Some of the major challenges associated with outsourcing listed in the article are 1. It takes longer to notice screw-ups and thus a long time to remedy them; this can cost money and worst-case scenario cause failure of the product line. 2. Longer lead times may mean manufacturers may end up with far more unwanted inventory, and in the case of product failure, this can serve to financially ruin a business. 3. Offshoring means less work for the U.S. population. If people are not making, then the spending of discretionary money does not happen. It does no good to make a product cheaper if there is no one with the spending money to purchase it.

These issues were identified as a challenge in the article because though the price tag on paper looks good, many times the products outsourced had design failures and would not fit. This cost Boeing a lot of money in re-engineering and reproduction. Since outsourced items were not found to have problems until shipment arrived, costs skyrocketed. If the items would have been made in-house, or at least in a facility close to Boeing these errors could have been caught before production began, but as it sat Boeing owned a ton of unusable parts.

What is a misnomer associated with outsourcing according to the case study?

The misnomer is that outsourcing for the best price on a paper is not always the best choice. “Offshoring and outsourcing are often not the big cost-savers that the industry promoting them, Wall Street, and the stenographers among the business press would have you believe.”

My recommendations.

Unfortunately, I have found that the old saying of, “If you want something done right – do it yourself” is true most of the time. In my business, if I don’t do it, It usually is not done correctly, or on time, or neither. The problem, there is just one of me. Regardless of the shortfalls in business we must delegate and outsource to get things done. If a business person or manager finds a trustworthy ally, then he should hold on to them; pay them what they are worth because they are in short supply and are found few and far between.

Dr. Diana Echols

2 months ago

Dr. Diana Echols

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Hello Jeffrey and thank you for your response to this prompt. You identified the challenges or issues of outsourcing cleverly. I truly appreciate the point about there being a need for people to be able to purchase what is produced.This is what arguably led to Henry Ford's success. You have addressed each aspect of this prompt well.