Lecture Notes in Business Information Processing

91

Series Editors

Wil van der Aalst

Eindhoven Technical University, The Netherlands

John Mylopoulos

University of Trento, Italy

Michael Rosemann

Queensland University of Technology, Brisbane, Qld, Australia

Michael J. Shaw

University of Illinois, Urbana-Champaign, IL, USA

Clemens Szyperski

Microsoft Research, Redmond, WA, USA

Julia Kotlarsky Leslie P. Willcocks Ilan Oshri (Eds.)

New Studies in Global IT and Business Service Outsourcing

5th Global Sourcing Workshop 2011 Courchevel, France, March 14-17, 2011 Revised Selected Papers



Volume Editors

Julia Kotlarsky University of Warwick Warwick Business School Coventry, UK

E-mail: julia.kotlarsky@wbs.ac.uk

Leslie P. Willcocks London School of Economics London, UK E-mail: l.p.willcocks@lse.ac.uk

Ilan Oshri Erasmus University Rotterdam School of Management Rotterdam, The Netherlands E-mail: joshri@rsm.nl

ISSN 1865-1348 e-ISSN 1865-1356 ISBN 978-3-642-24814-6 e-ISBN 978-3-642-24815-3 DOI 10.1007/978-3-642-24815-3 Springer Heidelberg Dordrecht London New York

Library of Congress Control Number: Applied for

ACM Computing Classification (1998): K.6, K.4.3, D.2

© Springer-Verlag Berlin Heidelberg 2011

This work is subject to copyright. All rights are reserved, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, re-use of illustrations, recitation, broadcasting, reproduction on microfilms or in any other way, and storage in data banks. Duplication of this publication or parts thereof is permitted only under the provisions of the German Copyright Law of September 9, 1965, in its current version, and permission for use must always be obtained from Springer. Violations are liable to prosecution under the German Copyright Law.

The use of general descriptive names, registered names, trademarks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.

Typesetting: Camera-ready by author, data conversion by Scientific Publishing Services, Chennai, India

Printed on acid-free paper

Springer is part of Springer Science+Business Media (www.springer.com)

Preface

This edited book is intended for use by students, academics and practitioners who take interest in outsourcing and offshoring of information technology and business processes. The book offers a review of the key topics in outsourcing and offshoring, populated with practical frameworks that serve as a tool kit to students and managers. The range of topics covered in this book is wide and diverse. Various governance and coordination mechanisms for managing outsourcing relationships are discussed in great depth and the decision-making processes and considerations regarding sourcing arrangements, including multi-sourcing and cloud services, are examined. Vendors' capabilities for managing global software development are studied in depth. Clients' capabilities and issues related to compliance and culture are also discussed in association with various sourcing models. Topics discussed in this book combine theoretical and practical insights regarding challenges that both clients and vendors face. Case studies from client and vendor organizations are used extensively throughout the book. Last but not least, the book examines current and future trends in outsourcing and offshoring, placing particular attention on the centrality of innovation in sourcing arrangements, and how innovation can be realized in outsourcing.

The book is based on a vast empirical base brought together through years of extensive research by leading researchers in information systems, strategic management and operations.

July 2011

Julia Kotlarsky Leslie Willcocks Ilan Oshri

Organization

The Global Sourcing Workshop is an annual gathering of academics and practitioners.

Program Committee

Workshop Chair

Leslie Willcocks London School of Economics, UK

Workshop Committee

Julia Kotlarsky Warwick Business School, University of Warwick, UK Ilan Oshri

Rotterdam School of Management Erasmus University,

The Netherlands

Sponsoring Institution

Accenture

Table of Contents

Global Sourcing of Information Technology and Business Processes

Mechanisms to Implement a Global Multisourcing Strategy Thomas Ph. Herz, Florian Hamel, Falk Uebernickel, and Walter Brenner	1
Assuring Compliance in IT Subcontracting and Cloud Computing Gerhard F. Knolmayer and Petra Asprion	21
Governance Mechanisms as Substitutes and Complements - A Dynamic Perspective on the Interplay between Contractual and Relational Governance	46
Thomas L. Huber, Thomas A. Fischer, and Jens Dibbern	
Maturing IT Outsourcing Relationships: A Transaction Costs Perspective Erik Beulen	66
Examining the Implications of Organizational Structure Changes from a Transaction Cost Perspective	80
Cultural Emergence in Global IS/IT Outsourcing	99
Should This Software Component Be Developed Inside or Outside Our Firm? - A Design Science Perspective on the Sourcing of Application Systems	115
Getting Agile Methods to Work for Cordys Global Software Product Development	133
Global Software Development Coordination Strategies - A Vendor Perspective	153

VIII Table of Contents

Shared Services Centres: A Case Study on a Dispersed Services	
Oriented Organization	175
Irman Nazri Nasir, Pamela Abbott, and Guy Fitzgerald	
Innovation in Outsourcing: Towards a Practical Framework	201
Author Index	219