

Management information system essay

[Business](#), [Management](#)



Outsourcing is defined as contracting with the third party provider for the management and completion for the certain amount of work for certain length of time, cost and level of service. Global Outsourcing: major, non-core functions to specialized and efficient service providers. Global outsourcing represents a significant shift in the way organizations manage and staff their business support activities. Global outsourcing is enabling business without barriers in a borderless world.

As enterprises think global, their outsourcing models have changed to follow suit. Outsourcing is no longer just a short term quick-fix to achieve cost reduction. Global outsourcing uses a blend of onsite, offshore and near shore outsourcing solutions to achieve strategic business objectives for the outsourcing company. Today, there are job titles like "Chief Globalization Officer" and "Strategic Services Manager" - which just goes to show that organizations are taking seriously the impact of global outsourcing on the revenue growth and business value of their companies.

As customers get more demanding, competition gets more intense and product life-cycles shrink, there is increasing pressure on operating margins. The complexity of global cross-border business management presents new challenges as companies try harder to stay agile, profitable and innovative. Business processes need to be flexible and adaptable to enable people to respond faster to changing business needs. Services outsourcing must be aligned to business goals, rather than be seen as just a tool for enhancing operational efficiencies.

Global outsourcing takes a long-term holistic view of the client enterprise and aligns its business goals to the outsourced service offerings, in contrast to tactical short-term contracts that take a piecemeal project-by-project or simple "out-tasking" approach to outsourcing. Global outsourcing mitigates risks for the customer as it is not country-specific or geography-dependent and allows more freedom and flexibility in decision-making and operations during the outsourcing process. It allows businesses to learn, adapt, grow and evolve while ensuring predictability in quality and delivery in their business processes.

Difference between global outsourcing and simple outsourcing Simple outsourcing is closely associated with reducing operation costs through labor arbitrage. In order to make resource savings, enterprises contract out labor intensive UT well defined IT process to companies located in low cost countries. Often members of supplier's staff are temporarily assigned to client's site in order to facilitate to a faster transfer of activities to be outsourced. In contrast global outsourcing is more about flexibility and efficiency.

The selective application of resources, to specific projects offshore is inherent in this type of outsourcing whereas specific skills and expertise are relocated taking into account labor costs , degrees of risk which certain global locations create, flexibility and the utilization of the best in class capability. Thus companies can undertake complex IT initiatives involving package configuration and integration of large scale systems projects while

maintaining reasonable operation costs through the adoption of an offshore workforce.

Simple offshore outsourcing has an impact on local employment while global outsourcing has an impact on employment globally. Advantages of Global outsourcing: which farmed out many low-end business processes. Since then, Global outsourcing has become more of a norm than an option. Apart from the cost savings, outsourcing is seen as a strategic move that can allow businesses to gain a competitive advantage. It certainly has opened up opportunities for organizations to utilize skill sets and expertise that they normally would not be able to access without large investments.

It has also become a savior to startups and small businesses which have to work with modest capital. At the lower end of the spectrum, outsourcing back-end jobs such as data entry/ processing, customer support, payroll processing etc. have helped organizations save a staggering amount of money. Now, there are service providers across the globe who specialize in simple back-office services to high-end services like manufacturing design and legal outsourcing, to name a few.

Skilled expertise Finding skilled resources is one of the biggest challenges faced by companies today, not to mention the investment required to train employees and the attendant infrastructure required, which can rapidly drain funds. Outsourcing frees companies from these hassles by providing access to skilled resources at lower costs, with the additional benefit of not having the burden of managing them directly. Time zone difference Because of the

time zone difference between Asian countries and the West, you can get your work done while your business closes down in the evening.

This is specially beneficial for companies in the service industry that need to provide round-the-clock customer support. Save on infrastructure and technology Outsourcing eliminates the need for investment in infrastructure as the outsourcing partner takes the responsibility of the business processes and hence develops infrastructure for the same. Access to skilled resources You no longer need to invest in recruiting and training expensive resources for your business. Providers like Flat world Solutions take care of the resounding needs with their pool of highly skilled resources.

The resources employed by Flat world Solutions are well educated in the respective business areas and are experienced in handling the business needs of companies that want to outsource. Further, Flat world Solutions employs world class business practices perfected over the years by catering to customers around the globe. Get access to the expertise and capabilities of Flat world Solutions. As a company grows, administrative functions also grow. Managing back-office operations and administrative functions takes the time and energy out of any organization.

Global Outsourcing frees companies from having to manage non-core functions, and puts the focus back on their core competencies.

Entrepreneurs and enterprises alike have benefited from outsourcing repetitive and mundane tasks, and have had more time and opportunity to grow their business. Increased productivity and efficiency Outsourcing not only brings cost advantages but can also improve the efficiency of business

operations. If your business goals are properly aligned with the deliverables in outsourcing, productivity and efficiency are bound to increase.

Outsourcing providers with the right expertise and experience can actually help streamline business processes and contribute to the bottom-line.

Distribution of risk When certain functions are globally outsourced, companies also distribute or do away with the risks associated with running that particular function. For instance, if payroll management is eating up your operational time and money, outsourcing it to a payroll services provider gives you the freedom to focus your concentration on other core activities of the business.

Improving customer services Customer service is paramount to any organization. Through global outsourcing you can service your customers faster, provide better quality and decrease turnaround time. **Better people management** Since global outsourcing takes care of the skills necessary to run a particular business process, your business is much more flexible in investing in key resources. Instead of worrying about hiring people for your back office operations, you can focus on getting resources to grow your core competencies.

The Disadvantages of Global Outsourcing: Risk of exposing confidential data: When an organization outsource HR, Payroll and Recruitment services, it involves a risk if exposing confidential company information partner for outsourcing, some of the common problem areas include stretched livery time frames, sub-standard quality output and inappropriate categorization of

responsibilities. At times it is easier to regulate these factors inside an organization rather than with an outsourced partner.

Hidden costs: Although outsourcing most of the times is cost-effective at times the hidden costs involved in signing a contract while signing a contract across international boundaries may pose a serious threat. **Lack of customer focus:** An outsourced vendor may be catering to the expertise-needs of multiple organizations at a time. In such situations vendors may lack complete focus on your organization's tasks. Although there are several reasons in favor of outsourcing, a company must also consider the disadvantages of outsourcing.

There are risks that need to be analyzed whenever a company embarks on a new business venture. Even though outsourcing is often the right solution for companies, one should not outsource simply for the sake of outsourcing. Several benefits and value addition have to be realized in order for companies justify outsourcing. It is a hot trend nowadays and seems an attractive option for many, but if the risks are not considered in detail, the disadvantages of outsourcing may dominate the advantages. Lately however, the concept of outsourcing has been criticized.

The negative attitudes toward offshore outsourcing have been mostly discussed by parties in the US and I-J, due to job losses in the mentioned countries. Some people in countries like the US, feel that outsourcing is threat to their economy. Outsourcing jobs to offshore destinations, is causing unemployment in the minds of some people. It cannot be denied that the immediate effects of outsourcing such as lay-offs as well as the shifting of

production and Jobs to foreign locations causes problems many employees. Both high and low-end Jobs are moving out of the US causing people to lose Jobs.