

INSIDE SUPPLY MANAGEMENT®

Resources to Create Your Future

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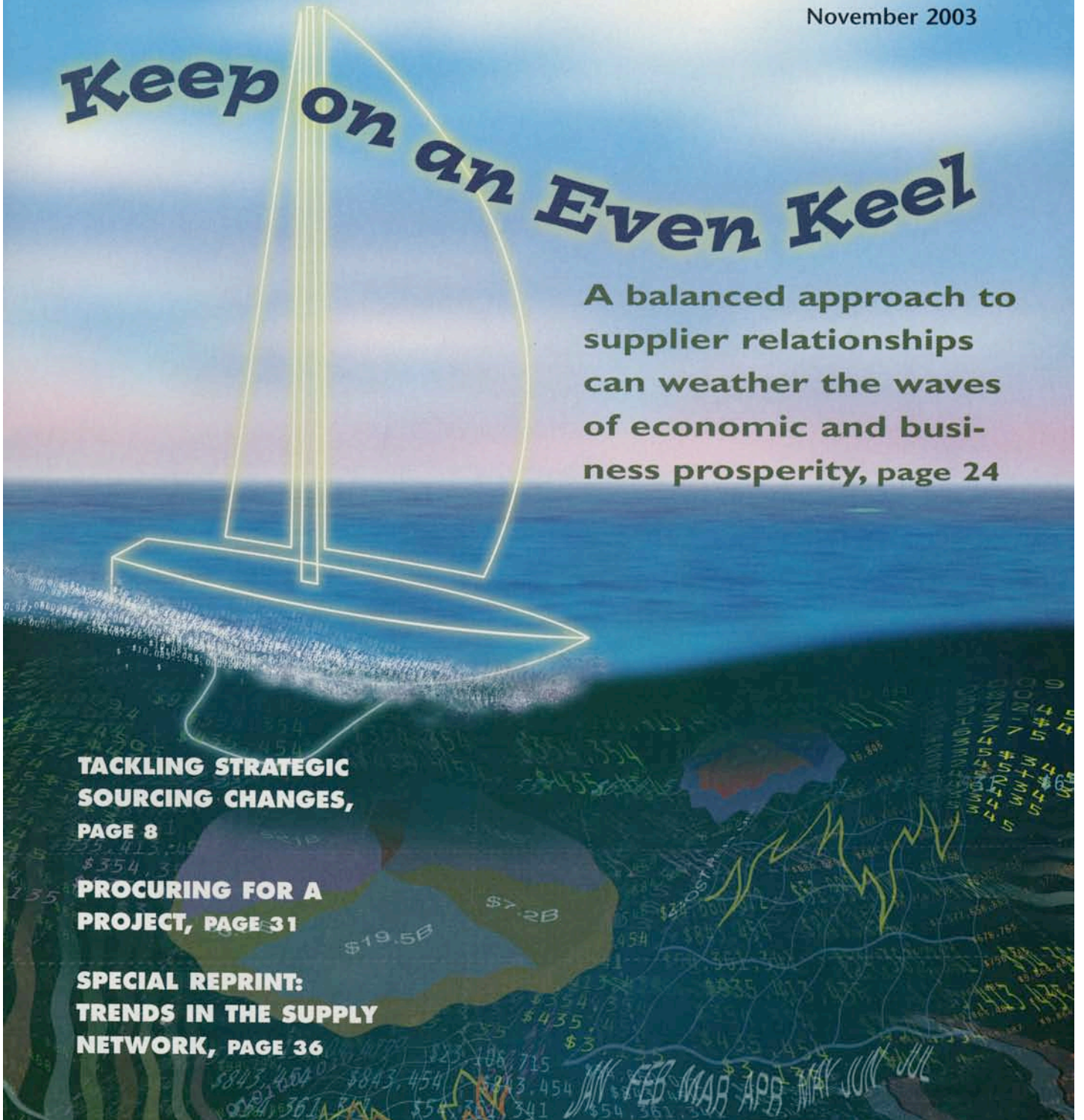
Keep on an Even Keel

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R&D Outsourcing Provides Key Alternative

Recent research from Goldense Group, Inc. shows that nearly all organizations outsource some amount of their research and development (R&D) work, but most do so at a low level of their total capacity.

- In an effort to drive down costs by purchasing non-core competency work, 90 percent of companies outsource some amount of R&D work. However, the majority (82 percent) only outsource 15 percent or less of their total R&D capacity.
- Barriers to outsourcing R&D include intellectual property issues and reluctance of the R&D group to outsource more of their design work, which they generally view as a core competency.

Goldense Group notes that when organizations consider the need to manage capacity effectively and remain flexible and able to respond to changing workloads, they must be more willing to outsource.

