

MEDIA RELEASE



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Warning to companies planning to outsource

With Telstra announcing plans to engage a US outsourcing firm to handle its sales support, companies planning to outsource IT or IT based services should view it like crossing a very busy road - it may be safe but you should look carefully in all directions before taking a step, a Deakin academic will warn at the Deakin University Boardroom Lunch on Thursday, October 16.

Associate Professor of IT and Business Strategy, Anne Rouse from Deakin's Business School, has been researching outsourcing since 1997. Her doctoral thesis on outsourcing risks and benefits won the 2003 Australian Council of Professors and Heads of Information Systems (ACPHIS) medal for best Australasian PhD in information systems.

Associate Professor Rouse said that her talk would not be trying to deter businesses from outsourcing but urging them to be cautious instead.

"People often don't consider the risk exposure and the potential risks their business faces when outsourcing," she said.

"For example, in the current financial climate, exchange rates with offshore locations are changing rapidly, and that is starting to bite."

Associate Professor Rouse will provide attendees at the lunch with an insight into the extensive research on outsourcing she has carried out in recent years.

She will focus on how companies can plan for successful outsourcing, strategies they can adopt and the risks involved. "It is important to enter into arrangements carefully and be well informed," she said. "People need to understand how risky it is."

Among the warnings Associate Professor Rouse will sound to business are the need to test all assumptions – not just those related to the best case scenario, and to be alert to the fact that research indicates that, for a variety of reasons, off-shore outsourcing poses the greatest risk.