

Impact of Outsourcing on Lead Time to Apparel Industry in Sri Lanka

Perera, M. D. B.¹ and Rajapaksha, U. G.²

Lead time is a main challenge that the apparel industry of Sri Lanka has to face due to rising markets, frequently changing fashion patterns and high competition in the industry both locally and internationally. Therefore, meeting customer demands at a minimum time is crucial. This research was conducted using a sample of 30 apparel organizations in the Colombo district on the basis of simple random sampling. Outsourcing of transportation, warehousing, procurement, sales & marketing and packaging are the independent variables while the dependent variable is reduction in lead time. To conduct the research, primary data was collected through interviews and a questionnaire filled by the management of the apparel organization. The statistical estimation of data is done by Ordinal Regression Logit Model. Researcher was able to identify a positive impact of outsourcing on lead time in terms of apparel industry and with reduction of lead time the organizational and industry performance improves.

Keywords: *Outsourcing, Lead Time, Efficiency, Productivity, Supply Chain*

¹ Department of Management and Finance, General Sir John Kotelawala Defense University, Sri Lanka (dinukaperera1994@gmail.com)

² Department of Management and Finance, General Sir John Kotelawala Defense University, Sri Lanka (ugrajapakse@yahoo.com)