



Global Outsourcing Strategy - Why You Need To Regularly Reassess Your Global Outsourcing Strategy

You did a thorough job of putting together your global outsourcing strategy. It has served you well and met your business objectives. Time passes and now it is a few years later. Are you sure that the same strategy will continue to serve you well in the future?

Let's examine the global outsourcing landscape. A few years ago India was the primary destination for offshore outsourcing and Bangalore was the place to go to. Things have changed. Bangalore has experienced rapid growth; one of the side effects of this growth is high attrition. If you factor in retraining costs and impact on schedules, does Bangalore still make sense either for expansion or to locate a brand new operation? Perhaps. What about other cities in India which do not have the same level of attrition? Perhaps.

Outsourcing to India is likely to continue for the foreseeable future. Perhaps you should also be evaluating what other countries offer. During the last 3 years many other countries have emerged. Each offers its own unique set of advantages and challenges.

From a strategic perspective, in addition to the location issue, you may need to re-examine the business model you are using; for instance if you have a subsidiary of your own with a small number of people (such as 25) it may not make sense to continue in that mode in today's environment. Perhaps you should partner with someone who has the critical mass to attract and retain staff. On the other hand if you were partnering with someone, do they still make sense for you; for example, a few years ago you may have been their most important client; but now they may have grown and they may not be giving you the same attention they once did.

What if your business strategy has changed during the last few years? Any global outsourcing strategy needs to support the overall business strategy. Global outsourcing landscape is changing rapidly. You need to re-evaluate your own global outsourcing strategy about once a year to make sure that it continues to be on target to achieve desired business goals.