

# Supplier sourcing and development; contracting risks and arrangements

[Business](#), [Management](#)



Supplier Sourcing and Development Affiliation: Decisions are made at every level of business undertakings and management of business operations. These decisions take into account all stakeholders involved, evaluating and assessing their influence and impact on the likely decisions made. Before making any decision, it is fundamental to consider all influencing variables prior to the desired outcome. Decisions that involve make/buy or insource/outsourcing practices are critical in relation to the desired business outcome (Burt, Petcavage & Pinkerton, 2009). In making decisions related to these concepts, the important factors to consider are costs and benefits. The underlying decision must be evaluated in terms of its benefits and costs in relation to all business pursuits that should be undertaken. The benefits of make or insource and buy or outsource are critical to account for, alongside their relative costs. The most appropriate in terms of more benefits and lesser costs between make/buy and insource/outsourcing becomes integral to the decision made.

The contracting process that the federal government observes has its benefits and shortcomings. Specifically, socioeconomic programs, goals and quotas constitute both positive and negative impacts (Trent, 2007). On the positive side, the aforementioned aspects are designed to benefit the various sectors of the economy. To the stakeholders involved in the contracting processes, fairness and equal opportunities are provided for by the said aspects. All players have equal opportunities to the benefits provided for by the programs, goals, and quotas. On the other hand, negative impacts are realized. Bureaucracy encompasses federally mandated practices, lengthening contracting processes relative to industrial

or commercial practices in the same line. Also, inadequacy of resources limits business interaction between the federal government and other stakeholders in that line.

#### References

Burt, D., Petcavage, D. & Pinkerton, R. (2009). Supply Management. New York: McGraw-Hill

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Trent, R. (2007). Strategic Supply Management: Creating the Next Source of Competitive

Advantage. Michigan: J. Ross Publishing.