

Management issues

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Management Issues One of the main management issues that is vital in outsourcing is whether Chrysler wants strict management control for day-to-day activities. By outsourcing to TCS, Chrysler will be outsourcing its maintenance and support services, particularly its sales, marketing, product development, shared services and after sales functions . Although Chrysler has the general oversight of the project deliverables, it is still done by the outsourcer. This would impact project approach, employee morale, customer interaction and feedback.

For example, a recent outsourcing which proved to not be a good idea was customer support for computer equipment sales by Dell. Dell could not control the interaction with their customers and there were numerous complaints about communications skills, product knowledge and general attitude of the outsourced technician . These services that are outsourced to TCS are part of Chrysler's daily operations and thus stringent management control over these activities must be carefully explored to ensure quality services and excellent customer service. Organization Issues

The main organization issue that Chrysler should have considered would be the morale of employees and public reputation during their decisions to outsource. It was reported by Bertsch that, 200 people, 20 percent of the full-time employees, were scheduled to lose their jobs because of the new outsourcing arrangement . By laying off workers, many labour unions have been protesting against outsourcing and want the government to step in to stop the outsourcing . Labour Unions have tremendous political power and have a strong impact on the company's public image.

This will not only dampen current full time employees but also potential employees who are seeking for jobs in Chrysler. Chrysler must consider the impacts of their company's reputation and labour unions reaction when they decided to outsource to TSC. Technology Issues Before outsourcing their technology to TSC, Chrysler has to consider certain key factors before doing so. One of which is security. Chrysler has to ensure that TSC has a strong protection against virus, spams and threats from hackers .

Chrysler has to keep a record of all the security products and procedures used so that they can be sure of their company's protection despite outsourcing. Secondly, Chrysler has to evaluate TSC's products and current operations more in depth. For example, Chrysler can assign a qualified person or team to assess the quality and efficiency of TSC's technology and services. This is especially important for outsourcing technology as blade server and storage area network capacity and 24/7 worldwide accessibility will be critical .