Pros and Cons of Information Technology Outsourcing

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Abstract - Information technology outsourcing (ITO) has become a widely accepted management strategy.Many organizations or people are making an agreement with third party to do their works like marketing, sales, purchase, contract etc. Outsourcing has become the latest trend in business world. They make a contract with a third party with a view to completing the process of one or more of your marketing, commonly resort to the method of work represented by this term outsourcing in all parts of the world today, and sometimes in special cases may involve the transfer of all staff and assets from one company to another.In this paper discuss about ITO, merits, demerits and analyzed ITO usage using some queries.

I. INTRODUCTION

ITO means company or any organization use outsourcing of computer related resources such as webserver, mail server, storage devices, file server, Domain name service etc. Outsourcing generally is defined as contract with outside person who can do technology test. Also information technology defined as gives thread party to do set of job or service which was administered by the institution. Which is the outsourcing that does not require much of technical skills to work.it is provide business and focus on core competencies. There are many advantages and disadvantages also risk I will discuss it in my paper.

II. RELEATED WORK

What to outsource?
There are two major classes of use outsourcing are: operations, and applications. This is known alternately in industry as facilities management resource management, at respectively. Prevalent format of outsourcing and ability an institution to turn over the operation of its data center [1]. Outsourcing also helps in activities like the internal audit, pay roll processing Standard. Assurance to determine if internal supervision is enough over processing performed by the service provider, because IT general controls part and parcel from assessing risk information reliability, and operations[2].

According Power and others outsourcing consist of two words "out" and "sourcing"; sourcing refer to moving work process, responsibilities and decision rights to someone else. Companies should source out work because there are others who can do it cheaper, faster, and better [3].

III. THE OUTSOURCING PROCESS

Outsourcing is most impertinent think on this time. Because technology has become improved and it wants to resource of another party for completion. Outsourcing brings big change in the company. Proposals for outsourcing:

- Start to use Outsourcing Preferably the top executives.
- Forming group of work.
- Implement and put plan of connection.
- Wording of Requirements.
- Primary checkup of sellers.
- Ingathering sellers' suggestion.
- Suggestion evaluation.
- Negotiating the contract.
- Contract implement
- Contract conservation.

In this process may first step and second step be equally to lifting of the ban [4].

IV. TYPES OF INFORMATION TECHNOLOGY OUTSOURCING

Outsourcing was changed from traditional outsourced service, for example develop the apps and help from information technology desk activities, to fin service, such as expansion of product, specific research & develop (D&R), and distributed support for computer.

4.1 Outsourced IT consist of most common services:
- Development & maintenance Applications.
- Infrastructure management.
- Office for Help.
- Independent testing and validation.
- Management Data center.
- Systems integral.
- R&D.
- Managed security.
- Cloud computing.

The persons who give service and user entities may use different names for kind of outsourcing.

4.1.1Development & maintenance Applications:
If company or any organization use outsourcing for specific functions, it should give priority to companies who develop the software that mean third-party firms with technical skill and experiential knowledge to address client specifications.

Auditing IT Projects as recommended:
- During strategic projects should give ongoing advice.
- Risks or issues should early determination.

In most cases, the SDLC is end when acceptance testing client was ended and successful in it. User testing phases are essential elements that ensure the system satisfies the client's requirements. Completely maintenance of applications and increase level of apps must arraign to the recommendations to develop applications and software.

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4.1.2 Infrastructure management:

It can classification the services to manage and maintain the IT infrastructure as infrastructure management. It's include network management and keep all performance for infrastructure and availability, discover the errors and solving, maintaining databases, and backing up and service restoration.

4.1.3 Office for Help:

Any maintenance service, such as problems solving, support the production, and infrastructure management, and it can classification as a help desk service. Under this arrangement, the service provider's personnel support the client through various IT problems either on site or out site is then defined for each level of service.

4.1.4 Independent Testing and Validation:

A lot of outsource organizations to the testing and verification of software developed in-house or from a third party. This testing used in specialized testing of the developed system is used to monitor the system's performance and identify errors or problems to solving.

4.1.5 Management Data Center:

As we see in most different information technology sectors, sellers, service provider in the market, there was change in the outsourcing mind-set. From keeping cost, change the goal of outsourcing to provide higher levels of operational efficiency, specialized products. One such example is the use of data center operations.

Service that the data center was provided:

- Physical hosting and servant distributed and other assist of information technology.
- Devices, applications, and operating system & planning, specification, installation, configuration, maintenance, and management.
- Observation unending of the servant perform and running status.
- Ability to manage servant/mainframe including capacity able to planning, load balancing, tuning, and reconfiguration.
- Server builds and application software installation and upgrades that meet release procedures agreed upon by the client and service provider.
- Recovery the Backup.
- Restoration of server systems in the event of a disaster, which follow implemented TATs.

4.1.6 System Integral:

In a decentralized environment, various functions are organized through disparate systems and applications that may not talk to each other. Decentralized environments require more human intervention to perform system and application updates, clear out-of-balance conditions, data sources, and detect erroneous results. System integration services involve the development of scripts, modules, tools, or programs to integrate multiple applications and systems. This enables existing applications to communicate with one another seamlessly, resulting in one consolidated system. A key limitation of systems integration is its dependence on interoperability and the accuracy of data sources.

4.1.7 R&D

If organization can adaptability and thinking to innovation to accept the market need and continuation building and maintenance data base , and many outsourcing organizations in research and develop field to different technology, solutions, processor. Also research outsourcing include use thread party is sellers to performance analyses market.

4.1.8 Security Managed:

It is very important in Many organizations outsource security services. Also this area is called managed security services (MSS) because manage the service provider for security requirement out said the organization. MSS is defined as service that oversees to secure institution infrastructure in over Information Technology, assets of data, activities management user. Another expressions used to identify this function it can be include services of Internet security, security outsourcing, intelligence services, security consulting services, network security services, and IT security services. Depend on the client's needs, it is may be include qualification of contract use of end-to-end security architecture design and support. Or manage security tasks specific for specific system, and observation firewall, moving database, secure from viruses, and detected attacker.

4.1.9 Cloud Computing

In environment decentralized, are organizing most of functions through applications there are not whit other. This environments decentralized require more of human hands to system performance and submit private cloud , public cloud ,hybrid cloud, or society cloud as well as one or more of the services. Cloud computing give to company's flexibility to adapt with market program without buying and maintaining expensive IT capacity [2].

V. PROS AND CONS OF OUTSOURCING

5.1 Pros of Outsourcing

The important pros of outsourcing it focus to core activates, keeping cost, take experience, improve performance and flexible.

- First, a lot of researchers are agree with submit activities are not major for another third party who can trust, company can focus to major activities to suggest measure , and increase competitive positioning[5][6].
- Second, outsourcing in general about major goal and keeping cost special necessity arises when resources, specific resource either human or equipment, or there not need full time, or the efforts to get some resource it can't justified[7][8][9].
- Third, the company has able to arrivals to employees who has highly qualified, there are don't available and full benefits to the client organization innovations, and capabilities [10] [11].
- Fourth, is one of most important reason to use outsourcing achievement of an improve the performance that the company offer because saving size. In wide area can provide group of different tasks and opportunities that will help to give a best available employee, people who don't want to work in consumer environment has less stimulating. That's because increase number of

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employees on functions compared to internal operations [12].

- Fifth, in a lot of companies defined flexibility is a major reason to use outsourcing. Employee in jobs depend on the degree from flexible.

5.1 Cons of Outsourcing

Main disadvantages of outsourcing are loss of managerial control over outsourced operations, threat to security and confidentiality, quality problems, hidden costs and reallocation of existing teams.

- First, Defects related to loss of controlof outsourced processer from that reason manage outside resource request special   skills that is combination of the people skills and management contract.
- Second, almost each contract for outsourcing has qualification of secrecy and security spelled out, but the review and fulfillment are complexity constantly. In financial services, require to keeping data secure away from traders, brokers, and other individuals who might attempt to use such insider information improperly [13].
- Third, the reason of use outsource that the expectation receive service from clients from internal employees .outsourcing must be chose specific way to guarantee lack of any bad effect on type of goods and services are protected, otherwise that the company will lose it location in market [14].
- Fourth, outsourcing company was sign contract with another company that can cover each service details will be providing anything dos not the contract include it will be the basis for the company to pay additional [5].
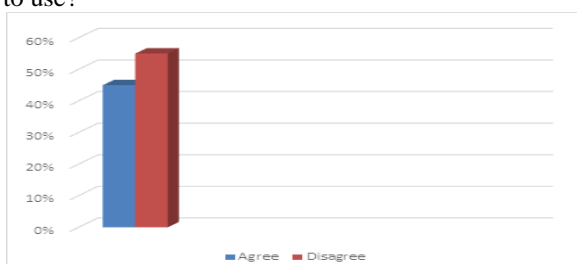
VI. ANALYSIS OF OUTSOURCING

In my questionnaire I but four question and answer choose between agree & disagree, then I distributed this papers for deferent people from college and out said. So I will display my result:
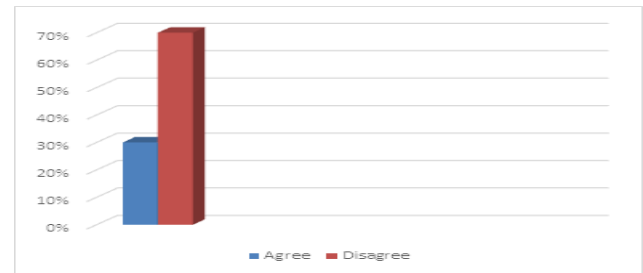
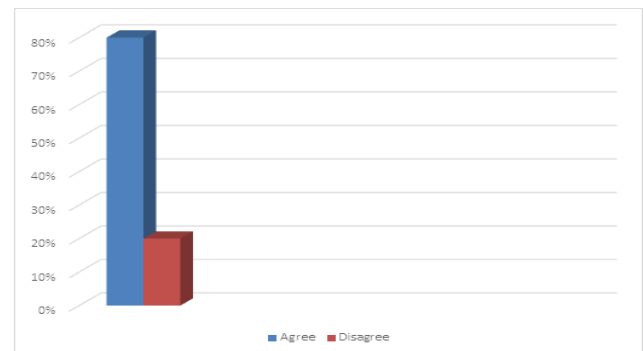1. Did you use outsourcing information technology?
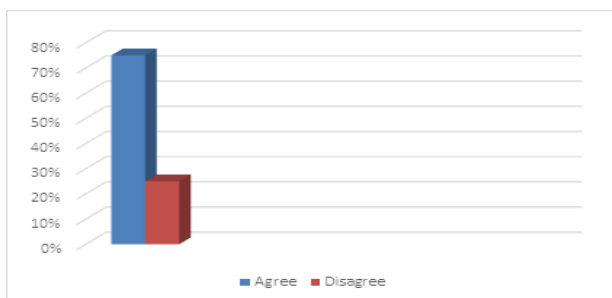
2. Did you think outsourcing information technology is easy to use?

3. Outsourcing information technology is very important for Omani students?

4. Outsourcing information technology can saving your money?

VII.CONCLUTION

In short, the outsourcing help many company to growth, and saving cost in short time also operations of back office for company will be expansion. This expansion of resource may begin (human and financial) at the expense of core activities and outsourcing. These activities allow re-focus on the business activities that are important without sacrificing quality or service in the back office.

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