In the current environment of IT organizations, externalization of services and processes to an external and specialized organization (Raisinghani, Starr, Hickerson, Morrison, & Howard, 2008) constitutes an extended practice known as Outsourcing (Barthelemy, 2003). Outsourcing is the process by which an organization moves or uses certain resources to carry specific tasks for an external organization, by means of a contract (Barthelemy, 2003). The focus of IT outsourcing has been changing, since its creation in the 1960s (Loh & Venkataraman, 1995), from a focus on hardware, to software on the 1970s, to hardware and software standardization on the 1980s, and to total solution on the 1990s (Lee, Huynh, Kwok, & Pi, 2003). IT outsourcing may solve two of the main issues of the sector: handle technology changes more effectively and know the real cost of a process or product (Boehm, Abts, & Chulani, 2000).

In this outsourcing scenario, the relations between client and supplier, performance and performance management are the most important factors for the relationship success, particularly given that measurement of performance ensures the quality of outsourcing services (Saunders, Gebelt, & Qing, 1997). Performance management generates information of vital importance to govern and control the life cycle of an Outsourcing relationship (Weimer & Seuring, 2008). Moreover, poor performance management may ruin the Outsourcing relationship (Fink, 1994).

In this scenario, in which IT Outsourcing is an undeniable and unstoppable trend, Managing IT Outsourcing Performance represents a key tool for managing outsourcing relationships, since it provides the theory along with relevant insights from industrial case studies, which demonstrate that what appears simple in theory may become extremely complex in reality. The focus of Managing IT Outsourcing Performance is relationship management, value creation and measurements in IT Outsourcing scenarios. Authors give us a glimpse of how IT outsourcing relationships can be successfully managed.
managed in organizations through a variety of very specific case studies, involving real-world implementations and practical examples.

Overall, I found this book to be very instructive. At times, the volume is similar to a textbook, a form that would suit master degree student use. However, the book audience ranges from graduate or PhD students to IT project managers, CIOs or IT managers. Among the book’s nice features stand out its well organized chapters that touch on a panoply of research related topics. In the paragraphs below, this reviewer describes the chapters and concludes with an overall evaluation of the book.

This book has three sections. The first section, (Chapters 1 and 2), provides the background about IT outsourcing. The second section (Chapters 3 to 8) presents the main factors of sourcing relationships: critical success factors (Chapter 3), value creation (Chapter 4), stages of the relationship growth (chapter 5), costs, benefits, and risks (Chapter 6), knowledge transfer (Chapter 7) and IT outsourcing performance measurement (Chapter 8). The final section of the book (Chapters 9 and 10) proposes an outsourcing governance model (Chapter 9), and describes real world outsourcing cases in Chapter 10, taking into account IT Outsourcing foundations explained in Section 2.

Foremost, Chapter 1 defines and describes IT outsourcing as the common platform for understanding the sourcing universe. This task is based on an in deep state of the art review of the sourcing literature.

The primary purpose of the second chapter is to strengthen the theoretical understanding of IT outsourcing. In order to accomplish this, it identifies eleven theoretical perspectives for IT outsourcing according to attributes such as outsourcing focus, aim, the unit of analysis, outsourcing philosophy, and critical success factors. The main output of this chapter is an extensive review of the IT outsourcing based research presented in a well defined table.

Section 2 starts with Chapter 3. Based on the theories analyzed in Chapter 2, authors develop eleven critical success factors in IT outsourcing, one for each theory.

Chapter 3 builds on Chapter 2 by developing eleven critical success factors in IT outsourcing, one for each theory. In the second part of the chapter, authors conceptualize the outsourcing of IT services as an electronic business activity, where vendors electronically provides IT services to clients.

In Chapter 4 authors introduce and apply the concept of value configurations. A value configuration is the way an organization creates value for its stakeholders and clients. Given that, authors present and compare three different value configurations – the value chain, the value shop, and the value network. Taking into account that a company’s value configuration may serve as a determinant and predictor for the outsourcing extent, authors propose an analysis designed to identify sourcing options and analyze opportunities and threats associated with each of them, within the framework of strategic IT planning.

Chapter 5 focuses on maturity in sourcing relations. Growth and maturity models are well established tools to determine an organization state, as well as the direction in which it is moving. These models assume that predictable patterns exist in organizations and organizational parts growth. Hereupon, in this chapter the three-stage model for the evolution of IT outsourcing relationships developed previously by authors (Gottschalk & Solli-Sæther, 2006) are presented along with an exploratory study of the model testing .

Chapter 6 deals with the understanding of costs, benefits, and risks of outsourcing relationships, including hidden and contract termination costs as well as risk behaviours.

Given that IT is a knowledge intensive activity, Chapter 7 discusses the importance of knowledge transfer in IT outsourcing relationships.

The key issue of the book is discussed in Chapter 8: measuring IT outsourcing performance. A method for developing quantitative performance measurements is presented in this chapter from both vendor and customer standpoints. Thus, from the vendor perspective, it is presented the vendor’s value proposition.
Whereas from the client perspective, it is introduced a method for developing quantitative performance measurements as well as how to measure the IT outsourcing relationships success.

Chapter 9 marks the beginning of Section 3. It focuses on proposing an outsourcing governance model. Based on several of the perspectives discussed in previous chapters, authors agree that both hard and soft sides of outsourcing have to be included in the governance structures in order to be successful.

Chapter 10 presents an exploratory case study aimed to understand the complexities and the underlying constructs of managing IT outsourcing relationships, along with the performance of these relationships.

To sum up, this is a very well organized book and undoubtedly a great addition to the IT Outsourcing literature. The book is very readable and is also very clear in its explanations. Moreover, this book presents a not-so-common double flavour: practitioner and scholar.

Therefore, I would strongly recommend this book to both those involved in IT Outsourcing affairs, and those less familiar with this kind of scenarios.

REFERENCES


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