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*Outsourcing and Offshoring of Professional Services*

IGI Global


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One can make general and specific comments about this book and I will do both. First, for a text that combines a set of writings about the phenomenon of outsourcing, this text is very diverse. Many of the topics covered are unusual for a book on outsourcing. These include the chapters dealing with law and intellectual property, the technology acceptance model, healthcare, media, prisons, and modeling systems and processes for effective outsourcing. It has two chapters of interest for academics regarding curriculum and how future research should proceed. One sees other books that cover the topics of risk, India versus other countries as destinations for outsourcing, and so forth, but the combination of such essential topics and the unusual topics I just cited makes this book special.

I also like the organization of the book around the theme of the 24-hour knowledge factory. This theme is picked up in many of the chapters and its vision colors how one interprets the future of this possibly strong trend. If work can be handed off around the world, it can be accomplished in the least possible time, with all things being equal. This extremely efficient organization of work could also lead to the strengthening of relationships among partners. Although, it clearly also raises the risk of failure since the richness of the cues available through the telecommunications channels cannot always be high. This can lead to miscommunications and possible breakdowns in the smooth flow of work around the globe.

Specific comments on the chapters of the book can begin with the initial chapter on the 24-hour knowledge factory. Here a case study of IBM workers that are both distributed spatially and co-located shows that, indeed, these teams operate differently. The hand off of work was organized for the specially-distributed teams via tools and these teams turned out to be very task-driven.

The next chapter looks at international trade agreement, the law, and IP issues. I have never thought of outsourcing in terms of whether a country might want to restrict such trade (such as by raising tariffs or setting quotas) and so this was an interesting perspective. Likewise, the high level reading of IP laws and controls...
was also valuable as applied to the outsourcing context.

The next chapter deals with the risks of sending work out of the firm. It shows, quite correctly I think, that there is widespread dissatisfaction among clients about the contracts they have with vendors. It also shows that besides security risks, firms can find that costs get away from them and that the vendor destroys their competitive position. These are not unusual observations, but it is good to present them simply here for the sake of reinforcement.

The chapter does end with a useful idea of an e-services capability model similar to the capability maturity model (CMM) developed and popularized by Carnegie Mellon University. It parallels some of the factors that are common in CMM, but also gives examples to show such a mapping to CMM would be carried out.

The next chapter talks about the differences in how outsourcing is being studied across the Atlantic Ocean. The focus from North America on its traditional style of research and Europe on its own style could lead to cultural blindness, the authors contend. I like the fact that the authors have raised this issue for debate so that others can consider this possible problem.

The application of the technology acceptance model to the domain of outsourcing is the next chapter. Since outsourcing is an activity that is not simply a technological artifact, but also a set of work practices, it is difficult to see how this model applies all that well. Nevertheless, the authors find much significance in their data, which may be arguable for the reasons I indicate. Applying TAM at the organizational level is not new, but this study is another in that line of work and so could have value for that reason alone.

There are several chapters that deal with outsourcing healthcare activities. The application of the 24-hour knowledge factory to this setting is interesting from the standpoint of work that can be broken down into linear components. There may be such work in the healthcare domain. Telesurgery is another possible application.

The outsourcing of media, such as filmmaking, is similar to the outsourcing of other services in that filming in India could be a lot less expensive than in the United States, for example. Joint alliances between Bollywood and Hollywood are also evolving. Such alliances raise IP issues such as those identified in the earlier chapters of the book.

The next chapter asks whether it is possible that outsourcing could be a good strategic move for a firm, and bases this on an analysis of a single firm that thinks it has to outsource to save itself. Unfortunately, this chapter ignores the large literature on strategy and outsourcing and so adds little to what we already know. It does not talk about a firm losing its core competencies or strengthening these through outsourcing which is a staple in research these days.

The next chapter reports on an empirical study of the IT workforce and what is being outsourced. This chapter starts by presenting useful statistics through which to understand how outsourcing HR decisions are evolving. It hints that lower level skills like programming will be heavily outsourced while project planning and analysis skills will not. Although the study focuses on what U.S. managers want for their own employees, one can extrapolate to the outsourcing situation.

The next chapter makes a host of comparisons between China and India as outsourcing destinations. It stresses environmental conditions that make it more or less likely that outsourcing will succeed in both settings. One condition that figures into this equation is the head start that India has. This chapter is a useful basic chapter for putting forth the key attributes of legitimate consideration for these two countries.

The following chapter focuses on how prisons are and can be used for outsourcing. There are issues about whether prisoners are being treated fairly, given that their labor is as inexpensive in many cases as in lesser developed countries. The ACLU has raised such concerns. Of course, prison labor can likely not be used in highly sensitive areas where they might be able to engage in criminal activities. But, there
are places where this form of hiring others may work and this chapter opens the readers’ eyes to this possibility.

The next chapter is another one devoted to the 24-hour factory concept. It shows how work can be decomposed so that it is more amenable to the handing off process. It relates this concept to other important concepts like coordination and modularity.

The next chapter continues the theme of handing off work among firms. It models these with boxes and arrows and then with a modeling language that employs some of the look and feel of an entity-relationship model. The humble car repair example that is used is excellent. It does seem that this model could be used for this purpose. It remains untested, but that can be done downstream.

One more chapter picks up on the 24-hour factory next. This chapter lists some problems and benefits of the factory concept. It also talks about technologies that could be used in the DeSanctis and Gallupe 2x2 of space and time. This mapping was simple but helpful, I thought. The chapter also mentions other technologies that might be used but these remain to be seen as successful applications.

Agile software processes in the 24-hour factory are listed in the next chapter. These are described in terms of their features, and this is well and good. Some of them appear to be more applicable than others and the authors are not always forthcoming of how exactly such technologies could be used in a the-sun-never-sets environment.

The next chapter talks about the curriculum of outsourcing and does a nice job of laying out the options of new courses dedicated to the main principles of outsourcing, to integrating these into the standardized curricula supported by various professional groups, and IB courses. While they may not have exhausted the possibilities of business coursework, they touched on many areas that could be fruitful.

The next chapter models outsourcing structures in an esoteric way and is of little value to the practitioner or most academics. It might be of interest to pure computer science researchers, but few else.

The next chapter looks at the concept of agility and how the 24-hour factory could bring about knowledge reuse. It makes a modest contribution to this thought exercise through numerous figures and tables in the early part of the chapter, but then this devolves into lists and definitions that fail to show how would leverage reuse in this environment. The chapter showed early promise that was not realized in the final analysis.