

Outsourcing

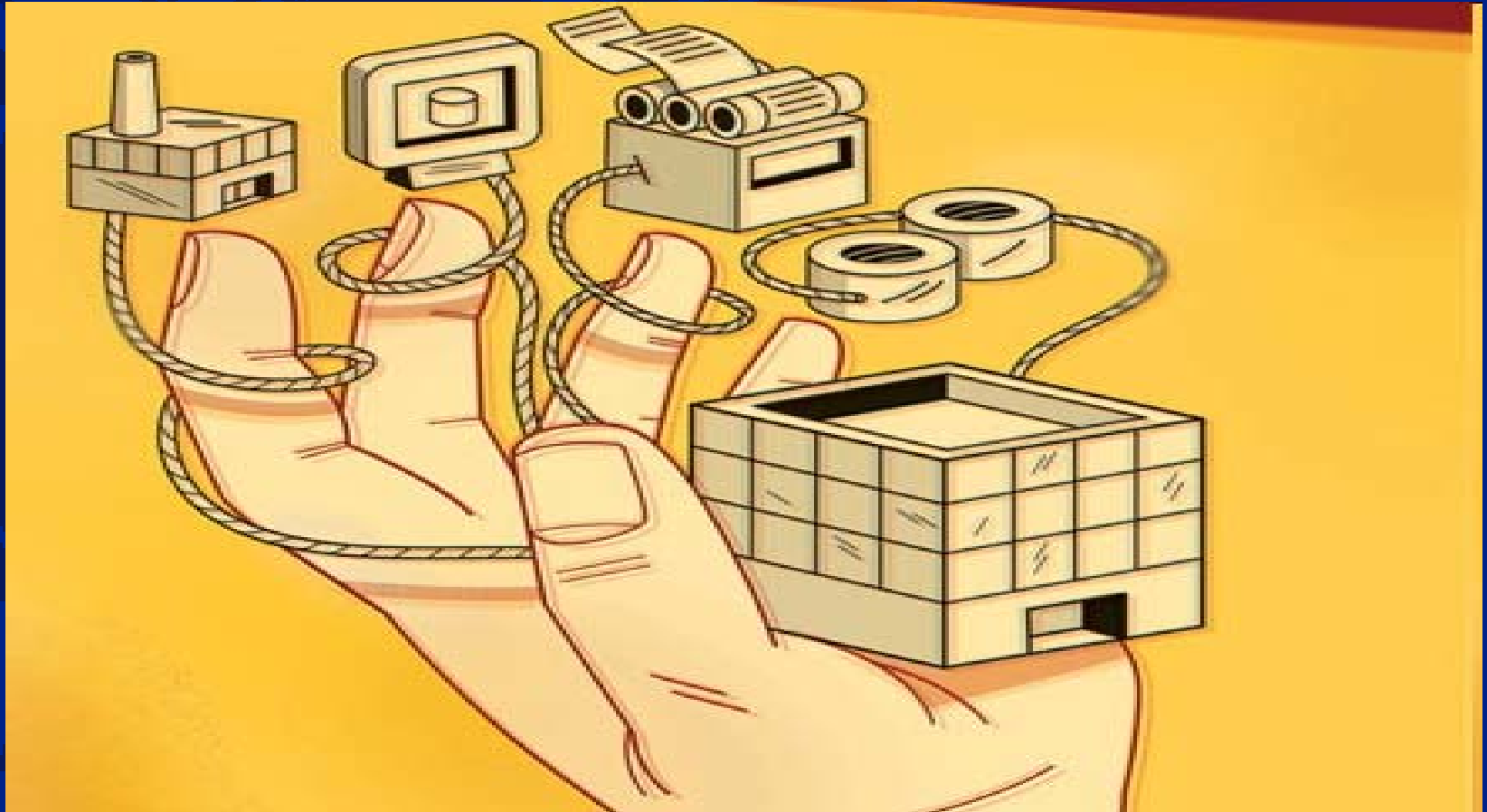


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The sky is falling in

- Accenture/IBM/EDS or similar take over 'your' data centre.
- Your staff are replaced by orderly, foreign, workers, slaving away for pennies in their cubicles
- Market increasing at 7%pa - Gartner
- "Everything you can send down a wire is up for grabs." Nandan Nilekani, the chief executive of the India-based Infosys Technologies

Haven't we all done it?

- Who writes assembler any more?
- Who has bought a software package?
- Who has employed a contractor?
- Who has used open source?
- Who has used JANET?
- Who has used Google?
- Who has an important service managed externally?

Some HE Experience

- **Corporate systems at Durham**
- **E-Procurement Scotl@nd**
- **E-mail with Google or Microsoft**
- **Disaster recovery / Resilience**
- **MIT and open source development done offshore**
- **UoE getting Gaelic folklore input in India**
- **Out of hours help desk**
- **Desktop delivered remotely**

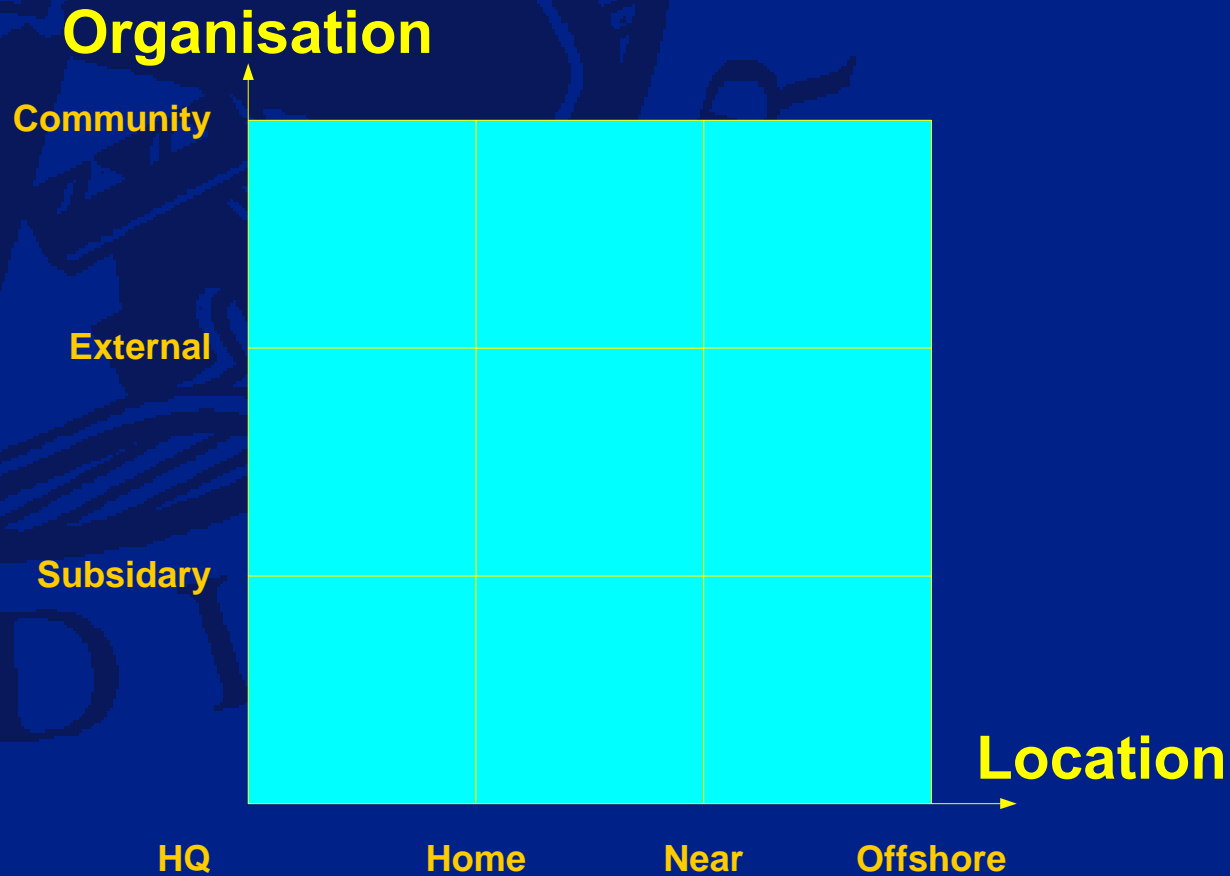
What is outsourcing

- Do you have to have it in-house before you can outsource?
- Can it be specific services or does it mean entire IT capability?
- Is a shared service outsourcing?
- Is 'open source' or community development outsourcing ?
- Is a service that is a business function delivered by the web an outsourced IT function?

So what are we talking about

- Out sourcing
- In sourcing
- Co sourcing
- Crowd sourcing
- Open sourcing
- Off shoring
- Near shoring
- Home shoring/Farm shoring/Tele crofting/Home working
- Cloud computing
- Software as service
- Shared service

Location versus Organisation

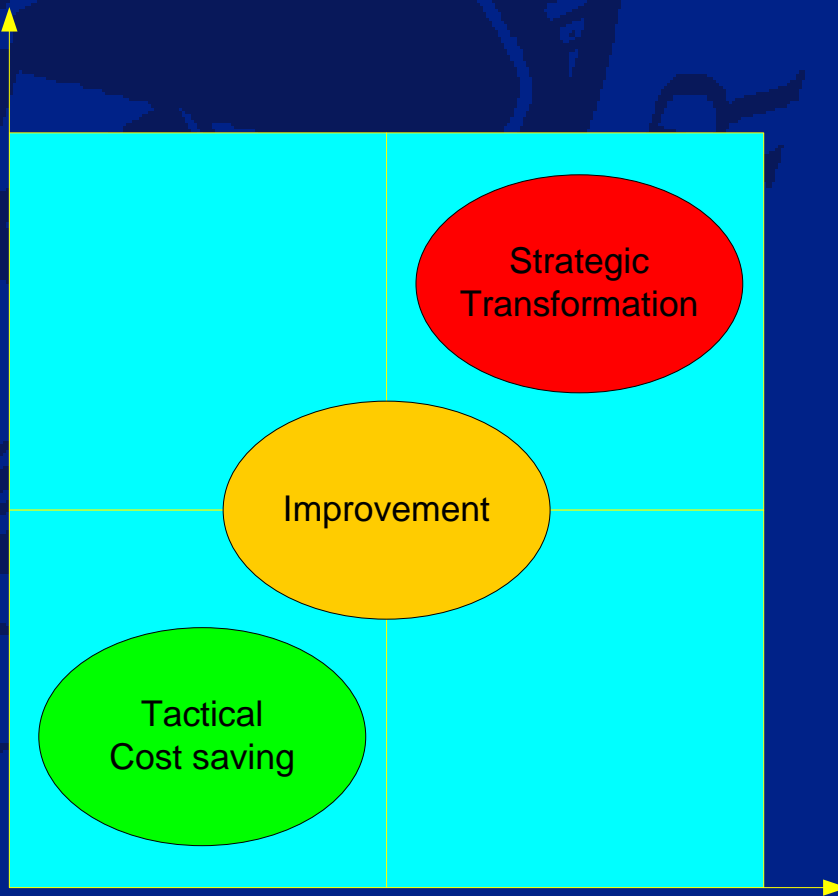


Why Outsource

- **Cost savings**
- **Improve quality**
- **Knowledge or access to intellectual property**
- **Operational expertise**
- **Skills gap**
- **Risk**
- **Catalyst for change**

Tactical or Strategic

Value



Complexity

After Gartner

Opportunity or Threat for IT Department

- **Anyone can do it**
- **What is role of IT department**
 - Leaders
 - Partners
 - Blockers

How well does it work

- Expect suppliers to go extra mile
- Government seduced by cheap up front costs
- Taxpayers money squandered on contracts with hikes in prices – ‘Nick Hughes at Compass’
- £millions saved on contracts
- Needs work to make it work

Right Reasons



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Choose Carefully



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People

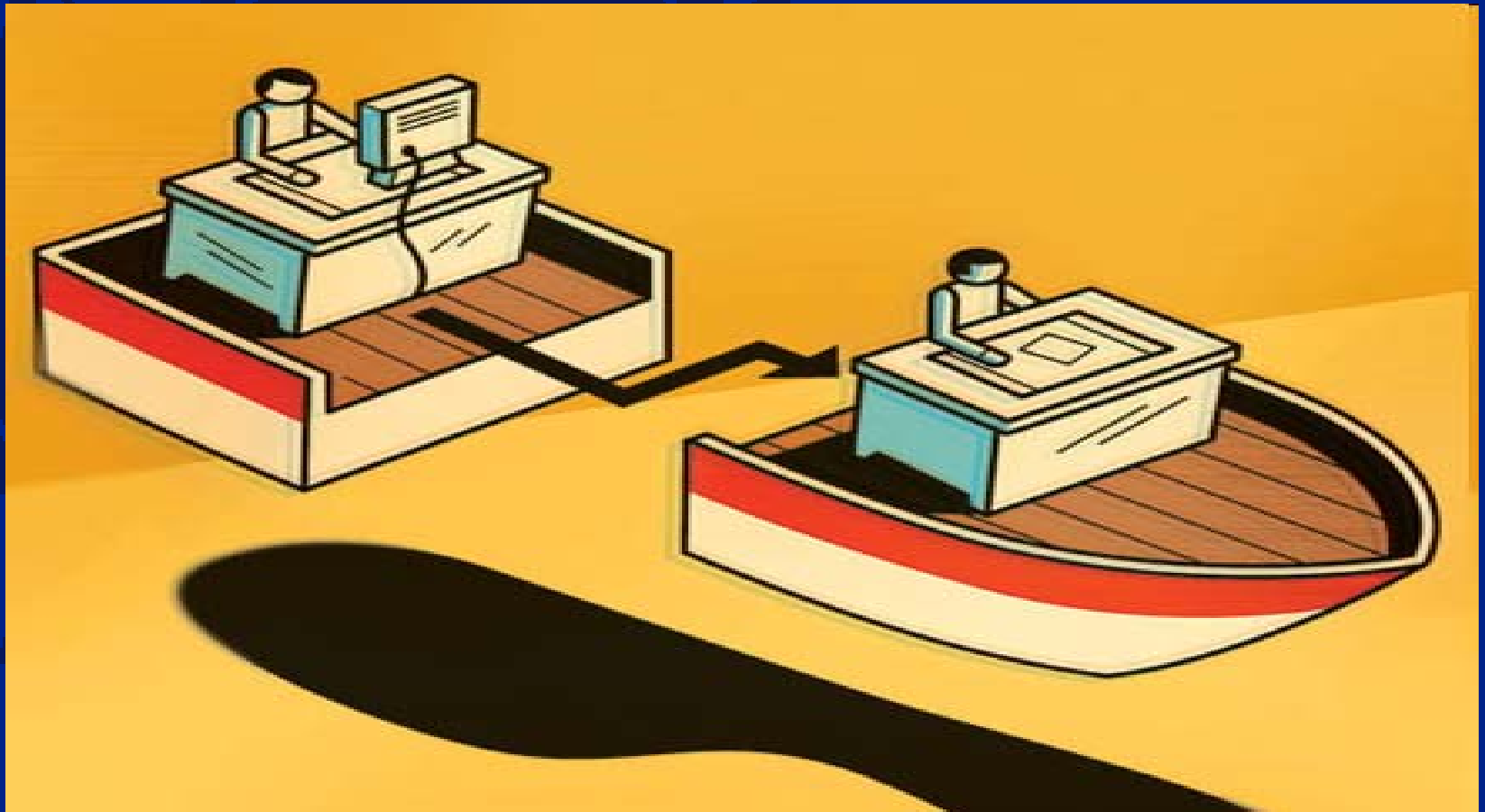


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Invest

GH



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Partner

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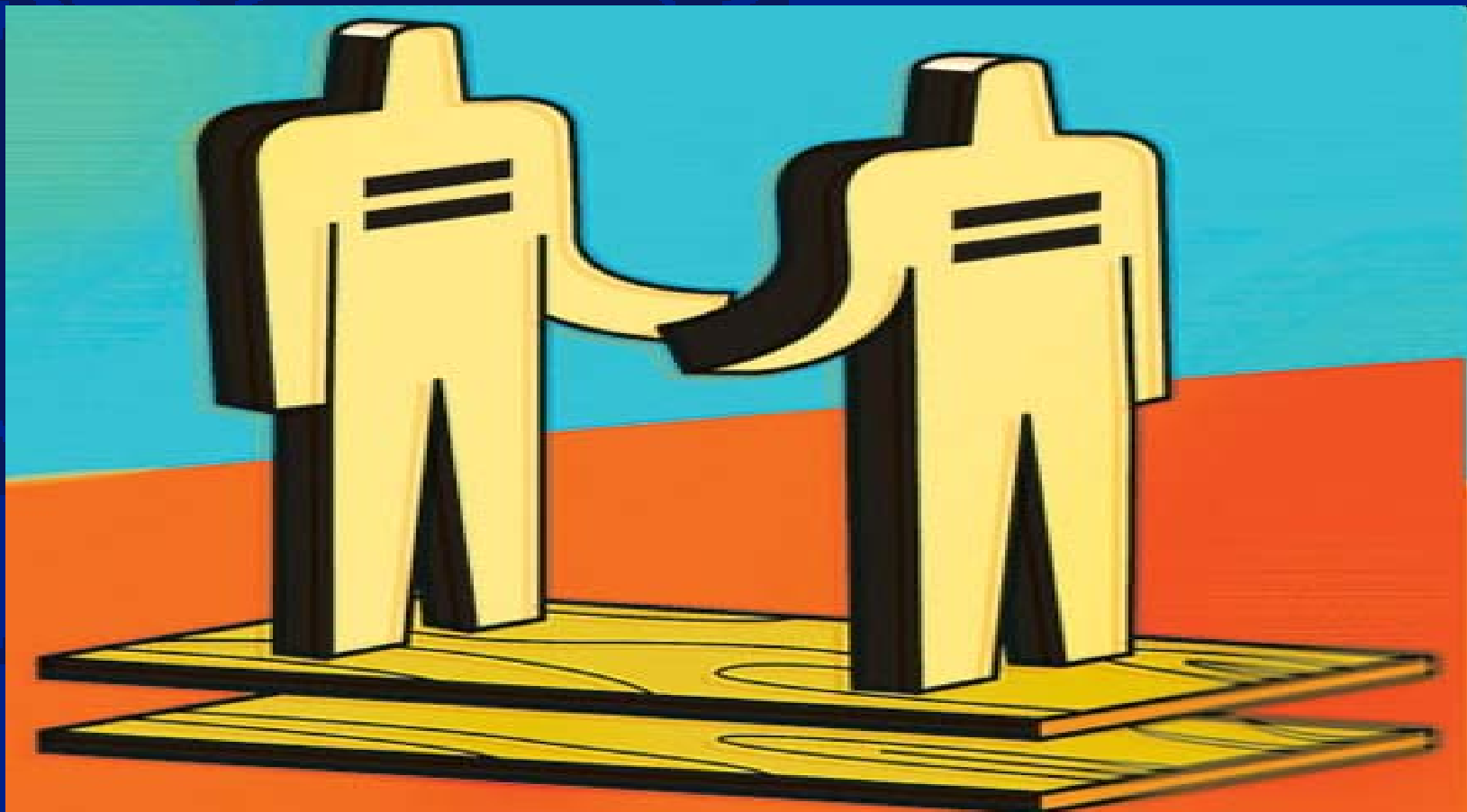


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Balance

- 
- Choose the right blend of services for you
 - Beware of ‘creeping tactical’
 - Consider the skills you need to manage
 - Exit strategy