Information Systems
ISM 3011

Unit 4B

**This unit does not contain audio narration.
Please use the icons to navigate!**

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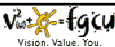

Case 1: Offshore Outsourcing
Question 1

- 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,…)

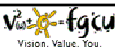Dr. Martin Hepp   3

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
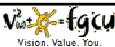- Real-time Information/Reports

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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,

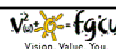at least once a day, in the very final stage several times a day.

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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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Thank you!

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