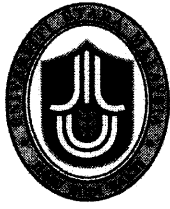


**A FRAMEWORK TO SUPPORT IT OUTSOURCING
PROCESS DECISION**

**A Thesis submitted to the Graduate School in partial fulfillment of the
requirement for the degree Master of Science (Information Technology),
Universiti Utara Malaysia**

**by
YAP CHEE CHENG**

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ABSTRAK

Projek ini bertujuan untuk mengkaji proses IT outsourcing dan membangunkan teoritikal rangka untuk IT outsourcing proses yang terdiri daripada tujuh fasa. Rangka ini meliputi fasa permulaan keputusan outsourcing, fasa analisis dan perancangan, fasa menentukan pengurusan outsourcing, fasa memilih pembekal system maklumat, fasa implementasi, fasa menguruskan hubungan outsourcing and fasa penilaian. Selain itu, projek kajian ini juga mengenalpasti faktor pencapaian kritikal yang perlu diperhatikan dalam proses IT outsourcing.

Kaedah penyelidikan yang digunakan dalam usaha membangunkan rangka bermula dari proses ulasan karya supaya memperolehi kefahaman yang lebih mendalam. Di samping itu, soalan kajian dan temuduga secara semi-struktur juga dijalankan ke atas pegawai-pegawai IT dari institusi-institusi bank untuk mendapatkan maklumat yang lebih lanjut. Pada dasarnya, soalan-soalan yang ditanya meliputi isu pengurusan IT dalam sesebuah organisasi seperti kaedah *untuk mengenal pasti masalah dan menilainya*. Tambahan pula, soal tentang perancangan perniagaan, proses kelulusan projek dan kesan-kesan IT outsourcing terhadap pengurusan projek juga dikemukakan.

Sebab-munasabah yang menyumbang pembangunan rangka untuk IT outsourcing adalah untuk memastikan organisasi dapat mencapai matlamat dan manfaat daripada aktiviti outsourcing. Selain itu, hasil daripada kajian ini juga dijangka dapat memberi peringatan kepada organisasi bahawa kos analysis yang menyeluruh perlu dijalankan dalam usaha melaksanakan proses IT outsourcing.

ABSTRACT

The paper will study the IT outsourcing process decision and developed a theoretical framework consisting of seven phases of IT outsourcing process decision. The framework consists of initial outsourcing decision phase, analysis and planning phase, design outsourcing management phase, selecting IS supplier phase, implementing phase, monitor outsourcing relationship and evaluating phase. Meanwhile, the study of the project also identifies the critical success factors should be pay attention during the process of IT outsourcing activities.

The methodology chooses to use to develop framework began with the literature review on the previous journal and research paper. Meanwhile the data for this study is also drawn from a mixture of questionnaires and semi-structured interviews administered to multiple recipients at banking institutions. Basically, the questions cover general issues of IT management in the firm such as the methodology for identifying and evaluating projects, developing business plans, *the approval process, and their project management guidelines.*

The reason to provide a IT outsourcing process framework is to ensure organization achieved the desire benefits from the outsourcing activities. Beside, outcome of the study also expected to alert organizations to the strategic issue along with a *comprehensive cost analysis that should be considered if an effective IT outsourcing process framework is eventually formulated*

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

The business world is increasingly adopting the practice of outsourcing activities in the organization. In recent years, the outsourcing of information technology functions has become a common practice for small and large companies alike. Outsourcing has been loosely defined as the contracting out all or parts of a company's functional work to one or more external vendor (Sengupta and Zviran, 1997). Studies the outsourcing phenomenon, starting with strategic analysis and working through the many practical considerations and decisions that practicing IT managers towards the success of outsourcing activities. Outsourcing is a fully-fledged business mega trend – both in the USA and around the world (Embleton, 2003). This is the statement that reflects the enthusiasm of outsourcing as it generated in the business world.

Outsourcing refers to the concept of hiring outside professional services to meet the in-house needs of an organization or an agency (Gupta, 1992). In the Information Technology (IT) industry, outsourcing refers to using external agencies to process, manage or maintain internal data and provide IT information related services. Some of the simpler definitions of outsourcing including:

- 1) ...”having an outside vendor provides a service that you usually perform in-house” (Laabs, 1997).

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