

Analysis of the Advantages and Disadvantages of Outsourcing Services as a Result of the Improvement of Digital Platforms in the Transportation System

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Abstract: This article is very relevant as it examines both sides of the issue and provides insight into the scope and relevance of outsourcing services in the transportation industry, thereby helping organizations make informed decision.

Keywords: IT outsourcing cost, digital outsourcing service, logistics market, digital platforms efficiency.

The world market is rapidly developing, which in turn increases competition, and this competition is directly related to the transport system. Especially today, a large part of the transport costs is accounted for by logistics. In many transportation companies, transportation costs, which account for 40-50% of the total logistics costs and at least 10% of the cost of every 4th product, are the most important problems that logistics management must solve. Transportation decisions require a reasonable solution, taking into account the total logistics costs, as well as other functional areas of the company, and other problems in the logistics channel. Currently, many companies are faced with the need to make strategic decisions. In these studies, several scientists, Maria Ciesla, in the article entitled "Outsourcing strategies in the transport system", Merl, A. & Husa, M. Make or Buy decision: Outsourcing - A successful method to reduce costs in business processes of international companies, "GRIN Publish and Find Knowledge. 2006" conducted scientific work.¹

Material and methods. The scope of this research topic Dr. Jan Steudel has conducted research and published an article (2014) entitled "Digital Platforms and Their Impact on Transport Logistics Outsourcing".² Dr. Hongliang Zhang has been conducting research on the use of digital platforms for transportation outsourcing since 2010. Dr. Zoltan Andreykovich has carried out several methodological works on the topic of "outsourcing in transport logistics and the role of digital platforms in this process" (and in our research topic we are studying above, the methods of comparative analysis of the results of the global survey of scientists are used.

Transport plays an important role in effective economic life. This, in turn, is not the development of outsourcing services, but has formed the environment of digital competition among outsourcing today. Such as the introduction of computer platforms to transport and logistics, the production of which has increased year by year, several works are being carried out in the Republic of Uzbekistan, a number of works are being carried out in the field of the application of transport a result outsourcing, several works are being carried out in the field of the application of transport a result outsourcing. Let's talk about the impact of private platforms on transport outsourcing services. Primarily providing computer platforms in the transport system can lead to several gains for outsourcing services. This has a big impact on outsourcing services. Let's talk about the expected and expected advantages first:

¹ Best Practice Group plc Allan Watton 2012 June 26

² Dr. Jean Steudel Digital platforms and their impact on transport logistics outsourcing" 2014

1. **Increased transparency or improved efficiency:** Improved digital platforms in the transport system can lead to better tracking and monitoring of cargo, reducing the risk of delays and losses. Outsourcing services can take advantage of this increased efficiency by receiving their shipments faster and more reliably.
2. **Enhanced operational efficiency:** Digital platforms can improve the efficiency of transportation systems by optimizing routes, reducing idle time, and reducing fuel consumption. This can translate into cost savings for outsourcing services that rely on transportation for their operations.
3. **Cost Reduction:** Improved digital platforms help reduce transportation costs by optimizing routes, consolidating loads, and reducing fuel consumption. Outsourcing services can benefit from these savings by getting their shipments at a lower cost.
4. **Activities to improve customer experience:** Digital platforms help improve the overall customer experience by providing real-time tracking information, faster delivery times, and better communication. Outsourcing services can improve customer experience by working with transportation providers that offer these digital platforms. Stakeholders can invest in technologies such as artificial intelligence (AI) and blockchain to improve digital platforms in the transportation system.

Research results. For example, a detailed analysis of 53 business process outsourcing deals closed between 2016 and 2020—a pooled sample that included more than 200 such transactions—about a quarter included at least one digital component (social media, mobile applications, analytics, automation, cloud or Internet of Things). But the number of such deals has almost doubled in five years. This potential opportunity is in stark contrast to the single-digit growth rates of the outsourcing industry.

Business-process-outsourcing deals focus increasingly on digital.

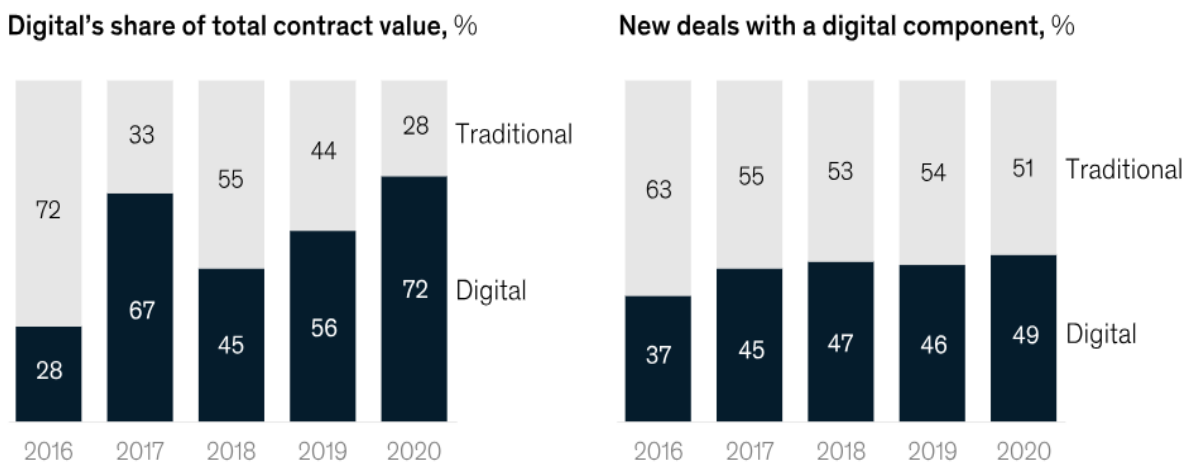


Figure 1. Share of digital outsourcing over the years

Moreover, the share of the future outsourcing market through the use of digital platforms is expected to exceed 1 trillion dollars worldwide.

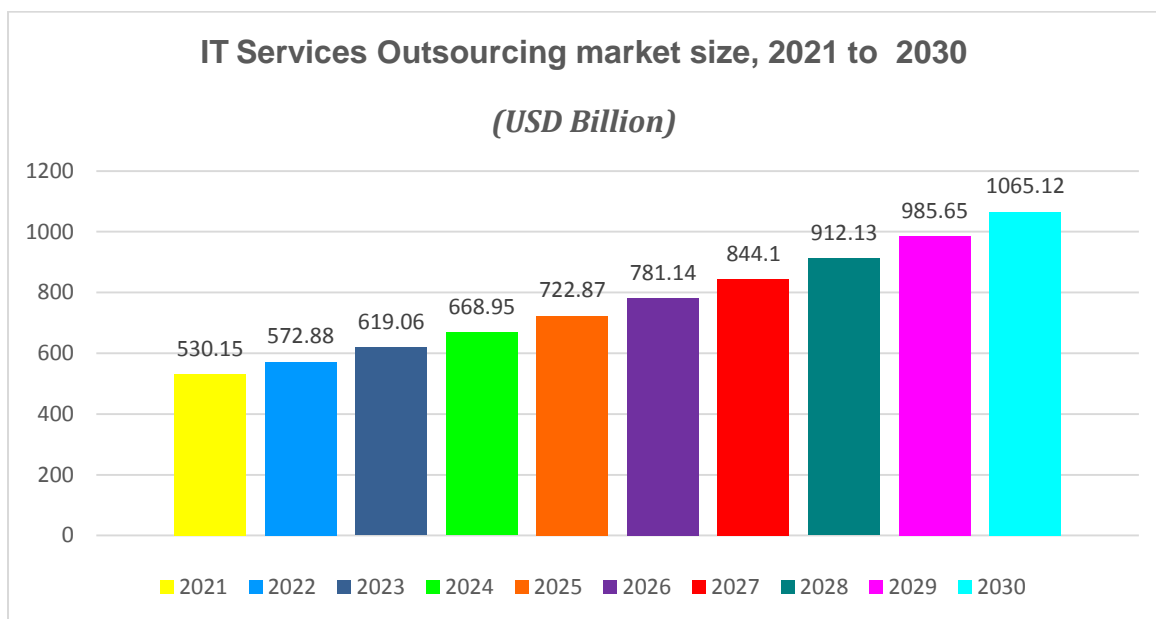


Figure 2. Expected future digital outsourcing market share

In addition, the share of the future outsourcing market through the use of digital platforms has grown worldwide. If we look at the section of the years that we are analyzing, it formed the following ratio.

Table 1. IT Services Outsourcing Market Share, by Region 2021.

Regions	Revenue share in 2021 (%)
North America	29%
Asia Pacific	36%
Europe	23%
Latin America	7%
Others country	5 %

Ways to improve the transport system's digital platforms and its impact on outsourced services may suffer. There are several reasons for this:

1. **Outsourcing Challenges:** Outsourcing transportation services can sometimes lead to communication gaps, cultural differences, and difficulties in coordinating operations. This may result in delivery delays, transportation difficulties, or system inefficiencies.
2. **Dependence on outsourcing services:** If transport companies outsource important functions. For third-party providers that rely heavily on digital platforms, such as maintenance, logistics, and customer service, any defect or failure in these platforms can lead to critical areas where deficiencies can occur.
3. **Dependence on modern gadgets:** If the transport system is heavily linked to digital platforms, any technical glitches or system disruptions can cause delays or interruptions in services. This can affect customer satisfaction and the overall efficiency of the system.
4. **Cyber Security Risks:** With the proliferation of digital platforms and data sharing, there is an increased risk of cyber attacks that can compromise sensitive data and disrupt services.
5. **Lack of skills:** New technologies often require new skills and this can lead to a shortage of skilled professionals who can manage and support these digital platforms. This can lead to a lack of technical support, training, and maintenance, which can affect the efficiency of the system. In

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general, although digital platforms can bring significant benefits to transportation systems, outsourcing and technological advances it is important to be aware of the potential and dynamic challenges and risks that may arise.

Most transport companies are also afraid of digital transformation. And I don't blame them - with the amount of commitment required for such projects. Not to mention, it took companies a long time to understand that digital transformation projects are not meant to be technology projects. Here are the 10 most common reasons for failure.

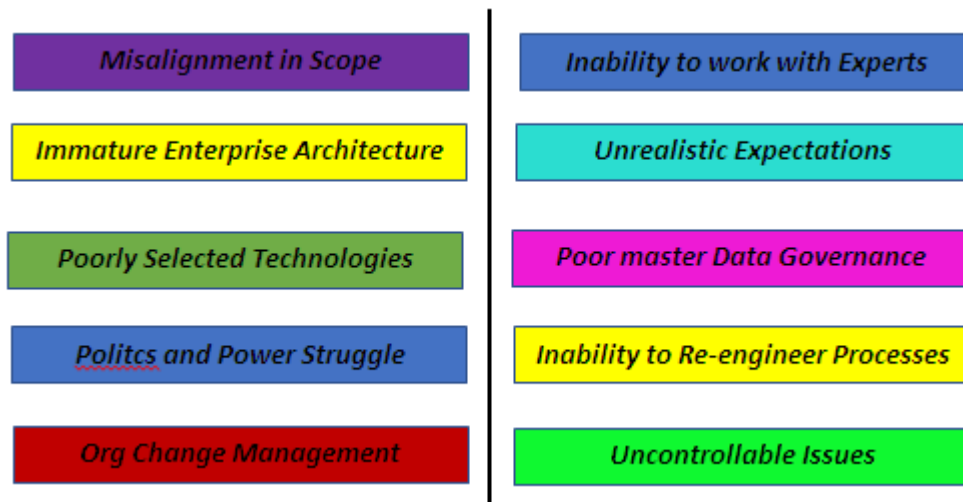


Figure 3. 10 Reasons Digital Transformation Fails.³

Analysis of research results. to make a final analysis by looking at the results of the above, it is necessary to consider how much IT outsourcing services will cost, and whether this service process is profitable or not. Several valid reasons for IT outsourcing can lead to such a decision:

1. Prohibitive costs for expanding the internal team;
2. The importance of continuing to produce fast, cheap products.
3. Illegal or seasonal cargo;
4. The need for the best talent available in a certain part of the world;
5. Clear attractiveness of IT support prices;

Ease of scaling is associated with outsourcing.

Outsourcing IT departments is as easy as hiring solo professionals. Importantly, some companies allow their clients to formally integrate employees into their teams, including relocation.

³ Sam Gupta, Top 15 Reasons For Digital Transformation Failure In 2023 September 24, 2022

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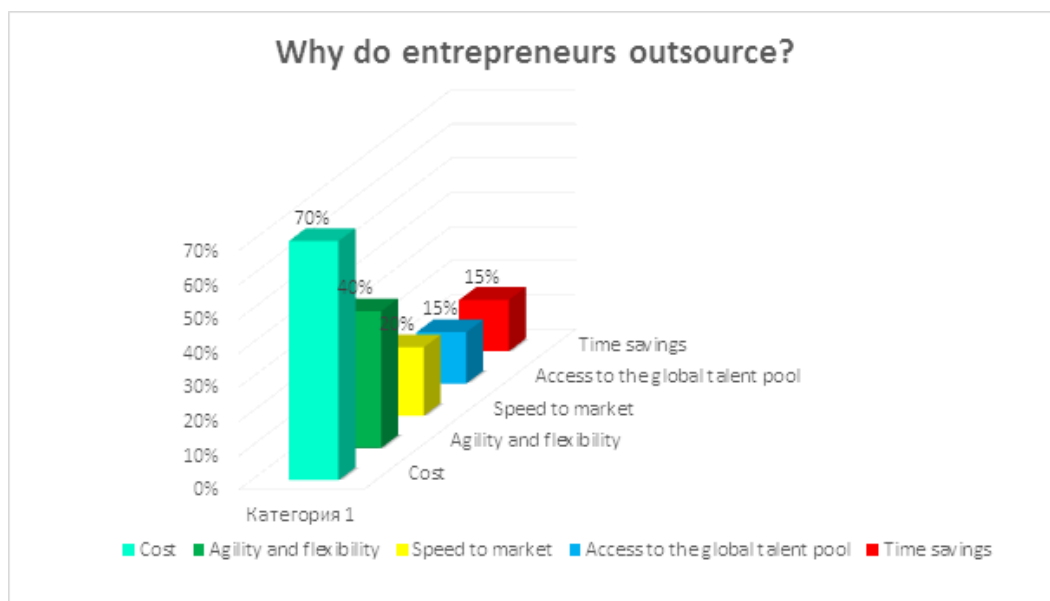


Figure 4. Outsourcing goals of companies for 2022.

Growth measured by global spending is estimated to increase by 22% by the end of 2023 compared to 2019. So is outsourcing for all types of businesses? Let's look at the difference between small and large companies. Today's surveys show that 37% of small companies and 72% of large companies prefer outsourcing services. IT outsourcing costs do not always correspond, and calculating the reduction is very simple. There are several types of this:

- ✓ Revision of office rent, and bills, security and other space-related expenses;
- ✓ Necessary social guarantees: holiday, sick leave, parental leave, insurance, etc;
- ✓ Salaries of core team support staff: HR managers, accountants, lawyers.

Variables	In-House Development	Outsourcing Development
Developer Salary	✓	✓
IT Expenses	✓	✗
Employee Benefits	✓	✗
Employee Training	✓	✗
Overhead	✓	✗

Figure 5. Analyzes conducted on the reduction of outsourcing services

Conclusion. Although outsourcing logistics services mainly creates a competitive advantage by reducing costs, using new technologies, and establishing long-term relationships with suppliers, it can also create a huge competitive environment for other companies that have dedicated their entire lives to providing their services personal logistics services with internal staff, etc.

In these cases, it will be necessary to see whether the internal cooperation depends on the task of supporting these costs. If this is the case, outsourcing is not the solution. Yes, they can implement better technologies to manage logistics at your service. However, if internal collaboration does not add value by generating more costs than benefits, outsourcing logistics services can hinder the way. The use of outsourcing services in the transport system requires careful study and the need to avoid as much as possible the risks that arise when using digital platforms. By applying these theoretical skills to the transport system of the Republic of Uzbekistan, we will try to achieve positive progress in the field of transport.

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