

OUTSOURCING THE ARCHITECTING OF INFORMATION

Advantages, Concerns and Evaluating for Maximum Thrust



*



* **GOING DIGITAL**

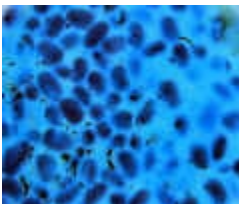
The French National Library recently opened a futuristic center in the heart of Paris - the Tolbiac Tower. Hundreds of computers are linked on-line to a vast array of information - 110,000 volumes - digitized - that span the historical and cultural landscape of France.

Information is being digitized at an accelerated rate and this is a result of the confluence of 2 major forces shaping the digital landscape:

1. The re-engineering of existing non-digital information ranging from books and documents to images and music tapes.
2. Digital information now being generated in the daily course of business, science, entertainment, education and every field of human endeavor.

Information Enhancement – “Getting Smart”

Information along the way to digitization is getting smarter as well. Embedded and standardized descriptions of the billions of pieces of information entering the digital jet-stream every day are creating opportunities to use information more intelligently.



* MedicCaseMI is an interesting example of this. Developed for exchanging medical information in a standardized format, MedicCaseMI is finding a wide variety of applications ranging from case-based learning to mission-critical rapid diagnosis. This standardized format is an important step in delivering on the promise of real-time availability of medical records across platforms and geographical boundaries.

THE INFORMATION JET-STREAM

These examples represent three key evolutionary "leaps" that are happening almost simultaneously.

Going Digital --> Inter-connection --> Intelligence (XML for instance)

That's creating a firestorm of digital information - estimates vary wildly and are indicative of the speed at which content and information are going digital. These estimates range from **60% to 200%** growth of digital information every year, depending on whom you talk to.

Managing the Information Life-Cycle

Managing that information effectively is critical to avoid a situation that can quickly spiral out of control.

Neil Beagrie, British Library, in an interview with SAP Info: "digital information will never survive and remain accessible by accident - it requires ongoing active management... As the volumes, heterogeneity, and complexity of digital information grows, this requirement for active management becomes more challenging and more critical to a wider range of organisations. ...The USA for example has recently launched a \$100 million National Digital Information Infrastructure and Digital Preservation Program (NDIIPP)."



* THE ROLE OF OUTSOURCING IN GOING DIGITAL

The accelerated pace of information and the existing array of digital information that has to be digitized present a tremendous opportunity as well as a challenge.

The first challenge is the volume of information that is going digital. Accompanying this initial challenge is the multiple formats that information is in. And the final but not the least critical is the variety of digital structural and storage standards.

In addressing these challenges, many businesses and organizations are outsourcing various aspects of the information transformation chain. The primary driving force is core competence – firms that zero in on information architecting are engineered to deliver high-volume and velocity information enhancement services.

ADVANTAGES AND CONCERNS

Outsourcing

The primary advantage of outsourcing is the ability to retain focus on the core business. Specifically, this translates into three key reasons for outsourcing:

1. Managing scalability
A firm whose primary business is the transformation of information is geared to handle volumes.
2. Creating a competitive edge
Outsourcing means fewer high-cost resources need to be allocated to tasks that are not directly in the line of core competence. That's more resources to marshal in creating a competitive edge in the line of core competence.
3. Keeping up with the technology
The enhancement of information for a digital environment undergoing rapid technological transformation requires a specialized and fast-evolving skill set. A firm specialized in information transformation and architecture will be adept at monitoring, assessing and incorporating relevant trends.

Off-shore Outsourcing

Off-shore outsourcing adds another dimension to the equation and offers several added advantages. Popular off-shore destinations include Ireland, India, China, the Philippines as well as several countries in Eastern Europe. The added forces for off-shore outsourcing include:

- Substantially increased scalability due to significant economic gains
- Faster turn-around time due to time-zone gains

Off-shore outsourcing often starts with a drive for gaining economic benefits – which can be in the range of 30-50% - and then two other key benefits that emerge:

1. The economics of the game mean that significant volumes of work can be outsourced – this frees up resources and mind-share for focusing on other parts of the value chain.
2. Time zone differences can extend the virtual workday – as it comes time for close of business in one part of the world, it's the start of business in another.

Concerns in Outsourcing:

The key concerns include:

- Quality, consistency and reliability
- Unanticipated costs
- Communication gaps

- Data security

Quality is the no. 1 concern usually with its attendant concerns of consistency and reliability. Outsourcing any business process entails a re-alignment of control mechanisms and the ability to trust the outsourcing partner. Since trust can't be mandated, this is a concern that is addressed as a relationship develops.

Unanticipated costs can crop up and result in cost overruns. This can be due to a range of causes – from time delays in projects to infrastructure issues. Communication gaps often show up on the radar first in off-shore outsourcing and are often the root causes of the other key concerns.

Data security is an important concern in any outsourcing venture and critical in the off-shore outsourcing context. Laws vary greatly from country to country and enforcement is also an important consideration. This really depends on the flexibility of the outsourcing partner to adapt to expectations and find practical, real-world solutions to any issues.

In the case of off-shore outsourcing, job loss concerns are also an important angle to look at. To put this in perspective, job losses due to outsourcing in the entire information technology field in the US have been in the area of 2%-3% based on multiple studies and research. Of course, statistics are no consolation to someone whose job is at stake and it is important to address this concern.

There are precedents for outsourcing resulting in re-deployment of entire departments into the core business value-chain. Creative thinking often results in solutions that take various concerns into account.



* ANALYZING WHAT CAN BE OUTSOURCED

Critical to understanding what can be outsourced is to define what parts of the information value chain specific to an organization are very resource-intensive and/or non-core. This definition will also be critical in zeroing in on the skill sets that would be required from an outsourcing partner or partners.

The Information Enhancement Value Chain

Information enhancement differs from organization to organization. There are certain common conceptual links, however, in the chain and these are approximately:

Create / Capture → Digitization → Markups → Databases → Business Intelligence

Most information is initially created or captured either in digital format or in traditional paper-based formats. Digitization is step 2 for traditional sources. With

the advent of the Internet and the Web, mark-ups for publishing on the intranet or the Internet are fast emerging as the next step in the chain. Subsequently, storing and integrating this information into databases is critical for the final stage at which it is synthesized to create intelligence for decision-making – “business intelligence.”

A critical success factor in outsourcing is identifying if and what parts of the chain specific to an organization can and should be outsourced. Taking the enhancement value chain concept as a guide and then defining each of the organization’s information processes with a high degree of granularity is an excellent way of analyzing the viability and desirability of processes to outsource.



*** EVALUATING PARTNERS**

Every outsourcing firm has a unique footprint of services and quality and it is important to baseline certain criteria for a first level exploration of a partner. Presented here are critical questions and pointers that can help establish a benchmark to baseline the credentials and track record of potential partners.

PEOPLE

The Team: what is the caliber of people that are the backbone of the day-to-day ops? What are their credentials?

Management: does the management have a market-directed vision? What is their adaptability to change? Is the team relationship-oriented or project-oriented?

Attrition: attrition affects the consistency of performance and many outsourcing providers have high churn rates.

EXPERTISE AND OPS

Expertise: which range of the information enhancement value chain is the expertise in? What is the depth of expertise and experience in each aspect of the chain?

Quality: how important is it in the DNA of the organization? Are there structured and documented processes? Is it embedded in every process? Is there a holistic concept of quality?

Automation: this is critical in scalability and minimization of errors – both high-priority factors in outsourcing successfully.

TRACK RECORD

References: recent work done for a couple of clients can help establish the track record in action.

Financial Integrity: is the company financially sound? Key performance parameters are important to check out.

INFRASTRUCTURE

What caliber are the communication channels? What are the elements of the computing environment? What is the level of back-up and contingency/business continuity planning? Any unusual situations accounted for (for instance, frequent power blackouts)?

SECURITY

Data Security: how many people are handling a client's information? What are the safeguards – operational and legal? Are these in the contract? In the case of off-shore outsourcing, jurisdiction for settling disputes is important to establish.

Metrics: are there clear and well-defined performance measures for measuring client-driven parameters?

TRANSITION

Is there a clear transition methodology including pilots and scale-up projects? Are there pre-defined milestones for establishing a successful working cycle?



* FROM THE NEWSWIRES...

A Couple of Interesting Stories

1. A university in China has undertaken a project to "intelligently" digitize maps from across the world. The aim of this project is to allow Chinese students to actually navigate through, for instance, the streets of London sitting in a classroom deep in China.
2. A researcher at the University of Kentucky has scanned the only medieval manuscript of "Beowulf" held by the British Library in London. Until recently, this manuscript could be viewed only by authorized academics. The scan used digital imaging to create a copy that is available on the Internet. An interesting aside is that there are several details that are in the digital copy that cannot be seen by the naked eye in the original.



* **Additional Information**

We hope you have found this information of use.

For any questions, more information or additional white papers, please e-mail us at info@jvinfosol.com

© JV Information Solutions. All rights reserved.

* All images in this document are courtesy of freeimages.co.uk