



Information Systems
ISM 3011

Fall 2003
Unit 4B

**This unit does not contain audio narration.
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Case 1: Offshore Outsourcing
Question 1

- Reason 1:
 - Savings due to lower wages (cost of hiring programmers 1/7)
- Reason 2:
 - Shortage of U.S. programmers
- Reason 3:
 - Work can be done around the clock (-> time-zone differences)

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Case 1: Offshore Outsourcing
Question 2

- Lack of Control
 - Need for strong project management, budget and quality control
- Communications
 - Language, cultural, and social barriers
 - U.S. everyday tasks and requirements must be specified in detail (SSN format,...)

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Case 1: Offshore Outsourcing
Question 3

- Knowledge must be revealed
 - internal procedures etc.
- Possible Project Failure
 - The results cannot be used as planned.
 - Serious Delays
- Loss of Skills

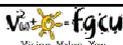
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Case 1: Offshore Outsourcing
Question 4

- Send U.S. Project Management Team to Offshore Site
- Establish Short Feedback Cycles
 - Compile prototype daily

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Case 2: Crystal Flash, ASP
Question 1

- Crystal Flash Can Focus on Its Competitive Advantages.
- Free Human Resources

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**Case 2: Crystal Flash, ASP
Question 2**

- Flexibility
 - Crystal Flash can define its own sales processes.
- Less Paperwork
 - Sales staff saves time
- Real-time Information/Reports

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**Case 2: Crystal Flash, ASP
Question 3**

- Check www.salesnet.com

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**Case 2: Crystal Flash, ASP
Question 4**

- Customer Data, Sales Processes, etc. Contain Extremely Sensitive Information
 - Nobody else should have access
- Sales Processes Tolerate No Outages
 - Internet outages, technical problems, and the risk of bankruptcy are serious dangers.

Summary: Sales Processes Are Not Suited for Outsourcing/ASP
(please feel free to disagree: mhepp@computer.org ☺)

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**Case 3: Microsoft
Question 1**

- Think of lost work, missed deadlines, nightshifts, unsatisfying grades,...

...Always make and keep backup copies of important work,
at least once a day, in the very final stage several times a day.

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**Case 3: Microsoft
Question 2**

- Bug-fixes Can Be Delivered Easily Via The Internet
 - Compare that to product recalls in the automotive industry...
- Market Share Is Extremely Important for Success in the Software Industry

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**Case 3: Microsoft
Question 3**

- Long History of Bugs in MS Software
- Programming Style and Company Culture
- Focus on Innovation and Speed
- Consumer Software: Trade-off between Quality and Price

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**Case 3: Microsoft
Question 4**

- Change Release Procedures
- Modify Software Architecture

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Assignment for Next Class

- Read Chapter 5 (p. 178 - 217)
- Self-Assessment Test (p. 217 - 218)
- Check that you know the key terms listed on p. 218.
- Prepare review questions 1, 2, 5, 8, and 10.

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Thank you!

Any questions? Please send an e-mail to mhepp@computer.org!

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