

Dell Computers Outsourcing and Employment

Dell organizes manufacturing by region, operating one or more assembly plants to serve its major markets. Plants in the Austin, Texas and Nashville, Tennessee areas serve North America; Eldorado do Sul, Brazil serves Brazil and South America; Penang, Malaysia serves the Asia-Pacific region; Xiamen, China serves China and Japan; and Limerick, Ireland serves Europe, the Middle East and Africa.

The Americas account for 72% of Dell's revenues and 68% of employment; EMEA has 20% of sales and 22% of employment; Asia-Pacific equals 8% of sales and 10% of employment. The only slight surprise is the lack of bias toward the home country, even with the presence of corporate functions in Texas. An explanation could be that the large size and homogeneity of the U.S. market allow Dell to achieve economies of scale in its production sites, call centers and other operations, and thus have higher revenue per employee than other markets.

Companies can learn from this example, by endeavoring to future community focus by closely correlated employment with sales while reducing costly inefficiencies by improving efficiency and effectiveness in supply chain operations.

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