Management offshore outsourcing

Management — Offshore Outsourcing It is now widely accepted that outsourcing is not just a cheap labor tactic, but also a strategic business decision. However, ethics and outsourcing continue to be burning issues for many businesses who want to make the move to outsourcing. Quality, control and cultural differences are a few concerns that keep coming up when one talks about the risks of outsourcing. For more than a decade, Outsource2india has worked with customers across the globe. One of our primary tasks has been to strengthen relationships by letting our work speak for itself. Through these relationships we have been able to demonstrate that instead of outsourcing harming jobs, it has in fact given more freedom to companies to operate competitively and be successful. Companies that outsource have often had to face resistance and complaints about a drop in quality when moving jobs. In the early days, outsourcing was seen as a cost-saving measure, with an expectation of low-quality output. Things have changed drastically since then. Outsourcing relationships now define quality as one the main deliverables, among others. Data security and privacy measures need to be put in place, whether a company is planning to outsource or not. Confidentiality agreements, firewalls, SLAs and solid infrastructure are some parameters one needs to look at when entering into an outsourcing arrangement. Cultural differences between the West and Asian countries are huge, and are often a cause for worry in an outsourcing relationship. But these can be bridged by understanding the cultural sensitivities and how they can affect the outsourcing relationship. This needs to be done early in the relationship to avert any issues that can crop up later. That said, a lot of Indian companies are now sensitized and trained in

Western cultures, which help reduce any culture shock. Offshore outsourcing is something that is providing business to thousands, employing millions of people. Also, hundreds of companies utilizing outsourcing have showed more than 50% growth in profits. Offshore outsourcing brings investments to third world countries and gives employment to the labor force. It strengthens the economies of home and hosts both the countries. The future of offshore outsourcing is bright. It cannot be restricted and should not be restricted. American companies generally outsource work to India or China that requires little skill or training. The high-end work and wages stay here; but in fact, they might not be retained if the stateside work were not augmented by outsourced functions in lower-cost countries. Furthermore, workers freed up from routine tasks that have been outsourced are often redeployed within the company to higher paying jobs, or on projects that generate greater value-added services or products. The U. S. Department of Commerce reports that, in 2003, the United States bought $77. 38 billion in services from foreign countries and sold $131. 01 billion to them. Thus, we exported nearly $54 billion more in services - including legal work, computer programming, telecommunications, banking and engineering - than we imported. Moreover, this surplus was responsible for the addition of 400, 000 jobs in 2003. Wipro Ltd., India's third-largest software exporter, said fiscal first-quarter profit, rose 73 percent after the company added customers and clients paid more for its services. In the next decade, as many as 6 million jobs held by U. S. workers will be transferred to India and other nations by companies in search of technology-savvy, English-speaking workers. References Bartlett, B. (2004, July 24). How Outsourcing Creates Jobs for

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