Chapter 8 Review Questions

1. **What has been the main shift in the operations viewpoint?**

Before attention was focused on ensuring that they had the in-house expertise to keep systems and networks up and running; but now attention is toward determining where best to perform the various kinds of operation, in house or with a third party

1. **What are three solutions to operations problems?**

* To buy more equipment: Might appear the most cost effective, unless you run out of room for the equipment
* To regulate the workload by rearranging priorities: Allow mission-critical activities to get executed first, this solution only moves the problem from one hot spot to another
* To continually document and measure what you’re doing: do this to find out the real problems, then redesign business processes set standards and benchmarks for operations

1. **How did Microsoft manage its special OEM Webcast?**

They managed it by using Akamai, a company that specializes in providing e-business infrastructure, their global distributed system has no central control, and that makes it a network fail-safe.

1. **How thoroughly are CIOs expected to investigate outsourcing?**

They are expected to investigate outsourcing sufficiently to satisfy executive management that there is operations are as efficient and effective in-house as they would be if they were outsourced, if not then they should outsource what they don’t do well

1. **What are the driving forces of outsourcing according to Bergstein?**

They are focus and value, companies focus on core business by asking themselves: “Where do we really add value?”

1. **What are IT outsourcing, transition outsourcing, best-of-breed outsourcing, shared services, business process outsourcing, and e-business outsourcing?**

* IT Outsourcing: Outsourcing all of a company’s data center operations
* Transitional Outsourcing: Project-based outsourcing, temporary throughout the duration of the project
* Best-of-Breed Outsourcing: Selective outsourcing, one outsourcer for each operation
* Shared Services: Pulling disparate noncore functions together into one shared service group, shared services groups became adept to negotiating and managing contracts and supplier relationships
* Business Process Outsourcing: Outsourcing all or most of a reengineered process that has a large IT component
* E-Business Outsourcing: Interned based, Outsourcing starts from scratch, all is provided by the outsourcer with a monthly fee

1. **What management elements has Kodak put in place to manage its outsourcing relationships?**

* Management Board: it meets twice a year and it focuses on strategic issues to achieve mutual success
* Advisory Council: it meets monthly, handles technical and operational issues by focusing on what Kodak wants
* Supplier and Alliance Management Group: manages the longer-term outsourcing relationship as well as other contract with large IT suppliers
* Relationship Manager: This manager is the focal point between the company and its ESP
* Working Groups: They work on facilitate changes in processes, promulgate standards, achieve business recovery in case of disruption, and promote effective use of IS services
* Client Surveys: They are sent twice a year to nearly 5,000 internal users of the services. Feedback on quality, cycle time, and product and service leadership are assessed and shared with the ESPs.

1. **What is supplier development?**

It’s buying parts and services that go into one’s own products and services.

1. **What are five ways to reduce miscommunications in negotiating an offshore outsourcing contract?**

* Avoid colloquialism because these statements do not bridge cultures
* Simplify communications by using short, concise sentences with common words, rather than the typical legal practice of lengthy, convoluted sentences and paragraphs
* Have the offshore provider write a “statement of work”, to gauge their understanding of what they think they are being asked to do
* Get all commitments in writing
* Include a person on the client negotiating team who knows the offshore country culture so that he or she can explain the country’s norms to the client team as issues arise and prevent the offshorer’s team from holding side discussions in their own language at the bargaining table