

Example of article review on outsourcing

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



Offshore outsourcing has been an increasing trend in recent years.

Businesses opt to have some of their operations handled by an outside provider due to its reduced costs. However, some companies tend to overlook a variety of things when it comes to client-vendor relationships. In outsourcing, it is important to note that the how the process really works is not as easy as it sounds like. Puranam and Srikanth (2007) debunked seven myths about offshore outsourcing, ranging from unrealistic expectations to poor ideas about structuring contract and convoluted views of risks. They further state that belief in these myths would spell the downfall of any relationship between a business and an outsourced partner. These myths are assuming: that an outsourced vendor can be efficient, effective, and flexible all at the same time; that an outsourced service is like a commodity; that contracts should be tight and binding; that contracts are not at all important; that outsourced services are a form of insurance; that the responsibility is rests solely on the vendor, and that a failed outsourced project means the last attempt.

Outsourcing is indeed a good option for cost savings and greater efficiency. As the CIO of my company, I believe this article truly clarifies some of the assumptions most companies usually make whenever they form a contract with a vendor. Of utmost importance to my company is the debunking of the myth that an outsourced vendor cannot “ have it all,” that there should be a trade-off between being efficient, being effective, and being flexible. Some companies tend to assume—and most vendors as well—that they can provide be these three qualities. The topic would greatly influence the way people in my company think. I believe this article would make my company

better in contracting and dealing with vendors. The article further states that the contract does not mean a sealing of a deal: the contract is dynamic and can change over time, thus my company should take that into consideration.

Although outsourcing seems to be something that alleviates a heavy load from the shoulders of those who are higher in the company ladder, as CIO, it does not mean that I should rest easy just because one of our processes or products is outsourced. I need first to understand what the underlying factors are when it comes to contracts with outsourced vendors. I should also think about the bigger picture; if the company would go as directed or not. Large firms often use outsourcing and off-shoring practices, and aligning not only I, but also the company, to such practices would improve cost savings and product quality. Outsourcing is not a “frictionless” market where everything runs smoothly; it is a highly “corrugated” market where clients and vendors must find ways to go through ups and downs, with both still standing by the end of the day. Indeed, Puranam and Srikanth (2007) said it better: “with time, partners learn to communicate better, leading to more efficient coordination and fewer mistakes.”