Negotiating Good Outsourcing Arrangements

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Mr. Scratch

First Part of Contract
Last Part of Contract
The Frustrated CIO

Mr. Vendor
First Part of Contract

Last Part of Contract
Texas' Data Center Consolidation Project Under Scrutiny

A commissioned report finds a range of problems with a seven-year, $663 million outsourcing deal with IBM.

By J. Nicholas Hoover
InformationWeek
November 16, 2009 01:35 PM

An $663 million outsourcing deal between the state of Texas and IBM has again come under fire, this time in an independent report commissioned by the Texas Center for Public Policy.

Commentary | MAX BOOT

The Iraq War's Outsourcing Snafu

The coalition of the billing has real limits.

March 31, 2006 | MAX BOOT, Max Boot is a senior fellow at the Council on Foreign Relations

Ever since Ronald Reagan proclaimed in his 1981 inaugural address that 'government

EDS Lawsuit Takes Outsourcing Angst to New Heights

Posted by All | Oct 17, 2007 7:20 PM

Outsourcing giant EDS has experienced its share of troubles lately, including plunging stock price and a restructuring that has it trying to eke out 12,800 jobs.

GSIS to sue IBM

Released on May 26, 2003
By CBS Staff writer

For defective database management software

Government Service Insurance System
50% Robinson and Iannone

70% Overby
Gartner

$100,000,000,000.00 
X 80%
X 1%
X 30%

= $240,000,000.00
Why?

Flexibility
Flexibility

Cost of Service

Quantity of service

Less Flexible

More Flexible

flickr from Yahoo!

facebook

Gmail by Google BETA

YouTube Broadcast Yourself
Flexibility is Possible

How do you make more money in a corporate job?
Move up in your company

Move to a bigger company

Source: CIO Research
Move to a different industry

Tenure and Compensation by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Average Tenure</th>
<th>Average Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance / banking / accounting</td>
<td>4 yrs, 9 mos</td>
<td>$273,900</td>
</tr>
<tr>
<td>Manufacturing (non-comp.)</td>
<td>4 yrs, 9 mos</td>
<td>$263,000</td>
</tr>
<tr>
<td>Wholesale / retail</td>
<td>4 yrs, 8 mos</td>
<td>$262,300</td>
</tr>
<tr>
<td>Health care</td>
<td>4 yrs</td>
<td>$260,000</td>
</tr>
<tr>
<td>Education / nonprofit</td>
<td>5 yrs, 9 mos</td>
<td>$164,300</td>
</tr>
<tr>
<td>Government</td>
<td>4 yrs, 2 mos</td>
<td>$138,500</td>
</tr>
</tbody>
</table>

Source: CIO Research

What do you have to do to get promoted?
Flexibility is Possible

10%-0% Contract

5% Contract

Client

Vendor

Cost of Service

Year 1

Year 2

Quantity of service