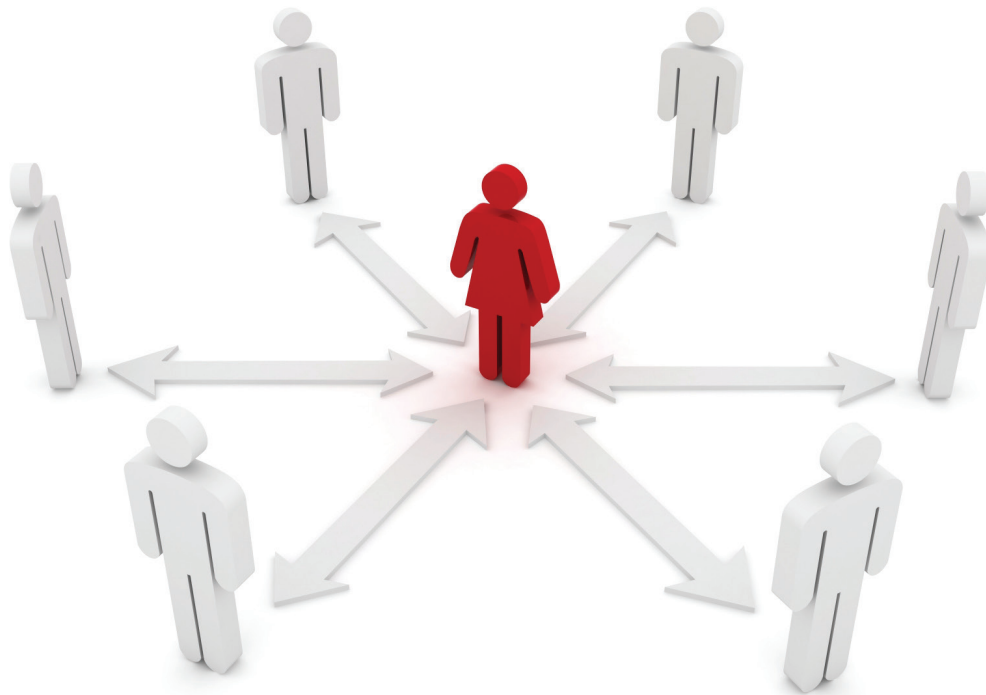
- More specialist expertise
- Temporary cover for permanent staff work when extra jobs need to be done
- Permanent staff can concentrate on the company's core business
- National insurance contributions don't have to be paid
- Extra staff can be recruited and dismissed as needed, thus cutting permanent personnel costs.

- Subcontractors may cost more than the equivalent daily rate employees
- A business does not acquire or develop skills in-house
- Difficult cooperation and coordination of the work
- Subcontractors may lack the motivation and commitment of permanent staff
- No tax deductions on subcontractors
- No contract of employment but same employment rights
- Extra health and safety responsibilities
- Need of a suitable insurance coverage (public liability insurance to cover subcontractors, who need their own insurance too).

1

Some of these clauses are:

- protection of **intellectual property rights**, if they are accessed or used
- **confidentiality** or **non-disclosure agreement**, which forbids any confidential aspect of a business to be revealed (such as a project schedule, performance targets and deadlines or a payment schedule)
- conformance to **quality, health and safety standards**
- conformance to **environmental protection agreements**, under the Environment Protection Act 1997 (a regulatory framework to help reduce and eliminate the discharge of pollutants into the air, land and water, besides environmental pollution due to noise).



**1 Complete these sentences in an appropriate way.**

1. A contractor needs a subcontractor's help when
2. The person who signs the contract with the client is
3. In some periods of the year subcontractors replace
4. One economic advantage of hiring subcontractors is that
5. Hiring subcontractors may cost
6. It is often quite difficult to
7. Contractors can't deduct and have to
8. Outsourcing business functions may
9. In order to protect their financial and personal reputation from the disclosure of confidential data
10. An employee cannot reveal a company's projects, payments and schedules because

**2 Choose from the sentences A-E the one which fits each gap.**

← → ↻
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www.

Is Subcontracting Always Worthwhile?

Subcontracting is a good solution to businesses which lack the resources or who don't have the required expertise in-house to obtain the required results. What is more, management can determine that external suppliers, who specialise in a particular field, can carry out work at a lower cost than internal departments. **1.**

However, subcontracting has disadvantages too, which businesses should reflect on. Companies using subcontractors, in fact, often accept projects that are much larger than those they could handle on their own. Obviously, they earn a profit on the parts of the project handled by subcontractors and can greatly increase their overall revenues. **2.**

Therefore, the company acting as the main contractor must ensure that the extra profit and revenue is sufficient to make the higher-risk project worthwhile.

Many tasks and projects require the services of professionally qualified specialists and a company may not have the required professionals on staff. In this case, it is an advantage to subcontract professional services even if costs may be extremely high. **3.** This is because specialised companies in areas like environmental disciplines, traffic management or archaeology can usually get the work done more rapidly and at lower cost than non-specialists. **4.**

Last but not least, companies producing large volumes of products or services generally have lower costs than main contractors. **5.** Their disadvantage is, in fact, the risk that they may not meet schedules or quality requirements.

- A. If the involvement of professionals is not legally required, it may still be advantageous for a company to subcontract specialised consulting services.
- B. Subcontracting to these high-volume companies generally saves substantial amounts of money, but the contracts must specify the levels of performance and the quality that the principal company requires.
- C. In all these cases, companies look at subcontracting as a possible option, since it solves the immediate problem the company is facing.
- D. But, since the main contractor lacks the expertise in these fields, he is at the mercy of the subcontractors in that respect.
- E. However, larger projects always come with higher risk and when more subcontractors receive orders, the risk that one of them will not perform as required is higher.



3 Listen to the text and fill in the gaps. Then, listen again and check your answers.

How to prevent data breaches and secure outsourcing practices

Keeping all work and information **1.** is not possible in today's multi-corporate companies, and **2.** is a business reality. However, all **3.** involved have a legal responsibility to protect the **4.** and confidential data that is entrusted to them. Outsourcing can, in fact, be a **5.** business and it has been reported that **6.** of companies that outsourced work have had data **7.** involving consumer or company sensitive data. Therefore, when outsourcing, companies need to follow a few **8.** to safeguard the information:

- make sure you outsource to companies that conform to the same **9.** standards as your own in-house policies and practices
- make sure it follows appropriate **10.** and procedures to monitor potential **11.**
- get informed about security and privacy practices and make them clear in your contract **12.** with them, so the company is **13.** compelled to fix data problems if a breach should occur, including notifying **14.**
- **15.** the security and privacy practices of the outsourcing company you work with, especially if you **16.** consumer data with them
- require **17.** checks for its employees who have access to **18.** information.

