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**IT-OUTSOURCING AS A FORM OF CAPITAL  
CONCENTRATION IN THE DIGITAL ECONOMY  
ENVIRONMENT**

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***Abstract***

In the age of information technologies and global computerization effective companies' performance directly depends on the application of computers and computer technology. Successful companies are those doing their business effectively, keeping the high quality of goods and services and achieving cost improvement. In order to achieve tangible advantages in competitive struggle, major companies outsource functions unusual for the main activity. This concept is fairly common in business, because it has demand in Russia. For the effective development of companies in modern conditions of macroeconomic dynamics, it is necessary to increase the range of information technologies used. Providing an adequate level of development and maintenance of IT-infrastructure is costly enough and time consuming for small businesses. Therefore, many companies are looking for cost-effective ways to solve this problem. One of the most important ways of solving is outsourcing, i.e. the company passes the task of provision of technical support in certain area of activity to third-party organization specializing in information technology. Maximizing the benefits of digitalization, the introduction of new technologies is unachievable without the formation and support of the market for relevant high-tech products, access to which is not conceivable without the use of various forms and mechanisms of capital concentration. The use of IT outsourcing will allow you to maintain control over the main platforms of the e-economy, but at the same time it permits access to modern technologies for general public users.

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## 1. Introduction

Currently, many Russian companies are in the process of restructuring, changing organizational structure by withdrawing non-core divisions from its structure. An important issue is the selection of business processes in the company to outsource them. One of Russia's development priorities is moving to the digital economy, being legislatively developed by the Government. Digital business transformation is a priority for Russian companies in all industries (Isaev, Korovkina, & Tabakova, 2018).

The basic development vector of Russian Federation economy is its digitalization. Perpelyak (2017) notes that digital economy has many advantages:

1) Cost of on-line services is lower than the cost in customary economy due to reduction in expenses for promotion; and services, both public and commercial, become more affordable in this case.

2) Proposed product can be almost near-instantly improved according new expectations or consumer needs.

3) Goods and services in the digital world can quickly enter the global market, become affordable to people anywhere in the world.

4) The cost of payments is reduced, and new sources of income are opened for the state and companies.

5) The digital economy provides a diverse scientific, informational, educational, entertaining content.

The country's competitiveness in the future will determine the level of digitalization (Klimovets, 2018). The theme of the digital economy is particularly topical for the enterprises, because new technologies and platforms will reduce transaction costs and ensure coordination of companies around the world (Velema, Harmsen, & Wiedenhofer, 2016). As a result, an economy is formed based on network services that is, digital or electronic. Its sphere is the service of finance, distributive industries, as well as the provision of various public, personal and social services.

## 2. Problem Statement

Maximizing the benefits of digitalization, the introduction of new technologies is unachievable without the formation and support of the market for relevant high-tech products, access to which is not conceivable without the use of various forms and mechanisms of capital concentration. The use of IT outsourcing will allow you to maintain control over the main platforms of the e-economy, but at the same time it permits access to modern technologies for general public users. Consequently, the tasks of applying this form of business processes organization in the conditions of digital transformation of management processes are being updated.

## 3. Research Questions

One of the most interesting and rapidly developing approaches to doing business in the modern world is outsourcing. The essence of this management strategy, by definition of the popular magazine "Wired", can be summarized by "not doing what you can do best, but what is economical to purchase".

Currently, outsourcing of business processes for information technologies to external organizations

has a heightened interest on the part of companies. This is associated with the conditions as follows:

1. A large amount of various information.
2. Rise of competition in all spheres of action.
3. An acute shortage of qualified staff.
4. Safe and high-quality work.

The company's information systems allow you to instantly make new solutions, to monitor the company's activities in real time (Valdez-de-Leon, 2016).

Information technologies are almost not amenable to internal audit and are non-standard part of state-of-the-art technology, which require constant investment.

There are special methods of competition among IT structures in the information market, that offer individual functions for the process technology and innovation for the production, storage, processing and transmission of information to optimize the business processes of companies (Manning, Larsen, & Bharati, 2015).

Information and communication technologies (ICT) in the microeconomic market allow companies to carry out business plans.

In the macroeconomic market, the influence of ICT explains the replacement of the choice of new areas by economic growth of states and regions trend-setting the change in the global economy (Markovitch & Willmott, 2014).

However, the digital economy, compared with the conventional one, leads to a series of restrictions. Digital products can be copied and used by unlimited number of persons, in turn, they do not lose any consumer properties, and their use and exchange even improve their properties. At the same time, material valuable products shall not be used by several people at once, and they are depreciated during use. On-line stores make it possible to avoid large assortment and area limitations typical for ordinary shopping premises; and there are no costs for renting of store space.

While the influence of information on the company management develops, background study on the types of its use is needed. At the moment, the organizational and management tasks of companies, in particular, related to business planning are becoming more complex. In this connection, the digital economy is making changes in the organizational and management work of companies.

Currently, information is the main resource; the volume of information data is growing every day exponentially. The development strategy of the company becomes the main focus of such information changes; the ever-changing needs of each individual are also taken into account. Development and improvement of world industrial networks are at the spotlight of the new technological solutions for corporate management.

#### **4. Purpose of the Study**

Purpose of the study: justifying the use of IT-outsourcing as a promising form of capital concentration, which can reduce transaction costs and provide access to the latest business technology of modern economy.

Outsourcing as a phenomenon interacts with three businesses: the management of the company; information technologies, units; external service providers (Moiseeva, Malyutina, & Moskvina, 2013).

The simple phenomenon of outsourcing in information technologies is one-time services. These include information services, their design and distribution, accompanied by the construction and modernization of information systems. These services are used by most companies, and usually this cannot be called full-fledged information technology outsourcing.

The use of information technology, which involves cooperation with the information service provider on the basis of a long-term agreement, is the next level of outsourcing. This level requires considerable effort on the part of the company. You must first create a list of tasks that will be passed to the external unit, dramatically define the requirements for IT-services and services and evaluate the effectiveness of their outsourcing. At this time in our country, this level is virtually not implemented, but in our opinion it will soon become the most popular.

The third level of outsourcing is the business process outsourcing. Abroad this level is considered to be full outsourcing in information technologies. In our country, at the present time, a movement at this level is noticeable, which comes from simple to more complex models. We can conclude that in Russian business information technology outsourcing develops.

## 5. Research Methods

Study of the practice of outsourcing the activity of Russian companies contains in works of Anikin & Rudaya (2017), Ilyin (2017), Odegov (2015), Vertakova, & Kurbanov (2016). On the basis of observation, determinantal and statistical analysis authors revealed a number of factors justifying the validity of this form of capital concentration:

- the desire to improve the profitability of the company, as outsourcing reduces the cost of processes maintenance;
- focus on the core activities of the company;
- reduction of expenses for maintenance of information systems and technologies;
- attraction of the qualified experts to address the information challenges and technologies;
- use of other companies experience;
- using the access to information technologies (view of new developments);
- excluding the risk of company data loss;
- forecasting the cost of informational and technical support;
- reduction of costs for personnel, training and recruitment to IT-department;
- enhancing service quality and its reliability (increasing of guarantees and responsibility for the quality of performed works);
- improvement of processes manageability (using modern principles and forms of management);
- growth capacity strengthening.

There is a standard list of works in the company for IT-professionals: maintenance and tuning of equipment, users consulting, installation and maintenance of accounting and HR programs, office software programs.

## 6. Findings

For the effective development of companies in modern conditions of macroeconomic dynamics, it is necessary to increase the range of information technologies used. Providing an adequate level of development and maintenance of IT-infrastructure is costly enough and time consuming for small businesses. Therefore, many companies are looking for cost-effective ways to solve this problem. One of the most important ways of solving is outsourcing, i.e. the company passes the task of provision of technical support in certain area of activity to third-party organization specializing in information technology.

Russian companies are increasingly coming to the conclusion that employing a highly qualified information technology specialist is more expensive than buying these services from an IT-firm. Outsourcing in information technologies gradually gets, and will get in the future growing proliferation in Russia as businessmen come to the understanding of the economic advantages of its use. To date, the outsourcing market in the sphere of information technologies is being successfully generated.

The development of information technology has led to complexity of information systems service. In previous years, the service of information technologies in the Russian companies could simply consist of a group of employees who had been repairing computers and changing cartridges, but now this is not enough. Thus, a growing number of companies are coming to the realization that outsourcing information technology leads to economic benefits for the company. As in order to form the own highly professional information technology service, a company needs significant expenditures of labour, time and investments. With regard to the complexity of tasks and processes in the field of information technology, companies are to find qualified staff that will be able to work with these technologies and modern equipment.

## 7. Conclusion

When analyzing and studying the topic, we can determine the advantages of outsourcing in the field of information technologies:

- protection of the company from unforeseen situations;
- reduction of expenses on the purchase of technical support in the field of information technology, and on information technology division;
- increased company's performance;
- development of subject-matters of the company;
- problem of finding highly qualified specialists in the field of IT-technologies does not exist;
- less risk of company data loss.

Outsourcing in the field of information technology is chosen in cases where it is necessary to make redundant the own staff, secondary from the point of view of the main business. Further, when information technology is outsourced, the number of contracts with different contractors is reduced, for example, for the supply of various equipment (each supplier has its own contract), the organization of telephony, the Internet, etc. If a company chooses an integrated IT-outsourcing, single contract with a single contractor may replace many treaties. The following factor, especially for companies operating in

the regions of Russia, is the shortage of qualified professionals, so it is difficult and expensive to form the own IT-team.

The information technology outsourcing contains some risks, namely:

1. The risk of an improperly performed task, which may arise as a result of a fuzzy statement of the task, as in practice, some managers cannot clearly and correctly set the task, or how right it is got by the outsourcing company.

2. The risk of disclosure of information on the company, the company risks when passes the information flow to the outsourcing company.

3. The risk of loss of control over outsourcing company specialists, while the staff is constantly controlled.

4. Outsourcing company bankruptcy risk that will lead to defaults on its part.

Researchers (Zaraychenko et al., 2017) draw a conclusion that modern Russian business in general and especially for large companies is characterized by the desire to control their business processes. This leads to an increase in the number of personnel employed in support industries that, as a result, leads to an increase in indirect costs in the cost of production. This is largely due to the idea of many managers that their own staff is cheaper.

The success of the outsourcing of information technology is determined by several factors.

Firstly, this is a really popular service: almost every Russian company wants to have a website, mobile application (required cross-platform), bot for the Telegram and so on. Demand is great, and it continues to grow.

Secondly, development is a specific scope. Providing IT-support by internal non-core employees is problematic.

Thirdly, today in the IT-sphere there is a significant personnel shortage. Formation of the IT-Department from scratch requires substantial investment from the company, so many people actively use outsourcing companies to save labor, material and financial resources.

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