

Big data and outsourcing it companies



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However, each company must assess their unique situation and environment to determine if IT outsourcing is the method going forward. There can be immense fiscal and operational benefits, but also significant risks. Factors for Outsourcing The most obvious factor in whether or not to outsource is cost. Companies are driven by profits. If the cost of outsourcing diminishes the Return on Investment (ROI) then it is unlikely executive management would consider the option. However, in today's environment companies like Amazon are able to achieve vast efficiencies by consolidating massive resources into a global

Infrastructure as a Service (IaaS) capability. Services like AWS can establish thousands of virtual servers within an hour. All within Amazon's mature, secure, and stable environment Another factor for outsourcing is, in by doing so, allowing a company to focus on its core competency and not be burdened by IT requirements. Additionally, companies like AWS provide robust, scalable, and leading edge capabilities that would be, for most, excessively burdensome to plan, implement, maintain, and operate. However, though AWS can deliver organizational requirements to the majority of potential customers, some are more feasible than others.

Big data companies which have massive analytics requirements need customized server configurations to attain deliverable efficiencies. Though Amazon and others have made strides in accomplishing just that, they cannot compete with a costly in-house implementation. Risks in Outsourcing Companies like Amazon have changed the thinking paradigm of risks associated with outsourcing IT. Not even 5-10 years ago companies were concerned with risks such as quality of services, reliability, and excessive

dependency. Today the environment differs significantly. Companies sign up with Amazon in search of reliability.

Quality of service is impeccable and Amazon institutes a fee for service marketing platform so companies only pay for what they use. However, there are other risks that cannot be overlooked. One of these key risks is security. Though Amazon likely has a healthy security posture, due to their immense success, has also become a key hacker target. Storing all company data to an external vendor must make management a little uneasy. Corporate intellectual property and the trust of a company's customers can be shaken by one significant breach. Is it worth the risk?

Outsourcing Costs Services like Amazon have made it increasingly attractive to consider outsourcing with their fee for service model. In a server brutalized environment CHIP cores, memory, and storage is shared. SAWS only charges customers for what they use. In the contrary, in an in-house solution, the costs don't stop when operations do. There are reoccurring costs associated with power, facilities, support contracts, etc. All these costs vanish when utilizing an alas capability such as SAWS. Not to mention a reduction in staff as robust IT staff will no longer be required if there is minimal infrastructure to support.

Implications of Outsourcing IT If the decision is made to outsource IT, it would alter the face of the organization business structure as whole groups may be removed. Internal IT operations impact almost every facet of an organization. Finance and HR need to support the additional IT staff and IT operational costs. Fewer individuals typically reduce liability risks associated

with general operations. Security needs to be enforced in data centers and other highly sensitive IT infrastructure areas. The need for a CIO and/or COT would be somewhat reduced.

Lastly, the need for an IT tier 3 and above staff could be potentially completely eliminated. Outsourcing IT would create a lean organization focused on its core competencies and more likely to attain that elusive competitive advantage in its marketplace. Outsourcing IT is here and it's here to stay. Companies will find it more and more difficult to be competitive in a market where your competitors are not burdened by IT requirements. Cost, efficiencies, and strategic vision are several of the many factors to consider with IT outsourcing.