

1.Introduction

With the development of globalization and internationalization, outsourcing as an instrument of new management concept is paid more and more attentions by enterprises. Nowadays, most of the companies and enterprises have realized, that if they want to succeed in the competitive international marketing, the lonely struggle in a certain region leads to no effects any more, that is a waste of time, and they have to open their eyes to the global market. As a result, outsourcing is one of the most effective methods to resolve the problems produced in the global marketing. So today we would like to discuss the Outsourcing In The Frame Of Global Strategy with you.

Our presentation will be composed of six chapters: introduction, effects of the globalization strategy, risks of the globalization strategy, how to outsourcing in the frame of global strategy, case studies and summary.

1.1 Now let's race back to some different stages of outsourcing:

1.1.1 In the 1970's, the idea of outsourcing came into being. Some production oriented companies purchased materials, parts and even units of their products, instead of producing them themselves, they had to make Make-or-Buy-decision, so that they could decrease the production cost. At that time, the main purpose of these companies was decrease production cost and disperse business risk. That is the basic idea of outsourcing, and it paved a good and stability foundation to the further development of outsourcing.

1.1.2 The next stage of outsourcing is enterprise cooperation. In 1980's, in order to develop marketing, some enterprises seek the business partner in the scope of inland and foreign countries. They built some relative stable and safety business relationship, so that they could find supplier and retailer quickly and safety, and then develop their marketing. At this stage, the scope of outsourcing enlarged to the non production enterprises, including bank, consulting companies and so on.

1.1.3 With the development of globalization and internationalization, and with the increasing of competition, in 1990's, merger and acquisition, like a storm, involved every corners of the world. This is a kind of re-configuring resources in the scope of globalization, through which a very strong group company is founded from two or more strong companies. The result of merger and acquisition is built a super power group cooperation in a certain field, and the merger of Dymler and Crysler is a good example of this form..

1.1.4 As we transition into the 21st century, radical changes are taking place, which are reshaping every aspect of a business, including the way we produce goods and services. We can not predict to which direction outsourcing will develop, but we are sure, that globalization and internationalization will play more and more role in the outsourcing strategy, and global extend of enterprises will be the main trend of the outsourcing in the frame of global strategy.

1.2 Now let's take a look on the category of global extend:

1.2.1 The first one is Direct investment: Direct investment is a kind of business method, that a company seek an investment point in the global dimension at first, and then by the using of the

investment advantages in this region, for example the cheap labor, the cheap and good quality raw material, the convenience nature environment and climate situation and so on, input their capital to this region, so that they can realize profit increasing.

1.2.2 The second one is Cooperation. Cooperation is the association of persons or businesses for common, usually economic, benefit. Usually, the business partners are familiar with the regional situations on culture, education, religion, political, economy and so on, so a company can input capital or transfer technology through cooperation. More profit and few risk can be got by this way.

1.2.3 The third one is Merger and Acquisition (M&A). M&A is one of the methods that make an enterprise increase, which through the input of internal and organic capital. There are five intentions of M&A:

1.2.3.1 to simulate the overplus productivity (e.g. Daimler and Chrysler)

1.2.3.2 to extend in geography

1.2.3.3 to extend products and marketing

1.2.3.4 to replace R&D (e.g. Cisco)

1.2.3.5 to unify the similar industry (e.g. AT&T and NCR, TCI)

2. What I have just talked about above is the general information about our topic, in the following chapters, I would like to introduce some details to you. The first one is the effects of outsourcing in the global.

According to the different types of outsourcing effects on the company, we generally divide these effects into two categories, static effects and dynamic effects. Static effects are the effects in some special points or fields, that will not change the basic characteristics of a company, and normally will be seen in a short-term time, for example: the decreasing of the cost and the increasing of the profit; while, dynamic effects on the contrary, are a series effects, which usually change the basic characteristics of a company in a long term time. For example, the company can share more parts in the market, through improving their creativity, and then get more long term positive influence to the company. Now let's see what kind of static effects outsourcing in the frame of globalization strategy will bring to.

2.1 static effects:

2.1.1 Decreasing of production cost

In the dimension of globalization, a production oriented company has the opportunity to seek the best and cheapest raw material and labor, so outsourcing in the global dimension will decrease the production cost in the production oriented enterprise. Of course, that is just the earliest and basic idea of outsourcing. Today, with the development of society, not only the production oriented companies, but also some non-production oriented cooperations can get profits from outsourcing in the frame of globalization. For example, a German company wants to develop Asia marketing, a joint venture in China maybe can cut down its cost through transportation and labor.

2.1.2 integration of the management resources

With the development of management sciences, some new management technologies are invented, outsourcing in the frame of globalization, both cooperation and joint venture, can make the office equipments, human resources and some high management technology integrate, which will further improve the management level and management efficiency.

2.1.3 unification of purchasing

In the global dimension, a company can build a wide distribution net, and make central purchasing possible. All of the business can be controlled by the high purchasing department of the headquarter, rather than by the purchasing departments of the sub-companies. On one hand, they can buy the cheapest raw material to cut down the cost; on the other hand, they can sell their products quickly and get more profit.

2.2 dynamic effects

2.2.1 unify of resources

2.2.2 unify of technology

After the outsourcing in the global dimension, all the resources and technologies will be well reconfigured, and some subcompanies, which are short of resources and technologies, can use the best resources and technologies in the other sub-companies. So through this kind of outsourcing, we can use the advantages and avoid disadvantages in the scope of globalization..

In my opinion, different company should pursue different effects. For example in the car industry, there are a lot of overplus productivities, the competition is very strong, it is quite difficult to change their basic characteristic in a short time, so they should focus on purchasing static effects. But for the other industries, for example IT industry and pharmacy industry, which change very quickly, they should not pay attention to a special point, but to try their best to make innovation, so that they can get dynamic effects.

What I have mentioned above seems all to be the chances that outsourcing bringing to us, but we have to remember one saying, every coin has two sides, and outsourcing, of course, is not an exception. Chances and risks always exist together in the outsourcing. In the next chapter, we would analysis some risks that outsourcing maybe bring to us and how we can avoid them. Now I would like to give this presentation to Yunchao to the following chapters.

5. Case study

Yamaha, as an international enterprise, have receive a brilliant success both in the field of new product innovation and in the field of the development of international marketing. Now I would like to introduce some international layout situation.