OUTSOURCING IT IN THE CONDITIONS OF MARKET GLOBALIZATION

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Abstract: The article presents an analysis of the role of IT outsourcing in the context of globalization, focusing on case studies of IBM and Microsoft. The aim of the article is to examine how IT outsourcing affects the adaptation of enterprises to global market challenges. The research hypothesis assumes that effectively managed IT outsourcing can significantly contribute to increasing the efficiency, innovation and competitiveness of companies on the global market. The conclusions underline that a strategic approach to outsourcing, focused on strengthening key business areas, is essential to achieve competitive advantage and adapt to rapidly changing market conditions.

1. Introduction

In the era of globalization, companies are starting to look for ways to increase their competitiveness and operational efficiency. One of the key trends that is gaining traction among corporations around the world is IT outsourcing. This move is aimed not only at reducing costs, but also at adapting to rapidly changing technological and market requirements. The introduction of IT outsourcing is a response to the need to focus on the main areas of business and innovation, while delegating IT tasks to external suppliers. While IT outsourcing offers many benefits, it also raises new challenges and questions. A key issue is how companies can effectively manage the outsourcing process to maximize benefits while minimizing risk and maintaining control over key IT functions. It is also important to

understand how outsourcing affects a company's innovation and its ability to respond quickly to changing market needs. These and other issues are crucial in the context of globalization, which forces companies to constantly adapt to a dynamic business environment. This article aims to explore these issues in depth by providing detailed case studies and an analysis of IT outsourcing trends and strategies.

2. The essence of the IT outsourcing

Outsourcing often involves signing a long-term contract in which responsibility for the management and development of business processes and infrastructure is delegated to an external provider. Another definition is to use independent, external entities as providers of specific goods and services, rather than developing these areas internally (Chakrabarty, 2006).

Outsourcing of information technology (IT) services emerged in the 1980s in the USA, where Lacity and Hirschheim defined it as the use of external entities to carry out organizational activities (Lacity, Hirschheim, 1993). In the area of IT services, outsourcing is understood as the provision of comprehensive e-business solutions by external specialists (Hindle, 1998).

IT outsourcing is the practice of using third-party vendors to provide some or all of the IT functions a business needs, such as infrastructure management, leadership strategies, and service desk (Pandita, Singhal, 2017). IT outsourcing providers can act as a managed vendor, responsible for full IT maintenance and support, or they can provide support to an in-house IT team, which is often practiced by larger organizations (Chakrabarty, 2006). Companies can use a single vendor that provides all the required IT services, or they can work with multiple vendors that provide different items (Kern, 2002).

IT outsourcing can also be defined as the takeover by an external company of IT-related departments in a company, covering all or selected areas (Sobińska, Jakubowska, 2013). The costs of ongoing IT infrastructure maintenance and investments in information technology constitute a significant part of the company's budget (Chakrabarty, 2006). Choosing the right IT technologies and developing an IT strategy are crucial for the effective functioning of the IT outsourcing model. Increasingly, outsourcing of IT services is becoming an element of a company's strategic plan, and the supplier is becoming a long-term partner instead of just a supplier (Danneels, Kleinschmidt, 2016).

Outsourcing of IT services can also be understood as the process of signing an outsourcing agreement by an organization whose purpose is to take over the service of IT-related fields. This process may also include modernizing the IT infrastructure through collaboration with other audiences (Kern, 2002). Outsourcing IT services include work related to the administration of IT hardware and software in order to increase the efficiency of the business (Kłos, 2009).

To sum up, IT outsourcing involves outsourcing some or all of the IT functions to an external provider, while internal employees retain control over the project. It is often of a contractual nature, in which the company transfers responsibility for IT systems to an external company in exchange for periodic fees.

3. Effects of IT outsourcing in the enterprise

The use of IT outsourcing in a company has various effects that affect its functioning. One important impact is the reduction of operating costs (Lacity & Willcocks, 2010; Kern et al., 2015). Transferring responsibility for the maintenance of IT infrastructure to an external service provider allows you to reduce the costs associated with maintaining your own IT team.

IT outsourcing allows companies to focus on their core business (Quelin & Duhamel, 2003). By outsourcing IT infrastructure maintenance tasks to an external provider, companies can focus on strategic tasks and growing their core business.

Using third-party IT vendors gives companies access to specialized knowledge and experience (Lacity & Willcocks, 2013). Third-party vendors have specialized knowledge and skills that can contribute to improving the quality of IT services and introducing innovative solutions. IT outsourcing also allows for increased flexibility and scalability (Kern et al., 2015). Enterprises can quickly adapt their IT infrastructure to changing needs and requirements, scaling resources based on current needs.

However, it is important to remember that IT outsourcing also comes with certain challenges and risks, such as loss of control over IT processes and data security risks (Lacity & Willcocks, 2010). Therefore, it is worth carefully assessing the potential benefits and risks before deciding to outsource IT.

Therefore, the use of IT outsourcing in the enterprise can bring benefits related to reducing costs, focusing on the core business, access to specialized knowledge and increasing

flexibility. At the same time, it is necessary to consciously manage the risk and properly monitor the activities of the IT service provider.

4. Challenges of globalization for businesses

The challenges of globalization are an important aspect of the development of Polish enterprises (Cullen et al., 2005). The global nature of today's business market involves a number of factors that can have both positive and negative impacts on companies. One of the important aspects is competition, which opens the door to competition at both local and international levels. Companies have to compete not only with other domestic firms, but also with foreign rivals, who often have greater financial, technological and market resources (Lacity & Willcocks, 2009).

Another key challenge is the need to adapt to the volatility of markets around the world. Globalisation makes it imperative for companies to be flexible and able to respond quickly to new trends and changes (Kern et al., 2013). Regulatory and regulatory issues, which are an important part of international activity, should also not be overlooked. Adhering to different laws and regulations in different countries can lead to complex administrative processes and the need to conform to different standards (Cullen et al., 2005).

Managing an international team is another challenge. Globalization often forces cooperation between people with different cultures, languages, and ways of working. Successfully managing an international team can be challenging and requires special skills (Lacity & Willcocks, 2010).

Access to foreign markets is an important aspect of business expansion, although it can be difficult. Globalization opens up new opportunities, but at the same time, it can be difficult to gain access to new markets and establish relationships with foreign business partners (Cullen et al., 2005).

Finally, currency and financial risk is another challenge associated with international operations. Exchange rate fluctuations and economic uncertainties in different countries can lead to financial losses, so companies must be prepared to manage these risks (Kern et al., 2013).

Due to these challenges, Polish companies must invest in developing their competences, technologies and business strategies in order to remain competitive in the global market. It also requires close cooperation with the government and international institutions in order to create favorable conditions for the development of international activities.

5. IT outsourcing and globalization

IT outsourcing is one of the tools that is increasingly used by companies in response to the challenges of globalization. The global nature of today's business market, as mentioned earlier, forces companies to adapt to a number of factors, and IT outsourcing can be an effective strategy for dealing with these challenges.

IT outsourcing can help solve the problem of competition, which is one of the main challenges of globalization. By outsourcing, companies can tap into specialists and technology resources around the world, which can increase their competitiveness (Cullen et al., 2005). By working with foreign partners, companies have access to the latest technological solutions and can take advantage of global talent.

Market volatility, another challenge of globalization, can also be more easily managed through IT outsourcing. Outsourcing companies are often more flexible and more adapted to respond quickly to changes in the market (Kern et al., 2013). This allows businesses to adopt new technologies and strategies faster to stay competitive.

Regulatory and regulatory issues that vary from country to country can also be better understood and adhered to by using IT outsourcing services. Outsourcing companies have experience working with a variety of markets and can help you meet regulatory requirements in different regions of the world (Cullen et al., 2005).

IT outsourcing can also make it easier to manage international teams. Outsourcing companies often have experience working with multicultural teams and can help manage international projects effectively (Lacity & Willcocks, 2010).

When it comes to access to foreign markets, IT outsourcing can help companies establish relationships with foreign business partners. Cooperation with outsourcing companies can provide a bridge to enter new markets and allow you to establish contacts with potential clients abroad (Cullen et al., 2005).

Finally, IT outsourcing can help you manage currency and financial risks. Outsourcing companies often have mechanisms in place to protect against exchange rate fluctuations and can help minimize financial risk (Kern et al., 2013).

In conclusion, IT outsourcing can be a strategic tool to help enterprises cope with the challenges of globalization. By working with outsourcing partners, companies can increase their competitiveness, operational efficiency, and ability to adapt to changing market conditions around the world.

6. Analysis of empirical research

a) IT outsourcing at IBM - case stage

IBM, a renowned technology company with over a century of history, has made a strategic decision to outsource IT in response to the challenges of globalization. This decision was aimed at increasing operational efficiency, reducing costs and allowing the company to focus on its core competencies. As a leader in the technology industry, renowned for innovation and development, IBM has always strived to leverage the latest trends and technologies to maintain a competitive edge.

IT outsourcing has allowed IBM to adapt to the changing global business environment. The company has hired external entities to manage certain aspects of its IT infrastructure, including software development, technical support, and data management. This change allowed IBM to make better use of its resources, focus on innovation in key areas of the business, and provide a more flexible and scalable operating structure.

Outsourcing has also brought significant financial benefits to IBM. By reducing operating costs and increasing process efficiency, the company was able to better allocate its financial resources to research and development, which is key to maintaining a competitive edge in the rapidly changing technology industry. In addition, partnering with global IT service providers has allowed access to new markets and talent, further strengthening IBM's position on the global stage.

IBM's IT outsourcing is an example of how companies can effectively adapt their business strategies to the demands of globalization. By strategically leveraging external resources, IBM has not only increased its operational efficiency, but also strengthened its position as a global leader in innovation.

b) IT outsourcing at Microsoft - case stage

Microsoft, a giant in the technology industry, has also taken the path of IT outsourcing to adapt to global market requirements. This decision was crucial in strengthening the company's position as a leader in innovation and technology. Faced with a rapidly changing technology environment, Microsoft decided to use third-party IT service providers to manage specific operations. The goal of this strategy was to achieve greater flexibility, optimize costs and focus on the development of key products and services. Outsourcing has allowed the company to focus its resources on innovation and the development of new technologies.

The transition to outsourcing has allowed Microsoft to increase operational efficiency. External partners took care of IT management, technical support, and software development, which enabled Microsoft to make better use of internal resources. This change allowed us to adapt more quickly to the changing needs of the market and technology. Financially, outsourcing enabled Microsoft to effectively reduce operating costs, which had a direct impact on increasing the company's profitability. These savings have been spent on research

and development, which is essential in the technology industry, where continuous innovation is the key to success. Additionally, working with global IT service providers has opened up new business opportunities and access to new talent around the world.

In conclusion, Microsoft, like IBM, has used IT outsourcing as a key element of its strategy to adapt to the global market. With this approach, the company has not only increased its operational efficiency, but also strengthened its global position as a leader in innovation and technology. Microsoft's case study shows how IT outsourcing, when properly applied, can contribute to growth and success on a global scale.

c) IBM I Mcrosoft Experiences and Future Implications

IBM and Microsoft's IT outsourcing experience provides valuable insights into future trends and strategies in the technology industry. First, both companies have shown that well-thought-out and effectively implemented IT outsourcing can be a powerful tool for enabling technology companies to adapt to a rapidly changing global landscape. By outsourcing, IBM and Microsoft were able to focus on their core areas of innovation, outsourcing more routine IT operations to external partners. This approach can serve as a model for other companies looking for ways to increase their flexibility and adaptability in the face of global competition.

Secondly, both case studies highlight the importance of a strategic approach to outsourcing. It's not just about reducing costs, it's about skillfully using external resources to strengthen key areas of the business. Companies that emulate these strategies should carefully assess which aspects of their IT operations can be effectively externalized without losing control of key processes and innovations.

The third takeaway is that IT outsourcing can contribute to global growth and expansion. The access to global talent and markets that outsourcing offers enables companies like IBM and Microsoft to grow their business and adapt their products to different regional markets. This, in turn, can lead to increased market share and a better understanding of the diverse needs of customers around the world.

Finally, the experiences of IBM and Microsoft suggest that IT outsourcing will continue to evolve, becoming an increasingly integrated and strategic part of the technology business. Companies that can effectively use outsourcing to strengthen their competencies and innovation will be better prepared to compete in a future that will require constant adaptation and change.

7. Conclusions

In the conclusion of the article, the analysis of the cases of IBM and Microsoft and more general considerations on IT outsourcing in the context of globalization indicate several

important conclusions. Most notably, IT outsourcing has become a key strategy for technology companies, enabling them to focus on innovation and key areas of their business, while optimizing costs and increasing operational efficiency. The experience of these companies shows that properly managed outsourcing can bring significant benefits, including access to global talent and markets and better adaptation to rapidly changing market conditions.

In addition, the case studies highlight the importance of a strategic approach to outsourcing that is not limited to cost reduction, but also includes strengthening key business areas. Companies that effectively use IT outsourcing gain a competitive advantage in the global market. Finally, it is predicted that the role of IT outsourcing will continue to evolve, becoming an increasingly integrated and strategic part of the technology business, essential to remain competitive in the future.

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