UNIVERSITY OF PARDUBICE
FACULTY OF ECONOMICS AND ADMINISTRATION

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Three Decades of Challenges, Reforms, and Uncertain Results

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OUTSOURCING SOLUTIONS AND IT OUTSOURCING STRUCTURE IN THE PUBLIC SECTOR

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The design of this study is based a comparative research approach with use a statistical data, and experts' reviews that are in the public domain, research results, and IT outsourcing experience in some countries and companies to identify IT outsourcing trends and management strategies related to public sector research and practice.

Outsourcing as an Effective Strategic Tool

OUTSOURCING

IT OUTSOURCING

Outsourcing as a business model

Reducing the costs for performing non-core functions

Zero infrastructure cost

Increasing the efficiency of the organization

Easier search of the needed tech stock

Opportunity to delegate project management

Providing a wide range of IT services

Provides flexible staffing arrangement

Scalability

Variety of engagement models

Improved core competencies

Helps to gain customer satisfaction

Outsourcing ITO functions is a option for the digital transformation of organization

Offers better the risk management

IT Outsourcing in Government - Three Big Research Fields

Information Systems

IS

Management

M

IT
Outsourcing

PA

Public Administration
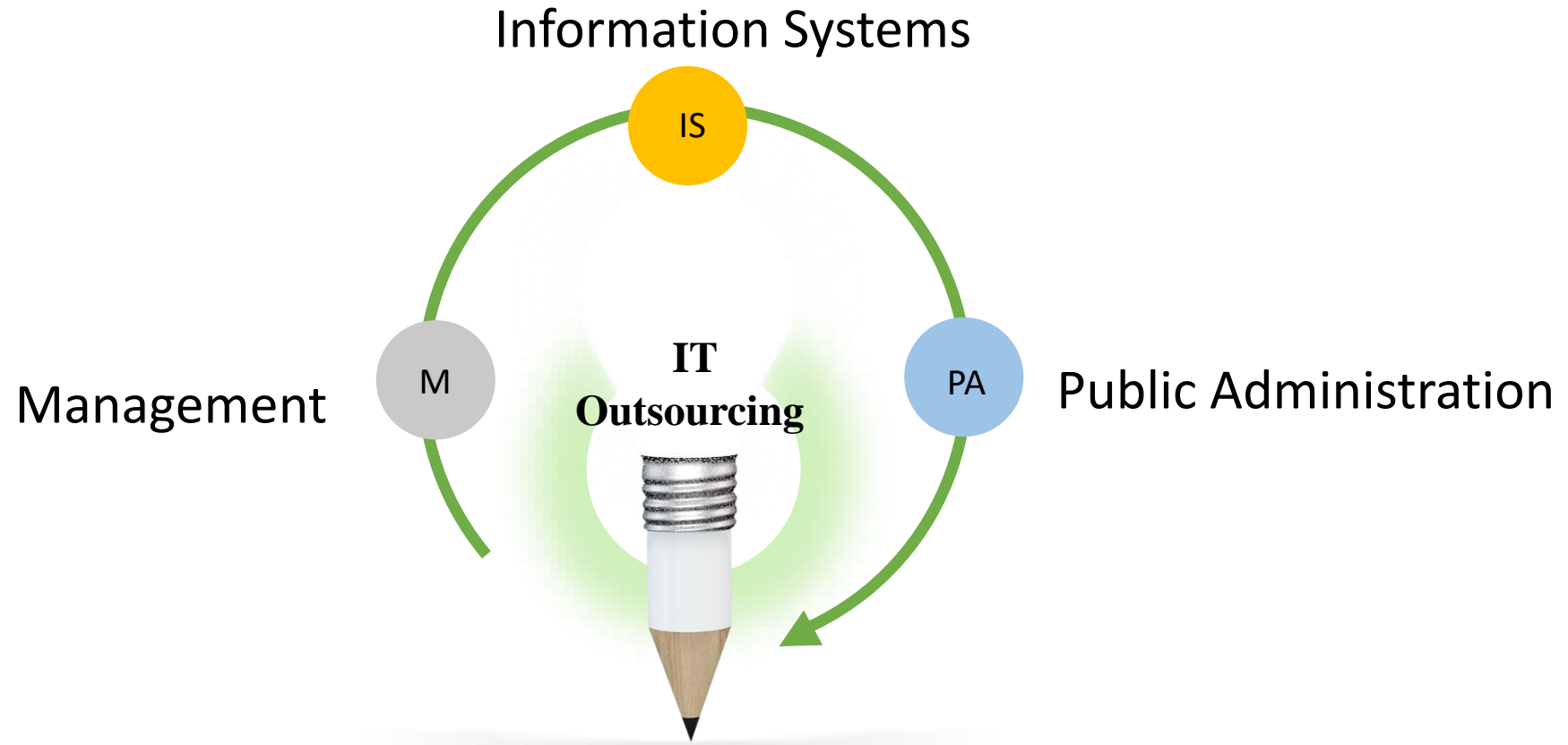
Efficiency, Economy & Decrease of Management Risks

(Created using a source: Vilvovsky, 2008; Gatman, 2011)

Structure of Outsourcing Solutions in the Public Sector

Outsourcing Solutions

in the Public Sector

Infrastructure

Resources
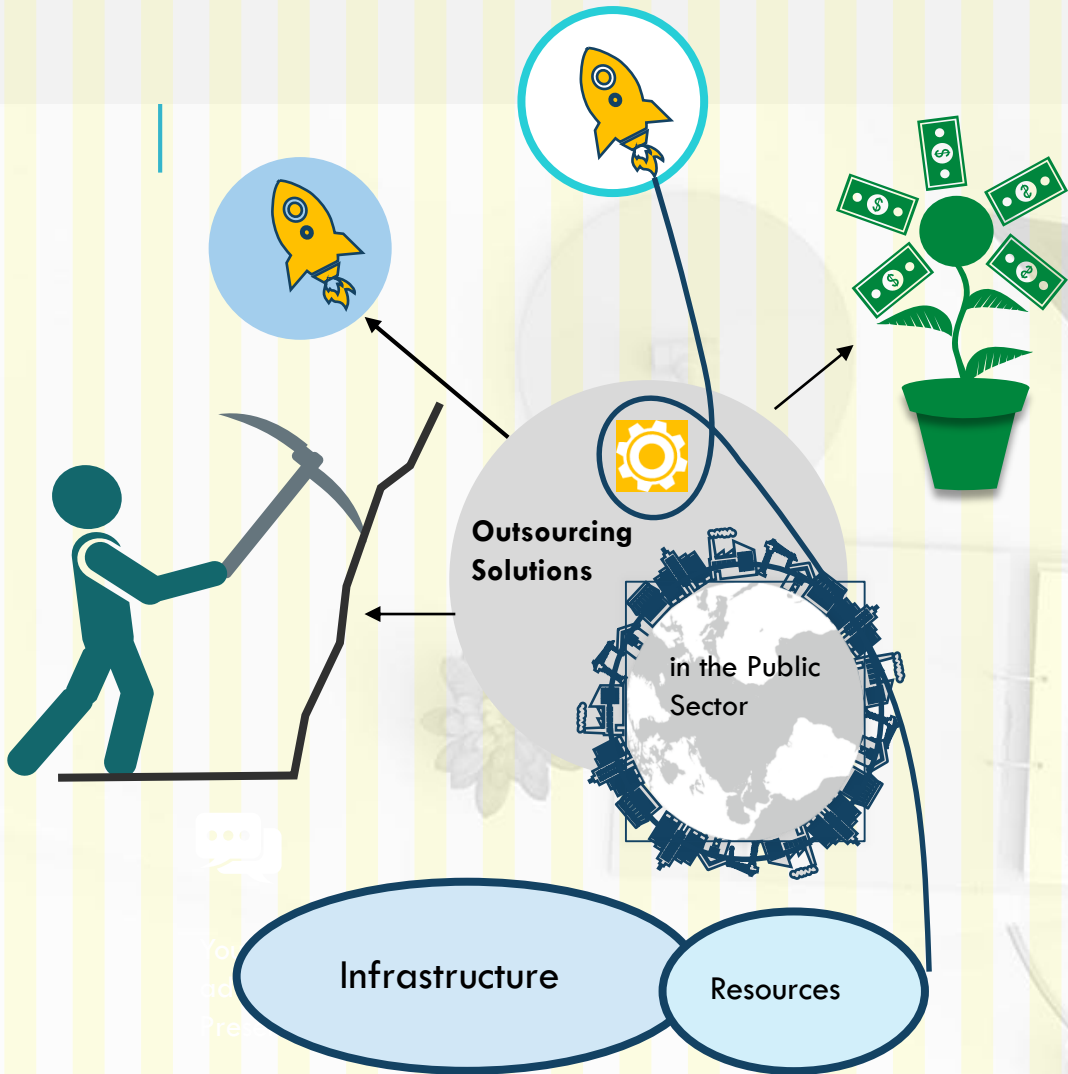
There are two main areas of outsourcing usage in public authorities: improving the quality of functions and reducing the costs of performing functions

1

The functions performance enhancement- uses outsourcing as a tool to achieve strategic goals, influenced by budget constraints.

2

Cost-cutting and productivity growth - focus on technology infrastructure and outsourcing business applications as a means of reducing costs.

Outsourcing Solutions in the Public Sector

I. Government Function Outsourcing (GFO)
At the top of this pyramid are the functions of the authorities and their subordinate organizations, which cannot perform them effectively.

Represents all possible types of interaction between the state and external suppliers in the implementation of the functions of public authorities

II. Government Process Outsourcing (GPO)
The subject of this outsourcing may be part of function, and set of administrative processes that performed during the implementation of this function and closely linked to the exercise of state authority.
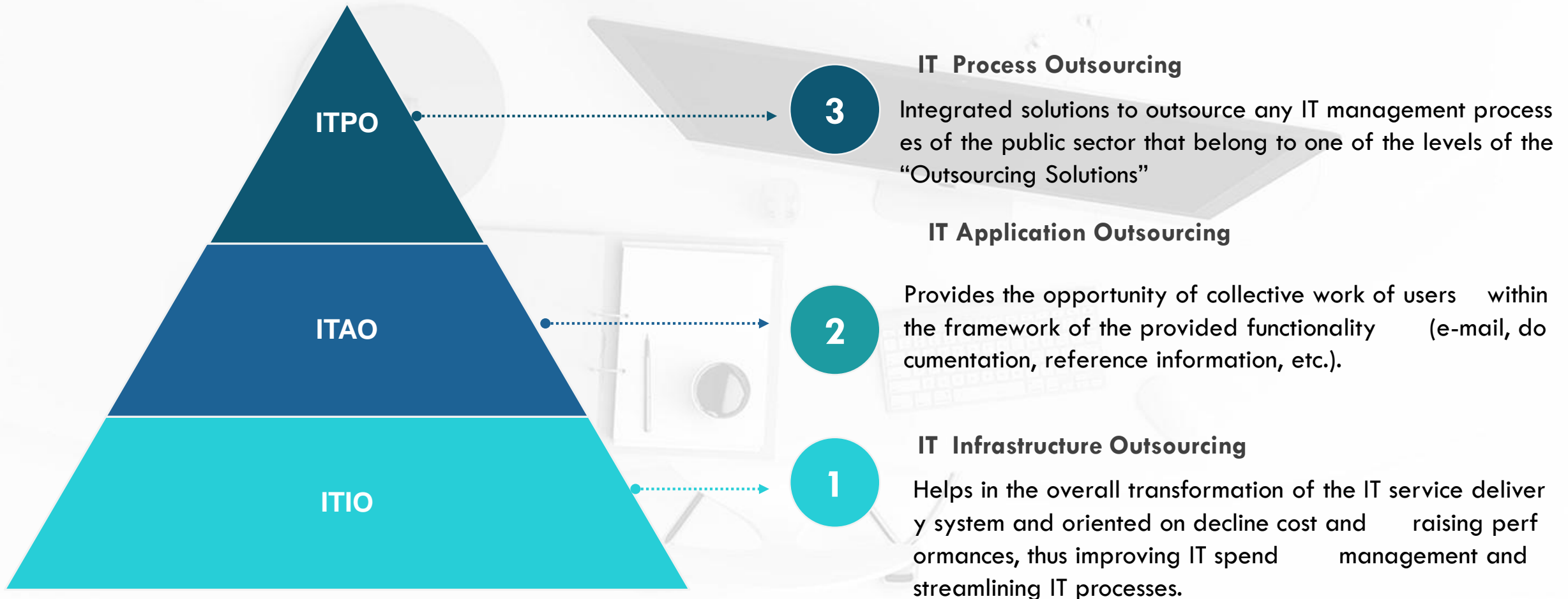
III. Outsourcing of resources (OR)
Has been use in the world for a very long time and widely. Most often, authorities outsourced human resources, outsourcing of office and other premises is also common. The most up-to-date manifestation of resource outsourcing is the outsourcing of IT infrastructure elements.

IT Outsourcing Structure in the Public Sector

ITPO

ITAO

ITIO

3 IT Process Outsourcing

Integrated solutions to outsource any IT management process es of the public sector that belong to one of the levels of the "Outsourcing Solutions"

IT Application Outsourcing

2 Provides the opportunity of collective work of users within the framework of the provided functionality (e-mail, do cumentation, reference information, etc.).

IT Infrastructure Outsourcing

1 Helps in the overall transformation of the IT service deliver y system and oriented on decline cost and raising perf ormances, thus improving IT spend management and streamlining IT processes.

IT Infrastructure Model

is the chief framework that reflect activity t he organization using IT infrastructure with i nnovation technologies, such as Software-a s-a-service (SaaS), Platform-as-a-Service (PaaS), Infrastructure-as-a-Service (IaaS), Cloud Computing, Grid Computing, Data Security, etc.

Infrastructure as a Service	Platform as a Service	Software as a Service
Applications	Applications	Applications
Data	Data	Data
Runtime	Runtime	Runtime
Middleware	Middleware	Middleware
O/S	O/S	O/S
Virtualization	Virtualization	Virtualization
Servers	Servers	Servers
Storage	Storage	Storage
Networking	Networking	Networking

You Manage   Other Manages

Source: https://merehead.com/ru/blog/iaas-vs-paas-vs-saas/

The main processes that outsourced at IT Application level can be divided into two main directions as follows:

01 Development and implementation of new IT applications

02 Supporting the availability of IT applications existing in the public sector

When deciding whether to outsource any IT management processes (ITPO) of the public sector that belong to one of the levels of the "Outsourcing Solutions", it is also important to consider the level of maturity of IT infrastructure of the public sector.

The following main processes can be outsourced:

01 Maintenance and monitoring of the status of server and active network equipment, peripherals as well as copying equipment

02 Network administration as well as administration of network operating and mail systems

03 Providing backup and data recovery

04 Ensuring information security, including antivirus protection

05 Maintenance and administration of telephony, telecommunications equipment and communication channels

etc

Why Public Authorities Should Use IT Infrastructure Outsourcing?

Service desk outsourcing

Reducing technical risk and decline personnel costs through multi-site support and self-service capabilities .

Workplace outsourcing

Providing more secure and stable environment; reduces total cost of IT equipment and infrastructure ownership

Data center outsourcing

Reducing complexity and data center operating costs

to 50%

up to 40%

to 25%

ITIO
in the Public Sector

Managed Security Operations - identity tools, end-user equipment protection intrusion and information security

Network outsourcing

Establishes more secure and robust network infrastructure, reduce network-operating costs

to 20%

Cross-functional Service
A business-led, service-oriented approach to IT management that enable the platform to react on demand to requests

Conclusion

• Public Sector is not profit-oriented, and transparency, quality of services is considered as central issue.

• *Government functions, processes and outsourcing of resources represent in unity the structure outsourcing solutions in the Public Sector.*

• ITO structure can be define as a set of decision consists of IT processes, IT application and IT infrastructure, which has significant effect in Public Sector activity.

• *IT outsourcing is rapidly developing in the sector, and will continue to increase its potential.*

• IT outsourcing will give the Public Sector access to specialized talent and save time, effort and resources that can be channel into social projects and sustainable development.

• *As a many other causes cost factor have major influence in IT outsourcing solutions.*

 • Organizations that successfully implemented ITO can benefit from a reduce cost from IT including increased performance of management such as improving the quality of services and reducing their cost.

Thank you

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