

Project management essay sample

[Engineering](#), [Project Management](#)



This is a three part assignment. Be sure to complete all three parts. Part 1: Search the internet for the term “ IT outsourcing”. Find at least two articles that discuss outsourcing, whether beneficial or controversial. Summarize the articles and answer the following questions in a two to three page paper:

- What are the main types of good and services being outsourced?
- Why are the organizations in the articles choosing to outsource?
- Have the organizations in your articles benefited from outsourcing? Why or why not?

Help desk and desktop support, call center operations, data center, Web/e-commerce systems and application development, testing, and production support are some of the major services that are being outsourced.

Organizations in the article and generally outsource for the following reasons

Reduce and control operating costs: When companies outsource, they can eliminate the costs associated with hiring a fulltime employee, such as management oversight, training, health insurance, employment taxes, retirement plans etc. **Gain access to exceptional capabilities:** by outsourcing to a firm that specializes in the areas the based on the project needs, instead of relying on only one company can benefit from the collective experience of a team of IT professionals.

Outsourced IT companies usually require their IT staff to have proper industry training and certifications as well. Resources are not available internally: On the flip side, maybe when companies don't have anyone in the company to manage the IT needs, instead of hiring a new employee just for specific project outsourcing can be a feasible alternative, both for the interim and for the long-term. **Function difficult to manage or out of control:** This is definitely a scenario when outsourcing to experts can make a big difference.

But still involvement is needed even after the outsourcing to gain control of the project. Free internal resources for other purposes: Outsourcing allows companies to retain employees for their highest and best use, rather than wasting their time on things that may take them longer than someone who is trained in these specific areas.

Make capital funds available: By outsourcing non-core business functions, company can spend capital funds on items that are directly related to the product or customers Reduce Risk: Keeping up with technology required to run the business is expensive and time consuming. Because professional outsourced IT providers work with multiple clients and need to keep up on industry best practices, they typically know what is right and what is not. This kind of knowledge and experience dramatically reduces the risk of implementing a costly wrong decision. According to survey results from the Outsourcing World Summit, a trade show, only 3% of companies outsource to achieve innovation. An equal percentage outsources to conserve capital for other investments or to improve product quality. About 4% believe outsourcing will increase revenues. About 9% outsource to obtain skills they can't find or can't afford. Some 12% of firms outsource to obtain the benefits of a variable cost structure.

Another 17% say outsourcing helps them improve their organization's focus and fully 49%, or almost half, say cost reduction is the primary benefit.

Technology firms such as Dell, Cisco and Intel already have turned outsourcing from a supply chain mechanism into an innovation chain, delivering not new hardware, but new ways of doing business. Part 2:

Suppose your company is trying to decide whether it should buy special equipment to prepare some high quality publications itself or lease the equipment from another company. Suppose leasing the equipment costs \$240 per day. If you decide to purchase the equipment, the initial investment is \$6,800, and operations will cost \$70 per day. After how many days will the lease cost be the same as the purchase cost for the equipment? Assume your company would only use this equipment for 30 days. Should your company buy the equipment or lease it? Let's assume, D , is the number of days you need a piece of equipment. Given, Leasing the equipment costs \$240 per day

so, the Leasing Cost = $\$240D$

The initial investment to purchase the equipment is \$6,800, and operations will cost \$70 per day. So, the Purchase cost = $\$70D + \6800

The equation would be then

Leasing cost = Purchase cost

$$\$240D = \$6800 + \$70D$$

subtracting $\$70D$ from both side

$$\$170D = \$6800$$

Dividing both side by $\$170$,

$$D = 40$$

Hence, after 40 days the lease cost will be the same as the purchase cost.

If the company would only use this equipment for 30 days,

Then,

Leasing cost = $\$240 \times 30 = \$ 7200$

And, Purchase cost = $\$6800 + \$70 \times 30 = \$ 8900$

As we can see, the leasing cost is lower than the purchase cost in the day 30th. Hence it is recommended that the company should lease the equipment. Part 3: Draft the source selection criteria that you might use for evaluating proposals for providing laptops for all students, faculty, and staff at your college or university or all business professionals in your organization. Use figure 12-5 as a guide. Include at least five criteria, and make the total weights add up to 100. Write a two to three page paper explaining and justifying the criteria you chose and their weights. A sourcing strategy sets out the proposal for how company will go about procuring goods or services that meet a defined need for the organization. It is a road map for how organization intends to go to market in a way that is different to that used currently. The result should be a change that delivers value to your organization. This means that the sourcing proposal is also a tool to sell the ideas to the rest of the organization and so needs to be constructed carefully. There are five key elements to an effective sourcing proposal. 1. Assess how your organization currently buys the items

2. Assess the supply market.

3. Analyze prices and costs.

4. Armed with the information on what organization currently buys, the price should pay based on cost analysis and an understanding of the supply

market.

5. The final element is to go to market with tender and possible negotiations around the product range, prices and service levels. Proposals will be evaluated on many criteria deemed to be in the University's best interests, including, but not limited to:

- a) Outright purchase price for Laptops and any other hardware configurations detailed on the proposal form (pricing sheets) for one-year of estimated quantities;
- b) Ability to meet delivery times, the quality and stability of components, model selection that meets the requirements (laptop, netbook, tablet, etc.);
- c) Bidder's ability to provide additional services/support (help desk, asset recovery programs, maintenance (3 and 4-year warranties), Customer Satisfaction—list of services (both depth and breadth of services) with references and proposed implementation plan/value add effort proposed by the vendor; d) Vendor's trade-in program.
- e) Financial stability of company – strength and reputation of company, i. e. financials / breadth of product line / market position;
- f) Ease of procuring items from company including
- g) Financial Incentives for: prompt pay discount; rebates; discounts for electronic ordering; discounts for electronic invoicing, etc.