

# Review an Outsourcing Decision

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What happened?

- A shoe Manufacturer company named BATA BANGLADESH outsource leather, button, hooks from other manufacturers.

Who is involved?

- BATA BANGLADESH ( Shoe Manufacturer Brand) & other vendors of leather, button, hooks

Where did it take place?

- Bangladesh

When did it take place?

- From 2015

Why did that happen?

- The shoe manufacturing brand tried to keep their focus on manufacturing shoes only

What were the reasons given regarding the motive of the outsourcing decision?

What, if any, environmental forces did management specifically cite for triggering the decision?

- Focusing on only shoe manufacturing
- Better product from specialized vendors
- Less investment

What, if any, the reaction could you find from the other (not affected) workers?

What did they say about the situation?

- Increment in Profit
- Better Brand Value
- Better product Quality

What was the reaction from the public (media, politics, NGOs, etc.)?

The Decision was Appreciated by the customers and the media.

- Better product quality is appreciated by the customers
- It causes Better Brand Value

The Decision was Not Appreciated by the NGO

- Many people lost their job

What did the company cite as the business reason for the outsourcing decision?

- Focusing on only show manufacturing
- Better product from specialized vendors
- Less investment

What is your conclusion on the situation you described? Do you think the company made the right decision? Was it handled as well as it could? What could they have done differently?

- Conclusion: It causes Better Brand Value
- The company has made the right decision
- The situation was handled appropriately
- They could have done differently: Instead of shutting down their production at once, they could do it product wise step by step.