

Good example of article review on smarter off shoring

[Business](#), [Company](#)



The article summarizes the current trend of companies to outsource their operations to low-wage countries. The trend has been proven effective with the success of General Electric, and British Airways in the 1990s. And with this advantage, other companies have followed the same operational strategy. With the advent of globalization, market labor has been smaller and more accessible. Technology has also led the way to minimize communication costs and help bridge employer-employee transaction. It has been said that not all companies are drawn to this current trend of outsourcing. Even with their efficient international operation, outsourcing must be done in places where the required skill level of workers is available (Farrell, 2006). In terms of operational expense, depending on the country, it may yield greater advantage for the company. Currency rate is a big determinant in cost-efficiency of the company. Also, paying for salary in low-wage countries can contribute to the advantages of outsourcing countries. The mode of communication may be the biggest hurdle in outsourcing. And to ensure an efficient operational system on these countries, they must adhere to the standards and quality measure of the principal companies. Though it would be safe to place the outsourced location in a well-known and ensured outsourcing cities before trying to venture into new locations. Outsourcing policies must have a defined structure first at the headquarters before ratifying these procedures to their outsourced sites (Quelin & Duhamel, 2003).

Bibliography

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