Transnational it operations paper

Transnational IT Operations PaperInternational businesses have many benefits, in various areas, of information technology (IT) within the organization??™s operations. In the business operations, IT can offer these organizations higher productivity and efficiencies, and lower operational costs. Organizations with IT can strengthen their business environment giving them the competitive advantage the company needs. IT can help these businesses, whether they are international or in the U. S., meet the demands of the consumer by responding faster to system problems and opportunities that surround the environment (Raisinghani, 2010).

Businesses that respond quickly to system problems reduce the risk of losing consumer sales, while at the same time optimizing operational efficiencies. However, a transnational IT operation has its advantages, disadvantages, and issues. AdvantagesAs more and more businesses move some of their IT operations overseas, the initial intention was to avoid incurring additional costs or cut costs altogether. These businesses are repositioning their more routine tasks, like IT help desk or call centers. Businesses look at outsourcing as a tool for building a competitive advantage, while other organizations view it as a cost saving strategy.

Organizations are using outsourcing strategies to improve technical response time and minimize the initial investment for retaining permanent staff (Higgs, 2010). DisadvantagesThere are some disadvantages when outsourcing IT functions internationally. When businesses move some or all of their IT operations overseas, they are taking the chance of experiencing some cultural issues between the U. S. consumer and the international call center agent. The U.

S. consumers are turned off, not by the service they receive, but the foreign voice on the other end of the line (Higgs, 2010). The international agent could deliver quality expertise, but their heavy accent makes it difficult for the U. S. consumer to interpret. These international agents will need to be skillful and knowledgeable if they are going to deliver quality customer service.

Transfer of workBusinesses use some type of outsourcing strategy, whether it is hiring an outside consult to do some internal work, or hiring an agency to process their payroll, either way it is a transfer of work. When companies outsource IT tasks, they are transferring data. This happens when the business outsources their call centers that handle application development and support (Higgs, 2010). Quality and control issues Outsourcing is becoming more and more common, and the purpose for using this strategy is to achieve the most favorable results for the services that are outsourced.

Even though these tasks are outsourced, businesses will still need an IT staff with relevant proficiencies and knowledge internally (Higgs, 2010). These employees will help the offshore team maintain quality and control with the IT operations. Businesses that outsource their call centers often retain managerial staff in the main office facility for controlling any issues that may arise. Businesses that outsource need to have managerial ranks in-house. Global Networking and Service LevelsIn most cases, businesses that outsource networking and service levels are finding that network capabilities in the U.

S. are not the same around the world. Businesses are still in the development phases trying to modify these differences so that based support IT structures can co-exist culturally world-wide.

Transnational IT operations needs to evaluate the effects it might have on the infrastructure and improve these means within their capability development (Higgs, 2010). Cultural diversityCultural diversity suggests that today??™s technology opens up new ventures all around the world and that it helps businesses learn and share information about each others culture. By embracing the mixture of these cultures it encourages diversity and enables businesses to overcome cross-cultural differences and language barriers (Higgs, 2010). Transnational companies that facilitate IT globally are developing ways to ensure the business operations continue to hold value when these IT tasks are outsourced. In other words, businesses that outsource IT functions internationally are increasing network availability and building a diverse culture between the business and the emerging market (Raisinghani, 2010). ConclusionA transnational IT operation has it benefits, like higher productivity and efficiencies, and lower costs.

However, global markets introduce advantages and disadvantages of having a transnational operation through its transfer of work, quality and control issues, global networking and service levels, and most importantly, cultural diversity. Businesses repositioning more routine tasks are taking risks towards cultural issues between the U. S. consumer and the international emerging markets. Businesses that outsource are transferring data, and will still need an IT team internally to help maintain quality and control issues.

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