

Abstract

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Significant Risks Associated With Logistics Management Outsourcing For Industrial and Service Companies In Egypt

This paper attempts to identify and list the risks associated with outsourcing process for logistics management in Egypt. Then, categorize these risks into a smaller number of groups, and identify the risks related to each category. Afterthought, assess the identified risks in terms of probability of occurrence and consequences to identify the significant risks associated with outsourcing process for logistics management. Finally, identify the root causes of the significant risks using 80-20 rule in order to choose the appropriate response of the risks. A multiple-case study research strategy was used to conduct risk assessment. The case studies were belonged to different industrial sectors: automotive, cement, plastic, electrical and electronic, chemicals, food and beverages and clothes industries. Findings from the study reveal that the significant risks are the damage of goods due to traffic accidents and poor conditions of storing and accidents due to transportation due to sleeping of drivers during driving. Also, the risks that need more attention are decline of service quality due to poor procedures, accidents during transportation and Information systems failure.