

Contents

	List of figures	<i>page</i> viii
	List of tables	ix
	List of illustrations	xi
	Acknowledgements	xiii
1	Introduction	1
2	Global services outsourcing overview	7
	2.1 Introduction	7
	2.2 The services revolution	7
	2.3 Services outsourcing	10
	2.4 Types of services outsourcing arrangements	13
	2.5 Stages in the services outsourcing process	16
	2.6 Drivers of services outsourcing	17
	2.7 The arguments for services outsourcing	28
	2.8 The arguments against services outsourcing	30
	2.9 Influences on the mobility of service processes	31
	2.10 How service characteristics create outsourcing challenges	36
	2.11 Summary implications	40
3	Making the services outsourcing decision	45
	3.1 Introduction	45
	3.2 Transaction cost economics and the resource-based view	46
	3.3 The logic of integrating transaction cost economics and the resource-based view	48
	3.4 An overview of the outsourcing methodology	48
	3.5 The sourcing strategies	56
	3.6 The outsourcing relationship	66
	3.7 Summary implications	76

4	Location and sourcing model choice in global services outsourcing	79
	4.1 Introduction	79
	4.2 Location choice	80
	4.3 Sourcing model choice	92
	4.4 How service attributes influence sourcing model choice	98
	4.5 Strategies for disaggregating services	104
	4.6 Summary implications	109
5	Managing global services outsourcing arrangements	114
	5.1 Introduction	114
	5.2 Software development outsourcing	115
	5.3 Strategies for managing global software development outsourcing projects	117
	5.4 Pre-contractual strategies	119
	5.5 Post-contractual strategies	125
	5.6 Summary implications	145
6	Creating shared services arrangements	149
	6.1 Introduction	149
	6.2 Structured project management approach	154
	6.3 Business case development	156
	6.4 Vendor engagement	159
	6.5 Contracting	161
	6.6 Change management	167
	6.7 Stakeholder management	169
	6.8 Business process redesign	175
	6.9 Strategic partnership development	177
	6.10 Summary implications	178
7	Services outsourcing and performance management	182
	7.1 Introduction	182
	7.2 Services outsourcing and performance management	183
	7.3 Integrating performance management into the outsourcing process	186

vii	Contents	
	7.4 Challenges and benefits of performance management in the outsourcing process	209
	7.5 Summary implications	210
8	Services outsourcing and the spin-off arrangement	214
	8.1 Introduction	214
	8.2 Background to the spin-off	218
	8.3 Motives for establishing the spin-off arrangement	219
	8.4 The structure of the spin-off arrangement	220
	8.5 The development of the spin-off arrangement	222
	8.6 Difficulties in the spin-off arrangement	224
	8.7 Relationship difficulties	226
	8.8 The turnaround strategy	227
	8.9 Summary implications	234
9	Learning from failure and strategies for recovery in business process outsourcing	239
	9.1 Introduction	239
	9.2 Business process outsourcing: a case of failure	240
	9.3 Strategies for recovery	248
	9.4 Effective sourcing strategy	248
	9.5 Business process analysis and redesign	253
	9.6 Knowledge management	255
	9.7 Employing contracting and collaboration as complements	261
	9.8 Summary implications	263
10	Conclusion	267
	10.1 Introduction	267
	10.2 Challenges of services outsourcing	267
	10.3 Key aspects of effective services outsourcing	270
	Glossary	276
	Index	281