Two-Stage Offshoring: An Investigation of the Irish Bridge

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Research Objective

- To explore the dual role experienced by two Irish sites in a two-stage offshoring relationship
- To develop a theoretical model of the dual role in two-stage offshoring relationship
- Motivation:
  - Little research on the customer-vendor relationship in offshoring, and none specifically on the dual role when acting as both customer and vendor

Research method

- Qualitative study involving two software development companies (Jan 2005 – Aug 2006)
  - interviews (22 in total)
  - on-site meetings (2)
  - company workshops (2)
- Relational Exchange Theory (RET) as organizing principle for data collection and as theoretical lens for data analysis

Background

- Growing realization that the customer-vendor relationship plays a critical role in the success or failure of the outsourcing relationship (Lee and Kim, 1999)
- Recognition of the importance of the customer-vendor relationship (Goles and Chin, 2005)
- Lack of empirical studies that focus on the elements that comprise such a relationship
- Inconsistent conceptualization of the nature of this relationship
- Ireland in unique position – ‘bridge’ between US and Asia
- Acting as both customer and vendor in ‘two-stage offshoring’ relationship
  - Are there different “bridge” models?
  - What unique knowledge do Irish companies leverage in acting as a “bridge”?
  - To what extent can knowledge (and what kind of knowledge) be transferred from one relationship to another?

Two approaches to the ‘bridge model’

- The Irish Bridge: Team integration
  - Cross-site integration, i.e. geographical distance does not define team boundaries, “extended teams” with close relationship
  - Loose inter-site coupling, i.e. sites at different locations remain independent of each other, the bridge model does not appear during day-to-day work

- The Irish Bridge: Organizational level implementation
  - Managerial level, “managerial bridge”
  - Managerial and software engineering levels

- The Irish Bridge: Site hierarchy
  - One site considered ‘superior’
  - Sites organized as ‘peer’

Published Papers