

Well, in this case there are a number of issues that have to be looked at. First, there is the question of business performance itself. Is it really going to be worthwhile for this company to take part of its business offshore? There's not much doubt there – it will be cheaper, at least in the short-term. But there is a downside and that could produce some surprises for any company. The image of the company may well suffer as a result of a decision to offshore, and the potential impact of that is difficult to measure. We've already seen that sort of thing happening and some companies have even had to bring back work that they had outsourced. This, of course, could be made worse by union industrial action. Other problems down the line? Well, when you offshore a critical part of your business, you really have to have a fall-back strategy if something goes disastrously wrong. This could be what we call 'multi-shoring', where you have an alternative service provider in another country you can switch to if things go wrong. That way, if there is a major appreciation in wages or foreign currency, a dispute with your local provider or any sort of instability, you're not in danger. So you know, I think that if I were being asked to choose a destination for an outsourcing operation, I would advise the company to think very carefully about multi-shoring - that way they can minimize the risks and transfer operations to another destination if something goes wrong.