



The Unicist Ontology of Insourcing

This is a synthesis on the results obtained from the research on the ontology of insourcing led by Peter Belohlavek.

Insourcing

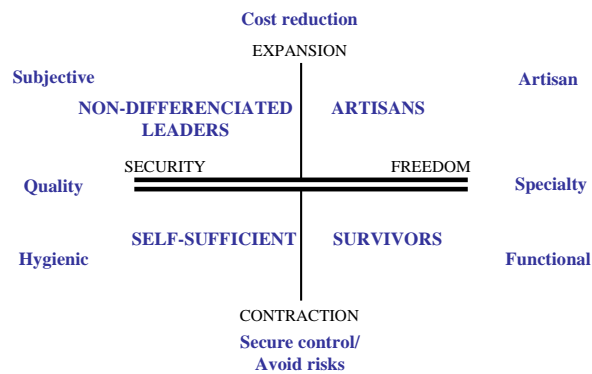
Insourcing is the response of living beings to extreme scarce environmental conditions. It is a natural response to external threats. Extreme examples are bacteria surviving thousands of years in "latent-life" conditions.

Insourcing is necessary when business conditions threaten the life of the institution and its members.

But insourcing is also necessary when members of an organization feel threatened. This feeling can be based on real or imaginary threats. In both cases insourcing is an intuitive response.

The conceptual structure of insourcing is the following:

Structure of the concept “insourcing”



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The four essential segments of organizations that use insourcing as a natural approach are:

- Survivors
- Self-sufficient
- Non-differentiated leaders
- Artisans



Survivors

These are companies whose survival is endangered because of product, market, financial or operational problems.

They need to generate independence and create internal work so as to let their stakeholders feel useful.

They usually generate pseudo outsourcings to transfer costs to providers, but finally they encapsulate to survive.

Self-sufficient

Self-sufficient companies have a certain market differentiation, but cannot lead the market.

They generate a perception of self-sufficiency based on their differentiation and “insource” everything they can to improve their perception of leaders.

They associate self-sufficiency with leadership. They exercise "power-driven" management and strict risk control.

Non-differentiated leaders

Market leaders having a non-differentiated position seek insourcing to sustain their differentiation building.

They consider outsourcing as a sign of weakness. They regularly use pseudo outsourcing to reduce costs. They usually have a subjective approach to business problem solving.

They become outsourcing/insourcing functionalists after having achieved their market differentiation.

Artisans

They use insourcing as a way to reduce costs. They consider the profit of providers/outsourtees an unnecessary cost. They procure vertical integration to ensure the control of businesses.

The insourcing process is endless because their artisan approach makes them feel insecure. Their cost reduction process is based on individual and subjective actions of internal "heroes".

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