GLOBAL SOURCING OF FINANCIAL SERVICES AND HEALTHCARE

11th Annual International Smart Sourcing Conference

August 8th and 9th, 2013

Harrah’s Casino Resort, Atlantic City, New Jersey, USA
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11th Annual International Smart Sourcing Conference

(ISSC-2013)

Conference Proceedings

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Proceedings Editors

Dr. Shailendra C. Jain Palvia

Mr. Ashwin V. Joy
MESSAGE FROM THE WORLD CONFERENCE CHAIRPERSON

August, 2013

Dear Delegates:

It is really satisfying to note that several delegates are coming back to this annual event year after year since 2002. We pride ourselves in bringing academic researchers and industry practitioners under one roof for two days for high quality knowledge sharing and networking. This is the 11th annual international smart sourcing conference. Our theme this year is Global Sourcing of Financial Services and Healthcare. This year, our gold sponsor is Polaris Financial Technology. Our silver sponsor is FinaceTech from Mexico.

It is time to reflect on the accomplishments of the last ten conferences. These conferences were held in Atlanta, GA on March 25-26, 2002 (First); in New York city, NY on August 25-26, 2003 (Second); in Dallas, TX on September 9-10, 2004 (Third); in Washington DC on September 15-17, 2005 (Fourth); in Universal city, CA on September 21-23, 2006 (Fifth); in Atlantic City, NJ on September 6-7, 2007 (Sixth); in Hyderabad, India on August 8-9, 2008 (Seventh); in Jersey City, NJ on August 24-25, 2009 (Eighth); at the IIT Delhi campus in New Delhi, India on January 5-6, 2011 (Ninth). Tenth conference was held on June 28-29 at the Solbridge International Business School in Daejeon, South Korea. All conferences were highly acclaimed by the participants.

- The delegates to these conferences have been from several countries (24): Australia, Austria, Brazil, Canada, China, Finland, Germany, India, Iran, Ireland, Israel, Italy, Japan, Korea, Mexico, Netherlands, New Zealand, Russia, Singapore, South Africa, Taiwan, Uganda, United Kingdom, and United States.


To commemorate ten successful conferences, I’m co-editing with Dr. Prashant C. Palvia, a 2014 release book titled, “Global Sourcing of Services: Strategies, Issues, and Challenges.” Several chapter contributors to this book are past delegates whose excellent presentations at the past conferences were published in Special Issues of the Journal of IT Case and Application Research. A brochure for this book is part of your
registration packet. The book is prices at $101. If you sign up to receive a copy of this book, your cost will be only $51 plus shipping cost – please avail of this opportunity.

Year after year, participants in the conferences, have appreciated: good programs that we have put together mixing practitioners and researchers in different sessions; having CIO/CEO roundtables to get an insight into what is on the minds of CEOs and CIOs in regard to onshore and offshore outsourcing; participating in thought provoking paper presentations and panel sessions; learning from state of the art and visionary speeches from well-known keynote speakers; enjoying educational and stimulating and fun filled competitive Quiz Bowls; and last but not the least – relishing our selection of healthy food.

This year again, the organizing committee comprising of Ms. Anita Dhir of Medhira Enterprises, Mr. Gustavo Pares of FinanceTech and myself have put in countless hours of effort and I hope we meet your high expectations once again. We have a top-notch program. I have one REQUEST. A critical component of a conference’s success is the active and thought-provoking participation of its delegates in various sessions. Being in Atlantic city, the temptation will be to skip sessions. But, please attend all sessions starting from 8 AM on Thursday, August 8 to 3:30 PM on Friday, September 7. This is also critical for you to get the 16 PDUs certificate.

We have still not come out of the 5 years old global economic recession. I must thank my colleagues on the Organizing Committee Mr. Gustavo Pares and Ms. Anita Dhir for their relentless efforts to promote the conference in their networks. How can I thank our new dynamic dean Dr. Andrew Rosman of the College of Management at Long Island University Post? Simply put, it is very tough. He has helped me promote this conference like a real colleague in several ways. He is also a keynote presenter at the conference. I take this opportunity to thank Mr. Ashwin Joy who has worked meticulously to produce this professional conference proceeding in his role as proceedings co-editor. I would also like to thank Mr. Sanjeev Gulati of Polaris Financial Technology – who has taken time out of his extremely busy schedule (due to restructuring and reorganization at Polaris) to help out in several ways. He was the interviewee for the Expert Opinion Report being published in September, 2013 in the Special Issues of the Journal of IT Case and Application Research (JITCAR). Mr. Gulati is also a keynote presenter at the conference. I’d like to mention the contribution of my son Anupam Palvia (working for Google Inc.) as Marketing and Operations director (2003-2006) and being the conductor of fun filled and intellectually stimulating Quiz Bowl contests between industry and academia delegates since 2003. We will have Quiz Bowl this year also. Of course, we must not forget the entrepreneurial zeal of my brother Panakj Palvia which led to the birth of this organization in 2001. He left in 2004 to establish his start-up CPA firm in Atlanta, GA. My apologies if I have failed to mention some names in the above list. Please enjoy the conference to the fullest extent. I end this message with quoting the mission of this organization and these conferences.

Facilitate the emergence of a harmonious global village with maximum economic equity – where products, work, and money can flow across national borders without any irrational restrictions.

Look forward to your participation in future events of CGO. Please remain tuned.

Shailendra Palvia, Ph.D., World Conference Chairperson
Professor at College of Management, Long Island University Post, Brookville, NY 11548
## Reviewers of Conference Papers

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<thead>
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<tr>
<td>Arora, Anshu</td>
<td>Savanna State University, Savanna, GA, USA</td>
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<td>Huang, Chia-Hsing</td>
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<td>Mathew, Saji</td>
<td>Indian Institute of Technology Madras, Chennai, India</td>
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<td>Raisinghani, Mahesh S.</td>
<td>Texas Woman's University, Texas, USA</td>
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<td>Colon and Rectal Care Inc., Indianapolis, USA</td>
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<td>Zhu, Ling</td>
<td>Long Island University, Brookville, NY, USA</td>
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# Conference Program

## Program

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<td><strong>09:20 AM - 09:50 AM</strong> Evolution of Global Sourcing of Services: Why, What, Where And How?</td>
<td>Dr. Shailendra Palvia</td>
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<td>Mr. Sanjeev Gulati</td>
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<td>Ms. Anita Dhir</td>
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<tr>
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<td>Dr. Laura Kelley</td>
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<tr>
<td><strong>02:45 PM - 02:55 PM</strong> Status of 2014 Book titled</td>
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Global Sourcing of Services: Strategies, Issues and Challenges
Dr. Prashant Palvia & Dr. Shailendra Palvia

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Dr. Shailendra Palvia

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Welcome Remarks by Session Chairperson
Dr. Nancy Marksbury

03:15 PM - 03:45 PM Global Sourcing: Adding Social Capital to the Balanced Score Card Model
Dr. Vijay Vemuri & Dr. Shailendra Palvia

03:45 PM - 04:15 PM Crossing Boundaries: Interactions of Gender, Culture and Trust in Computer Mediated Communication
Dr. Nancy Marksbury

04:15 PM - 04:45 PM Sourcing of IT work by a Government Organization to a Private Enterprise: An Analysis of Issues and Challenges using Social Capital Approach
Dr. Madhu Das & Dr. Ramesh Narsimhan

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05:00 PM - 06:30 PM Plenary Speech and Quiz Bowl Session:
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05:00 PM - 05:30 PM Will the new US Immigration Bill cause harm to the Outsourcing Industry?
Dr. Prasad Padmanabhan

05:30 PM - 06:00 PM Quiz Bowl: Industry Delegates against Researcher Delegates
Mr. Anupam Palvia

06:00 PM - 07:00 PM Reception: Everybody Must Attend
Dr. Shailendra Palvia

August 9th, 2013 Friday

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08:00 AM - 08:45 AM Breakfast

09:00 AM - 10:30 AM Keynote Speech and Panel Session:
Chaired by Dr. Prasad Padmanabhan

09:00 AM - 09:10 AM Welcome Remarks by Session Chairperson
Dr. Shailendra Palvia

09:10 AM - 09:50 AM Keynote Speech -->
The New Frontier Facing an Old Profession:
Smart Sourcing Academic Responsibilities for Course Development and Delivery
Dean Dr. Andrew Rosman

09:50 AM - 10:30 AM Panel Session about Critical Issues Facing Clients and Vendors of Global Sourcing
Moderator Dr. Shailendra Palvia with Panelists:
Dr. Anand Ramakrishnan, Ms. Anita Dhir, Mr. Gustavo Pares

Next Year's Conference Announcement
Ms. Anita Dhir

10:30 AM - 10:45 AM Tea Break

10:45 AM - 12:15 PM Keynote Session: Global Sourcing Issues of Mexico and


10:45 AM - 11:45 AM  Presentation and Panel Session: Opportunities for Global Sourcing to Mexico and Latin America

Ms. Anita Dhir
Presenter and Moderator
Mr. Gustavo Pares with
Panelists: Mr. Ricardo Pares Arce; Mr. Rodrigo Garcia Madrazo; Mr. Miguel Garcia Madrazo; Mr. Kurt Meyer Arce and Mr. Raymundo Camara Sanchez

11:45 AM - 11:55 AM  Presentation about FinanceTech

Mr. Gustavo Pares

11:55 AM - 12:35 PM  Critical Success Factors and Cultural Challenges in Adoption of Process Oriented Approach by Global Sourcing Vendor Companies in Latin American Countries

Mr. Ingmar Frey

12:35 PM - 02:00 PM  LUNCH

02:00 PM - 02:30 PM  Plenary Session: Chaired by Mr. Anand Ramakrishnan
An Analysis of the Impact of Factors Arising from the Affordable Care Act on Medical Tourism
Dr. Kailash Joshi and Dr. Vivek Joshi

02:30 PM - 03:00 PM  About JITCAR and JGITM – Journals where you can publish
Dr. Prashant Palvia & Dr. Shailendra Palvia

03:00 PM - 03:30 PM  Awards Session
Top Conference Papers
Quiz Bowl Winners and Losers
PDU Certificates to PMI member

03:30 PM - 03:45 PM  Surprise Announcement – Don’t Leave before this
Evolution of Global Sourcing of Services: Why, What, Where, and How?

Shailendra C. Jain Palvia, Long Island University Post
spalvia@liu.edu.

ABSTRACT

Information Technology Outsourcing (ITO), Business Process Outsourcing (BPO), and Knowledge Process Outsourcing (KPO) have become accepted practices and strategic choices for many firms among developed and newly industrialized nations. Why? Comparative advantage of countries and companies is the basic driving force for global sourcing. Labor arbitrage is only one of the several benefits offered by global sourcing. Global sourcing does have inherent risks – loss of control being one of the primary risks. Even loss of control can be managed with proper metrics and good proactive governance structure. What? The global market for ITO took off in the late 1980s. Since the beginning of the new millennium, the global market for BPO has also been growing steadily. Even KPO market has taken off in the last five years. Over the years, the functions being outsourced have increased in scope and magnitude and have climbed the value chain ladder. ITO functions include IS analysis, IS design, IS development, IS implementation, IS maintenance and sometimes the management of entire data centers. BPO functions include call centers, accounting, payroll, employee benefits, tax preparation, radiology analysis, films and cartoons production, healthcare including medical tourism and surrogate motherhood. KPO functions include research about company’s industry, business, and market. KPO requires significant amount of domain knowledge about client companies and analytical skills. Where? Outsourcing locations can be onshore, near-shore, offshore far-shore, multi-shore. Each one offers certain advantages and disadvantages. Choosing right shore or right shores requires thorough analysis of all factors in each context. Cloud sourcing is increasingly replacing traditional sourcing. How? Several arrangements are possible for global sourcing. These include insourcing through subsidiaries in host countries (captives), joint ventures, or outsourcing to third parties.

KEYWORDS: global sourcing, ITO, BPO, KPO, comparative advantage of nations, labor arbitrage, loss of control, metrics, governance structure, onshore, near shore, middle shore, far shore, offshore, multi-shore, joint venture, captives

INTRODUCTION
Global sourcing exemplifies the essence of true globalization, with services being provided where they can be most efficiently and cost effectively produced and delivered where they are most needed and valued utilizing one of several sourcing arrangements. With the boom in globalization and telecommunications bandwidth, IT outsourcing (ITO), Business Process Outsourcing (BPO), and Knowledge Process Outsourcing (KPO) have reached new heights and continue to climb. According to AMR Research Inc. (2009) and as reported in Bullen, LeFave, and Selig (2010), global ITO, BPO, and KPO markets in 2008 were $616, $211, and $1billion respectively making a total of $828 billion. According to Hfs Research (2013), global ITO and BPO markets are projected to be at $648 and $304 billion respectively for 2013. Evalueserve (2011) estimated global KPO industry to grow to $ 17 billion by 2014, from $9 billion in 2011.

WHY? BENEFITS AND COSTS OF OUTSOURCING
The notion that global outsourcing reduces employment and hurts economies of countries such as the U.S. and U.K. may be a myth. Outsourcing activities directly benefit the US economy. McKinsey & Co. (2003) reported cost savings of approximately $ 0.58 for every dollar spent on outsourcing jobs to India. Furthermore, American jobs outsourced to India and China and elsewhere have generated demand for other products made in the US, and created jobs in other sectors as well. Other benefits include the fact that many foreign firms outsource back to the United States. Some have labeled this phenomenon as “reverse outsourcing” or “back-sourcing.”

Benefits:
The benefits of outsourcing can be summarized as follows (Saji, 2006):

- Cost Reduction - This applies mainly to offshore IT outsourcing owing to labor arbitrage, economies of scale and specialization (Clemons and Hitt, 1997)
- Quality - This is a result of Service Providers’ IT capability, achieved through the integration of their human skills, IT infrastructure, reputation, etc. (Bharadwaj, 2000)
- Leveraging Time Zones - Work can be performed continuously 24x7, passing across different time zones of the globe
- Higher capacity on demand
- Access to advanced technologies (Lee et al., 2003)
- Opportunity to transform an organization through partnerships (Linder, 2004)
- Emergence and maturation of process management standards such as Software Engineering Institute’s (SEI) Capability Maturity Model (CMM), Capability Maturity Model Integration (CMMI); and ISO 9000. (For details of CMM, visit http://www.sei.cmu.edu/cmmi/).
- Ability to focus on core business competencies
- Promotion of competitiveness through focus on strategic IT activities

Costs:
However, the promising side of the IT outsourcing opportunity comes at a cost. IT outsourcing partnerships carry innate risk elements as evidenced by reported failures of such engagements in the recent past (Prewitt, 2004; Andersen, 2002). The sourcing of a function to outside a firm’s boundaries also results in the loss of: Control over IT assets of hardware, software, people; Flexibility over deployment of IT resources; Qualified IT personnel; Knowledge and skills in IT; Security of data; and Intellectual property.
WHAT? FUNCTIONS THAT HAVE BEEN OUTSOURCED – ITO, BPO, KPO

Information Technology Outsourcing (ITO): IT functions were the first to be outsourced onshore or offshore. IT functions that can be selectively outsourced are: IS development, IS maintenance, and IS operation. Some organizations have outsourced the entire IT function, including all of the company’s computers and data centers, PC maintenance and support, and the acquisition and maintenance of the IT infrastructure (hardware, systems software, and telecommunications networks). Based on information accessed on June 19, 2013 from http://www.computereconomics.com/page.cfm?name=outsourcing, Computer Economics (2013) provides an analysis of outsourcing statistics for 11 IT functions: (1) Application development; (2) Application maintenance; (3) Application hosting; (4) Data center operations; (5) Database administration; (6) Desktop support; (7) Disaster recovery services; (8) Help desk services; (9) IT security; (10) Network operations; (11) Web/e-commerce systems.

Business Process Outsourcing (BPO): Major corporations in the US and Europe are outsourcing their back office operations -- employee payroll, data entry, voice calling for back end activities etc.-- to countries like India to save costs. Although these jobs usually are not directly IT-related, their data-based orientation often means that they require IT departmental support to be successfully outsourced. Several BPO functions that get outsourced are: Accounting, Human Resources; Customer Relationship Management and Call Centers; Tax Preparation; Film and Cartoon Production; Legal Processes etc.

Knowledge Process Outsourcing (KPO): KPO is outsourcing of knowledge intensive business processes that require highly skilled people having specialized domain expertise. It involves high-end processes. It should be noted that lines between BPO and KPO are blurred. Two primary areas being covered in this paper are: Research & Development; and Healthcare, Radiology Analysis and Medical Tourism. In the context of research & development, companies choose R&D outsourcing to reduce costs, minimize business risks, and hasten market entry of products. The cost reduction may result from improved organizational effectiveness, shorter product development cycles, and/or restructured and improved use of resources. Outsourcing often leads to enhanced effectiveness by permitting the company to focus on core competencies and lessen its demands on tangible resources. One popular way to administer R&D outsourcing is through Contract Research Organization (CRO). CRO provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis. Zhang (2013) forecasts that the Chinese CRO market will likely grow in a CAGR of around 16% in the next five years and the Indian CRO market will likely grow in a CAGR of around 9% during the same time period. In the context of healthcare services, HMOs could not survive. They were the opposite of healthcare outsourcing. Anesthesia, emergency department, dialysis services, diagnostic imaging are the primary services that are outsourced onshore. According to information gathered from Wikipedia (June 22, 2013), Medical Tourism (MT) is patient movement from highly developed nations to other areas of the world for medical care, usually to find treatment at a lower cost without compromising on quality. Cost savings in 2008 for medical tourism in different countries are cited in http://m.health-tourism.com/medical-tourism/statistics/. Teleradiology is the transmission of radiological patient images, such as X-rays, CTs, and MRIs, from one location to another for the purposes of sharing studies with other radiologists and physicians. Teleradiology is a growth technology given that imaging procedures are growing approximately 15% annually against an increase of only 2% in the Radiologist population. Teleradiology improves patient care by allowing radiologists to provide services
without actually having to be at the location of the patient. This is particularly important when a sub-specialist such as a MRI radiologist, neuroradiologist, pediatric radiologist, or musculoskeletal radiologist is needed, since these professionals are generally only located in large metropolitan areas working during day time hours. Teleradiology allows for trained specialists to be available 24/7.

WHERE? LOCATION OPTIONS FOR SOURCING

The sourcing arrangement can be either onshore or offshore. Within the offshore category, there are three sub-categories: nearshore, middleshore, and farshore. To optimize on several centers of excellence around the world, multi-shoring is being advocated by several experts. Multi-shoring leads to another term Right shoring meaning choosing right combination of multiple shores given a company’s context and environment. In terms of country attractiveness, over the years, India has become the primary destination for ITO, BPO and KPO. According to AT Kearney’s Location Index report (2011) accessed on June 18, 2013 from http://www.atkearney.com/gbpc/global-services-location-index, “Asia dominates by having 7 of the top 10 positions on the Global Services Location Index, with the leaders once again India (1), China (2) and Malaysia (3), Egypt (4), Indonesia (5), Mexico (6), Thailand (7), Vietnam (8), Philippines (9), Chile (10). The different strengths of these countries vary from India, with a deep and broad skill base, to Vietnam, which ranks as the most financially competitive country in the Index.” For the last five years, cloud sourcing and more recently crowd sourcing are emerging as location options for sourcing. Cloudsourcing is a process by which specialized cloud products and services and their deployment and maintenance is outsourced to and provided by one or more cloud service providers. Cloudsourcing enables organizations to procure their entire IT infrastructure from a cloud, easily integrates with any platform and requires no management overhead. With cloudsourcing, virtually every IT requirement can be sourced on a utility computing billing model with solutions ranging from raw computing power, storage, network, software or a comprehensive enterprise IT solution. Clouds can be public, private, hybrid, or community. Even software can be provided over cloud as a service (SaaS). Crowdsourcing represents the act of a company or institution taking a function once performed by employees and outsourcing it to an undefined (and generally large) network of people in the form of an open call. This can take the form of work being performed collaboratively by a group of individuals or by solely by individuals. In some cases, the contributor of the solution is compensated monetarily, with prizes, or with recognition. In other cases, the only rewards may be kudos or intellectual satisfaction.

HOW? GLOBAL SOURCING OPTIONS

Willcocks and Lacity (2009) mention the following main sourcing options: (a) Total Outsourcing i.e., transfer more than 80% of the IT budget for IT assets, leases, staff, and management responsibilities; (b) Total Insourcing i.e., retain more than 80% of the IT budget internally; (c) Selective Outsourcing i.e., source selected IT functions amounting to a maximum of 80% of IT budget; (d) Multiple Suppliers Sourcing i.e., utilize multiple vendors from onshore or offshore locations to get the best solution from each source while minimizing overall risk; and (e) Joint Venture or Strategic Alliance Sourcing i.e., an alliance is an understanding between two entities to combine some resources and capabilities without establishing a separate legal entity called Joint Venture. Within the above broad options, some hybrids are also possible. For example, Carmel and Tija (2006) mention Offshore Development Center (ODC), Build-Operate-Transfer (BOT), and Staff Augmentation. ODC is a dedicated offshore center established by a provider for a specific client. BOT entails the client hiring a provider to set up the development center and get
it running with the intention of taking full ownership after 3 or more years. Staff Augmentation is a form of contracting for temporary services of personnel at client site provided by the vendor. Another popular scenario is having a captive center in an offshore location (like India) that is totally managed by a client company based in advanced country like U.S.A. Each of these options have pros and cons with respect to cost savings, control, speed, risk, management challenges, economies of scale etc.

REFERENCES (will be supplied upon request.)
ABSTRACT
With over a third of all technology spend in the world of business being in the Financial Services Industry, most global sourcing vendor firms put in a lot of focus and attention on this sector of the Industry and rightly so. Post 2008 financial crisis, there has been a significant shift in the way the financial services industry conducts its business. Most notable is the huge shift in the regulatory framework governing the financial industry. The resultant shift in technology spend has impacted financial technology sourcing in a dramatic way. The 2008 financial crisis has also dramatically changed the way banks monitor and manage risk and exposure. There is now a need to have a real-time comprehension of portfolio risks and ways to manage liquidity crisis, should one arise. IT is most certainly an integral part of this preparedness in the context of global sourcing of financial services. As there is increased demand on the ever shrinking tech spend pie, banks and financial Institutions are looking to get the most out of their global sourcing dollars. There is pressure on sourcing companies to provide differentiated, value added services. And there is this ever increasing demand for managed services wherein technology solutions are offered ‘on the tap’.

KEYWORDS: financial services, portfolio risks, liquidity crisis, IT, global sourcing, differentiated services, value-added services

Mr. Sanjeev Gulati is the Business Head – Americas at Polaris Financial Technology Ltd. As head of business for Americas, Sanjeev is responsible for all of Polaris’ business in North and South America. Sanjeev is part of Polaris’ top management team and provides executive oversight to Polaris’ global relationships anchored out of Americas. As a seasoned business leader with global outlook, Sanjeev has spent over two decades in Business Strategy and Client Relationships across Asia, Europe and North America. For the past thirteen years, Sanjeev has been with Polaris and has played an integral role in the growth of many of Polaris global relationships anchored in the US like Citi, JPMC, Morgan Stanley and AIG. Sanjeev has a relentless focus on positively impacting business outcomes for Polaris customers and is a strong believer in the power of collaboration across global cross-functional and multi-cultural teams to create superior value. His core strengths include Business Strategy, Global Client Relationship Management and Commercials Management. Prior to joining Polaris, Sanjeev worked with companies such as Madura Coats (Coats Viyella), National Grid and National Power (UK) in roles as diverse as Product Management, Consulting and Business Strategy. Sanjeev is an Alumnus of IIT Delhi and IIM Bangalore.
Agile Methodologies in Software Projects

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ABSTRACT
This paper presents review of literature on the use of agile methodologies in software projects and research study on best fit agile methodologies for projects of dynamic characteristics. Common themes of agile principles like the foundation, characteristics and comparisons, governance, role of a customer, organization culture were studied through literature and research gaps were identified. Further research on best fit agile methodologies was analyzed through case studies of software projects and the findings were categorized into 8 categories - Demography, Project Characteristics, Motivation, Delivery Model, Governance, Risks & Dependencies, Measurement, Performance.

KEYWORDS – Agile, software project, Delivery Model, Governance, Performance, Motivation, fit, organization culture

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INTRODUCTION
Over last three decades, software development has been governed by process standards like CMM, CMMi, ISO and development methodologies such as structured, object-oriented and agile. Several studies have reported software project failures due to lack of focus on requirements and the extent of dynamism involved in business requirement definition (Damian and Zowghi, 2003). Agile development, which has evolved based on multiple software development methodologies, are iterative and incremental in nature and it is gaining importance in software development, primarily to address the dynamic business requirements and be adaptive to changes (Paasivaara and Lassenius, 2006).
Agile methods like SCRUM, XP, Dynamic Systems Development Method, Adaptive Software Development, the Crystal Family stress upon short time goal and incremental delivery, dividing the entire projects into sprints and every sprint governed by complete software development life cycle methodologies. Although several studies have dealt with agile methodologies and Information Systems project success separately, academic studies on the choice of agile methodologies and their influence on project outcome are very scarce. This research attempts to understand the factors determining the choice of agile methodologies and how the choice influences project performance and project governance.

LITERATURE REVIEW
Previous studies on agile methodologies could be classified into seven themes:
(i) Foundations of agile methodologies - ADM – Agile Development Methodology - fundamental principles are not new but evolved from traditional principles like iterative development, self-organization, self-directed teams, and stakeholder participation. (Highsmith and Cockburn, 2001).
(iii) Agile methodologies, their characteristics and comparison - Agile methods have been characterized by following attributes Incremental – small software releases with rapid development cycles, Cooperative – a close customer and developer interaction, Straightforward – easy to learn and modify, Adaptive – ability to make and react to last moment changes. Various agile methodologies like ASD, AM, ASP, crystal, DSDM, XP, FDD, ISD, PP, Scrum have various objectives but addressing common issue of agility (Abrahamsson et al. 2003, Lee and Xia, 2010).
(iv) Governance - Usage of simple artifacts of the story card and the Wall for intense collaboration, coordination and communication (Bryant et al 2006).
(v) Role of the customer - critical, complex and demanding. 3 practices which are expected to enhance customer effectiveness - Real Customer Involvement, Whole Team, Energized work ( Martin et al. 2009).
(vii) Organizational culture and agile methodology-Research studies on agile methods and org culture exhibits commonalities in difficulties involved in separating org culture and agile method usage and Agile approach to be culture of its own (Chan and Thong 2009).
Software Project Performance - Some of the key project characteristics analyzed in determining IS project success and project outcomes are size, complexity, type, scope, duration (Mclead et.al, 2011). Quality, usage, adherence to cost and budget has also been highlighted as key characteristics determining project performance (Aladwani, 2000). The literature on agile development provided evidence from large number of anecdotal and case study based studies on the potential benefits of using agile methodologies in software projects. Several studies have followed controlled experiments in research design and as such the conditioning of the various scenarios described were influenced by the settings created for testing, and so the conclusions and results may not apply to real world project settings. Many of the studies have predominantly analyzed teams that are co-located and fail to present the scenarios pertaining to complex projects. Further, most studies fail to provide sufficient recommendations for use of appropriate agile methodologies but assume SCRUM and XP methodologies as most appropriate for software projects. In the backdrop of the above findings from review of literature, the purpose of this study is to understand decision making pertaining to choice of agile methodologies addressing the TWO objectives - To identify software project characteristics determining the choice of agile methodologies and to analyze how do the characteristics of a project fit with the attributes of specific agile methodologies, through Qualitative research method using grounded theory using grounded theory.

CHOICE OF AGILE METHODOLOGIES
We followed in-depth semi structured interview method following grounded theory principles for data collection (Egan, 2002). “Discovery from data” approach was adopted to analyze projects using agile methodologies for their development. Based on the research questions, potential data sources were identified as development projects in IT services organization. Practicing managers from 5 mid-size and large organizations with sufficient experience on agile projects and people who had considerable work experience on agile projects and managing agile teams were considered for the study for both service provider and customer perspective. The primary data collected were processed using qualitative content analysis (Kohlbacher, 2006). Open coding was done during initial stages to frame initial concepts from the data collected about the projects and on application of agile methodologies for the projects. When there were sufficient set of data and concepts were available axial coding was used to categorize the data from various projects and concepts into 8 categories. Size - teams with fairly considerable size (15-60 member teams) were considered for the study. The projects chosen had duration ranging from 6 months – 12 months. The team had 0-3 years of experience on agile from both customer and service provider side. Project characteristics – highly complex with average of 8 interfaces. Motivation – the decision of using agile was taken by customer who is motivated from key benefit experienced from agile like tangible quality output, transparency, faster time to market, value driven delivery. Scrum was most preferred agile methodology in these projects. Delivery Model – distributed agile was followed. Followed standard agile delivery cycle of project planning, iteration planning, sprint and sprint planning (2-3 weeks cycle) and sprint demo, retrospection. Governance – followed standard agile structure of business owner (customer), scrum master / PMs, scrum developers, testers. One core set of team was at customer locations and rest of the execution team was at distributed location. Risks and Dependencies – while from customer view, interviewees had expectation that they will be absorbed majorly by the service provider, from service provider view, lack of availability of customer infrastructure, seamless communication between interacting teams, possibility of team break down in between were observed. Measurement – burn down chart, velocity, defect density, technical debts, throughput against capacity, commonly used tools like RTC, rally. Performance – measured using number of defects, business value, acceptance level of customer, QA report.
IMPLICATIONS AND FUTURE WORK

Some of service provider implications observed – customer insists to follow agile methodologies when there is very limited time to market cycle. There were no standard estimation methodologies followed for determining the team size and there were contradicting views on executing agile projects in time and material and fixed price billing. In all the projects service provider was not involved in decision making process of choosing the relevant methodology and also scrum was majorly preferred by customer. Every project had very short iteration which was otherwise taxing for team members and it was warranting them to be much more self-organized to accomplish the sprint delivery. Some of customer implications observed – key objectives were transparency, value driven delivery. The customer organization was much more matured to deliver the product using agile to stay competent in the market. The measurement criteria and the tools and techniques for progress evaluation were more or less common for both service providers and customers. One of interviewees found that agile execution with collocated teams found to be less challenging than distributed agile.

Further studies are recommended to develop a measure for determining the team size based on complexity of the agile project linked with preferred delivery model of distributed or collocated, how does the choice of agile methodology influence software project governance and performance.

REFERENCES
An Offshore Vendor's Perspectives on
Electronic Medical Records Development

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ABSTRACT

Health Information Technology (HIT) is widely regarded as a key to improving the quality of healthcare in the United States and potentially reducing its cost. Yet, its implementation is a continuous challenge for the healthcare industry. One of the key applications of HIT is Electronic Medical Records (EMR). This research case documents the experiences in the development and implementation of an EMR system for a U.S. client by an offshore vendor. While client experiences abound in the literature, this study is unique in that it draws from the perspective of the service provider. Key findings of the study show that the major issues related to EMR development by an offshore vendor include gaining domain knowledge, requirements generation, and access to expertise. Like offshoring projects in general, client-vendor communication remains perennially important. Beyond EMR, this vendor's critical success factors in HIT projects offshore development additionally include scope containment, need for a client liaison, and managing non-functional expectations.

KEYWORDS: Health Information Technology, Electronic Medical Records, Offshore Outsourcing, Service Provider Perspective, Critical Success Factors.

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INTRODUCTION
The health care industry has lagged behind in the use of IT to effectively deliver innovative services (Menon et al. 2000). Called Healthcare Information Technology or HIT, it refers to “the use of computer applications to record, store, protect, retrieve, and transfer clinical, administrative, and financial information electronically within and among various health care settings” (HHS 2013). Among the many benefits of HIT are: improved quality of care and access to patient data by clinicians, streamlined monitoring of public health issues and trends, enhanced ability to conduct clinical trials, and the creation of new high-technology markets and jobs (PCAST, 2010). However, significant barriers remain, e.g., cost, technical issues, system interoperability, concerns about privacy and confidentiality, and lack of a well-trained clinician informatics workforce (Hersh 2004).

One of the primary applications in HIT is Electronic Medical Records or simply EMR. EMR is defined as an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by licensed clinicians and staff from a single organization. An EMR system is central to any computerized health information system and a recent report found the implementation of EMR as the topmost concern of U.S. hospital executives (Palvia et al. 2012b). This study investigates a case where an offshore service provider developed an EMR system for a U.S. based healthcare organization. The case is analyzed from the perspective of the service provider (i.e., the vendor) and delves into keys issues for the service provider and critical success factors in the development process.

BACKGROUND AND LITERATURE REVIEW
A recent article (Palvia et al. 2012b) reported the HIT issues in the U.S. based on the opinions of hospital CEOs and CIOs. Among the top ten issues, the implementation of electronic medical records is ranked the highest. While adopting an EMR has become a high priority for many medical practices in the U.S., they are still slow in fully implementing these systems.

Outsourcing and offshoring have the potential of creating tremendous opportunities to health care organizations to save costs and streamline business processes. However, American hospitals are reluctant to send their IT work to overseas companies (Worthen and Sharma 2010) due to reasons related to efficiency, sensitive information, and legal complications.

METHODOLOGY
This research uses a case study methodology. We used a single case holistic design since the offshore outsourcing service provider we study is representative of a typical case for identifying the key issues from an offshore outsourcing provider perspective. In-depth qualitative interviews were conducted and company documentation was reviewed to collect evidence from the case study.

ANALYSIS AND RESULTS
The Offshore Outsourcing Service Provider
The company we chose for our single case holistic design is Key Management Group (KMG), a “global software development company providing high-quality IT solutions to the Healthcare & P&C Insurance verticals worldwide …” (KMG 2013). Headquartered in New York, KMG has three offshore development centers in India. KMG’s 30 professionals in the U.S. are supported by 300 technical professionals in India. The company’s service delivery models include pure onsite, pure offshore, and hybrid (a mix of onsite and offshore) models.

The Offshore EMR Project
In order to understand the key issues faced by offshore outsourcing service providers, this study investigates KMG’s development of an Electronic Medical Record (EMR) for one of its primary clients. The client was a group of practicing physicians in the U.S. The name of the client is kept
anonymous according to the wishes of KMG management. KMG is one of the very few software companies to have developed two separate EMR systems for two separate clients. This project describes the first EMR that was completed in 2010. Called MedScribe, it covers the full gamut of operations at doctors’ practices. It includes four major functions: Scheduler function, Front Office function, Exam Room function, and Billing function.

The scope of the EMR project was defined by the guidelines of the ONC Stage 1 criteria. The Stage 1 criteria for health professionals require meeting 15 core objectives, 5 objective from a 10-item menu set, and 6 clinical quality measures (CMS 2010). The key overarching requirement on KMG was that the client wanted to keep the user interface as simple and friendly as possible, as doctors are not computer savvy and want to simplify the data entry process as much as possible. It was to be completed in around 18 months. The project was estimated at 2,000 person days. It had around 100 major data entry screens.

The project followed an iterative delivery methodology. It was broken down into multiple delivery milestones and each phase was treated as independently with its own scope, requirement document, design, construction, and user accept testing. There was considerable iteration within each phase. The project went live sometime during the middle of the delivery timeframe.

**Success Metrics**

According to the KMG President: “A project is successful if it stays within the projected costs and gets delivered on time. It should meet the non-functional expectations (Speed, Scalability, Security etc.). It should have minimum post-delivery issues.”

KMG delivered about three months late. This was only a slight delay and the delay was communicated to the client. They also had a sign-off by the client on the delay. Moreover, the project costs were within the expected range. Overall, the project was deemed successful.

**KEY ISSUES FOR THE SERVICE PROVIDER**

The key issues from the service provider’s perspectives are summarized in Table 1. The issue on the top of the list is domain knowledge. Health IT is a new field and most vendors have no or little experience in developing these systems. For a business analyst to be proficient in this field, he or she needs to have a good knowledge of not only the medical terminology but also the processes and procedures in hospitals, laboratories, doctors’ offices as well as insurance companies and government agencies. This requires significant investments of time and energy.

In healthcare, the handicap in domain knowledge by the business analysts and the uniqueness of various healthcare processes make the task of requirement elicitation and finalization doubly difficult. This is further compounded by the lack of IT savviness, expertise and business knowledge on the part of physicians and other medical staff. One interesting aspect of understanding requirements was the non-functional expectations. Users have implicit expectations about how well the software will work.

<table>
<thead>
<tr>
<th>Table 1. Top Critical Vendor Issues for KMG</th>
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<tbody>
<tr>
<td><strong>Offshore Vendor Key Issues</strong></td>
</tr>
<tr>
<td>Domain Knowledge</td>
</tr>
<tr>
<td>Understanding requirements</td>
</tr>
<tr>
<td>Lack of experts from the client side</td>
</tr>
<tr>
<td>Communication gaps</td>
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<tr>
<td>Resistance from client employees</td>
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<tr>
<td>Lack of documentation</td>
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<tr>
<td>Lack of client involvement.</td>
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</table>
The importance of communication with the client was corroborated in the case of KMG. The lack of clear and unambiguous communication may result in incorrect design specifications, incorrect deliverables, and project delays and may also adversely affect the client-vendor relationship. Lack of documentation and lack of client involvement are issues that have been reported in IS literature, but their prevalence and effect may be larger in healthcare.

CRITICAL SUCCESS FACTORS IN OFFSHORE OUTSOURCING
The overall success of the service provider and its development projects in Health IT depend on a number of factors. KMG identified a number of factors for its success. These factors are across all of the projects and there is necessarily some duplication with the key issues identified above. Table 2 lists the critical success factors.

<table>
<thead>
<tr>
<th>Requirement Finalization</th>
<th>Limiting the Scope of the project</th>
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<tbody>
<tr>
<td>Ensuring the Client has a liaison person</td>
<td>Over-communication</td>
</tr>
<tr>
<td>Acquire as much domain knowledge as possible</td>
<td>Ensure the non-functional expectations have been understood.</td>
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</table>

One major risk for system developers is the growing scope of the project caused by unclear objectives, changing goals, and scope creep. Thus it is important and advantageous to freeze the requirements and limit the scope of the project. KMG also emphasized the need for communication, going as far as engaging in over-communication. One mechanism to facilitate communication is the client liaison person. Client liaisons provide the vendor a single access point so that the communication is more expedient with less ambiguity.

CONCLUSION
In the context of the Electronic Medical Records, we found that the service provider found the lack of domain knowledge, understanding of requirements, and finding client experts as its toughest challenges. Critical success factors included: limiting the project scope, having a liaison, and understanding non-functional expectations. Communication with the client and client involvement were also deemed critical consistent with the IT outsourcing literature.

REFERENCES (Available on Request)
ABSTRACT
Staff augmentation is a commonly used model for externally sourced labor within IT Organizations. Staff augmentation model is easy to adopt and is usually a preferred choice for first time buyers. Managed service is another model where vendor undertakes to perform a defined scope of work usually for a fixed price with freedom to execute in a manner that is optimal for vendor. Variants of both models also exist. There is a large amount of literature that helps answer to question ‘which is the right model for me’. However, if a customer decides to move from staff augmentation to managed service, there is minimal literature that helps answer the question ‘is my organization ready for this model change’. This paper presents research that aims to fill this gap. Using a multi-perspective approach, we identify and rank characteristics of IT organization that indicates its readiness to move from staff augmentation to managed service. We began with a set of characteristics gleaned from existing literature, author experiences and interviews with 2 customers and then refined it using feedback from 20 experts in IT sourcing. We believe this is original contribution to knowledge in this space. Limitations of this research are acknowledged and need for further research is called out.

KEYWORDS: Staff Augmentation, Managed service, Outsourcing, Change Management, Application Management, Success Factors, Pricing Model, Contract Management and Outcome Based Engagements

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INTRODUCTION

Right from the early days of computer use in business, it was common for Chief Information Officers (CIO’s) to source expertise from outside firms. Staff augmentation and managed services are two primary models of sourcing. Numerous variations of these two basic models do exist combining certain aspects of both. Key distinguishing feature of staff augmentation is the fact that buyer pays for vendor staff by rate per man-hour. Under managed services, vendor (also known as service provider) undertakes to perform a defined scope of work usually for a fixed price.

<table>
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<tr>
<th>Buyer advantages of staff augmentation</th>
<th>Buyer advantages of managed services</th>
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<tbody>
<tr>
<td>Better control: Buyer managers direct vendor resources. Buyer owns the responsibility for effective utilization of vendor staff.</td>
<td>Vendor skin in the game: Managed service is always performance driven contract, often with continuous improvement.</td>
</tr>
<tr>
<td>Short term commitments: Most contracts are for short duration with termination for convenience clause favouring buyer.</td>
<td>Reduced total cost of ownership: Efficiencies gained by service provider due to freedom of execution gets passed on to buyer.</td>
</tr>
<tr>
<td>Ease of adoption: Setup and operation of staff augmentation contracts is easy. It is almost like hiring an additional employee, except that hiring is through procurement function rather than human resources (HR).</td>
<td>Efficient use of buyer management bandwidth: Transfer of day to day performance responsibility to service provider allows buyer management to spend more time on strategic initiatives.</td>
</tr>
</tbody>
</table>

Table 1

1. Research Objective

When a CIO decides that managed services is the right sourcing model for him/her in a given context, there is lack of guidance to assess if their organization is ‘ready for it’. Change from staff augmentation to managed service may require cultural and process changes for buyer and vendor (also known as service provider). While outsourcing advisory firms provide some guidance for buyer (Gidwani, 2007 and Alsbridge, 2010), we believe there is a need for more research to help buyer assess their readiness. Primary objective of this research is to identify a list of characteristics of an IT organization that indicate readiness for change from staff augmentation to managed service. While we believe some of the characteristics are common for applications and infrastructure sourcing, scope of this paper is restricted to business applications.

2. Research Methodology

Our preliminary search of literature on this topic returned very few results. In our interactions with CIO’s, we noticed only a few mature buyers of information technology had a point of view on the topic of this research. We the authors as practitioners also had certain perspective on the research objective. Our challenge was to fuse these islands of knowledge into a credible narrative. At this stage, we recognized the need to combine multiple research methods to meet research objective (Pinsonneault and Kraemer, 1993). Figure 1 explains the 6 step methodology we adopted for this research. Our first goal was creating an initial point of view on what characteristics indicate readiness to change from staff augmentation to managed service. Step 1-3 formed inputs for this goal. At step 5 we created a survey using initial point of view and sought feedback from outsourcing industry experts. Experts were vetted for their knowledge. We invited 35 experts to respond and we received 20 responses. The last step was to analyse the survey results, correlate with real world experiences and discuss practical implications of the findings.
3. Literature Survey

In recent years, CIO’s are spending more time on demand-side activities (Weill and Woerner, 2009). This is forcing a re-think on staff augmentation as a model of sourcing since it is inherently more demanding on CIO/IT Leadership’s time. In parallel, many service providers are also looking to get out of a staff augmentation model given the low margins in a commodity market (Moorthi, 2011). Immigration bill under consideration by US Congress is expected to negatively impact deployment of foreign visa workers at customer sites. We believe the convergence of these 3 trends will favour increased adoption of managed service model. Alsbridge identifies 5 organizational maturity factors that should be considered when making a decision between staff augmentation and managed services (Alsbridge, 2011). They are procurement, vendor management, program/project management, process management standards and governance. Performance metric of the engagement is the litmus test of managed services model. If the metric is hours of labor input, it is not managed services. We believe outcome based performance criteria is often a sign of mature sourcing model. Ability to define measures that are not input based and at the same time satisfies both buyer and provider is tough (Overby, 2009).

Numerous researchers have articulated the need to understand core vs non-core functions and recommend outsourcing of non-core (Lacity, 2002). However, 1 in 4 participants in outsourcing study had mislabelled functions as non-strategic and ultimately brought those areas back in-house (Deloitte, 2005). Managed services contracts usually have a baseline defining minimum consumption. This forces customers to strengthen their ability to forecast demand for IT services. Managed service contracts are extremely complex. Mid-term contract renegotiation is common (Susarla, 2012).

4. Customer Perspective

We interacted to two customers, both moved from staff augmentation to managed services in past 24 months. Both customers ($3-5 billion annual revenue) moved to managed services for application support after using staff augmentation model for over 10 years. Ability to define scope in outcome terms, maturity of procurement, maturity of contract management and board level desire to focus on core functions (IT was deemed non-core) were validated as key characteristics during interviews with the two customers.

5. Author Experiences

As authors we have personal experience playing roles of buyer, seller or advisor in over 75 contracts over a 15 year period. In our experience, ability to define contract deliverables in non-labor terms is the toughest test of readiness for managed services. This ability needs to emerge from core strength of IT organization; it can’t be an afterthought. We have seen customers and service providers overestimate their mutual ability to bound scope, eventually leading to long delays in contracting process.

6. Initial Point of View

Our initial point of view was developed using inputs from literature survey, customer perspectives and author experiences. We identified 12 characteristics through this process, listed in table 2.
7. Practitioner Feedback Survey

As step 2 of the research, we sought feedback on relevance and/or importance of each characteristic from experts in the field of application sourcing. We requested 35 experts to provide feedback; 20 of them responded. Average IT sourcing experience of experts was 18 years; 16 of them were located in US, 1 in Canada, 1 in Germany and 2 in India. Experts were requested to provide their opinion of relevance and/or importance of 12 characteristics by selecting from a 7 point Likert scale; we also requested them to provide comments to complement their response to each question (characteristic).

<table>
<thead>
<tr>
<th>Rank</th>
<th>Characteristics</th>
<th>Survey Responses (N=20)</th>
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<tr>
<td></td>
<td></td>
<td>STD</td>
</tr>
<tr>
<td>1</td>
<td>Ability of IT middle management to delegate</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Ability to define deliverable in output terms</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Contract management maturity</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Effectiveness of Business-IT alignment</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>Maturity of multi-vendor management process</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>Clarity of understanding of sources of innovation</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Maturity of software development and maintenance process</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Maturity of IT procurement/vendor management</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>IT’s awareness of its core versus non-core</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>Ability to accurately forecast demand</td>
<td>1</td>
</tr>
<tr>
<td>11</td>
<td>Readiness for transition</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>Ability of business to consume anonymous service</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 2

Likert scale responses of strongly disagree to strongly agree were converted to numerical values of 1 to 7 with 7 being strongly agree. Average and standard deviation was computed. Feedback responses are presented in table 2, ranked by descending average rank of importance and then by increasing standard deviation.

8. Review Survey Feedback & Discuss Practical Implications

Survey results are interesting. In this section, we discuss top 6 ranked characteristics. Ability of IT middle management to delegate is the highest ranked in survey and has practical implications. Middle management in staff augmentation model generally has a higher propensity to micromanage. Managed services by definition provides supplier with freedom to execute in whatever manner they chose to. If middle management retains a mind-set of excessive control, it will lead to dissatisfaction. Ability to define deliverable in output terms and contract management maturity, ranked 2 and 3 were also cited by customer interviews. Ability to define scope and quality in terms other than man-hours is critical to compare and select best supplier. Explicit definition of performance requirements is needed in managed service contracts. Managed services require superior contract governance skills, particularly from IT middle management. Service level agreement, penalties and earn backs are common contract clauses that get looked up constantly by middle management. Effectiveness of Business-IT alignment, ranked 4 is a significant change management factor. First few weeks
and months after transition from staff augmentation to managed services is often tough on business. Strong alignment will support progress beyond this hump. A change in IT sourcing method is not just an IT decision. As practitioners, we have seen higher success when IT takes business into confidence before deciding to change sourcing models. Maturity of IT procurement/vendor managed is ranked 5. Contract documents for managed services are many times more complex than staff augmentation. IT might require help sourcing advisory firm and/or outside counsel. Clear understanding of innovation expectations from service provider is often critical. While it is not apparent in short term, over time, a mismatch in innovation expectations results in dissatisfaction. In our view, managed services contracts generally encourage efficiency but do a poor job of incenting service provider innovation that is material to customer. Customers who rely on vendors for innovation in staff augmentation model should develop alternate source of innovation or incorporate innovation expectations into managed services contracts. As we conclude, we believe that there is no mathematical formula that determines if a customer should or should not change to managed services. Rather, our argument is that awareness of characteristics impacting success of sourcing model change will help organizations understand the risk of change and take mitigating actions. We acknowledge the limitations of this research, specifically small sample size. We hope this research will trigger others to follow through, by incorporating views of more CIO’s and practitioners to validate results as well as test ability to generalize.

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New Frontiers in Managing the Landscape of Collaboration and Multi-Sourcing

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ABSTRACT
Neuroscience has radically changed the way in which we think about our business interactions. It has helped define the manner in which we identify requirements, manage our interactions and sourcing relationships, and create collaborative sourcing environments. A sourcing/project manager's role may have changed a little during the transition from traditional to “partnering” relationships” manager but, the core of a project manager’s sourcing responsibility remains the same: Procurement/Supplier/Vendor Management. Finding the right partners, considering multi-sourcing, communicating, collaborating with these sourcing organization, and getting results remain the cornerstones for success. Neuroscience of mindfulness provides some very interesting perspectives on the social aspects of procurement/vendor management. How do we best manage ourselves, our environments, our decision making, and our interaction with other business entities? This presentation explores how the findings in the areas of social, cultural, affective, and behavioral neurosciences are being practically applied to achieving sourcing success.

KEYWORDS: Neuroscience, Multi-sourcing, Agile Practices, Project Procurement Management, Stakeholder Management

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What is a Global Project Manager?

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ABSTRACT
The purpose of this research was to determine how management techniques, specifically Project Managers could improve the effectiveness and efficiency of global virtual teams. A number of issues were reported by the business world and scholar community as impacting the global virtual team: culture, religion, language, communication tools, perception, education, business processes/procedures and team skills. Fifty-three questions pertaining to these published issues were asked. There were a combination of true/false, multiple choice and open-ended questions. Issues and impacts were validated by participants and new insights were also discovered. Virtual team members gave suggestions on how management could bring cultural understanding and knowledge to the team prior to the onset of a project. The Project Manager’s role was chosen as one of the main issues for virtual teams.

KEYWORDS: Project Manager, Global Project Manager, global virtual teams, virtual teams, culture, management, collaborative groups, global skills, cultural integration

Dr. Laura L. Kelley, President of KelTrust Systems, Inc. an organization that assists and supports small and medium size organizations in global relationships and communication through workshops, facilitation processes and team cohesiveness. She received her Ph.D. in 2009 from Capella University (Minneapolis, Minnesota) in Information Technology Management with a specialization in Global Management and Offshore Teams. She received her Masters of Science in Management Information Systems in 1993 from Dominican University in River Forest, Illinois and her Bachelors of Arts from Loyola University of Mundelein College, in Chicago, Illinois, in 1986 with two majors, Economics/Finance and Management. While pursuing her education she worked for some of the largest banks in Chicago and then left the banking industry after nearly twenty-five years of service. Her final position was as a Trust Officer. The next industry she moved to was that of testing and managing test teams, for a number of organizations. She held positions as a Quality Assurance Program and Project Manager for aviation, healthcare, home, and auto insurance, utility and wireless communication software, logistics, educational testing through IVR and web systems in various languages and the largest of projects, the hiring of sixty five thousand employees for the Transportation Security Administration, a government project for the DOD. A number of well-known companies she has managed teams for include Allstate, AT&T, CVS Caremark, FedEx, Pearson Education, Verizon, Yahoo/AOL and VERITAS.

In 2008, she established KelTrust Systems, a name that represented herself and trust, something unified teams must establish in order to be successful.
INTRODUCTION
What is a Global Project Manager and how is it different from a Project Manager role? A Project Manager is someone who manages a project; this includes a project schedule, hardware/software installations, a budget and various teams of people. These groups can contain IT staff (various locations), billing, marketing, business analysts, clients, vendors and customer service. The Project Manager will manage the contents of the project and its resources. What defines a Global Project Manager is someone who is experienced in communicating with virtual team members and is able to extend themselves into the virtual environment to meet and create unity among the onshore and offshore teams.
A Global Project Manager role has many responsibilities. The world of technology has created a role that allows these managers to work from a home office or even an external office outside the company. The amount of hours in communication with a virtual team may start as late as 10:00 p.m. till as early as 6:00 a.m. This individual not only has the specialized talents and skills to manage a technical project and its virtual resources, but also skills in areas that may not even been listed in the job’s requirements.

ADDITIONAL ROLES AND RESPONSIBILITIES
For instance as a weather person, when having conference calls with many teams from various regional, national or global locations, asking how the weather is at their location can become interesting. One conference call I lead had raining sand in Texas, to 100 plus temperatures in Arizona, tornadoes hitting the southern states, and unbearable heat in India. This type of mild discussion at the beginning of a call brings knowledge of the environments to its extended members and a way to break-up the formal setting with some general discussion. This is the creation of team communication within a virtual environment.
The role as a tour guide was a new responsibility for me. My first offshore team came to me on a Monday morning without warning of additional staff other than an introduction to six young men from India. Most were yawning since they came directly from Chicago’s O’Hare International airport. Therefore, my first duty was to locate cubes for these gentlemen who would be staying with me for six months. These men were new to the U.S., so each day became an experience in Chicago’s quick and hearty lunches. I soon realized I was their tour guide while staying in Chicago. Everything from meals to weekend activities and events were discussed. The vendor who sent their employees to Chicago contracted with a rental agent for an apartment in a community that represents the Middle Eastern community. Making friends, taking transportation, purchasing food and places of worship were conveniently located, within walking distance.
Cultural integration, an added skill set created. I found myself creating weekly collaborative sessions where offshore and U.S. teams could sit in a conference room and talk about their religious/non-religious holidays, as well as rituals and customs of family and business. Offshore members enjoy the opportunity to explain and even show visual items of their culture such as jewelry, music, sports, holidays and food. The discussion of family is a hard topic for U.S. nationals to speak about, since they were taught to speak only of business in a business setting, whereas the offshore team was eager to speak about their families.

HUMANISTIC COMPONENTS
Empathy and understanding are required skills a Global Project Manager must have in order to succeed in this role. Offering understanding and diplomacy when family issues occur. There is nothing worse than having an ill family member back home and you are in the U.S. on assignment. Environmental issues may occur and you are miles away, without word of family or business associates being safe. Communicating with immediate family may be difficult due to the time zones, which means someone on either side of the globe is up late talking to the other. Holidays can be depressing for those who cannot celebrate with their families. These are a few
of the humanistic components of a Global Project Manager. Feelings of empathy and understanding for global members who have accepted a position within another country for the sake of their career and/or for the betterment of their families can be difficult. When the day arrived for our offshore members to travel home and conduct their tasks from India, the mood of the day was sad. Our teams became more than just co-workers but more like family. These two individual teams had bonded as a collaborative group. This is the ultimate outcome you are striving for as a Global Project Manager.

TAKE THE INITIATIVE
To become a successful Global Project Manager, the following skills should be developed:
1. Communication (27%) – with an emphasis on validating what was communicated. Perception is critical in team environments.
2. Management Processes (22%) – create a guide explaining the management processes that will be used.
3. Cultural Knowledge (20%) – provide a guide for team members. Include all team members and their autobiographies and distribute to the team.
4. Technical difficulties (17%) – Verify with the IT staff that access of electronic tools and directories is available to the team, before the project starts. A delay causes stress and frustration.
5. Language difficulties (10%) – be observant to accents and language dialects. If you find it difficult to understand an individual, speak to them. The U.S. and its various regions of the country also observe these differences.

The question posed to offshore members was: What type of issues have you perceived as impacting the team's performance? The result of this question is shown.

WHAT PROJECT MANAGERS LACK?
A Project Manager comes equipped with the business skills to manage a project and its resources, but that doesn't necessarily mean the skills of empathy and diplomacy are part of that skill set. As globalization in business only increases, Project Managers need to reconsider what their livelihood will be and how to stay employed. The additional skills suggested here, are now part of many job descriptions and it’s usually described as, “Experience with external resources and/or offshore teams. Must be willing to work extended hours and in various time zones as needed”.

CASE STUDY
I performed a study that used a case study approach that employed a mixed methodology. The collected data were compared to results from previous empirical literature when possible. Data received was stored with the online survey organization and first compared to factors determined from the empirical literature as causing major impact to the management of offshore teams. Factors stated within the survey that were different from the empirical literature were noted. This survey was given to offshore members of an Indian organization that is located in India. Those participants who took the survey were employees who had experience in offshore team relationships. The executive management of this organization supported this study.

THE RESULTS
When a Global Project Manager is more involved in the collaboration of the project team, the team works more efficiently. The Global Project Manager is the sole individual held accountable for the success or failure of the project. While the executive management and the Global Project Manager are held to a higher standard to get the project completed on time and within budget, this goal may not always be the case. Project Managers are trained to focus on specific tasks,
additional skills such as empathy and diplomacy must come from the heart. These are skills that cannot be taught.

- When asked the participants if they felt Project Management was a major area of weakness 48% of those who took the survey agreed it was.

- When asked the participants if they knew their team members better would it improve their working relationship, 64% of the participants stated, “definitely”.

- When asked if the difference in cultures (India & U.S.) create any impact upon the team or the project, 40% of the participants stated, “sometimes”.

- When asked the participants how important is it to know the cultural aspects of their team members 54% of the participant’s stated it is very important to know the cultural aspects of the team.

- When asked the participants if they felt business practices and processes affected progress, among the U.S. team member's organization and the offshore organization; 52% of the participants stated, “definitely”.

**RECOMMENDATIONS**

This study recommends that Global Project Managers who manage offshore teams needs to:

1. Educate themselves in global skills this includes the various customs and cultural philosophies of the country you will work with.

2. Create a unified plan that will be implemented within the first few days of the project. This would include your communication preference with the team and how to schedule a once a week collaborative meeting with 99% of its members.

A collaborative team will only be as strong as the Global Project Manager creates. A team must know they are supported and respected for what they bring to the global table, since their cultural heritage and religious commitments cannot be left at a global door.

**REFERENCES**


Global Sourcing: Adding Social Capital to the Balanced Scorecard Model

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ABSTRACT
General dissatisfaction with the single-minded focus on short-term profits or other financial measures has led to the development of a balanced scorecard performance measurement model that attempts to take a holistic view of performance. This model incorporates not only a firm’s financial performance, but also its performance in the areas of value for customer, and ability to innovate (learn and grow), ability to continuously improve selected business processes. What was forgotten is the impact on environment and all internal and external stakeholders (beyond shareholders and customers)? These impact factors are generally in the area of business accountability to stakeholders to improve their social welfare. These ethical and moral concerns become all the more critical in the global sourcing arena because the scale and scope of operations extends beyond one country to two or several countries. In offshoring operations, issues of child labor, environmental degradation, worker safety, laws about minimum wage and limits on hours worked, labor union relations etc. can be mitigated by expanding the balanced scorecard model to include the important factor of social capital. We propose the addition of this social capital perspective to the balanced scorecard model and suggest five metrics that can help measure performance on this perspective.

KEYWORDS: Outsourcing, social capital, balanced scorecard, stakeholders, social responsibility.

Vijay K. Vemuri is a visiting assistant professor of Accounting at the Prairie View A&M University. He earned a Ph.D. and M.A.S. from the University of Illinois at Urbana-Champaign. Dr. Vemuri’s research interests include economic consequences of information technology. He has published in several journals and conference proceedings.

INTRODUCTION
Free trade, Internet revolution, end of cold war, and consequent globalization have resulted in benefits due to increased mobility of labor, capital, and work itself. For the developed countries these benefits are manifested in lower cost of consumer products, higher profits to the multinational corporations, and higher investment in R & D. Since the global sourcing of manpower started due to offshore outsourcing of products and services, client companies and their countries have at least an indirect, if not direct, stake in the welfare of manpower in the country of offshore vendor. Recent examples of a fire in a Bangladesh factory that killed over 100 people in 2012 and then more than 1000 people in another garment factory building that collapsed in 2013, clearly point to the need for universal regulatory regime about safety, security, welfare of manpower in offshore country. Our focus will be on increasing importance of social capital for client and vendor companies to succeed in the context of global sourcing of products and services.

GLOBAL SOURCING AND IMPORTANCE OF SOCIAL CAPITAL
The impact of offshoring on the U.S. job market is extensive. Blinder (2009), using the data developed for the Bureau of Labor Statistics, estimated that of the 817 occupational categories, 284 (nearly 35 %) can be offshored. Using the year 2004 labor statistics, he estimated that nearly 30% of the 130 million jobs can be performed offshore. Given the rapid advances in information and communication technologies during the last decade, the current estimates are expected to be substantially higher. In the manufacturing sector, it is reasonable to assume that all manufacturing jobs are offshorable.

From the perspective of developing countries, where products are manufactures and services are performed, all is not a bed of roses. Offshoring enables MNCs to avoid issues of child labor, environmental degradation, worker safety, laws about minimum wage and limits on hours worked which are vigorously regulated in developed countries through agencies like Occupational Safety and Health Administration’s (OSHA) in the USA. Due to the lack of regulations regarding child labor in host countries, several organizations, including MNCs, developed their own “codes of conduct.” However, these codes of conduct do not solve the problem of child labor. Worker safety regulations and their enforcement vary greatly among countries. They are lax and not vigorously enforced in South and Southeast Asia (Findley and Gorski (2005). The consequences of lax regulations and enforcement are evidenced by 1,127 deaths due to a factory collapse in April 2013 in Savar, Bangladesh. Deadly factory accidents are not as uncommon as one would hope. In November 2012, 112 workers died in a garment factory fire in Bangladesh. In May of 2013 the roof of a shoe factory manufacturing Asics athletic shoes in Cambodia collapsed, killing three and injuring several workers. It is in this context, that giving importance to social capital becomes not only important but critical to the survival of client companies in developed countries and vendor companies in developing countries.

EVOLUTION OF BUSINESS PERFORMANCE MEASUREMENT METRICS
Milton Freidman, an ardent evangelist for capitalism, justifiably or not, provided support for the view that businesses have no social responsibility beyond increasing their profits and enhancing the stockholders’ wealth. Friedman (1970) argues that corporations are artificial persons and human responsibilities such as social conscience is not applicable to them. This profits-are-everything attitude is increasingly becoming a minority view among politicians, economists, entrepreneurs, and business people. In today’s society, business executives are obligated to take responsibility for the environment- land, water, air, communities -- in which they operate. Going beyond just financial measurements like profitability, ROI, NPV, the balanced scorecard is an effort to overcome the inherent one-sided measurement problem. Kaplan and Norton (1996) expand the performance monitoring system to also include customer, internal business process and innovation and learning performance besides only financial performance. It is a
comprehensive framework to translate a company’s strategic objectives into a coherent set of performance measures.

The recent evidence suggests that steadfast commitment to profits is not necessarily the most profitable strategy, and that firms that optimize stakeholders’ interests also optimize stockholders’ interests. Sisodia, et al (2007) promote the idea that interests of the stakeholders -- society, partners, investors, customers, and employees -- need not be in conflict with those of the stockholders. They identify 14 characteristics that are crucial to endear the firms to stakeholders and enhance the “share of heart.” As expected, many of the measures overlap those used in the traditional balanced scorecard. Some of the unique measures in the endearment scale are: modest executive compensation, more employee training, and following the spirit of the law — not merely the letter of the law. Sisodia, et al (2007) address the potential conflict between stockholders’ and stakeholders’ interests. The comparison of financial performance between 17 publicly traded companies that “endeared” them to their stakeholders and S&P 500 reveals that “… the companies in the endeared portfolio outperformed the broad market by a margin of 8 to 11” Kotter and Heskett (1992) find that firms with strong corporate culture that addressed all stakeholders vastly outperformed the broad market portfolio in several accounting and financial measures. The relationship between ethical behavior, social responsibility, and financial performance studied by Clarkson (1995), leads to similar conclusions. Sissodia, et al (2007) summarize these results as: “… companies that are driven purely by the bottom line make poorer decisions. Such companies lack information about stakeholder concerns, and are unable to keep small problems from mushrooming into much larger—and far more costly—ones,” (p. 141).

ADDING ENDEARMENT FACTOR TO THE BALANCED SCORECARD MODEL

In the balanced scorecard, financial perspectives is supplemented by three additional perspectives — customer, internal processes, and learning. We recommend inclusion of social capital perspective to the existing balanced scorecard model. The inclusion of stakeholders’ interests in the balanced scorecard is not only an ethical choice but also a choice to enhance profitability. The “endearment” factor captures many additional intangible assets the firm enjoys in its relationship with its business partners and the society at large. The ethical and moral concerns in offshoring operations (child labor, environmental degradation, worker safety, labor wage and laws about hours worked, labor union relations, etc.) can be resolved or mitigated by the enhanced balanced scorecard model. Figure 1 depicts our conceptualization of the enhanced business scorecard model.

**Figure 1: Stakeholder Aligned Balanced Scorecard Model**
We analyzed the 14 endearment characteristics used in Sisodia, et al (2007) and propose the following additional metrics to measure social capital in the balanced scorecard.

1. Modest executive compensation: Annual executive compensation as a percentage of total compensation. A low value of this metric suggests stakeholder focus and potential for endearment by stakeholders.

2. Adequate compensation for non-executive employees: The ratio of non-executive employee compensation to total employee compensation compared with that of industry peers. A high value of this metric suggests employee focus and potential for endearment by stakeholders.

3. Enduring business relations: The percentage of dollar value of transactions with suppliers and other partners with continuous relations over 10 years. A high value for this metric suggests the importance the firm places on long-term relationships and points to stakeholder focus.

4. Societal dissatisfaction with the firm’s operations: The number of lawsuits filed against the company and its major business partners. A characteristic of an endearing company is that it respects the spirit of the law, not just the letter of the law.

5. Conformance with regulations: The number of investigations of and sanctions imposed on the company and its major business partners during the year by the regulatory agencies.

CONCLUSIONS
In this paper we have argued that the performance of a company is as good as the performance metrics it utilizes and that stakeholder and shareholder interests are not inherently conflicting. The relentless pursuit of profits at the expense of all other performance measures may in fact backfire, resulting in suboptimal financial performance. Substantial empirical evidence suggests that firm’s socially conscious firms outperform the average performance of all other firms. We further discuss that while the balance scorecard performance measurement system is a vast improvement over narrow focus on the financial metrics, it does not embrace all stakeholders. We propose the following metrics for inclusion in the endearment perspective: 1) annual executive compensation as a percentage of total compensation 2) the ratio of non-executive employee compensation to total employee compensation, 3) percentage of dollar value of transactions with suppliers and other partners with continuous relations over 10 years, and 4) number of lawsuits filed against the company and its major business partners, and 5) number of investigations and sanctions by regulatory agencies during the year against the company and its major business partners.

REFERENCES
Crossing Boundaries: Interactions of Gender, Culture and Trust in CMC

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ABSTRACT
As more people communicate on the web and in the cloud, we encounter increasing levels of diversity amongst those with whom we interact. One’s assumptions about members of another group or culture impact communication and influence the potential for intergroup conflict. The objective of this study was to explore the interplay of gender and cultural differences in computer-mediated communication (CMC) and how trust manipulations influence these interactions. Using a prisoner’s dilemma task with men and women from China and the US, eight-one participants played an online investment game in cross-cultural dyads of mixed or same gender. Findings provide support for a cultural differences in trust perception and linguistically. An interesting interaction of culture and gender pairing was also noted. While technological developments enable connecting with others easier, an increase in cultural diversity may create a greater likelihood of miscommunication. Avoiding or overcoming these pitfalls is important for individuals as they discuss, collaborate and take action on key business processes. Practical suggestions for enhancing the effectiveness of cross-cultural communications in online environments are made.

KEYWORDS: cross-cultural communication, CMC, trust, gender, culture, communication

As Deputy CIO at a large residential and commuter campus, Dr. Nancy Marksbury is currently responsible for assessing and addressing complex technical issues and decisions with campus leadership, as well as managing and supervising the Information Technology personnel along with hardware and software procurement. She entered IT in application support with a master’s degree in educational technology; helpdesk support was a natural transition. Pursuing a doctorate in information science while working full-time has been a challenging yet rewarding enterprise with both environments complimentary to the other. This discussion paper represents some of the highlights of her dissertation research. Exploring human factors in computing is a lens through which her most passionate interests lay, namely the pursuit of enabling cultural diversity to augment the workplace and improve living. Increasing access to and responsible utilization of information is an early step to expanding democracy and self-sufficiency among all peoples.
INTRODUCTION
Today’s workforce is increasingly diverse, particularly among remotely-located members of a work group or task force. Globalization, off-shoring, and outsourcing are enterprise solutions that influence the likelihood of professional interaction with others from divergent cultures. In our communications, dissimilar cultural and social orientations can introduce ill-timed interruptions, misunderstood silences, or ambiguous phraseology. Over time, these misinterpretations add confusion and can impact workplace productivity. Individuals need to negotiate competing priorities over time management, work processes, team structure, and resolve interpersonal conflicts. Differences in language and verbal styles can lead to unnecessary opposition or setbacks. Some misunderstandings may be avoided by examining cross-cultural and mixed gender communicative interactions.

BACKGROUND
As more people interact and exchange information on the web and in the cloud, research in computer-mediated communication (CMC) has focused on the effects media impose. A previous body of work suggests gender and cultural interactions determine how we talk. Linguistically, females tend to be encouraging, interacting and collaborating. Males in same-gendered groups tend to be more competitive, but in mixed gendered groups, will likely respond positively to females’ invitation to interact. Likewise, cultural differences shape how we communicate. Americans are likely to be more direct; Chinese more polite. Stylistic differences between American and Chinese cultures align with the individualist-collectivist dimension [1]. Generally, collectivists are from societies whose values include interdependency, and whose personal and communal goals are more aligned. These are common to eastern cultures. Individualists, common to Europe and North America, value independence, and are less influenced by their societal groups [2].

The quality of trust plays a central role in establishing and maintaining cooperative and productive relations. Successful communicative interaction is facilitated by interpersonal trust, or the trust between conversational partners. When communicating in CMC, the limitation of certain cues individuals evaluate to aid in message interpretation increase uncertainty and ambiguity. With the rapid assimilation of devices and technologies that promote communication, trust is an important quality for both the media used as well as the interactions that occur.

Understanding how people from diverse cultures respond in situations of conflict and fluctuating trust compelled this study. Specifically, to what extent do the qualities of gender and culture interplay in a negotiation task? To what extent does gender and culture influence trust perception, cooperative behavior, and linguistic indicators? These research questions are asked to understand the role of trust and cooperation in communication among homogeneous and heterogeneous pairings of cross-cultural dyads negotiating through CMC.

METHODOLOGY
To answer research questions that center on gender and cultural differences in cooperative behavior, trust perception, and communication, Chinese and American participants were paired cross-culturally and within same- or mixed-gender dyads. Of particular interest were the potential interactions that can result from cross-cultural and mixed gender associations.

Participants: Eighty-one students at a US university participated in this study: 41 Chinese (born and raised in mainland China or Taiwan, and residing the in the US for less than 4 years) and 40 American students (born and raised in the US). All participants were paired cross-culturally with
4 confederates (Chinese male, Chinese female, US male and US female). All participants conversed in English.

Task: An investment game, Daytrader [3], based on a prisoner's dilemma was used in the study. In the game, participants were instructed to make as many points as possible. After every 7 rounds, they entered an IM discussion through Google Chat. The game lasted a total of 21 rounds, allowing for 3 discussions. Participants were advised to discuss their investment performance of previous rounds or possible strategies for investing in future rounds.

Procedure: Upon arrival, participants responded to items on a background survey. Game instructions were explained and practice rounds were played in the presence of the researcher. Following each set of 7 rounds, trust perception items were rated by surveys.

MEASURES

Trust Performance: Cooperative behavior was measured by points invested in the game. Participants’ higher investment amounts represent a willingness to engage in the partnership.

Trust Perception: Affective trust is measured by aggregated answers to statements about one’s sense of sharing feelings with another [4], one’s seeking to establish a good relationship with another [5], and friendliness one feels for another [6]. Cognitive trust is measured by aggregated answers to statements of one’s perception of the confederates’ ability [5] and the degree to which one relies and is confident [6] in the other. Cooperation and forgiveness (or the absence of retribution) were assessed in the repairing trust stage.

Linguistic Coding: Time-stamped logs were downloaded and exported into Excel. Excel formulae were used to count words and conversational turns. Conversational content was coded using a scheme for small group behavior [7].

FINDINGS

Analyses of three data types—trust perception ratings collected by three surveys, cooperative behavior from the game across three stages of play, and results from the linguistic analysis—were performed to regress on culture (China and the US) and stage differences (building, breaking and repairing trust).

Trust performance: A repeated measures ANOVA revealed a main effect for stage \( (F(2, 154) = 4.25, p = .02) \). There was also an interaction effect for stage and culture \( (F(2, 154) = 3.23, p < .04) \). Chinese participants were sensitive to cheating. They lowered their investments when responding to cheating and raised them after actions were taken to repair trust to a significantly higher level. American participants did not vary their investment amounts.

Trust perception: Repeated measures ANOVA were conducted on affective and cognitive trust measures by culture and gender for all participants. There was a significant main effect of stage for affective trust \( (F(2, 142) = 22.52, p < .01) \) and for cognitive trust \( (F(2, 140) = 26.77, p < .01) \). There were no cultural differences, nor any gender differences among participants in response to measures of affective and cognitive trust perception ratings. However, in the breaking trust stage, all participants rated their declining sense of trust when confederates cheated. Both affective and cognitive trust perception measures declined when cheating occurred, regardless of one’s culture or gender. In the repair stage, Chinese males expressed significantly more cooperative intentions \( (F(3, 71) = 19.41, p < .03) \), particularly when paired with American males \( (t(17) = 3.84, p < .01) \). Conversely, American females rated forgiveness highest \( (F(3, 71) = 25.60, p < .03) \) when paired...
with a Chinese female \((t (16) = 4.51, p < .01)\). Chinese females rated forgiveness lowest when paired with an American female, but higher when paired with an American male \((t (19) = 2.08, p < .05)\).

**Linguistic coding:** Chinese and American participants used more turns \((t (78) = 2.87, p < .01)\) and words \((t (78) = 2.23, p < .03)\) in the building trust stage, gradually reducing the frequency of these measures in the breaking and repairing stages. Chinese males used more turns \((F (3,71) = 2.77, p < .05)\), particularly when paired with American females \((t (18) = 2.07, p < .05)\). American males used more words \((F (3,71) = 3.15, p < .03)\), but fewer when paired with Chinese females \((t (10) = 2.58, p < .03)\). Overall, Chinese used more relational comments \((t (64) = 2.45, p < .02)\), and Americans used more task-related comments \((t (65) = 3.19, p < .01)\).

**DISCUSSION AND CONCLUSION**

In this study, the quality of trust in a cloud-like, computer-mediated environment was manipulated across three stages among Chinese and American participants. Results suggest that when people are engaged in a task over IM with others they may not know well, time spent to establish a relationship is important to members of both cultures. Establishing common ground as a means for reducing social uncertainty [8] was an activity to which both cultures attended. This initial stage was also featured higher ratings for affective and cognitive trust. Americans used more words to accomplish this. Chinese used more turns, perhaps as a way to gain control of the conversational floor, and to slow down the fast pace of conversing in English in IM.

After conflict had occurred, Chinese increased their overall cooperative behavior, indicating a willingness to re-establish the partnership in the game. Americans, however, did not vary their cooperative behavior across stages. After the breaking trust stage, Americans redirected attention away from the conflict back to the task, while Chinese used relational statements to repair the partnership. Chinese males rated their sense of cooperation more favorably when paired with an American male, as opposed to an American female. American females rated their levels of cooperation highest when paired with a Chinese female. American females were significantly more forgiving, or given to less retribution, when paired with a Chinese female than Chinese females were when paired with an American female. Chinese females also rated forgiveness less positively when paired with an American female than when paired with an American male, and then when Chinese males were paired with an American male. Trust measures in the repairing stage, combined with the linguistic indicators suggest that the behavior of these participants was driven more by the gender of their partner than by the participant’s own gender. However, cultural tendencies are evident in the linguistic analysis in that Americans were primarily task-focused while Chinese were more relational.

Technology extends human capacity, allowing people to interact across multiple boundaries – boundaries of time and space, as well as boundaries imposed by various social or cultural differences. Diversity among team composition enhances productivity and opens the door to a variety of ideas and perspectives. The effects of gender and culture and its interaction on communication in organizations are important to understand for increasing human capacity, enable more productive communication, and for designing information systems that support the work of teams who may be co-located or geographically distant to one another.

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ABSTRACT
This paper is an initial inquiry into an outsourcing relationship between the two public and private partner organizations in Nemmadi, an e-governance project, in the state of Karnataka in India. The partners were - the e-Governance Department, Government of Karnataka and Comat Technologies, a private IT company. Comat Technologies was responsible for the set up and operation of telecentres in rural Karnataka for issue of various certificates to citizens. Due to numerous challenges faced by this partnership, the outsourcing tender for the subsequent e-governance project received an extremely lukewarm response from private IT companies reflecting the misgivings of the private partners in the PPP (public private partnership) model. This led us to explore the relationship between the partners using a case study approach. We studied the Nemmadi project using a social capital framework. Our initial finding reveals deficiency in social capital across structural, cognitive and relational dimensions. The reasons for hurdles to creation of social capital varied across the three stages of technology adoption process. This study is a stepping stone to theory building for studying relationships between PPP partners.

KEYWORDS: E-governance, Social capital, Public-private partnership, PPP, telecentres, network ties, trust.

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INTRODUCTION
Information technology (IT) outsourcing is a well-accepted business arrangement in the corporate sector. It describes a process whereby an organisation decides to contract-out or sell the firm’s IT assets, people and/or activities to a third party supplier, who in exchange provides and manages these assets and services for an agreed fee over an agreed time period (Loh and Venkatraman, 1992, Lacity and Hirschheim 1993, Lacity and Willcocks 2001). Initially, research in IT outsourcing focused on its determinants, costs, benefits, the decision process, vendor selection and contracting (Kern and Willcocks 2002). The relationship between client and vendor was often neglected (Klepper and Jones 1998), even though the relationship’s impact on the overall success of the outsourcing initiative has been seen to be quite high (McFarlan and Nolan 1995, Davis 1996, Klepper and Jones 1998).

The need for IT outsourcing in the context of government originated due to the focus of countries on e-governance. E-governance is primarily used to refer to the usage of IT to improve administrative efficiency by increasing the transparency and accountability of government processes, and providing means for citizens to participate in governance (Gasco 2003). Like many other developing countries, India is trying to promote e-governance applications in recent years. One such well-known project is Nemmadi, in the state of Karnataka, India, which is discussed in this paper.

Organizations in the government sector find partnership projects as a valuable means to implement their strategy. Governments keen to reduce government spending and borrowing and aware that private enterprise can provide services at lower cost, have introduced PPP programs to supplement direct state investment. Public Private Partnership (PPP) is an outsourcing arrangement between a public (government) entity and private (non-government) entity by which, services traditionally delivered by the public entity are provided largely by private entity under a set of terms and conditions well defined at the outset. Such collaborative projects with multiple partners and diverse backgrounds face a number of management challenges in working towards mutually set goals. This paper uses a social capital framework for a deeper understanding of the reasons for the challenges faced by the private partner in a PPP arrangement.

Nahapiet and Ghoshal (1998) define social capital as the access and resources available in an exchange relationship. Social capital is “the sum of the actual and potential resources embedded within, available through and derived from the network of relationships” and is collectively owned (1998, p 243). They identified three dimensions of social capital: the structural, the relational, and the cognitive. The structural dimension refers to network ties between actors; network configuration describing the pattern of linkages in terms of measures such as density connectivity, and hierarchy; and appropriable organization – that is the existence of networks created for one purpose that may be used for another. The relational dimension refers to trust, norms and sanctions, obligations and expectations, and identity and identification. The cognitive dimension facilitates a common understanding by relying on shared representations and systems of meanings among parties.

DATA AND METHOD
The research question studied here is – “How has the relationship between the private partner and the government department evolved over the phases of the PPP in an e-governance project?” This study uses a case study approach. The case study strategy is most likely to be appropriate for ‘how’ and ‘why’ questions (p22, Yin 2002). Data was collected both from secondary and primary sources. Articles regarding Nemmadi in periodicals, dailies, government documents were used as sources of data. Primary data was collected through semi-structured interviews of various stakeholders in the Nemmadi project. We interviewed government officials at all levels (i.e. State, taluk, and village) and executives at various levels of Comat - the private partner. In all, we interviewed 17 respondents inclusive of government functionaries and private party executives. Each interview lasted, on an average, for 2 hours. The interviews were recorded and then
This transcribed data was used for analysis. We also went through various process and technology related documents related to Nemmadi, which helped triangulation of data. Interview data was coded and analyzed. Based on this analysis, Table 1 was populated.

**PROJECT NEMMADI**

Nemmadi was the first and the largest G2C e-governance project which offered to rural citizens, a range of 38 services through 800 telecentres located at hoblis, across the state. Project Nemmadi was conceived as a 'sequel' to another celebrated e-governance initiative in Karnataka, India called Bhoomi, which involved digitization of 7 million agricultural land records, and was a landmark in e-governance in India. The nature of activity of Nemmadi was different from that of Bhoomi. The latter consisted of populating a database, while Nemmadi was based on workflow. Nemmadi was one of the first e-Governance projects to use the Public Private Partnership (PPP) model extensively in both setting up 800 telecentres in hoblis across Karnataka, within a period of 4 months, and later operating them. Private sector involvement was planned to address the time over-run issue that had been faced in case of Bhoomi. Comat began the roll out of telecentres in November 2007. This was the first time that PPP model was being used in a project of this kind. The two key entities operationalizing Nemmadi i.e. the telecenters managed by Comat Technologies and the government department, therefore, had to face many challenges. Table 1 contains the reasons for the challenges faced by the partnership using a social capital framework.

The two key entities operationalizing Nemmadi i.e. the telecenters managed by Comat Technologies and the government department, therefore, had to face many challenges. Table 1 contains the reasons for the challenges faced by the partnership using a social capital framework. The elements of social capital (Nahapiet and Ghoshal, 1998) used provide a deeper understanding of relationships at an individual or organizational level and are represented in the first column of Table 1. In studying the reasons for the challenges, we differentiate the stages (Bagri, 2004) across the technology adoption process (depicted as columns 2, 3 and 4 of Table 1) – Adoption Motivation, Adoption Decision, and Adoption Implementation. The cells of Table 1 identify the reasons for the hurdles to relationship building between the two parties from the perspective of the private partner.

<table>
<thead>
<tr>
<th>Social capital element</th>
<th>Adoption Motivation</th>
<th>Adoption Decision</th>
<th>Adoption Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network ties and configuration</td>
<td>The key champion of the Nemmadi project was the Principal Secretary, e-Governance department, Govt of Karnataka. Building individual ties across teams was difficult in the presence of this strong champion who was 'synonymous with the project'.</td>
<td>The decisions were centralized and made by the e-governance department alone without any consultation with the private partner.</td>
<td>Government functionaries perceived the private partner as threats. Building individual ties across operation teams too was difficult in the presence of the strong champion.</td>
</tr>
</tbody>
</table>

2 Refers to information, interactions, transactions etc between the Government and Citizens.
3 Telecentre is a kiosk where the citizen interface takes place – from the application for a service to its final delivery.
4 Cluster of 3 to 5 Villages.
<table>
<thead>
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<th>Adoption Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriable organization</td>
<td>Using the individual network for purposes of the project depended on subsequent government tenders; the private partner had little or no assurance of winning the same.</td>
<td>Unilateral decision were taken by the government on Nemmadi characteristics. No efforts were made to connect with the private partners or seek any inputs from them.</td>
<td>Government processes were rigid and did not easily allow incorporating suggestions for change.</td>
</tr>
<tr>
<td>Shared codes and language and Shared narratives</td>
<td>There was very limited shared context between private partner and government department, as the nature and area of work was very different in both cases.</td>
<td>Despite a favorable climate for PPP in infrastructure projects at the state leadership level, no learning was shared with the private partner.</td>
<td>The two organizations had very different objectives and culture.</td>
</tr>
<tr>
<td>Trust</td>
<td></td>
<td>Service level agreements (SLA) for the private partner were formulated unilaterally by e-Governance department.</td>
<td>The difficulty in operation of computers made government officials entrust private partners with some of their work thus developing some bonding.</td>
</tr>
<tr>
<td>Norms</td>
<td></td>
<td>The project duration was tied to the office term of government functionaries.</td>
<td>E-Governance department strictly adhered to SLAs and levied penalties on the private partner.</td>
</tr>
<tr>
<td>Obligations and Expectations</td>
<td>Government expected private partner to work in public interest.</td>
<td></td>
<td>Government expected private partner to make up for infrastructure and government process insufficiencies.</td>
</tr>
<tr>
<td>Identification</td>
<td></td>
<td></td>
<td>The private partner did not identify with the government department. Attrition was common.</td>
</tr>
</tbody>
</table>

Table 1: Analysis of reasons for partnership challenges – A Social Capital and Technology Adoption Process framework

DISCUSSION
Our analysis of Nemmadi indicated that there was no tie formation between the teams of the government department and the private partner. This was because the motivation of the project was provided by the then Principal Secretary, who was the champion of project Nemmadi. In his presence, there was no possibility of formation of individual ties. Decision making in government is quite centralized and hierarchical. Government functionaries are accustomed to decision being taken at the top and instructions being handed down for execution. The e-governance department used a similar stance with Comat too. This prevented any network formation between the teams; as individual networks form when teams jointly deal with a problem solving situation. Their appropriation of capabilities and learning from a shared context was minimal. The absence of this also affected relationship building between the two parties. There was some trust built between
the two partners at an implementation level; however, it was more operational. The rigid adherence to SLAs and the unwillingness to take a relook at them depicts a lack of trust. Comat found itself confronted with undue obligations and expectations of the government functionaries. They found themselves paying penalties to the government for dearth of resources in villages (e.g. electrical earthing) while setting up telecentres, insufficiencies of power and internet connectivity (e.g. for up time of machines in telecentres) during telecentres operation etc. – things that were absolutely beyond their control. They were expected to stretch and handhold government functionaries in issue of electronic certificates. The norms established between the partners were SLA-bound, hands-tied, no access for discussions. Comat executives did not identify with the e-Government and there was high attrition of their work force at the telecentres, as well as the taluk back-end levels. Despite the history of association in project Bhoomi, the social capital built at a motivation stage of Nemmadi between the e-governance department and Comat was exceedingly low. Nemmadi was entirely government champion driven and there was no other bonding between the two parties at a structural, cognitive or relational level. The adoption decision was also centralized and unilateral and government could not leverage the private partner’s capability. The adoption implementation stage saw some increase in trust in operations between the two parties, as the Comat worker approved the certificates issued on behalf of the Tehsildar. However, that was more due to the power which the government department had on the private partner, and not due to relationships between the two teams. The vice president of Comat, therefore, referred to it as a “thankless job”.

CONCLUSIONS
This is an initial enquiry into the relationship between the two PPP partners in an e-governance project. The partnership encountered several challenges. An analysis of the same reveals deficiency in social capital across structural, cognitive and relational dimensions. The hurdles to creation of social capital varied across the three stages of technology adoption process, and prevented establishment of any social capital between the members of the two teams. This study highlights, for practitioners, the need for social capital for the success of a PPP arrangement. In the absence of measures to build social capital between individuals in the teams, the best of contractual agreements cannot guarantee success of an e-governance project. It also illustrates the structural issues in a PPP arrangement that prevent the formation of bonding between the teams. For researchers, this study validates the use of the social capital framework to understand relationships in a PPP project. This initial inquiry is a first step, based on which theory building around management of PPP projects can be attempted.

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Will the new US Immigration Bill cause harm to the Offshoring Industry?

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ABSTRACT
As part of a recent immigration Bill in the US Congress, there has been a push to eliminate loopholes that allowed foreign offshoring vendors to pay less than the prevailing US wages to guest workers. The passage of this new bill can increase operating costs for vendors and hence has the potential to harm the offshoring industry. To what extent will the bill’s passage influence the industry? Will smaller vendors pay a heavier price than large vendors if this bill gets passed? What steps can the industry take to minimize the impact of this bill? Will it translate into higher costs for all clients? This paper will discuss elements of the bill currently in Congress, critically examine the above issues in a detailed manner, and provide policy recommendations for vendor firms.

KEYWORDS: Off-shoring decision, US Immigration Bill, vendor firms, strategic flexibility.

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INTRODUCTION

Recently, a Bill that would potentially cause harm to the outsourcing industry is making its way through the US Congress. So far, outsourcing vendor companies were able to import guest workers (mainly from India) into the United States and pay them at essentially half the wage rates for a comparable worker in the US. Among other things, the provisions of the bill making its way in Congress would, if passed into law, eliminate this wage disparity. In addition, the Bill will increase the H1-B processing fee significantly (for both the imported workers and their dependents) from previous amounts. In turn, these measures would increase the costs of doing business for vendor companies in the United States. Since currently approximately 15% of the US workforce is on H1-B or L1 visa status, and many of these are vendor company workers, there is concern that the legalization of this Bill would increase costs of doing business for vendor companies in the US. This paper will argue that vendor companies operating in the US will suffer minimal damage even if the Bill currently being circulated in Congress becomes law. In addition, we argue that certain type of firms – those with strategic flexibility – will emerge with a better ability to withstand the impact of this Bill than those without strategic flexibility. Moreover, the Bills provisions are designed to motivate the hiring of qualified US workers. We argue whether there are enough available US workers who can pick up the slack. Finally, we suggest that the pricing effect of the operationalization of this Bill on client companies would be minimal for at least two reasons. First, technological advances (relative to the 1980 period) make it less necessary for vendor firms to send foreign workers into the US to service local markets. Second, vendor firms with strategic flexibility can service the US markets quite efficiently from locations outside the US. The paper is organized as follows. In the next section, we present the basic elements of the concept of strategic flexibility. In Section 3, we outline the major components of the Bill and discuss its potential impact on the outsourcing industry. We provide policy implications in Section 4 together with concluding comments.

WHAT IS STRATEGIC FLEXIBILITY?

The concept of “strategic flexibility” is well known in the literature related to strategy. One researcher defines strategic flexibility as the “... firm’s deliberately crafted ability to recognize, assess, and act to mitigate threats and exploit opportunities in a dynamically competitive environment...” (MacKinnon, Grant, and Cray (2008), page 1). Although there are many definitions of this concept, there are generally similar to the one presented above. We use this definition since it captures the essence of the situation facing the outsourcing industry as it relates to the current Bill. For instance, all vendors are facing a threat (the Bill). The industry can be characterized as one which is a dynamically competitive environment. Although all vendor firms recognize this impending threat, those that are able to craft a response to this external threat will survive.

Companies may encounter economic crises with high levels of uncertainty and threats to the organization. There are many examples of firms that have successfully countered external threats. The successful firms exhibited strategic flexibility. For example, firms with strategic flexibility were able not only to survive the Asian financial crisis but were also able to exhibit positive financial performance (Grewal and Tansuhaj, 2001). Similarly, American family own food processing companies with higher levels of strategic flexibility are able to restructure their resources to take advantage of new opportunities (Zahra et al, 2008). Next, companies with high strategic flexibility are more financially successful then companies with reactive approach to opportunities and threats (Dabrell, Down and Bull, 2007). Finally, firms with high strategic flexibility have more explorative innovations (Zhou and Wu, 2009). Strategic leadership, dynamic core competences, human resource development, new manufacturing and information technologies, new global strategies and organization structures and culture implementation are important criteria to achieve strategic flexibility and competitive advantages (Hitt, Keats, and DeMarie, 2004).
In the current context, the new immigration bill represents an external threat to the offshoring industry. There is a question of whether firms in this industry need to decide whether they need to plan new courses of action in response to this threat (Shimizu and Hitt, 2004). Is this a threat of a serious nature that firms need to devote extensive resources? The danger is that if a firm is too flexible, and allocates resources to manage the threat when not needed, they may be needlessly wasting resources and fail in a competitive environment such as the one characterizing the offshoring vendor industry (Hambrick and D’Aveni, 1988). On the other hand, inflexibility can also prove disastrous for the firm. Strategic leadership, dynamic core competences, human resource development, new manufacturing and information technologies, new global strategies and organization structures and culture implementation are important criteria to achieve strategic flexibility and competitive advantages (Hitt, Keats, and DeMarie, 2004).

THE KEY ELEMENTS OF THE BILL BEFORE THE U.S. CONGRESS AND ITS IMPACT ON THE OFFSHORING INDUSTRY

The proposed Bill that passed the Senate is correctly entitled, “Border Security, Economic Opportunity, and Immigration Modernization Act”. The Bill, introduced by Senator Charles Schumer in the US Senate in mid-April in 2013, has currently passed the Senate. Basically, the Bill contains new visa regulations that increase the H-1B cap from 65,000 to 110,000 is designed to alleviate the concern of technology firms importing cheaper talent from abroad. However, the provisions of the Bill that are of concern to offshoring vendors are the requirement that foreign workers be paid the same as American workers. In addition, the passage of the Bill into law would impose fees of $10,000 per visa for individuals from big companies who hire 50 % or more guest workers in their US workforce. Finally, from 2014, the Bill would force firms with 75% of their US workforce comprised of guest workers to completely forgo H-1B visas for new applications. Casual speculative estimates suggest that these provisions would increase wage costs for offshoring vendor companies an average of 12-15%. However, since many Indian offshoring companies are quite profitable (for example, Tata Consultancy Services earned a profit margin of 22% last year), they may be still able to absorb these costs without passing them on to clients. Obviously, if client costs go up, they may be forced to raise prices to end users. One aim of the proponents of the Bill in Congress is that vendors and clients may be more inclined to hire US workers to fill the gap if the Bill becomes law. Ironically, given the recent trend towards part time workers (as a reaction to the advent of ObamaCare), it is questionable whether the Bill would effectively increase full time employment using US based workers. In addition, according to some estimates, the Indian offshoring industry creates over 50,000 jobs in the US. In addition, the industry has created over 2 million jobs in India and elsewhere outside the US. Many of these firms and the people who receive this wealth are themselves consumers of products made in the US or sold by US firms. For instance, they may buy many US made manufacturing products. If the Bill becomes law, then will many of these jobs disappear? Offshoring firms may decide that cost considerations may force them to eliminate many US based jobs. Some of the workers in India may also lose their jobs. The consequences to the other industries will also be profound. The proponents may actually destroy more jobs in other sectors than it can possibly gain. However, if the Bill becomes law, ironically, the other industries (primarily manufacturing) in the US may end up paying the costs! Indian and other offshoring firms may end up reducing their purchases of US goods, causing a net harm to US income and jobs. So, it would be a bad idea to pass the aspects of the law that involves the offshoring industry.

How will the offshoring industry react to this Bill if it becomes law? It is our contention that the passage of the Bill will have minimal impact on a majority of the firms in this industry. Our reasons for this contention are manifold. First, most of the top firms have global operations in multiple countries. For instance, one of the top offshoring firms, Accenture (a US based offshoring company) has over 250,000 employees in 120 countries, and 2010 revenue of over $ 27.9 billion. Similarly, Infosys (an Indian offshoring firm) had 2010 revenues of $ 7.4 billion with operations in
over 69 countries. The 100th firm in this list (Synygy) is headquartered in Singapore and enjoys operations in the US, Asia and Europe. We argue that the global reach of these firms gives it the strategic flexibility they need to overcome this external threat. Clearly, they do not need to import more workers into the US if costs become more prohibitive under the law. They can easily accommodate the work using workers as close as Canada and Mexico. Second, technological developments increasingly preclude the need for transporting workers from country A to country B. It is a simple matter to export the work to India or other locations and receive the finished product before the end of the day. Since the offshoring industry has been facing a highly competitive environment (there are over 250 firms in this industry), cost considerations have always been important. There is no reason to expect that the new threat will persuade them to react differently. Firms that handle this new threat at lowest cost will be better able to survive this new threat. In fact, we suggest that the passage of the new law will have minimal impact for firms with operations in multiple countries, but especially in Canada and Mexico. If US immigration laws make it difficult and costly to import cheaper talent from India and elsewhere, strategically flexible firms will be easily able to import labor into Mexico and Canada, and these countries will recognize an additional opportunity. However, some have suggested that even if the offshoring work is outsourced to other countries, workers in vendor countries should be paid the same wages as those in the US if the work originated in the US. We believe that these aspects would be difficult to implement and may be held up in arbitration courts for years, giving time for vendor firms to adjust operations in the meantime.

Clearly, the nature of the industry is such that minimal direct contact between client and vendor is necessary. We content that technological developments will further erode direct contact type connections between clients and vendors. The passage of the law may only accelerate these developments. Finally, we suggest that smaller vendor firms may face a real threat. Ironically, these firms may only be importing few workers from outside the US. We believe that consolidation of firms at the lower end of the industry may happen. Clearly, these firms have a lower degree of strategic flexibility and may merge to survive this new threat.

POLICY IMPLICATIONS, SUMMARY AND CONCLUSIONS
One important suggestion for firms in the offshoring facing this uncertainty is to take steps now to combat the possible implementation of the law, and not wait for it to take effect. There is a lot of uncertainty as to whether the law will be passed in the House, but firms that act now will emerge stronger even if the law fails to be passed into law. On the other hand, firms at the lower end of the offshoring industry chain may be forced to consolidate in reaction to the passage of the law. Clearly, firms with greater strategic flexibility will fare better than those with limited flexibility. There is also some expectation that the law may not be passed. The major intent of the Bill (in the context of the offshoring industry) seems to be to persuade offshoring firms to hire more US based talent, and to remove the competitive advantages of a lower wage rate that they currently enjoy. However, we are not aware of any offshoring firm that does not enjoy this advantage (US firms included) currently, and are hard pressed to understand which local offshoring firm will benefit from the passage of this law. In addition, the current job situation in the US is trending towards part time jobs, partially due to technological developments and arguably due to the advent of Obamacare. Finally, the possibility of retaliation from workers in vendor countries will impact jobs in other sectors. We are of the opinion that the law may not be passed, and if it does pass, its impact on the industry will be minimal at best.

(Outside references have been used to support the contention of the paper, but some have not been explicitly referred to in the main body of the text to save space. All references will be provided on request.)
The Quiz Bowl has been a regular feature of Center for Global Outsourcing Conferences. The competition, based on some game show format, will consist of 20 multiple choice questions. The Questions are based on past classic events and current notable events in the global sourcing industry.

This year’s Quiz Bowl, like those before it, will involve lively competition between Global Sourcing experts from Academia and Industry and has been very fierce. Both, Academia and Industry have stood their grounds. Out of the past 9 quiz bowl events, Industry won 4 times and Academia has won 5. Will Industry toe it up or will academia widen the gap? In either case, we can be assured the 2013 CGO Quiz Bowl will be just as fun filled and animated as past Quiz Bowls.

Mr. Anupam Palvia has 15 years of technology and business providing leadership in various organizations in the areas of data analytics, process improvement, operations management, software design, and supply chain management. In his current capacity at Google he leverages data driven analytics to provide consultation to Google’s major publisher partners. He holds an MBA from the University Of Chicago Booth School Of Business and a BS in Mechanical and Aerospace Engineering from Cornell University

Anupam was the CGO Director of Marketing and Operations from 2003-2006 and has also previously led several of our Outsourcing Quiz Bowls, including the first ever, at our NY conference in 2003.
The New Frontier Facing an Old Profession: Smart Sourcing
Academic Responsibilities for Course
Development and Delivery

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ABSTRACT
Increased use of IT has enhanced learning approaches in the traditional face-to-face classroom (e.g., course management systems) as well as asynchronous online learning. In traditional learning environment, the focus has been on the instructor as the content expert who has had the primary responsibility for developing and delivering course content other than the textbook. In technology-enabled learning environments the faculty’s role has been redefined to enable them to outsource the development and delivery of content from portions of a course (e.g., student learning assessments) to the complete course, the latter most evident in Massive Open Online Courses (MOOCs) which often are heavily funded by venture capital. The presentation will neither advocate nor lament the evolutionary changes occurring in academe, but, rather will in an even-handed way compare traditional and technology-based learning environments with particular focus on the way that outsourcing has transformed teaching in a very different way than it has transformed other aspects of academics’ responsibilities including research. Once documented, the role of outsourcing on teaching and learning will be critically examined to evaluate how the new frontier has affected the academic profession, the role of faculty, and the overall learning opportunities for students. Will tenure continue? Will critically acclaimed business executives co-exist with critically acclaimed researchers as tomorrow’s educators and, if so, what will happen to what we might terms as today’s average faculty member? While the focus will be primarily through the lens of academics, perspectives of students as well as university administration also will be considered. Finally, the effect of outsourcing on the future of traditional academic institutions will be explored. In short, the presentation will address the question of what will happen to the business model of universities and the role of professors and teachers more broadly in primary, secondary and tertiary institutions in the short, medium, and long-term.

KEYWORDS: IT Enabled education, Massive Open Online Courses, face-to-face learning, asynchronous online learning, outsourcing teaching functions

Dr. Andrew J. Rosman is Dean of and Professor in the College of Management at LIU Post. His primary research focus has been on how decision makers use information to improve decision behavior. He has published research in the Journal of Accounting and Economics; Journal of Accounting, Auditing and Finance; Auditing: A Journal of Theory and Practice; Academy of Management Journal; Journal of Behavioral Decision Making; Journal of Business Venturing; Journal of Business Research; Issues in Accounting Education; Behavioral Research in Accounting; Review of Accounting and Finance; and Research in Accounting Regulation. Dean Rosman has been recognized by the United States Distance Learning Association (USDLA) for best practices in online education (2007) and for excellence in distance learning teaching (2011). He is an associate editor of the Journal of Accounting Education. Prior to joining LIU, Dean Rosman was a faculty member at the University of Connecticut and a University Teaching Fellow. He developed and taught two asynchronous online courses. He was the founding director of the...
MS in Accounting Program and served as director from 1998 to 2012. In 2002, this program became the University of Connecticut’s first online graduate degree, which was recently ranked 8th among all online graduate business programs by U.S. News & World Report. He has earned degrees from the University of North Carolina at Chapel Hill (Ph.D.) and Hofstra University (BBA) and is a certified public accountant.
Panel Session on
Critical Success Factors for Global Sourcing of Services

Moderator:
Shailendra Palvia

Panelists:
Anita Dhir, Medhira Enterprises
Anand Ramakrishnan, IBM Global Business
Gustavo Pares, Financetech

ABSTRACT
Both clients and vendors of global sourcing face challenges and issues in all phases of sourcing services irrespective of what function(s) are sourced from where, and how. Functions sourced can be related to IT (ITO), Business Processing (BPO), or Knowledge Processing (KPO). One or more functions can be sourced to one or more locations onshore, near shore, middle shore, or far shore. Motivations for sourcing can be diverse for different clients. Both clients and vendors avail of opportunities to prosper. At the same time they face several issues and challenges while managing and muddling through sourcing relationships across geographic, cultural, legal, political, and infrastructural distances. As a result of knowledge based expertise and accumulated experience, both vendors and clients learn and identify factors that are critical to success in global sourcing arena. This panel will discuss these issues.

KEYWORDS: Global sourcing, ITO, BPO, onshore, near shore, middle shore, far shore, geographic, cultural, political, legal, infrastructural, sourcing relationship, vendor, client, critical success factor

Opportunities in the ITC Outsourcing Industry in Mexico and Latin America

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ABSTRACT
All large and medium sized companies from around the world are facing great challenges in regard to utilizing technology to the fullest extent to improve productivity, geographical reach and reinvent or complement their business models. Companies that are not capable of using technology to become more competitive will face new threats because of competition not only from existing companies but also from new entrants with or without substitute products and services. In this context, companies can utilize ITC to provide services to worldwide clients. ITC outsourcing industry presents an important growth area that will create jobs, promote growth and many business opportunities for Mexico and Latin America region. The ITC outsourcing industry is expected to grow. It is critical to understand the challenges and opportunities in Mexico and Latin America in order to prepare a national and regional program that will promote investment and competitiveness. Mexico and Latin America offer several comparative advantages to worldwide clients like labor cost, skilled people, proficiency in both English and Spanish languages, cultural affinity, good telecommunications infrastructure, tax incentives, and proximity to the advanced nations U.S.A. and Canada.

KEYWORDS: ITC, Outsourcing, Mexico, Latin America,

Gustavo Parés, Professor and Consultant received Bachelor Degree in Management Information Systems and a Masters in Business Administration from the Monterrey Institute of Technology at Mexico City. He is the CEO of one of the top Consulting firms in Mexico and active advocate for the use of IT outsourcing as a strategy for the development of Latin America. Gustavo has worked on several projects for public and private enterprises. He has worked as an advisor and a contractor for several projects for the Mexican Government at both Federal and State levels. He has developed programs in Latin America to promote the use of IT in small and medium sized companies. Professor Parés has participated and represented Latin America in international ITO conferences in Italy, United States, Mexico, South Korea and India. He is counsel and member of the program High Value Entrepreneurs and a member of the Chamber of Industrialists in Mexico City. He is professor and researcher at the Tech of Monterrey, nominated in 2007 as the best professor of the year. Professor Parés has published more than 50 articles and research papers in well-known magazines, websites and newspapers around the world.
Critical Success Factors and Cultural Challenges in Adoption of Process Oriented Approach by Global Sourcing Vendor Companies in Latin American countries

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ABSTRACT
All business organizations, independent of their size or geographical location, operate based on business processes. Companies that are proactive in designing effective business processes, tend to perform better than their competitors, since they offer better experience to their diverse stakeholders – customers, suppliers, business partners -- even if their products or services are not the best in the market. This presentation will articulate the critical success factors and cultural challenges that global sourcing vendor companies based in Latin American companies are likely to face while partnering with client companies around the world.

KEYWORDS: Business Process, critical success factors, Latin America, Global Sourcing Vendors

Mr. Ingmar Frey is a consultant in the Business Process Management (BPM) field helping companies and governments take a process oriented approach to managing their respective business. Mr. Frey received his Masters of Science in Business Information Systems from the Eindhoven University of Technology, where as part of the graduate program, he did his thesis on the theme of Business Process Simulation and Process Management in a hospital setting. Later, in collaborating with other researchers, he produced a peer reviewed paper on the topic.

Mr. Frey received his Bachelor in Technology Management degree from Monterrey Institute of Technology in Mexico City. He has been a consultant and entrepreneur in the IT sector for over ten years, and has worked in several projects with large multinationals such as ING, Siemens Healthcare, IN the public sector, Ingmar has consulted with Federal Government of Mexico, state and local governments. His consulting experience is diverse having also consulted with SMEs predominantly in Mexico City, and also in Europe, and Asia. Lately, he has also worked with NGOs in Northern India. Besides working on process management, Mr. Frey is a long time open source aficionado which he sees as a key component in the modern IT.
An Analysis of the Impact of Factors Arising from the Affordable Care Act on US Medical Tourism

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ABSTRACT
Affordable care act (ACA) is likely to change the US medical care landscape. Besides the impacts of its implementation, the reactive steps of different stakeholders are adding to the uncertainties. One of the areas that may be affected is US medical tourism, both outbound and domestic. In this paper, we analyze the impact of ACA on US medical tourism on the basis of the reactive actions of different stakeholders: employers, insurance firms, hospitals and medical providers, and individuals. The impacts of different stakeholder actions are analyzed on the future prospects of US medical tourism. The paper concludes that there is likely to be a decline in demand for outbound medical tourism. Though, it will be mitigated by the demand for non-covered, elective medical, cosmetic, dental, and unapproved medical procedures. Another significant mitigating factor may be the uncertainty about the extent of individual compliance with the insurance mandate, which may leave a number of individuals outside the insurance network even after the full implementation of the ACA.

KEYWORDS: Medical tourism, Affordable care act, health insurance, medical care, employer mandates, individual mandates.

Dr. Kailash Joshi is a professor of information systems at University of Missouri, St. Louis. His research interests include systems implementation, resistance to change, and outsourcing of services. He has published in leading IS journals.

Dr. Vivek Joshi is a house staff physician in Department of Radiology at Mt. Sinai Medical Center, New York. His interests include radiology, imaging informatics, medical informatics, and healthcare issues. He has published in Journal of Digital Imaging.
INTRODUCTION
The medical care landscape in the United States is poised for changes with the ongoing implementation of the affordable care act (ACA). The extent of such changes and their impact is yet to be fully understood, while the implementation of the act unfolds at an uneven pace. In this turbulent mix of changes, some of the implementation delays (e.g., the mandate for the employer provided insurance have been postponed) may also create additional uncertainties and ripple effects on the dynamics of the market place. Different stakeholders are also reacting to the changes and influencing the future outcomes in the market place. Already, some major insurance firms have declined participation in the state sponsored health insurance exchanges for the time being (Doyle, 2013). There are also reports of increased reliance on part-time workers among some of the major employers in the small and medium enterprise sectors in view of the insurance mandates for full-time employees (Mulligan, 2013).

An important objective of the affordable care is to make access to healthcare universally affordable for the US population. Medical tourism has been working toward the same goal by tapping the international resources in the delivery of affordable healthcare to individuals and groups in the US, and other countries. The primary motivation is driven by cost savings of 50% to 80% in countries ranging from Brazil, Malasia, and Singapore to India. The size of outbound medical tourism was 750,000 in 2007 and was expected to grow annually at rates up to 100% (Keckley & Underwood, 2008). In 2012 it was estimated to be 1.6 million (Costebello, 2013b). US consumers have shown significant interest in outbound medical tourism with nearly 39% willing to go abroad for an elective procedure if the quality is comparable and cost savings are 50% or more. The corresponding figure for those willing to go abroad for elective procedures rises to 50% in the younger generation. Thus medical tourism can complement the efforts of the affordable care act based on the alignment of their interests and goals. At the same time there is apprehension about the future direction of medical tourism in view of the uncertainties involved and the likely medical care landscape in the US. In this paper we review the literature and identify few important issues that may shape the future development of outbound US medical tourism. The impacts of ACA on medical tourism are analyzed based on its impacts on different stakeholders their adoptive behaviors in response to the changes brought about by ACA. We conclude with a few policy recommendations based on the analysis presented in the paper.

IMPACTS OF THE AFFORDABLE CARE ACT
The impacts of ACA are likely to be widespread covering every stakeholder in the healthcare delivery and utilization. Therefore, it may be instructive to examine the impact of ACA on medical tourism through its impacts on different stakeholders and their reactive behaviors in response to the changes. We discuss the context of main stakeholders.

Employers
Many large employers are self-insured, thereby, they can benefit directly by lowering healthcare reimbursement costs. Spurred by the advent of ACA and sharper focus on healthcare costs, many employers have begun to take a more active role in the health and well-being of their employees through healthy lifestyle programs. Some employers have also directly negotiated with large domestic centers of competence to obtain better service at a lower cost for their employees through domestic medical travel. For example, Boeing has negotiated terms for cardiac care at Cleveland Clinic for its over 80,000 non-union employees in the US (Carabello, 2013a). While it may appear to be a negative development for foreign medical tourism, it shows the possibility of large US employers and insurance firms extending such arrangements to competent foreign medical centers. Some employers have extended such incentives for outbound medical tourism (Carabello, 2013b). Thus a sharper focus on healthcare cost associated with ACA may lead to utilization of both domestic as well as foreign medical tourism through institutional arrangements. The sourcing of medical services may be extended to domestic as well as foreign centers of
competent medical services. Some employers may also be limiting the number of full-time employees in view of the insurance costs (Mulligan, 2013).

**Insurance Firms**

With controls on their profit margins and planned setting up of health insurance exchanges required under ACA, insurance firms will be under greater pressure to reduce their healthcare and overhead costs. On the other hand, with enhanced mandate and extended eligibility rules, a large segment of individuals may join the insurance plans and utilize medical services, leading to provider shortages in certain areas of medical care. Thus, while domestic affordability of the previously uninsured population may increase, it may also lead to few bottlenecks. To save on costs and to gain access to additional providers, insurance firms may seek institutional arrangements with foreign medical services providers to lower their costs, by offering and incentivizing medical tourism to its insured members (Keckley & Underwood, 2009). However, it should be noted that most such shortages in medical care are likely to arise in primary care services for which medical tourism may not be a feasible solution.

**Hospitals and Medical Providers**

Currently, domestic hospitals and chains are focused on domestic market and local provision of services. It remains to be seen if competitive and cost pressures will prompt them to enter into alliances and arrangements with foreign providers. It is more likely that the domestic medical care providers will expand and gear up for the expected influx of new patients. Thus the actions of hospitals and similar providers are likely to discourage foreign medical travel. Some of the leading centers of medical care may expand their footprint and coverage through institutions arrangements that will support domestic medical tourism. Primary care centers and doctors may also need to expand their services. Incentives are being enhanced for increasing the supply of primary care physicians. Additionally, Nurse Practitioners and Physician Assistants are playing a greater role in primary care. Thus any likely mismatch between the supply and demand for primary will be addressed domestically, and outbound medical tourism may not be influenced by such developments. However, if shortages arise in specialist services, it may lead to higher costs and some waiting time for patients. In such cases, patients may exercise the option of outbound medical tourism if warranted by their condition, and if the arrangements are institutionally supported by their insurance company/employer.

**Insured Individuals**

Given the risk averse nature of most individuals, foreign medical travel may never be their preferred choice. They have been resorting to foreign medical travel only when faced with lack of insurance coverage and high medical costs for the needed procedures and services in the US. Though there is uncertainty about future developments, ACA aims to provide wide coverage and lower the out of pocket costs for individuals. Thus from the point of view individuals there may be a decline in outbound medical tourism from the US. However, there are many exceptions that should be noted. First, given the low penalties of not participating in insurance plans, many individuals may decide to forego the benefits of insurance and pay a low penalty instead. Thus a smaller pool of uninsured or underinsured may survive that may benefit from outbound medical tourism. Second, There are also many new procedures (e.g., stem cell based treatments) that are not approved in the US. If their acceptance broadens, it can support some increase in outbound medical tourism. Non-covered elective procedures are also good candidates for medical tourism given its significant cost advantages. Many procedures that are outside the scope of ACA include: dentistry, cosmetic and plastic surgery, in-vitro fertilization, and bariatrics, which will continue contribute to outbound medical tourism (Carabello, 2013b). Third, institutional arrangements through the employer or the insurance firm may incentivize outbound medical tourism, which may help increase the demand for such travel.

**Economic Conditions in the US and Abroad**

Weak economic conditions in the US have been viewed as supporting increased medical tourism to cheaper locations. However, with depressed conditions, more and more consumers may not
be able to afford international travel. On the other hand, strengthening economic conditions in China, Russia, eastern countries, and other markets have been viewed as favoring reverse medical tourism to the US. Thus some have argued that the distinction between customer nations and provider nations are getting blurred. This scenario may play out in the long term, where different countries develop expertise and competitive advantages in different services.

CONCLUSION
If ACA can be successful in its aims of providing affordable health care universally, there may be little incentive for individuals to travel abroad for their medical needs. Though there can still be demand for non-covered or optional procedures and services that may be sought by individuals during their trips to medical destinations abroad. However, three critical factors may determine the likely future pattern. First, if there is greater development of institutionally arranged medical tourism options (both domestic and outbound, through employer or insurance companies) in view of the competitive and cost pressures in the post-ACA healthcare marketplace, it may create greater incentives for individuals to participate in medical tourism. Second, some high cost specialist medical services may spur the development of insurance supported incentives for outbound medical tourism for specific services that are deemed to be low risk. Third, the extent of participation in the post-ACA insurance coverage is also uncertain. If a significant section of population opts to remain uninsured in view of the costs, it may still leave a significant uninsured or underinsured population that may benefit from medical tourism, though it is expected to be a smaller pool than the current uninsured or underinsured pool.

REFERENCES
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