

**Introduction to the
Trends in Outsourcing of Information Systems Minitrack**

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Outsourcing is maintaining its presence on the top list of preoccupations for current managers. However, outsourcing is now taking many different forms. New companies, traditionally in other fields of IT, are entering the arena. SAP, with its mysap.com initiative and Compaq are examples of these companies entering the field of outsourcing. They propose different types of alliances, facilitating the adoption of ERP (enterprise resource planning) software. This is one of fast growing side of outsourcing (1). In fact, new entrants in the outsourcing market, offering new types of arrangements, blur the lines between traditional outsourcing companies, Internet service providers and software vendors (2). Reports on market evaluation indicate that growth will be uninterrupted for the next three years (3). Outsourcing is also growing in other fields, for example human resource management.

If many agree that the market is growing, There seems to be a trend toward smaller, shorter contracts, often implying multiple vendors. The nature of outsourcing contracts seems to be changing. At the same time, some authors predict a movement toward what was labeled *backsourcing*, suggesting that eventually the pendulum will come back toward more internal provision (4).

The articles in the mini-track reflect those many different aspects. In a paper entitled *The Evolution of Outsourcing Research: What is the Next Issue?*, Jae-Nam Lee*, Huynh Minh Q., Kwok Ron Chi-wai, and Pi Shih-Ming provide an integrative groundwork for the understanding of outsourcing, including its key research areas, its evolution, its theoretical models, and its future research trend. They analyze what were the primary concerns of past research. From this classification, they

predict a move toward tightly coupled partnership-based outsourcing.

Han Van der Zee and Pieter Ribbers, in their paper *Scenarios for Strategic Sourcing of Information and Communication Technology* draw plausible scenarios for IT outsourcing and partnerships, along with the impact for users and suppliers. They also predict the rise of tighter partnerships between suppliers and users of IT. Their scenarios take into account the geographic operating modus with its extremes, globalization and regionalization, the role of IT within business, and the availability of ICT skills and competencies. These three dimensions impact on the speed at which companies will be able to adopt the options presented by advanced technology, their attitude toward outsourcing and the alliance that they will put in place.

Finally, the last paper is concerned with the strategic value of IT activities. Vital Roy and Benoit Aubert, in a paper entitled *A Resource Based View of the Information Systems Sourcing Mode*, study the relationships between the choice of a sourcing mode, the value of the resources used in IS activities and the presence of those resources at sufficient level within the firm. Their discussion helps understand the different modes used to get IT services and the elements managers must conciliate to maintain strategic advantage without spending disproportionate resources.

- (1) *Computer outsourcing: For rent*, The Economist, 9-Jan-1999.
- (2) *Outsourcing on the Rise*, PCWeek Online, ZDNet, July 19, 1999, <http://www.zdnet.com/pweek/stories/news/0,4153,409666,00.html>
- (3) Bittman, T. Austin, T. Enck, J. Goodhue, C. Hilwa, A. Natis, Y. Paquet, R. Pezzini, M. Phelps, J. Varma S., *IBM – Six Years After the Meltdown*, Gartner Group, 12 May 1999, R-08-0310.
- (4) Hirschheim, Rudy, *interview* published : <http://www.outsourcing-academics.com/html/hirsch-d.html> (1999)