

## **Abstract.**

The main purpose of this investigation report is to offer the organization an opportunity to improve its profitability through outsourcing, in order to reduce the current fixed costs and increase the effectiveness of the engineering area of the plant.

The subcontracting model establishes a plan that contains clear, precise and susceptible to measurement in order to have available results that are trustworthy and aligned to the company's targets and objectives, where the suppliers have a clear idea of their role and functions on the administration of this process where there is a contract that covers all the legal aspects, compensations and environmental protection guidelines, as well as all the effectiveness of the performance progress measurement.

The model presents the six phases and the documentation required for a successful and smooth plan implementation, the phases are listed in sequential order:

- Decision Making
- System Implementation
- Plant Engineering Modelling
- Financial Impact
- Innovation
- Recycling

The model answers on a preventive manner to the risks linked to the operatives and employees transition, suggesting a plan that allows the supplier to carry this part of the plan in a smooth manner. The cost variation and the organizational changes in both organizations are contemplated during the process' phase where the proposals for these particular scenarios are contemplated.

The most important contribution towards the growth of the organization, is found in reaching a substantial reduction of expenses in maintenance, therefore reducing the manufacture costs and increasing the operational profit margin and improving the overall service factor of the organization, both being indicators that have a positive impact on the product marginality.