Best Practices for International eSourcing of Software Products and Services from the Service Providers’ Perspective

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Abstract
This research analyzes how eSourcing service providers can execute the Information and Communications Technology-enabled international sourcing of software-intensive systems and services (eSourcing) effectively. The extant literature offers practices providers can use for this purpose but falls short of providing a detailed enough set of classes of information systems that support providers in executing the practices for managing and delivering effective services. This research presents a set of both best practices and supporting classes of information systems for international eSourcing service providers to facilitate the execution, improvement, and management of international eSourcing services. The practices and classes are expected to help providers to establish and execute a mature eSourcing life-cycle in order to overcome the cultural, technical, and geographical boundaries in international eSourcing. Future research should examine the introduction and application of these practices and classes in the context of various service providers to validate the proposed set.

1. Introduction

Information and Communications Technology (ICT)-enabled international sourcing of software-intensive systems and services (eSourcing) is a means of reducing costs, increasing quality, accessing skills, sharing risks, and achieving strategic aims [14; 20; 22]. More than 50% of American Fortune 500 firms and a significant proportion of Western European and Japanese firms had already leveraged international sourcing by the turn of the millennium [4; 57]. Small, medium-sized, and large enterprises use international sourcing to find high-quality services at lower costs [4; 6]. India, Russia, Philippines and China are the most important nations for service provisioning [5; 6].

The reported success rate of international sourcing engagements is still comparatively low [20]. To achieve successful eSourcing and to execute engagements effectively [15], clients and international eSourcing service providers (hereafter, providers) need to manage their relationships effectively with appropriate risk mitigation, coordination, and control strategies [6; 39; 55; 56]. The types of contracts in different scenarios have been analyzed [2; 10; 20; 38; 61] to manage relationships formally and to promote long-term high value-adding relationships between clients and providers [37; 38; 60]. Sourcing engagements need to be governed through structural mechanisms covering deliverables, penalty clauses, and reporting arrangements [50; 51; 55; 62].

Most extant eSourcing research focuses on clients [52] typically operating in the USA and Europe [30]. The provider’s perspective has not yet been studied sufficiently [3; 11; 52]. This is despite the fact that providers with appropriate operational and strategic capabilities are critical for the offshoring of services to ensure comparative cost advantage, satisfactory quality, and on time delivery regardless of the differences in distance, time zones, and culture [7].

For example, Järvenpää and Mao [26] focus on the client-specific, process, and human resources capabilities development of Chinese providers but their research does not cover the entire international eSourcing life-cycle (hereafter, life-cycle). Rottman and Lacity [54] describe twenty important practices to facilitate CIOs working with providers and mitigating risks, but neither does this research cover the entire life-cycle. Momme [45] presents a framework for the eSourcing life-cycle from the client’s perspective, which includes the main activities and performance measures for each phase. None of the above-mentioned works investigates the ICT tools necessary for supporting the life-cycle. Käkölä [32] presents a set of best practices for international eSourcing from the client’s perspective and proposes a set of supporting ICT tools (hereafter, classes of information systems) for each phase of the life-cycle to manage the life-cycle comprehensively. The set divides the life-cycle into seven phases and explains the main activities, supporting classes of information systems, performance measures and expected outcomes for each
phase. The eSourcing Capability Model for Service Providers [24] is the most comprehensive model available for providers, but it does not include the supporting classes of information systems to support providers’ practices during the life-cycle.

This research revises the work of Käkölä [32] to create a set of best practices and supporting classes of information systems for providers. It answers the research question: How can software products and services be provided effectively through an international eSourcing service provisioning life-cycle? The set addresses four subquestions: (1) What are the phases of the life-cycle? (2) What are the major activities in each phase? (3) What are the performance measures and expected outcomes of each phase? (4) Which classes of information systems best support the life-cycle and each phase?

The following section presents the set of best practices for international eSourcing service providers. Next, the validation of the set is discussed. The concluding section presents the findings, limitations of this research, and future research topics.

2. The set of best practices

According to the eSCM-SP [24], the eSourcing life-cycle involves three phases. (1) Initiating an engagement involves gathering and negotiating requirements with a client: contracting; and designing, resourcing, and deploying the service. (2) The service is delivered according to the commitments established for the engagement. (3) The engagement is completed primarily by transitioning the resources from the provider to the client or to a third party. Ongoing practices run throughout the life-cycle to perform management functions.

Käkölä [32] identified seven phases of the eSourcing life-cycle from the clients’ perspective. The set of best practices for providers (Figure 1) focuses on the corresponding seven phases from the providers’ perspective. The initiation phase of eSCM-SP corresponds to the first four phases of the set of best practices: 1. Setting objectives and evaluating capabilities; 2. International market research and evaluation; 3. Bidding on contracts; 4. Contract negotiation. The delivery phase of eSCM-SP corresponds to two phases: 5. Service delivery and 6. Managing the eSourcing relationship and services. The completion phase corresponds to phase 7: Contract termination and evaluation. Some ongoing practices take place at the engagement level throughout the life-cycle of an engagement. Other ongoing practices are implemented across the services at the organizational level [24]. Due to space limitations, the comprehensive coverage of the ongoing practices is beyond the scope of this research.

The main activities and the related performance measures, expected outcomes, and supporting classes of information systems for each phase of the eSourcing life-cycle from the providers’ perspective have been identified. The main activities present specific practices in each phase of the eSourcing life-cycle. The performance measures are used to review the expected outcomes with respect to the factual outcomes and to set improvement targets [32; 45]. The availability of an instance of a class of information systems identified for a phase indicates the potential of the provider to reach at least one of the expected outcomes specified for the phase through the activities supported by the instance. The ICT infrastructure used in all the phases is presented at the top of Figure 1.

2.1. Phase 1: Setting objectives and evaluating capabilities

In this phase, eSourcing service providers evaluate their service capabilities, study sourcing service opportunities, set business objectives, and devise a strategy to leverage selected opportunities.

2.1.1. Main activities
Setting business objectives and breaking them down into specific sub-objectives, for example, to improve service capabilities in specific sourcing domains or to enlarge business scope in specific markets and/or countries. To set realistic objectives and manage risks, providers need to understand their capabilities, including business processes and the sub-processes and interfaces [35; 36].

Evaluating service capabilities based on reference standards (e.g., eSCM-SP). Capability Maturity Model Integration (CMMI) [8; 49] provides a reference model for organizational process and product improvement widely used in the software industry, for example, to decrease costs and to improve on-time delivery. The three phases and the ongoing practices of the eSCM-SP life-cycle cover ten capability areas (e.g., knowledge management, threat management, performance management), including 84 specific practices. eSCM-SP prescribes five capability levels. Certified assessors can use eSCM-SP to determine the capability levels of providers. Clients can use the certifications to rank and select providers. Providers can use eSCM-SP to estimate and benchmark their capabilities with competitors’ capabilities and as a roadmap to improve their capabilities to higher levels.

Forming an eSourcing team to manage, analyze and select proper markets; evaluate the business
opportunities; and develop and manage the relationships through ongoing organizational level practices [16; 19; 53; 54; 64]. The team should include members from service delivery management, information systems, and market information analysis groups and clients’ requirements analysis teams [53]. Evaluating potential eSourcing benefits from several perspectives (e.g., improved service capabilities in specific eSourcing domains, enlarged business scope and increased profits in specific eSourcing markets, and established long-term relationships with clients).

2.1.2. Performance measures
Performance can be measured by answering the following questions. (1) Does the provider have clear business objectives and a clear method and/or criteria to evaluate the service capabilities? (2) Can it organize the eSourcing team, obtain adequate and valid market information, and estimate the benefits from economic and capability development perspectives?

2.1.3. Expected outcomes
The expected outcomes include (1) a set of defined strategic objectives (e.g., capability improvement, enlarged business scope in specific eSourcing markets), (2) evaluated service capabilities and core competences, (3) an established eSourcing team, and (4) adequate knowledge of competitiveness and profitability.

2.1.4. Supporting classes of information systems
Providers use several classes of information systems to analyze and make decisions. Baselined and documented software and systems engineering processes are vital to improve their processes. The documentation of the processes is stored and managed in the process asset library [8]. Decision support systems (DSS) may be used to assess eSourcing strategies, opportunities, threats, and resource requirements and to manage projects, services, and relationships [31]. Project estimation and measurement systems and associated experience databases help providers to collect, analyze, and report scope, effort, duration, and cost information systematically from all projects, estimate their service capabilities accurately based on this information, and identify advantages and weaknesses [12]. They need to be commercially available and compatible with the international benchmark repositories [21] and with the DSS relying on the collected data. The clients and providers can then utilize compatible estimation and measurement systems and better align their processes.

2.2. Phase 2: International market research and evaluation
In this phase, providers research and evaluate the potential international markets and clients.

2.2.1. Main activities
Defining and approving critical assessment criteria by appropriate stakeholders to analyze the political, social, competitive, and legal environments of potential markets and countries. Multiple criteria should be considered [17, p. 256; 48; 50]: stability of the political and social environment, eSourcing service costs, size of the markets, existence of a common language between the clients and providers, availability of functional and secure ICT infrastructures, and laws for intellectual property protection. The ethical and political openness of the potential clients’ countries towards eSourcing to the provider’s countries also need to be assessed [32]. The main existing and possible providers and their competitiveness (e.g., position in the esourcing service provisioning ecosystem, software development productivity) in the markets also need to be taken into account. Analyzing political, social, competitive, and legal environments of the markets and/or countries to assess service opportunities and risks and the factors potentially influencing services. Identifying and selecting prime potential markets and/or countries that meet strategic objectives (e.g., improving capabilities or enlarging business scope). Generating an initial list of prospective clients. Providers search for prospective clients from trade association sites, mailing lists, and other sources. Information about prospects should be managed using customer relationship management systems [29] because some of the prospects could become target clients with whom relationships will be sought.

2.2.2. Performance measures
Performance measures include the review and approval of the selection criteria by critical stakeholders, the number of investigated markets and/or countries, the number of leveraged eSourcing service opportunity channels (e.g., blogs), and the number of prospective clients.

2.2.3. Expected outcomes
The expected outcomes include the assessment criteria that have been established, reviewed, and approved by the stakeholders; an extensive overview of the prospective markets and/or countries; and an initial list of the prospective clients.
2.2.4. Supporting classes of information systems

The supporting classes of information systems for finding candidate markets and potential clients include customer relationship management systems; industry specific, trade statistics, and country related market databases; search engines; and trading web sites [47]. The classes used for international promotion include blogs, webcasting, and banner advertising.

2.3. Phase 3: Bidding on contracts

Bidding on contracts is an important phase in the eSourcing life-cycle. Providers need to present their service capabilities and core competences in this phase.

2.3.1. Main activities

Selecting prospective clients that meet the strategic objectives identified in the first phase of the life-cycle by reviewing their businesses and requests for proposals (RFP).

Analyzing the profitability of the request for proposal. The RFP is a request that solicits detailed information on how and under which constraints a provider will perform its responsibilities, if it wins the contract [16; 32]. It should present detailed information on the scope and definitions of products and/or services to be delivered, required providers’ qualifications, pricing (per delivered function point in software development and maintenance projects), and detailed questions [10; 16, p.188; 53]. If the analysis of the RFP indicates that the request is unlikely to lead to a profitable engagement, the provider should typically bid only if the prospective client can significantly contribute to reaching the strategic business objectives defined in the first phase of the eSourcing life-cycle.

Clarifying the advantages and disadvantages of bidding on a contract by analyzing the RFP and the following factors: (1) experience and performance in previous similar eSourcing projects with respect to the quality and process objectives defined in the RFP; (2) human and technology resources [64, p.79]; (3) the infrastructure and equipment used to facilitate communication, reduce cultural differences, and mitigate contractual risk; and (4) cultural fit [13; 64].

Preparing a software development plan, a service plan, or a software maintenance plan (hereafter, service plan) to a bidders’ conference. The plan should meet the RFP and client requirements and present providers’ service capabilities (e.g., skilled people, service experience in similar projects, good reputation in service quality, proper technology, and reasonable price).

2.3.2. Performance measures

Performance measures include the documentation, review and approval of the advantages and disadvantages of bidding on a contract by the stakeholders; the correctness and comprehensiveness of the service plan in meeting the requirements specified in the RFP; and the diligence of activities in proving the service capabilities.

2.3.3. Expected outcomes

For each RFP, the advantages and disadvantages of bidding have been identified; the RFP has been analyzed from the viewpoint of profitability; and the service capabilities have been extensively documented and justified in the service plan.

2.3.4. Supporting classes of information systems

The data sources and supporting classes of information systems used to find proper clients and bid on their contracts include newsgroups, search engines [48; 64], customer relationship management systems, and trade mailing lists. Search engines can be used to collect client information [48; 64]. Project estimation and measurement systems [12] are critical in estimating the personnel effort, the costs, and the duration of the engagement specified by the RFP in order to create a reasonable service plan [27]. Integrated requirements, test, defect, and release management systems let providers create and manage knowledge seamlessly throughout the life-cycle. During service planning, requirements in the RFP need to be analyzed, prioritized, and allocated to releases that have predefined schedules. This is enabled by integrating requirements and release management systems [34]. Test and defect management must be driven by the release schedules and associated requirements because clients cannot be provided with releases before the defect densities are below an agreed upon threshold. Therefore, requirements and release management systems need to be integrated with test and defect management systems [34; 42; 43]. These integrated systems also provide clients with the information needed in the appraisals and bids [32] and facilitate service plan creation based on reusable artifacts of previous similar engagements [41; 42; 43], helping providers to save time and prove their service capabilities.

2.4. Phase 4: Contract negotiation

The process of structuring the dynamics of the relationship begins by negotiating framework contracts governing all engagements throughout the relationship.
and project contracts dealing with specific engagements [62]. This research focuses on project contracts.

2.4.1. Main activities
Clarifying legal and commercial terms, conditions, and property rights to represent negotiation topics and positions. Platz and Temponi [51] provide a comprehensive coverage of the items the contract should include. Specifying the service delivery process and baseline for the scope of the delivery. The baseline must be measured and agreed upon in terms of specific standards. For example, if the service is software development, the functional size of the software deliverable should be estimated in function points to enable fair contracting [10]. If the service scope grows, the providers will be guaranteed extra compensation based on the number of additional function points delivered; if the providers fail to implement the baseline, the compensation will be reduced because it is based on the measured number of function points of the tested and delivered software. Clarifying all the requirements in the RFP to avoid misunderstanding client requirements. Clients and providers need to agree upon the business objectives and the role of the relationship in fulfilling them [10; 32]. To promote a mutual understanding of the commitments made, the provider must include in its negotiation team the person who will be responsible on-site for managing the service delivery [19]. Signing the contract(s) to legitimate commitments between clients and providers.

2.4.2. Performance measures
Performance measures include the agreement on the RFP and client requirements, legal and commercial terms, conditions, and property rights of the contract; the ability to specify the baseline scope of delivery; and the openness and collaborative effort of both the client and the provider during the negotiation [45, p. 71].

2.4.3. Expected outcomes
The expected outcomes include mutual agreement on contract specifications (e.g., scope, price, schedule, resource requirements, security provisions, intellectual property rights, and breakdown recovery processes); a signed contract; and a win-win situation for the negotiating parties.

2.4.4. Supporting classes of information systems
Contract databases are crucial to reduce the contracting risks and time [19; 64]. Project estimation and measurement systems and associated experience databases facilitate baselining, scheduling, and pricing during contracting through effort, time, and cost estimations [12; 32]. Requirements, test, defect, and release management systems help providers to estimate specific details (e.g., scope, schedule, cost) and to reuse earlier service plans and other suitable artifacts to create proper service plans [34; 41; 42; 43]. To track the relationships with clients, the outcomes of contracting need to be managed using customer relationship management systems.

2.5. Phase 5: Service delivery

2.5.1. Main activities
Building a joint implementation team to execute services. The team must include both client and provider representatives. Providers need to organize sub-teams to execute service delivery and communicate with clients. Training the relevant employees of both parties to share knowledge and necessary resources. The learning curve is steep and expensive, but the implementation team needs to develop a shared understanding of the services to establish an effective relationship [48]. Ongoing provision of support and training will also improve project, relationship, and service delivery management skills [46; 64]. Short-term relationships may not offer enough time to pay back these investments [32]. Refining the service plan created during bidding to ensure client requirements are met. Setting up the infrastructure (e.g., technologies, supporting classes of information systems, and physical facilities) required to execute and manage the service delivery. Executing service delivery based on the service plan and contracts. Reviewing service milestones together to verify progress against the planned schedule and deliverables, address emerging issues, and plan for the following activities [9; 10; 44; 48; 58]. Reporting service delivery progress regularly and dealing with breakdowns based on the contracts. Generally, clients should approve the solutions for recovering from breakdowns before providers use them.

2.5.2. Performance measures
Performance measures include the completion of milestone reviews, training, and service deliverables, including progress reports, in accordance with the established service plan and process objectives.
2.5.3. Expected outcomes
Expected outcomes include an effective implementation team; a revised and detailed service plan; the infrastructure required to implement the plan; defined performance metrics; highly skilled and motivated employees; timely and technically high quality progress reports and deliverables; ability to deal with breakdowns effectively.

2.5.4. Supporting classes of information systems
The implementation team enacts a common systems development methodology and/or service delivery process using a compatible set of information systems and data standards [32]. Requirements, test, defect, and release management; project estimation and measurement; training; and simulation systems (1) improve implementation planning, the ability to quickly assemble teams, and knowledge sharing and (2) enable appraisals for process improvement [1; 10; 12; 25; 59]. Providers can reuse artifacts from previous similar projects to shorten service time, lower costs, and increase service customization and quality [41; 42; 43]. The outcomes and breakdowns affecting the relationship are documented and tracked using a customer relationship management system.

2.6. Phase 6: Managing the eSourcing relationship and services

Service and relationship management is crucial to benefit from the eSourcing strategy.

2.6.1. Main activities
*Ensuring open sharing of knowledge.* Clients and providers should establish close relationships when both parties wish to evolve relationships toward strategic co-sourcing [28] and harmonize development processes, information systems, and project management and service practices [18; 23]. The improvements raising the maturity of the providers’ processes should be documented in the process asset library [8; 35; 36].

*Instituting performance metrics, monitoring mechanisms, and incentive, corrective action, and penalty systems* aligned with the contract [40]. The metrics and mechanisms should have been specified in the service plan. Effective metrics combine service levels with financial targets and include consequences associated with failure to meet minimum standards [13; 40; 51; 64]. A corrective action system should be implemented to leverage the metrics in order to assess performance and to document and track deviation from performance targets [8]. Monitoring mechanisms such as periodical working-level meetings should be available. The corrective action system should store and track all issues coming out of these meetings.

*Monitoring performance* provides incentives for improving eSourcing relationships. It ensures that providers track all deviations and measure and report performance regularly, building confidence and enabling (1) clients to review progress and (2) providers to improve in the areas with the highest business impact [8; 10; 16].

*Revising the contract if necessary.* Unexpected situations (e.g., changed client requirements) may require revising the contract. Lengthy contract periods may thus be risky [32].

*Executing incentives and corrective actions.* Clients can provide incentives to motivate providers to exceed performance requirements. Tracked deviations should be corrected before they escalate to ensure the services meet client requirements and are within the scope defined by the contract. Penalties should be used only for extreme levels of non-compliance with the performance requirements [32].

2.6.2. Performance measures
Performance measures include the effectiveness of the created management structure and knowledge sharing scheme; the institutionalization of metrics, mechanisms, and incentive, corrective action, and penalty systems according to the contract and service plan; the compatibility of service processes and environments; and the effectiveness of recovery from breakdowns.

2.6.3. Expected outcomes
Expected outcomes include an effective management structure and sharing of knowledge; enacted performance metrics and monitoring mechanisms; comprehensive incentive, corrective action, and penalty systems; and services that meet the RFP on time and in budget.

2.6.4. Supporting classes of information systems
Process asset library is a class of information systems used to document, assess, and improve clients’ and providers’ processes. Project estimation and measurement systems and associated experience databases can be used to track the status of the engagement and the relationship from multiple viewpoints (e.g., trends in productivity, earned value) [12]. Requirements, test, defect, and release management systems are used to manage service processes and deal with breakdowns [34; 41; 42; 43]. The outcomes and breakdowns affecting the relationship are documented and tracked using a customer relationship management system.
2.7. Phase 7: Contract termination and evaluation

The provider assesses its performance, the lessons learned, and the reaching of its business objectives.

2.7.1. Main activities

Transferring resources (e.g., intellectual property) to clients or third parties.

Refining assessment criteria. The criteria established before the service delivery are refined as necessary.

Evaluating services and the relationship. The provider checks the service deliverables against the terms of the contract. Relationship quality is characterized by factors such as trust, benefit and risk sharing, commitment, and conflict [63].

Receiving payments. The clients pay based on the contract and delivered service.

Analyzing the service results with respect to the baseline set in the contract to assess, for example, the service quality.

Documenting the lessons learned in the project estimation and measurement systems and the process asset library helps clients and providers to manage and improve development, project management, and support processes through reusable process documents [8; 10; 12].

2.7.2. Performance measures

Performance measures include the technical performance of the product and/or service versus the performance specified in the contract; the actual delivery time versus the delivery time agreed upon in the contract; the actual cost of the project versus the estimated cost in the contract; client and user satisfaction; relationship quality; the extent of capability improvement, and the ability to assess alternative sourcing arrangements [45].

2.7.3. Expected outcomes

The expected outcomes include fully satisfied clients; services completed and relationships formed in line with the business objectives, the strategic plan, and client requirements; improved provider capabilities; and on-time delivery within the budget.

2.7.4. Supporting classes of information systems

Evaluation of the providers’ service is stored in the appraisal database to facilitate process improvement. The process asset library and the project estimation and measurement systems are used, respectively, to document improvements in systems development processes and to measure project performance for helping to predict future project performance.

Requirements, test, defect and release management systems are used to record lessons learned and improve service capabilities [34; 41; 42; 43]. The assessment of the services and the relationship is documented and tracked using a customer relationship management system.

3. Preliminary validation

The validation of the set of best practices has been conducted through multiple case studies in Finland and China. The two most important classes investigated so far have been the class of project estimation and measurement systems and the class of requirements, test, defect, and release management systems. In Finland, several case studies have focused on the class of project estimation and measurement systems and found a software product instance of this class to support six of the seven phases of the life-cycle [33], as shown in Figure 1. The case studies have involved the client organizations Ministry of Justice, Finland and Ministry of Social Affairs and Health, Finland and the providers Tieto and Gofore [33]. The validation of the international market research and evaluation phase of the life-cycle and the other classes of information systems shown in Figure 1 has been beyond the scope of these case studies. The requirements and release management system subclass and the requirements, test, and defect management subclass of the class of requirements, test, defect, and release management systems have been empirically validated, respectively, through case studies in the providers Nokia (Finland) [34] and Ltesting (China) [42; 43]. In addition to the case studies, the set of practices is based on a literature review on eSourcing [6; 39; 55; 56]; the set of best practices for eSourcing of software products and services from the clients’ perspective [32]; and eSourcing Capability Model for Service Providers [24].

4. Conclusions and future research

This research developed a set of best practices for international eSourcing service providers to execute mature, standardized, and quantitatively managed processes for delivering eSourcing services. The set helps clients and providers to transcend cultural, geographical, technical and other boundaries in international eSourcing engagements. It contributes to the extant knowledge by identifying the classes of information systems that support the eSourcing life-cycle and associated phases and activities. The main limitation is that this research has empirically validated only the classes of project estimation and measurement systems and requirements, test, defect, and release
management systems. However, the extant body of knowledge cited in this paper already validates most other classes incorporated in Figure 1.

Future research needs to validate the set of best practices and associated classes of information systems in a variety of eSourcing domains and revise the set as necessary. Multiple case studies will be conducted to assess the set in industrial practice.

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6. References


### Supporting classes of information systems
- Decision support systems
- Process asset library
- Project estimation and measurement systems
- Banner advertising
- Blogs
- Customer relationship management systems
- Contract database
- Extranet
- Project estimation and measurement systems
- Training and simulation systems
- Requirements, test, defect, and release management systems
- Customer relationship management systems
- Extranet
- Process asset library
- Project estimation and measurement systems
- Requirements, test, defect, and release management systems

### The sourcing lifecycle

#### Main activities
- **Setting objectives and evaluating capabilities**
  - Setting business objectives; Evaluating sourcing capabilities; Forming an eSourcing team; Evaluating potential eSourcing benefits
- **International market research and evaluation**
  - Clarity of methods for evaluating sourcing capabilities; Ability to formulate business objectives, organize the eSourcing team, and estimate benefits from economic and capability development viewpoints; Adequacy and validity of market and internal development view points
- **Bidding on contracts**
  - A set of defined strategic objectives; Evaluated service capabilities; An experienced eSourcing team; Adequate knowledge of competitiveness and profitability
- **Contract negotiation**
  - The assessment criteria have been established, reviewed, and approved by the stakeholders; An extensive overview of the prospective markets and/or countries; The initial list of prospective clients
- **Service delivery**
  - The documentation, review, and approval of the selection criteria by critical stakeholders; The number of investigated markets and/or countries; The number of leveraged eSourcing service opportunity channels; The number of prospective clients
- **Managing the eSourcing relationship and services**
  - The review and approval of the selection criteria by critical stakeholders; The number of investigated markets and/or countries; The number of leveraged eSourcing service opportunity channels; The number of prospective clients

#### Preconditions and performance measures
- **Expected outcomes**
  - The performance of the final deliverable and the delivery time and total cost of the project versus the contract; Client and user satisfaction; The extent of capability improvement; Relationship quality; Ability to assess alternative sourcing arrangements
- **Effectiveness of the overall management structure, knowledge sharing scheme, and recovery from service breakdowns; Institutionalization of metrics, mechanisms, and incentive, corrective action, and penalty systems according to the contract and service plan; Compatibility of service processes and environments**
- **Fully satisfied clients; Services completed and relationships formed in line with the business objectives; the strategic plan and client requirements; Improved service provider capabilities; On-time delivery within the budget**

### Figure 1. A set of best practices for international eSourcing of software products and services from eSourcing service providers’ perspective