

Allais PARADOX: Outsourcing Decision Making

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Abstract

In order to reduce cost and remain competitive many companies are contemplating outsourcing their non-core competence operation to another company, which is either, own wholly / partially and sourced internally / externally. When making a decision the decision makers are faced with four fundamental options or paradox; which location will be considered perfect, which would be promising, moderate or bad. This research focuses on these area and develop a systemic model hereto refer as PPMB model to determine which would be a viable location for outsourcing backend operation. A case study and review of companies operating in the service sector is highlighted with emphasis on Call Centre Operation. This research attend to establish the relationship and the effect that the alternatives will have on the criteria's using AHP decision making to rank each Allais injection. The result demonstrate that as the competitive advantage offered by one of the location increases, other location become an opportunity advantage over competitors which will give the decision maker more flexibility in making a sound decision.

Biography

Oludapo Samson is a postgraduate research student of University Malaysia Pahang and a member of the Service Desk Institute, UK. Mr. Oludapo area of research is Supply Chain Management, Knowledge Management and Technology Management with 5 years working experience in the service sector. He has published series of articles in online repository and currently a reviewer.