

## Value Creation Drivers in IS Offshore Outsourcing

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### ABSTRACT

*In the last ten years, there has been much research conducted in the areas of value creation in an organization. Organizations perform well and create value when they implement strategies that respond to market opportunities by exploiting their internal resources and capabilities. However, little effort has been made to study the value creation drivers in an offshore outsourcing environment. This research paper proposes a conceptual model of value creation drivers that help create and deliver value to client organizations in an Information System offshore outsourcing scenario. An exploratory study is carried out by conducting interviews to validate the model.*

Key Words: Dynamic outsourcing, value drivers, work processes, flexibility, domain competence

### 1.0 Introduction

The last two decades has witnessed an increasing activity centered on outsourcing as a source of competitiveness and value creation. Outsourcing of information systems (IS) and business processes has helped organizations to grow at much faster pace than what they expected.

Hirvonen and Helander (2001) define value creation as a process, “every service provider’s (supplier) has its own value creation process through which it creates value for its own customers.” The customer would measure value in relation to its own goals. Therefore, if the supplier is aiming at building a good and long-lasting relationship with the customer, it has to have a thorough understanding of its customers’ mission, goals, vision and strategy (Storbacka *et al.*, 1999a).

Value can be defined as “the perception of importance” (Nix, 2001) to the individual firm’s or the entire supply chain’s competitive edge. In the outsourcing context, we define the value to clients as the benefits obtained by the client over and above the investments made by the client through outsourcing. Penrose argues that resources do not create value, but the services that the resources can render create value (Penrose, 1959).

Creating value is a complex endeavor both for leaders and organizations. Yet, despite its complexity, value creation is the objective of every enterprise, every worker, and every leader. Organizations perform well and create value when they implement strategies that respond to market opportunities by exploiting their internal resources and capabilities (Penrose, 1959; Andrews, 1971). Therefore, managers need to understand what are the key resources and drivers of performance and value in their organizations. Marr *et al.*, (2004) demonstrate the importance of interdependencies between organizational assets, both tangible and intangible. They proposed that causal approaches such as strategy maps could benefit from a better understanding of how resources interact to create value.

### 1.1 Dynamic Outsourcing

Dynamic outsourcing is defined as a flexible approach for sourcing products and services from outside vendors [Wu and Park, 2009]. To decide outsourcing strategy, firms need to decide their dynamic capabilities as well as market demand. Dynamic capability of a firm is defined as its ability to integrate, build, and reconfigure internal and external competences to address rapidly changing market. Market demand is identified by customer demand

attributes such as low price, high quality, fancy design, fast delivery, flexible service, etc. To compete successfully, the firm also need to understand their market from the view of business functions and process capabilities, specifically how they can win orders. In order to provide required competitiveness in a timely manner, an agile firm needs to respond quickly to unexpected threats and opportunities. To enable this type of flexibility, the firm needs to adopt process modularization.

Process modularization is by taking a progressive approach to segment its value chain into various business modules such that their boundaries and interfaces can be defined. The expected outputs of modules are values delivered to customers. In essence, firms are required to adapt and experiment with structure for the purpose of realigning their resources and transformation processes.

In dynamic outsourcing, service provider firms need to adopt increasingly individualized customer focused strategies in order to generate value to their clients. Thus a value creation framework has been developed that identifies value drivers that help generate values as perceived by client. While many IS frameworks explore the impact of information technology capabilities upon business activities (Glazier, 1991; Malone *et al.*, 1986), and while some explore the issue of business value creation through the use of IT (Boynton, 1993; Haeckel and Nolan, 1993; Hammer and Mangurian, 1987), the challenge of aligning IS systems and resources, processes and practices, IS strategy, and technology and innovation in the context of client value creation in IS offshore outsourcing is yet to be addressed.

The majority of the research over the last decade has focused on value creation within a firm. Very little work has taken place to understand the dynamics of value creation in dynamic outsourcing environment. The inherent complexity of offshoring makes it further a challenging task

The framework presented in the present research work seeks to explore the value drivers of IT service providers' to their clients, if they are indeed the values as perceived by client organizations. This paper

has been organized into following sections: discussion of theoretical frameworks, presentation of a conceptual model, and the conclusion.

## **2.0 Theoretical Framework**

The value creation model that we propose is built on four theoretical frameworks: resource-based view, relationship theory, innovation theory and strategic management.

### **2.1 Resource Based View (RBV) Theory**

The resource-based view is based on a firm's internal resources and capabilities that determine the firm's profitability and strategic advantage. According to Barney (1991), a firm's competitive advantage is derived from those capabilities that are unique, inimitable, and non-substitutable. These capabilities constitute the core competencies of the firm (Prahalad and Hamel, 1990). A firm outsources its non-core and sometimes core processes to another firm based on the capability of the service provider organization to complete the outsourced task.

Resource based theorists view the firm as a unique bundle of assets and resources, which if employed in distinctive ways can create competitive advantage (Barney, 1991; Petaraf, 1993). This approach emphasizes how exploiting existing internal and external firm-specific competencies can address environmental change. Particular emphasis is given to the development of management capabilities and difficult-to-imitate combinations of organizational, functional and technological skills (McIvor, 2005).

RBV explains why outsourcing offers valuable specialized capabilities which firms can accrue value beyond the cost economics.. Specifically, complementarities of capabilities, strategic relatedness, relational capability building mechanisms, and cooperative experiences are mainly discussed in RBV (Holcomb and Hitt, 2007)

### **2.2 Relationship Theory**

The inadequacies of the transaction-cost and competence-based views have brought out another aspect of outsourcing, viz. relational

view. A growing body of literature now exists in the area of interorganizational relationships (Casson, 1998; Dyer and Singh, 1998; Poppo and Zenger, 1998). According to Dyer and Singh (1998), “relational rents” are created when partners share, combine, or invest their assets, knowledge, or capabilities, or employ effective governance to lower their transaction costs and improve synergies. A firm can gain and sustain competitive advantage by accessing its key resources in a way that spans the boundaries of the firm, rather than residing inside its own boundaries.

The importance of Interorganizational relationships has led to a growing body of literature in the area of supply chain relationships (Harland, 1996; Ellram and Edis, 1996; Bansaou, 1999). Increasingly, clients have pursued more intensive and interactive relationships with their service providers in the areas of new product development, supplier development, and information sharing on a range of issues (McIvor *et al.*, 1997).

### 2.3 Innovation Theory

There are two theories that explain the adoption and diffusion of new technologies and organizational processes by firms (Daft, 1978, Rogers, 1983). Adoption is the decision to use the innovation and diffusion is the process by which an innovation spreads out into social systems (e.g. organizations, industries, and countries). Several models – stage-based as well as models without stages (Shroeder *et al.*) are used in explaining the innovation process.

Thus a technology led innovation value driver group is supported by the innovation theory framework. Technology led innovations are adopted by the IS service provider firms.

### 2.4 Strategic Management Theory

Strategy management theory explains the strategic activities of a firm. According to Chandler, strategy is the determinant of the basic long-term goals of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals (Chandler, 1962; Quinn,

1989). Examples of classic strategic management theories are Miles and Snow’s (1978), and Porter’s (1985) theories of strategic advantage. Thus we consider service provider firm’s adoption of strategic management theory in defining well-defined service delivery work process and practices, giving them strategic advantage over their competitors in delivering client value.

## 3.0 Conceptual Model

The model shown in figure 1 shows the proposed value creation model in the context of IS offshore outsourcing. The model has two distinct portions -

1. Value drivers of service provider firms that help generate value to client
2. Values as perceived by client firms

We shall first explore the value drivers of provider organizations and then shall take up the values as perceived by the client organization.

### 3.1 Value Drivers of Service Provider Firms

The value creation drivers have been categorized into four groups related to their theory base: process/practice, system and resources, strategy, technology and innovation.

#### 3.1.1 Processes and Practices

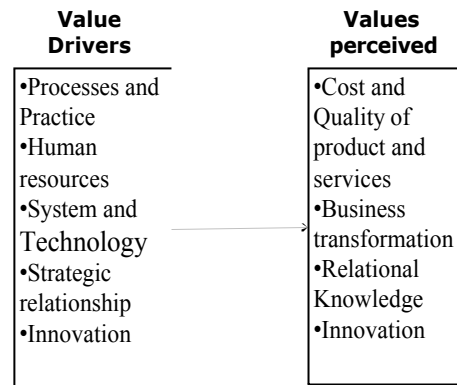
*Work Process*: This involves processes and practices that are setup to execute a project and realize the potential of services. Organizations deploy a project management system (PMS) to manage large complex projects. A well-managed Project Management office (PMO) that follows standardized work process in its services brings significant value to clients in terms of offering process maturity in its service delivery. Hirvonen and Helander (2001) talk about joint value creation process in professional services. The basic idea of the proposed framework is that the supplier should carefully identify the *work process* through which it creates value in its business. The same work processes are further enhanced to get more processes from the

clients, which have been modularized at the client end. In such scenarios the value delivery can get enhanced when more interrelated processes are outsourced to the service provider.

*Operational Excellence:* Operational excellence can be achieved through strong project management and service delivery practices. Excellence can be obtained through knowledge sharing and collaborative development. Collaborative tools that help share knowledge between client and service provider organizations and assist communication is critical for generating value to clients. From client perspective, they identified *Operational Excellence* as a key element in customer value proposition in their strategy map.

*Work Transparency:* Client organizations expect transparency from their provider organizations at all levels of project execution. They would like to be updated at all time regarding the project progress, issues encountered, issue resolutions, risk assessments, risk mitigation and contingency execution, decision making et al. Clients feel valued if their partners exhibit openness and transparency. Skoog (2003) analyzed organizational value creation process from a management control perspective through a longitudinal case study of a Swedish bank, and identified that value creation for the client is built on honesty, communication and transparency.

*Work Ethics:* Client organizations expect ethical approach to project execution from their provider organizations. Organizations that demonstrate ethical behavior are more favored by clients than by those organizations where work ethics is questionable. Clients feel valued if their partners exhibit ethical work approaches.



**Figure 1: Value Creation Model in an IS Offshore Outsourcing scenario**

*Work Culture:* A congenial work culture is conducive for client value creation. Clients expect their provider organizations to demonstrate a favorable work environment during service delivery. Clients feel valued to engage with partners who demonstrate a congenial? comfortable? work culture. For example, innovative corporate culture can make the appropriation of patents more successful. Istrikova(2007) identifies the need for innovative corporate culture as a critical element for client value creation. Kaplan and Norton (2000, 2003) also identified corporate culture as shareholder value creation driver from learning and growth perspective.

### 3.1.2 Systems and Resources

In this category, we try to identify value drivers centered on systems and resources that can be undertaken by a provider organization to generate value for its client. The key value drivers are employee competency, employee experience, IT services and solutions discussed in detail below.

*Employee Competency:* The knowledge-based software and service exporter industry, by its nature, is human capital intensive. In this industry, production activity embodies technological learning that requires skills, knowledge and capabilities (Patibandla and Petersen, 2002). Employee competency is a critical ingredient that helps value creation in

a knowledge-based economy – those who use knowledge as a source of competitive advantage (Edvinsson and Sullivan, 1996). Marr et al.,(2004) propose knowledge maps to capture employee competencies .

*Employee Experience:* There is a growing need among client firms for understanding, recognizing, and managing experienced human resources from provider firms. This is more so since the knowledge of workers can seldom be reproduced by competitors to achieve competitive advantage (Bart, 2001) and a client firm will have significant advantage over its competitors if its service providers deploy experienced human resources in service delivery projects. The value of human capital is distinct in two types of firms in relation to how firms create value. First, professional firms use human capital as a direct resource, and second, other firms (such as computer firms, high-technology firms and software firms) use human capital as an indirect resource (Edvinsson and Sullivan, 1996). Both types of firms create value from the commercialization of the knowledge created by their employees.

*IT Resources:* Professional IT service providers provide IT resources to their clients at a much discounted rate due to economies of scale achieved through a portfolio of clients. For example, IT resources include computer hardware, software, communication systems etc. The value provided to clients, in such cases, is the price benefit due to volume discounts offered as well as easy access to latest technology offerings from their provider organizations.

*IT Services and Solutions:* Professional IT service providers also provide IT services and solutions to their clients that are offered around the key expertise areas of the provider firms. For example, a Telecom IT service provider firm will provide IT services for implementation of Business Support Systems (BSS) and Operations Support Systems (OSS). The provider firm will provide value to clients by offering end to end services – like, CRM, Billing, Network Management, Business Analytics and Reporting, Fraud Management, Revenue Management, and Financial Management. Recent advances in information technology offer new ways of

managing these inter-organizational relationships. Ryssel et al.(2004) develop a model conceptualizing the impact of information technology deployment on inter-organizational relationships . The findings gave new insight into the role of information technology in value-creation in business-to-business scenarios.

### 3.1.3 Strategy

The key value driver considered in this category is Relationship.

*Relationship:* Oliva and Kallenberg (2003) defined a 5-step process as to how an organization can change its continuum from a pure products based organization to a services organization. The true value to client is generated at later phases. During later phases a service provider firm offers relationship based services, which is taken to the next level of taking over the entire responsibility of parts of the customer's operations.

A good relationship starts with a good communication, positive attitude, and focused approach to task execution. The key relationship attributes most referred are trust, commitment, and flexibility. With the passage of time, dependence on each party increases and the relationship matures into a partnership. Empathy to relieve client's pain in difficult situations and delivering projects beyond the contractual boundary are some of the partnering behaviors from service provider's perspective, which help generate significant value to client. Kaplan and Norton's (2000) strategy map also identifies customer intimacy and relationship as a key element of customer value proposition.

### 3.1.4 Technology and Innovation

In this category the key value drivers considered are as mentioned below.

*Collaboration:* Creating a culture of collaboration is at the core of a successful partnering relationship between client and its provider firm. Schuman (2006) defines three vertices in building a culture of collaboration – viz. Ownership, Commitment and Motivation. Building on these three edges are three dynamics that are fundamental – viz.

Disclosure, Transparency, and Process. Clients feel valued if their provider firms display maturity in all these dimensions.

*Innovation:* Innovation discovery can give clients direct access to the creative intelligence of the service provider's ecosystem to uncover mutually beneficial growth opportunities. It is not enough to create value based solely on innovation around new products, production quality, delivery readiness or production scale. Service providers need to innovate beyond the traditional 'box' by implementing new ways of reaching and serving their clients through new competencies, alliances, and markets. Apart from technology led innovation, business model innovation holds key to client value creation. The challenge is to build a continuously evolving, interrelated network of marketing, operational and commercial activity that combine networks, assets, services and brands to respond to and deliver sustainable value. Kaplan and Norton's (2000) strategy map also identifies innovation as a key element of improving shareholder's value.

*Co-Creation:* We live in a world where empowered consumers are harder than ever to win and keep. How consumers view every experience with a company's brand is thus crucial. Many companies have capitalized on this shift by distinctively showcasing their brand and consistently presenting a clear brand image by creating a unique customer experience which reflects the company's brand and values, but more importantly is in sync with the individual lifestyles of its consumers. As a service provider firm, understanding what can create a unique customer experience for its client firm and thereby co-create joint solutions is a value creation action. An important aspect in the value creation approach is also to understand the customer's value creation process, so that the supplier can more thoroughly identify the problems that the customer has concerning its business activities. Becoming a co-creative organization is about changing the very nature of engagement and relationship between the institution of management and its employees, and between them and co-creators of value – customers, stakeholders, partners or other employees (Venkat Ramaswamy, 2009).

## 3.2 Values as Perceived by the Clients

After exploring the value drivers upon which the service provider firm needs to focus, let's review what constitutes values as perceived by a client. There are three categories of values that client firms perceive as values, generating satisfaction

### 3.2.1 Deployment of High Quality Products and Services

Today's markets demand fast pace of new product development. Launch of new services rapidly with end-to-end platforms providing the technical ability and flexible infrastructure to deliver new business models are the key drivers to succeed in today's competing environment.

### 3.2.2 Business Transformation

Business Transformation can be achieved through deployment of three categories of systems Operations Support Systems (OSS); Business Support Systems (BSS); and Management System Solutions (MSS).

Successful organizations have achieved business transformations through full cycle business transformation outsourcing. Service providers deliver such large scale business transformations of their client firms through transformational consulting, management processes, and operational processes. Client firms take a giant leap forward through such kinds of business transformation implementation. We identify four indicators of transformational value generation:

- **Integration:** End-to-end integration of business processes and systems: This kind of system integration activities are usually undertaken by IT system integrator firms who are capable of performing and implementing integrated IT solutions in their client firm. The value generated, in such case, is the deployment of integrated IT systems and business solutions. For example, a customer master database implemented in the CRM (Customer Relationship Management) system can be accessed by business analytics system for executive dashboard reporting if the two systems are integrated.

- **Convergence:** In this case, multiple applications systems, catering to same business process function, are converged for

the purpose of developing a unified solution. For example, a Telecom firm provides prepaid and postpaid services to its customers. An attempt to converge two different billing systems (one serving prepaid billing and another post paid billing) into one billing system can be considered an example of a convergent IT solution.

- Rationalization: In this case, multiple home grown application systems providing similar solutions are rationalized in-order for the client to achieve its business goals with an industry aligned futuristic and flexible application system portfolio. In the process, one can identify the gaps in the *As-Is* application portfolio and recommend a *To-Be* portfolio in line with the industry standards based solution. Redundant applications which return little or no business value to client are eventually shelved-off in the process.

- Automation: IT systems and solutions are implemented that can automate manual processing of business functions in the areas of BSS, OSS and MSS.

### 3.2.3. Knowledge Creation

The emerging knowledge-based view of a client firm regards the business enterprise (service provider) as an institution for generating and applying knowledge. Most importantly, it recognizes that the process of knowledge generation and knowledge application require different organizational arrangements. New knowledge is created in a client firm in the following scenarios.

- New Technology implementation: This situation occurs when a client firm implements a new technology in the organization with the active contribution of the provider firm. New technology and solution helps create new knowledge for the client and as a result the client firm perceives a significant value contribution from its vendor.

- Creation and Filing of Patents: Recent studies on intellectual capital have encouraged companies to regard intellectual capital as an asset. A number of studies have analyzed intellectual capital through the prism of different dimensions (Kaplan and Norton, 1992, 2004; Hudson, 1993; Edvinsson and Malone, 1997; Sveiby, 1997; Stewart, 1997; Roos *et al.*, 1998; Sullivan, 1998; Teece,

2000). Such studies highlight the ability of intellectual capital to create value and consider it as a value driver (Namasivayam and Denizci, 2006; Marr *et al.*, 2004. Client firms perceive these values as they help them in knowledge creation.

Creation of Relational Knowledge: In the context of strategic outsourcing, relational knowledge can be defined as the knowledge that helps a client firm understand its provider firm from the perspective of a strategic partner who is ready to help grow its business beyond its contractual commitments. Understanding each other's relationship behavior is the essence behind the relational knowledge. Thus, relational knowledge provides the third parameter of new knowledge creation in a client firm that generates value as perceived by the client.

## 4.0 Research Methodology

The research methodology consist of conducting interviews with the IT executives - some represented service provider organization views (four), while some represented client organization perspectives (two). The objective of these interviews was to get more insights regarding the critical value drivers that these executives perceive as important for any client-vendor relationship in an IS Offshore Outsourcing project. Another critical goal was to validate the value drivers considered as in the model, are they important to be considered for further research in this area. The third goal was to identify any new value drivers (from service provider or client perspectives) for incorporation into the model for further research.

## 5.0. Data Analysis

### 5.1 Analysis of the response of the service providers

*Processes and Practices:* The key element here is the standardization of processes. Stability, Maturity, Repeatability & Consistency of service delivery can be achieved through processes. Culture, processes bring value. Client feels better if they understand the culture of the service providers. Almost everyone endorsed that processes and practices are important value

creation elements. The key value driver supporting this value group would be: work practices and work culture. Less support was observed for work ethics & work transparency. Operational excellence wasn't highlighted by anyone.

*Systems and Technology:* Collaborative tools, IT systems & solutions are very important in the case where both the client & the service provider organization have joint delivery responsibility. These tools help cut down service delivery time from days to hours. Remote tracking of project progress can be achieved by client teams. In a truly global outsourcing scenario – value comes through standardization of processes, automation and virtualization through Globally Integrated Delivery model which uses collaborative tools. Almost everyone supported that systems and technology is an important value creation element and endorsed that IT Systems and Solutions, IT Resources, and Collaborative Tools are key value drivers supporting this value group.

*Human Resources:* Human Resource is the single-most important factor for offshore delivery. This should be given the highest priority by any vendor organization in-order to staff-up delivery projects with best quality resources. Staff competency is the key factor here. However, the challenge lies elsewhere in retaining staff. To address this, many organizations have started adopting a Technology Assembly Centre (factory development) approach along with adoption of new HR policies through incentives, client recognitions etc. to motivate the working staff. Everyone rated this value driver group as the most important factor to be considered by a vendor organization in its process to create significant value for its client.

*Innovation:* Innovation is more a mirage. Some felt that we are yet to see real innovation that can create significant value to clients. However, many felt that it does help creating value for clients, specially in large offshore projects. The expectation from client perspective is that there is no need to invent. What they expect from their vendors or partners is adaptability to deliver quick time

to market solutions that can create differentiation with competition.

*Strategic Relationship:* Long term relationship is very important in-order to provide best deliveries to client. It's strategic and service providers should provide lot of attention in this regard. It helps in retaining and building trust. Some felt that this is a bit subjective, since it is difficult to measure. However, relationship is all about building mind share. In offshore outsourcing context – we tend to integrate two economically & culturally diverse societies and hence strategic relationship building is an important value driver. Many rated this value driver group as the 2<sup>nd</sup> most important factor (after Human Resource) to be considered by a vendor organization in its process to create significant value for its client.

## 5.2 Analysis of the response of the clients

*Quality of Products and Services:* Quality of products and services is a hygiene element, which needs to be delivered at a minimum in-order to have any impact on client. Quality comes with a price. SLAs are used to measure the service level. In today's world service deteriorates due to heavy turnover at service provider organization resulting in knowledge not getting retained as people get changed. However, the game offshore outsourcing is changing. Through globally integrated delivery, one gets access to best talents around the world who can create and deliver high quality products and services to clients.

*Business Transformation:* Client takes Business Transformation route to take a leadership step. IT Transformation is all about getting world class IT practices and getting it introduced as part of the organization. Vendors who apply their experience to incubate & nurture the client's business – from that perspective this is a very important factor. The key message delivered by many is that value gets created if the vendor is having domain knowledge one level above and who understand the client's technology and market dynamics very well.

*Knowledge Creation:* This is the result of Joint Value Creation, but it needs a clear agreement on ownership of royalty and

Intellectual Propriety sharing. It's important, if clients can use services as well as in-house products of the service providers to gain new knowledge. Some felt that this is an important value driver but may not be an essential one. While few others felt that this is only important for clients developing new products, in which case - vendors & clients can help co-create new solutions.

*Relational Knowledge:* This is an important value driver, since through IT service outsourcing, client firms allow partners to give an access to their internal organization – like, HR, Finance, IT etc. Trust develops gradually. Through this, partners get knowledge of their client organization. Some felt that this is an important value driver, but not all clients view that way. Relationship doesn't blossom at just one level, but instead at many levels – e.g. executive level, management level, operations level etc. Almost everyone felt that this is an important value driver from client perspective.

### 5.3 New Factors

Several new factors came up through discussions.

*Flexibility:* The clients feel valued if vendor organizations are flexible enough to adapt to the changing business needs rather than always adhering to the contractual terms & conditions. *Flexibility* can be considered as an input driver to *Processes & Practices* value driver group.

*Domain Knowledge and End-to-End Delivery Capability:* The clients look for vendors with end-to-end capability – kind of one-stop-shop for all their needs. The vendors may be supporting the client in one technology domain today, however, tomorrow if the same vendor can provide support in another domain that that's indeed a value to client. Hence Addresses the concept of dynamic outsourcing. This can be considered as an input driver to Human Resources Value Driver Group complementing experience & expertise in value drivers.

*Responsibility:* The clients feel valued if vendor organizations are responsible to bring the right people, right solutions and right

expertise for the client. Responsibility can be considered as an input driver to *Processes & Practices* value driver group.

*Consistency:* The clients feel valued if vendor organizations are consistently delivering right solutions for the client.

## 6.0 Conclusion

Consistent and flexible process and practices and responsible and experienced people on the project with domain knowledge and end-to-end delivery capability are the value drivers required at the service providers' end. However the client still sees cost reduction as the single most important value driver along with quality of the services. The value creation model in offshore outsourcing is complex than in onshore or near-shore outsources scenarios. The reason being, in an offshore outsourcing scenario understanding each other through values generated by the services & the solutions is complex. The degree of complexity gets multiplied manifolds through factors like, cross border culture, communication language, physical distance and long distance network connectivity. In such a context it would be interesting to validate the model of the value drivers of the provider firms that help generate value for its clients and how those values are perceived by their clients in an offshore environment. In this research paper, we have conducted a systematic review of literature where organizations perform & create value when they implement strategies that respond to market

Opportunities by exploiting their internal resources and capabilities. It is therefore critical to understand what are the key resources and drivers of performance and values in a provider organization that can help generate significant value to their client organizations. Subsequently, this paper proposes a conceptual model of value creation drivers in an outsourcing scenario. IS offshore outsourcing scenario provides complexity through technology and offshoring, which makes it a subject for further research study.

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