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Section of
Outsourcing, Scourge or Salvation?

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1.0 The Silver Plated Lead Bullet

Organizations, attempting to either cut costs or to streamline their information systems development have been outsourcing. That is, contracting out the organization's project leaders, systems' analysts, programmers, and data processing operations. This however, is like "getting rid of centuries accumulated know-how¹." This quote from Strassmann really gets to the core of the problem with outsourcing. Accumulated business wisdom is being tossed out the window.

Database is policy organization and management. DBMS is the technology based implementation of database. Given that data is executed policy, then data's specification is the technology-based specification of the corporation's long-term memory. How can businesses out-source the very definition of its corporate memory to individuals who have no business-wisdom? That doesn't make nonsense, it makes business suicide.

If outsourcing is inevitable then businesses must demand that every data processing task be accomplished such that the delivered system be free from all outsourcing vendor's proprietary CASE, that the computer languages be ANSI standard, that the DBMS be ANSI standard SQL, and that all documentation, from initial business policy and procedure down through detailed system documentation be delivered in a metadata repository that allows full inspection, quality control, configuration management, and outsourcer independent evolution and maintenance.

Stories abound about companies who were so locked into the outsourcer that the business was completely unable to evolve because it had trashed all its professional staff and no longer had any data processing or systems documentation. Stories also circulate about companies who have outsourced overseas. While their costs were immediately reduced, when it came time to upgrade they couldn't. Nobody knew the what nor the how!

Outsourcing firms make their money NOT on problems avoided, but on problems solved. How can you bill for time not expended? Outsourcers only provide the least qualified staff they can get-away with. That is, minimum business knowledge, minimum education and training, and minimum prior project experience, etc. In addition to assigning the least qualified staff, outsourcing firms generally do not create the outsourcer-independent critical meta-data that fully frame the business policy and procedure from which databases and systems are built. That's because the outsourcing firm is being paid solely on the quantity of systems produced, enhancements built, and/or problems repaired. "Damn the analysis and design, we're only being paid to code," one outsourcer was heard to say!

If outsourcing firms were true engineers, they would be earning their keep on the basis of problems avoided, solutions that have flexibility, and systems that are maintainable for a fraction of their cost rather than multipliers. But, if an outsourcing firm did the latter rather than the former, they would not be able to keep THEIR costs low. AND, their billing would fall off because they would not be needed. Clearly such behavior would not be in the interest of the outsourcer's owners/stockholders!

¹ This quote was taken from an article by Paul Strassmann (former CIO of major U.S. corporations and the U.S. DoD) entitled *Outsourcing a Game For Losers*, August 21, 1995 in Computer World.

