Exercise:

Outsourcing Strategy

Mobile Phone Company Analysis

You have the task to optimize the business of a mobile phone company (like the respective business area in Nokia, Ericsson, Motorola, or Samsung).

1. Identify Perceived Value for the customer vs. Total cost of product:
   What are the criteria to buy a new mobile phone? (perceived value)
   Which of these values could give a competitive advantage?
   
   What is needed to get the costs down?
   Which concrete actions could bring the costs down?

2. Analysis of the Business System

<table>
<thead>
<tr>
<th>Marketing, Sales</th>
<th>R&amp;D</th>
<th>Supply, Outsourcing</th>
<th>Production</th>
<th>Distribution</th>
<th>Finance</th>
<th>IT</th>
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</thead>
</table>

In which function of the business system does your mobile phone company generate the perceived value that gives you a competitive advantage?

In which function of the business system can you reduce cost?

Therefore:
What do you recommend to keep? What to outsource?