

"A man is
great by
deeds, not by
birth"

-Chanakya

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INDIAN INSTITUTE OF MANAGEMENT KOZHIKODE



Case Study

IIMK/CS/108/OB&HR/2019/01

October 2019

Do or Delegate: Developing an Outsourcing Plan

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DO OR DELEGATE: DEVELOPING AN OUTSOURCING PLAN

Aamir, Managing Director of Everest Premier League (EPL), a popular cricket league in Nepal has recently hired you as the chief strategy officer of EPL. Your association with sports marketing firms previously has helped you gain sound knowledge and expertise in the business of sports. EPL tournaments are held once in a year during the month of December and January. This firm has drawn a long term contract (5 years) with the cricketers, team managers, franchises and sponsors. Hence, all other event related planning and executions such as budgeting, banner designs, ground selection and others are done only three months prior to the beginning of the tournament. Although, the long term contract strategy had been effective in ensuring good participation of sportspersons, sponsors and franchisee, the firm (EPL Ltd) had incurred a loss of \$ 0.5 million in this financial year. This was the second consecutive year in which the firm had incurred some losses.

After series of discussion and brainstorming with the MD and other shareholders, the board of the company has to come to a conclusion that firm's marketing, HR, finance and logistics functions should be outsourced in order to reduce losses. It was observed that there were too many full-time employees in these functions even though the work was limited to the tournament seasons only. Outsourcing these functions would reduce financial burden (Salary comprised of over 35% of the firm's expenditure) to a great extent. Some other measures (revision of agreements, sponsorships etc.) were also to be taken to revive the organization. The company's board decided to retain all the functional heads, but retrench all other employees whose duty can be performed by an outsourcing firm. The functional heads would now be responsible to coordinate with the agencies responsible for the outsourced work. They have been given the freedom to shortlist and recommend agencies for outsourcing tasks related to the functions which they were heading.

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