

Chapter13

True/False

Indicate whether the statement is true or false.

- ___ 1. Outsourcing is a concept that might encompass more than just commissioning the development of an application.
- ___ 2. In the IT arena, outsourcing has three meanings.
- ___ 3. The greatest advantage of tailored applications is their low cost.
- ___ 4. Offshoring has caused layoffs of programmers in Western countries and created much bitterness among those professionals and supporters of local labor.
- ___ 5. The pace of developments in IT might require less expertise within many organizations.
- ___ 6. There is a peculiar—and paradoxical—aspect to IT outsourcing: while contracts are signed for long periods of time, they typically involve rapidly changing technologies.
- ___ 7. In-house development teams can usually complete a new application project in less time than an IT vendor can.
- ___ 8. There are conditions under which organizations should avoid outsourcing.
- ___ 9. Innovative ISs, especially those intended to give their owners a competitive advantage, should not be outsourced.
- ___ 10. In recent years, enterprise applications have constituted a far larger part of IT expenditures on packaged software.
- ___ 11. Customization of large applications is inexpensive and nearly risk-free.
- ___ 12. Vendor selection criteria include functionality, architectural fit, price, services, and support.
- ___ 13. An ASP installs software on a client's computers.
- ___ 14. Since no provider can guarantee 100 percent uptime, ASPs routinely promise 90 percent uptime.
- ___ 15. Companies that are growing fast and rely on software for deployment of their operations often hire the services of ASPs.
- ___ 16. Authorities usually deal with unauthorized use of computers as theft.
- ___ 17. Interfacing user-developed applications with other organizational systems should be discouraged.

Multiple Choice

Identify the choice that best completes the statement or answers the question.

- _____ 18. There are generally four alternatives to in-house development: _____, licensing, using software as a service (SaaS), and having users develop the system.
- a. outsourcing
 - b. resourcing
 - c. tracking
 - d. supplying
- _____ 19. If _____ do not offer the desired IS and it can be developed by non-IT employees, then this would usually be the chosen alternative.
- a. ISPs
 - b. ASPs
 - c. WISPs
 - d. programmers
- _____ 20. If the cost-accounting procedures of a particular company are so specific that no commercially available software can perform them, the company must develop _____, or tailored, software.
- a. own-interface
 - b. similar
 - c. custom-designed
 - d. adapted
- _____ 21. An important downside is that _____ software is less likely to be compatible with other organizations' systems.
- a. licensed
 - b. open-source
 - c. purchased
 - d. custom-designed
- _____ 22. Contracts for _____ software development might also be incompatible with some development methods, such as agile methods.
- a. licensed
 - b. open source
 - c. rented
 - d. outsourced
- _____ 23. IT companies that made their reputation by providing hardware and software, such as _____ and Unisys, have seen the revenue from the outsourcing service portion of their business grow faster than the revenue from hardware and software sales.
- a. Microsoft
 - b. Adobe
 - c. IBM
 - d. Dell
- _____ 24. Among the largest IT service providers are _____, EDS, Accenture, Computer Sciences Corp. (CSC), Unisys, First Data, AT&T, Capgemini, Perot Systems, and Hewlett-Packard.
- a. Microsoft
 - b. IBM
 - c. Dell
 - d. Compaq
- _____ 25. _____ allows a client to know exactly what the cost of its IS functions will be over the period of the contract, which is usually several years.
- a. Outsourcing
 - b. In-house development
 - c. Customization
 - d. Adaptation
- _____ 26. Professional IS firms often pay discounted prices for _____ tools and other resources, based on volume purchases; they can pass these savings on to their clients.
- a. CASE (computer-aided software engineering)
 - b. CAD (computer-aided design)
 - c. CAM (computer-aided manufacturing)
 - d. 2GL
- _____ 27. In-house IS salaries and benefits and expensive capital expenditures for items such as _____ tools are paid whether or not the IS staff is productive.
- a. programming
 - b. CASE (computer-aided software engineering)
 - c. LCD monitors

d. 2GL

- ___ 28. ___ allows clients to tap into one of the greatest assets of an IT vendor: experience gained through work with many clients in different environments.
- a. Licensing
 - b. In-house development
 - c. Outsourcing
 - d. Open source
- ___ 29. Outsourcing ___ or core business ISs incurs more risk than outsourcing the routine tasks of operational ISs.
- a. financial
 - b. customer
 - c. databases
 - d. strategic
- ___ 30. Risks of outsourcing are higher at ___ of decision making.
- a. lower levels
 - b. the accounting level
 - c. higher levels
 - d. the network management level
- ___ 31. Clients should not expect vendors to list the service level and ___; the clients must do it.
- a. measurements
 - b. metrics
 - c. degrees
 - d. quality
- ___ 32. Any service that is not included in a(n) ___, or is mentioned only in general terms, leaves the door open for the vendor not to render it, or not to render it to a level expected by the client.
- a. contract
 - b. roster
 - c. agenda
 - d. mission statement
- ___ 33. ___ software applications include ERP, SCM, and CRM applications and typically cost millions of dollars.
- a. Large
 - b. Basic
 - c. Inventory
 - d. Project
- ___ 34. When ___ a software package, the buyer gains several benefits: immediate system availability, high quality, low price (license fee), and available support.
- a. outsourcing
 - b. licensing
 - c. commissioning
 - d. developing
- ___ 35. Many companies find that they must have packaged software such as ERP and ___ applications modified to meet their specific needs.
- a. spreadsheet
 - b. word processing
 - c. SCM
 - d. DBMS
- ___ 36. ___ software is developed for the widest common denominator of potential user organizations.
- a. Commissioned
 - b. Outsourced
 - c. In-house developed
 - d. Ready-made
- ___ 37. The project manager sends a ___ to the vendors identified, requesting general, somewhat informal information about a product.
- a. request for proposal (RFP)
 - b. request for quotation (RFQ)
 - c. request for comments (RFC)
 - d. request for information (RFI)
- ___ 38. The project management team prepares a ___, a document specifying all the system requirements and soliciting a proposal from each vendor contacted.
- a. request for comments (RFC)
 - b. request for quotation (RFQ)
 - c. request for proposal (RFP)
 - d. request for information (RFI)
- ___ 39. The “___” approach seems to be attracting a growing clientele of mainly small and medium corporations, but some large ones also prefer this option.

- a. software on demand
 - b. software part-time
 - c. software full-time
 - d. office on demand
- ___ 40. Experts recommend that organizations look for ASPs that can guarantee ___ uptime—for critical applications.
- a. three nines— 99.9 percent
 - b. four nines— 99.99 percent
 - c. five nines— 99.999 percent
 - d. six nines— 99.9999 percent
- ___ 41. Typically, ___ is fairly simple and limited in scope.
- a. in-house-developed software
 - b. user-developed software
 - c. licensed software
 - d. commissioned software
- ___ 42. To ensure compatibility with other applications within an organization, the organization’s IT professionals should adopt and supply ___ tools to interested users.
- a. in-house development
 - b. licensed development
 - c. commissioned development
 - d. standard development
- ___ 43. ___ software closely conforms to an individual unit’s subculture, which makes the transition to a new system easier for employees.
- a. User-developed
 - b. Commissioned
 - c. Licensed
 - d. In-house
- ___ 44. ___ free IS staff to develop and maintain an organization’s more complex and sophisticated systems.
- a. In-house-developers
 - b. Commissioned software
 - c. User-developers
 - d. Licensed software

Completion

Complete each statement.

45. If non-IT employees cannot develop an IS, the choice might then be to _____ the development of the IS.
46. _____ in general means hiring the services of another organization or individual to perform some of the work that otherwise would be performed by you or your employees.
47. Many North American and European countries have outsourced development of well-defined applications to professionals in other countries, an act often referred to as _____.
48. When a business outsources only routine business processes, such as customer order entry or human resource transactions, the practice is sometimes called _____.
49. Outsourcing allows a client to know exactly what the cost of its IS functions will be over the period of the contract, which is usually several years. This allows for better _____ planning.
50. Studies show that saving _____ is not the most common reason for outsourcing.
51. The most important element of an outsourcing agreement for both parties, but mostly for the client, is what professionals call the _____.
52. It is in the _____’s interest to have as specific a contract as possible.

53. Large developers often distribute prerelease versions, called _____ of software to be tested by companies that agree to use the application with actual data for several months.
54. Companies must take extra care to ensure that _____ software truly complies with company needs, including organizational culture.
55. Before finalizing the purchasing decision, the system should be tested using _____, which is comparing actual performance against specific quantifiable criteria.
56. An organization that offers the use of software through communication lines is called a(n) _____.
57. Some clients prefer to use a leased line rather than the _____ to connect to an ASP.
58. _____ is the proportion of time that the ASP's systems and communication links are up and running.
59. The proliferation of desktop computers and easier-to-use development tools in the workplace has been a major stimulus in application development by _____.
60. Lack of _____ makes system maintenance difficult at best and impossible at worst.
61. _____ law states that an employee might use an employer's computer services for his or her own purpose without permission if no damage is caused and if the value of supplies and computer services does not exceed \$100.