Information Systems Outsourcing Risk : A Study of Firms in Indonesia

Abstract

The goals of the thesis were aims to investigate about the reason, risk and IS outsourcing success factors to considerate when a company in Indonesia decided to do the outsourcing. Methodology to compile the data was triangulation method which combined quantitative study through questionnaire as instrument and qualitative study through interview session will be use to collect the data from respondents. Data comes from questionnaire distribution to 200 companies and interview session to 7 service provider of IS outsourcing companies. This study find out that companies in Indonesia concern about the qualification of provider staff, the risk if provider does not comply with the contract, and security issues as risks within the IS outsourcing activities. For IS outsourcing success factor, big companies emphasized top management’s support and involvement, need provider understanding about company’s objectives, client’s understanding about outsourcing achievement and the importance of choosing process the right provider. Different with small companies which considered about provider attention to their specific problems, provider understand their objectives and they also need frequent client and provider contacts. This result can be concluded that in terms of IS outsourcing risk, all various size of companies has same perspective, but neither for IS outsourcing success factors where different size of companies has different consideration of IS outsourcing success factors. Between service providers and client’s company also has different perspective of risks of IS outsourcing and can be minimized by implementing knowledge sharing.

Keywords :

Information Systems, Outsourcing, Risks, Success Factor, Organization.