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It is with great pleasure and excitement that I welcome you to the very first issue of *Strategic Outsourcing: An International Journal (SOIJ)*.

Over the past few months building up to this inaugural issue, the question I have been asked most frequently is: why do we need a journal on outsourcing? It therefore makes sense to start from there.

In a nutshell, we need *SOIJ* because it is the only journal committed to providing a holistic and global perspective on strategic outsourcing, regardless of sector or industry of application. Until today, both the scientific and industrial communities have been lacking a unique knowledge repository where, for example, studies on IT outsourcing would appear alongside studies on production outsourcing, and operations management papers would appear together with in-depth analysis of service legal agreement from a legal and contractual perspective. Besides clearly supporting cross learning and the definition of cross-industry best practices, this would support the building of an outsourcing body of knowledge, and developing outsourcing into a discipline on its own.

Our mission with *SOIJ* is to foster and lead the international debate on strategic outsourcing by providing a central, authoritative and independent forum for the critical evaluation and dissemination of research and development, applications, processes and current practices relating to the design, implementation and undertaking of strategic outsourcing initiatives.

The reason for choosing *Strategic Outsourcing* as the title for this journal is to reflect the evolution of the practice: it is widely acknowledged that outsourcing's main driver has changed from being mere cost reduction to become the increased ability to quickly and satisfactorily fulfil changing customer requirements. Nevertheless, the major evolution of outsourcing lies in the depth of the resulting relationship and the impact on the original business model of the organisations involved. Outsourcing today is, in fact, no longer a simple contractual agreement between a buyer and a supplier. It goes much deeper into the organisations involved, their processes and culture, affecting how companies design and manage their human resources, processes and technology (hence the title's focus on "Strategic").

### **SOIJ's boundary spanning roles**

We see two roles for *SOIJ* to span the boundaries across academic disciplines and across academia and industry.

Concerning the first boundary spanning role, there is to date an immense amount of outsourcing scholarly work being done within academic silos, and yet scholars rarely reference across disciplines. As a result, the set of theories and tools available is very fragmented, with studies focusing, on one side, on specific processes or services being outsourced (e.g. information systems, accounting or human resources); and on the other side investigating specific areas such as supply chain design and implementation (e.g. make-or-buy and suppliers selection), and supply chain operations (e.g. customer-supplier relationships, performance management). Although each discipline occasionally publishes special issues in outsourcing, *SOIJ* will provide an ongoing repository for the best papers and leading edge research in the field. On the whole, *SOIJ* provides a needed forum for continual sharing of scholarly work across disciplines.

Concerning the second boundary spanning role, bridging the gap between academia and industry is a vital part of *SOIJ*'s mission. Our vision is for *SOIJ* to become the leading information resource in its field for researchers, industry decision makers, and public sector policy makers, hence becoming the journal of choice for both practitioners and academics alike.

I personally share the same concern as the esteemed Professor Donald J. Bowersox, who, in an article published in the inaugural issue of the Council of Supply Chain Management Professional (CSCMP) Supply Chain Quarterly, writes:

As an educator, I have concerns regarding what appears to be the growing separation of the academic and practitioner communities. The origins of our discipline were founded and grew on the strength of close bonds between industry and academia. Trust between these two important constituencies opened the doors of business to teachers and researchers, who were then able to gain a practical understanding of prevailing best practices and real-world needs. The research that followed was grounded in applied relevancy. Over the past decade, this has begun to change. In a May 2005 *Harvard Business Review* article, "How business schools lost their way", Warren Bennis and James O'Toole warn that academia has failed to meet the professional needs of managers who are dealing with the challenges of the Information Age. A great deal of the Bennis-O'Toole' criticism can be traced to demands that professors publish in "select" academic journals, which some believe reflect proper academic rigor. Those teaching and researching the developing supply chain discipline have faced this dilemma for years. In the current "publish or perish" environment, even books that report groundbreaking research rank behind a "properly placed" academic article. Unfortunately, "proper" placement often results in articles that emphasize abstract issues and excessive quantification. These articles are published in obscure academic journals that most practitioners never see-or if they do see them, they do not read them. I know full well that the state of academic publication is unlikely to change very soon. Thus there is a need for sponsoring, participating in, and supporting other, quality outlets for relevant academic research (Bowersox, 2007).

I think that there is no better way to describe the actual situation. Such trend is indeed driven by the measures used today to appraise research quality. I would also humbly add to Bowersox's analysis that the language (and format) that these "select academic journals" are setting as academic standards are significantly misaligned with that spoken and adopted by industry and practitioners. Without entering into a disquisition trying to understand why the international academic body is passively letting this happen which by the way I believe is very much needed I would just clarify since the start that being a "properly placed" academic

journal is not the main objective of *SOIJ*. On the other hand, *SOIJ* aims to be the journal of choice for scientists and practitioners who share our values and vision, and who want to learn from, and inform each other's work. We are confident that this innovative approach will lead *SOIJ* to be ranked among the most referred to journals and the most adopted by practitioners, for high quality contributions, and that is what matters to us. We are therefore proud to be behind one of the few brave journals that want to contribute to narrowing the existing academia-industry gap by venturing on the difficult journey of trying to define a common language for the two worlds to start again to communicate. I agree that the state of academic publications is unlikely to change any time soon; however, I am also a great believer that every 1000-mile journey starts with the first step.

The way we intend to pursue our vision is by taking three "first steps":

1. *Editorial team.* As the journal editor-in-chief, I am clearly extremely enthusiastic about *SOIJ*. Also, since my professional mission has always been trying to narrow the gap between academia and industry, I have a very clear vision of how *SOIJ* could achieve that. At the same time, I am conscious one cannot be an expert in every field. Because spanning the boundaries between academic disciplines is also a core objective of this journal, it becomes vital that *SOIJ* leverages the in-depth knowledge and expertise of most respected and experienced academics and practitioners experts in their area of practice. This is the reason why the editorial advisory board (EAB) covers a pivotal role in supporting me develop and monitor the quality of the journal. The EAB is made up of two sub-groups: an Academic Advisory Board, counting most of the top international academics working in the area of outsourcing or in other related areas such as supply chain management, human resources, performance management, etc.; and an Industry Advisory Board, made up of enthusiastic practitioners and policy makers who deal with outsourcing as their day to day job. Both parts of *SOIJ* EAB include people who share *SOIJ*'s vision and who will support me in making sure that only top-quality articles in line with our publishing criteria will be accepted for publication.
2. *Expected contribution.* *SOIJ* will only publish academic articles either grounded in practice or with clear practical implications. Authors are required to report on current research, clarifying the practical implications of their work in order to advance the state of practice and provide a platform for further research and development. In other words, only articles based on solid academic or industrial research with strong relevance to practical application will be accepted for publication.
3. *Industry insight.* *SOIJ* will feature a permanent "Industry Insight" section. Including on average two contributions, we will select articles written by practitioners or academics reporting on industry observations or industry projects. These contributions will not be required to follow the standard structure or scientific format and will mainly be of two types: articles reporting lessons learned from in-depth case studies and proposing clear suggestions for future research; and cutting-edge papers that, exploring the latest trends and developments in industry, contribute to keep the outsourcing research agenda dynamic and always up-to-date with the latest real-world needs.

## Coverage

*SOIJ* should not and will not limit its scope on one or another industry, or one or another process being outsourced.

Even though outsourcing has lately become a buzzword in literature as well as industry, it is, in fact, not a new concept at all. As a matter of fact, the concept of engaging with others to have something done better or more efficiently than if we were to do it on our own, is a very old one, and one that can be applied to all aspects of our day to day life. Ridderstråle and Nordström, in their extremely entertaining book *Funky Business* (2002), jokingly say "one of the authors admits that he is not the best chef in the world, so he often goes to restaurants. [] he is not the best lover in the world, so he and his wife have decided that once a week there is this guy who comes to their house and we're just kidding". In business however, early models of outsourcing emerged within the market/hierarchies classical debate, as a consequence to "make or buy" strategic decisions that companies have faced for a long time. Those early suppliersbuyers relationships then evolved into more structured supply chain, virtual enterprise and extended enterprise, that is networks of more or less integrated businesses operating in synergy to deliver a product or a service to the final customer. The dot com era, unstoppable developments in ICT, digitisation and the globalisation of markets have undoubtedly contributed to the servitisation of manufacturing and the development of these early models into what outsourcing has become today.

Demand for outsourced processes and services has been booming for the past decade, and outsourcing has now become a practice common to numerous industries, from manufacturing to tourism involving the most disparate processes, from production to customer service. A whole new set of terms is being coined such as in-sourcing, near-shoring, best-sourcing, integrated-outsourcing, to mention but a few; and acronyms as well: business process outsourcing (BPO), information technology outsourcing (ITO), business transformation outsourcing (BTO), human resources outsourcing (HRO), knowledge process outsourcing (KPO), etc. Nevertheless, new business models are emerging, or indeed have been adopted in various industries since long, such as: call centres, shared services centres, third party logistics, etc.

*SOIJ's* basic definition of outsourcing is hence "the strategic decision of a business to stop carrying out (or not to carry out) an activity in-house, but to transfer the responsibility, staff and infrastructures for that activity to one or more specialist providers outside the same business, i.e. outsourcing is the act of "sourcing from outside". That is, whereas "outsourcing" refers to the overall decision, all the various acronyms (BPO, HRO, etc.) are used to specify the type of process being outsourced and therefore the specific market available. This has two important implications in terms of the papers that will be accepted for publication: basically any process can be outsourced and as such is of interest to *SOIJ* and the term does not give any indication about either the location, i.e. on-shore or off-shore, or ownership, i.e. captive or third party, of the outsourced operation, and as such all variations of the basic outsourcing model are of interest to *SOIJ*.

To summarise, *SOIJ* coverage is essentially of a practical nature and designed to be of direct benefit to those working in the field, yet being anchored in and fuelling relevant scientific research. It includes all activities that relate to the definition, design, implementation, and management of a strategic outsourcing initiative as well as the change and impact that this has on people, processes, infrastructures and management procedures.

## **This inaugural issue**

This inaugural issue was fundamental to setting the standard for the type and quality of contributions we are looking for and to serve as a term of reference for interested authors and

their future publications. Much effort and energy are contributed from all parties involved: advisory board members, authors, reviewers, publishers and the editorial team.

I am very proud of this first issue, as it accurately reflects what we are trying to achieve with *SOIJ*, in terms of wide coverage, relevance to practice, contribution to defining the outsourcing research agenda, and international reach.

If the English proverb "well begun half done" is true, with our opening paper by Lacity, Willcocks and Rottman, we are definitely half way to achieving our vision. The research presented is based on the authors' 20-year long involvement with various outsourcing research projects, within which they conducted in excess of a thousand interviews, from more than 500 companies and across five continents. The authors first take the reader through a number of lessons learned during their involvement in the various projects, spanning from the definition of critical success factors, to defining a sourcing process. Then, they propose a list of 13 different trends they believe will characterise developments within the ITO and BPO sectors through to 2012, from estimated market growth rate, to the changing strategic priorities of outsourcing initiatives. To conclude they list five enduring challenges: global sourcing issues that remain unresolved today and that need addressing further by future research activities in this area. I honestly cannot think of a better way to launch a journal on strategic outsourcing.

Janssen and Joha follow with an extremely topical study of the emerging shared services business model, specifically focussed on identifying managerial challenges that could arise in the development of service oriented arrangements. Their work is based on one in-depth case study from the financial services sector in The Netherlands, where they conducted a number of interviews with key people involved in the development and operation of the service oriented enterprise (SOE). In their journey to present their conclusions, the authors deliver an array of important knowledge concerning existing shared services models, their operations' interdependencies, and the factors characterising in-house solutions as opposed to shared services organisations and SOEs. They eventually identify a number of critical management issues, from the need to redesign and reorganise activities and roles, to the difficult involvement, during the resulting business transformation, of the various stakeholders.

Rothenberg, Hira and Tang give us a US perspective on how printers perceive off-shoring within the printing industry and how they are responding to its opportunities and challenges. This time, the authors employ a three-stage methodology, starting with exploratory interviews, going through an industry survey, and finishing with follow-up interviews. Their study is based on eight hypotheses where the authors define the most likely links between services offered by local printers and the potential for job losses to an off-shore based printer. Analysing the primary data gathered during their research, the authors are able to identify individual printers in their sample who may be making strategic mistakes in the way they respond to off-shoring opportunities and threats. Furthermore, measuring a staggering 49 per cent of cases where printers had lost jobs to off-shore competitors, the authors identify a number of strategic approaches that US-based businesses are adopting to improve their competitiveness in the global market, from focussing on niche-market to designing creative value added services. The authors mention the importance of environmental policies in the selection of suppliers in the printing industry, a topic also covered in-depth in one of the "Industry Insight" contributions in this issue.

In the last, but by no means least, contribution to the first section of this issue, Slepnirov and Waehrens give us a perspective on how Danish manufacturing companies are off-shoring their production processes, the steps they go through, and the impact on their business. By exploring two case studies, conducting 17 interviews over a year, the authors conclude that the decision to outsource standardised production tasks to parties overseas has implications that go beyond what was initially planned and that challenge the definition and scope of roles and responsibilities among the outsourcing partners. The choice of the two case studies is interesting: in the first, the authors take the reader through the historical transition of one business moving from being a vertically integrated manufacturer to becoming mainly a supply chain management and system integrator focused on innovation and system integration; and in the second they describe how the case study used off-shoring to align their business and operations strategies and increase their flexibility in responding to demand fluctuation patterns. Based on a careful analysis of the two case studies, the authors also propose a conceptual framework describing the evolving nature of production off-shoring ventures as a spiral; where the complexity of dealing with internal factors such as changing level of control and varying roles and responsibility increases as the outsourcing initiative progresses.

The second part of the issue presents the "Industry Insight" contributions. In this issue, we feature one article per type of contribution we aim to publish in future: one presenting a number of lessons learned and suggestions for future research based on an in-depth analysis of one industry case study; the other bringing the reader's attention on to the latest fads in outsourcing practices observed through an on-going global cross-industry survey and observations from being involved in various outsourcing projects.

The "Industry Insight" section opens with an article by Beryl Burns, who reports on an in-depth case study looking at a UK based wholesaling company who outsourced their information technology and call centre services to off-shore suppliers based in India. She pays particular attention to what security measures are put in place to control and avoid misuse of sensitive information. Interestingly, this case shows that cost-reduction is not always the main driver to outsource, as the company under study choose this strategy to gain access to skilled labour. In the "food for thought" paragraph, Burns summarises some "pearls of wisdom" concerning critical management approaches to setting-up and managing an outsourced relationship with off-shore partners; further, she lists a number of challenges relating to security, quality, knowledge transfer and relationship management.

We close the issue with a contribution from Douglas Brown, to clearly show that quality permeates this issue coherently from start, all the way through to finish. Brown, co-author (with Scott Wilson) of *The Black Book of Outsourcing*, discusses how green issues are becoming a regular discussion point on the boardroom agenda and an important part of suppliers' selling propositions. He reports that 21 per cent of US and UK publicly traded companies that outsource functions have added "green policies and performance" demands to their vendor contractual arrangements in 2007, and over 94 per cent plan on including "green" in their renegotiations processes. This trend is affecting the way executives are defining their sourcing and procurement strategies, forcing them to keep in consideration issues like hardware energy consumption and alternative energies, etc. when selecting suppliers. The article goes on presenting a host of interesting data about industries and functions being outsourced which are more likely to seek or include green causes and who the vendors are that lead the green outsourcing space. Brown concludes presenting a useful 13-step approach to developing a green outsourcing initiative.

## Conclusions

*Strategic Outsourcing: An International Journal* is the first and only international journal solely focused on studying and sharing knowledge concerning all activities that relate to the definition, design, implementation, and management of the strategic outsourcing initiatives and the change and impact that this has on people, processes, infrastructures and management procedures. Furthermore, *SOIJ* is a scientific journal grounded in practical relevance, and as such makes bridging the gap between industry and academia an important part of its mission and long-term vision.

This inaugural issue includes contributions that reflect *SOIJ*'s values and vision, in terms of coverage, scope, format, and quality. As such, it should be used as a term of reference for interested authors on how to design and shape their contributions in the future.

## Acknowledgements

Setting up a new journal is definitely not a one-man project. Several people have supported me in the journey from the initial proposal to the production of this first issue, including the publishing team at Emerald, the members of the EAB, the international reviewers, and the authors themselves. I am very grateful to all for the positive and encouraging comments I have received from all over the world, as well as the constructive criticism and suggestions offered that have certainly helped me in shaping the journal's model and underlying concept. I am also deeply thankful for the effort that the members of the advisory boards have put into identifying and bringing on-board like-minded practitioners and academics who share our vision, and also for contributing directly or for attracting high calibre contributions. And I cannot thank enough authors and reviewers of this first issue for the patience they have shown in trying to fulfil our requirements with such a commitment and spirit of collaboration.

I would like to extend my warmest gratitude to two persons in particular, without whom, I can honestly declare that I would never have been able to launch this inaugural issue. Vicky Williams, Head of Publishing Development at Emerald: she was the first person I discussed the idea for *SOIJ* with, and ever since has proactively provided me with incredible support to bring *SOIJ* from an idea to a reality. And Professor Mary Cecilia Lacity, professor of Information Systems and International Business Fellow at the College of Business Administration, University of Missouri-St. Louis. As Senior Editor for this inaugural issue, she has been a constant source of inspiration, supporting me with countless suggestions, different perspectives and extraordinary knowledge.

Their commitment to *SOIJ* is, for the lack of a better word, exceptional.

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