(IS) Sourcing: What Next?

Sirkka L. Jarvenpaa
McCombs School of Business
University of Texas at Austin &
Aalto Business School
Questions

• What constitutes as (IS) sourcing?
• Potential futures of (IS) sourcing?
• What are the implications for (IS) sourcing research community?

Julia: “about connections between sourcing and other topics/domains”
What constitutes as (IS) sourcing?

Global virtual teams
Open innovation
Online communities
Business process outsourcing
Crowdsourcing
IT outsourcing
Crowdfunding
Genome data centers
Platform generativity
Crisis collaboration
The definition should capture the essential properties and characteristics of the concept or phenomenon under consideration.

Suddaby, 2010 on Construct Clarity
Information Systems (IS) Sourcing is a broad umbrella term that refers to the contracting or delegating of IS- or IT-related work (e.g., an ongoing service or one-off project) to an internal or external entity (a supplier). It encompasses various sourcing models that are typically based on the distinction between ownership (in-house or third party) and location (domestic, nearshore or offshore), as well as online sourcing models.
Thematic Areas (Kotlarski et al. 2018)

Three thematic clusters:
(1) Making the sourcing decision;
(2) Designing contractual structures;
(3) Managing the sourcing relationship.
An Innovation Ecosystem

Nambisan and Baron (2013) building on Moore (1993)

“a loosely interconnected network of companies and other entities that coevolve capabilities around a shared set of technologies, knowledge, or skills, and work cooperatively and competitively to develop new products and services.”

An Entrepreneurial Ecosystem

Autio et al. 2018:

Spatially unbounded
- decoupling
- deintermediation
- generativity
Using multiple theoretical lenses, this panel session will examine work on outsourcing which contributes to our understanding of organization design and the disaggregation of activities in the value chain from both focal and supplier firm perspectives – especially the competitive motivations, firm boundaries, capability building, transaction costs, coordination, and incentives.

Do ecosystems (value creating for all) solve problems of outsourcing?
- Role of Strategic empathy

How are new sourcing models dealing with knightian uncertainty?

How do higher task sophistication and longer relationships impact customers and suppliers?

How do decisions of “not to outsource” affect firm survival?
Potential futures of (IS) sourcing?

Four Speculations
A focus on *data* has been lacking in platform business model research (Schreieck et al. 2016)....

Also in (IS) sourcing research!!
(2) SOURCING: FROM NEW ECONOMICS TO NEW FORMS

Exploitive

Alignment
Efficiency
Core

Explorative

Generativity (change)
Modularity (heterogeneity)
Context making (digital spaces)
Sourcing is Embedded and Embodied in Many Phenomena

Sourcing is Everywhere and Anyway
Implications for Sourcing?

• Identity
• Processes
• Entities and Institutions
• Economics
• Technologies and their Scaling
(3) KEY EXTERNAL INFLUENCES SHAPING SOURCING

• New (or ambiguous?) policy environment (2\textsuperscript{nd} AsiaPacific Global Sourcing 2018)
  • Deglobalization
  • GDPR
  • Fears around black lists

• AI and IA (The 12th Global Sourcing Workshop, 2018)
  • Leslie Willcocks: 1\textsuperscript{st} order issue is Data quality and 2\textsuperscript{nd} order issue is algorithm visibility
  • Data flood or data draught

• Other significant technologies
  • 3D printing
  • Blockchain
(4) SOURCING: FROM EXTERNAL TO INTERNAL

Explorative

- Modular
- External
- Open
- Variety

Exploitive

- Integrated
- Introverted
- Closed
- Continuity
KEY EXTERNAL INFLUENCES
Invert the Entrepreneurial Ecosystem
to a Vertical Modular Firm
2018

“Introverted Entrepreneurial Ecosystem”

- International Hospital
- Health Plan for Insured (Insurance Co)
- Fundación Universitaria (Medical School)
- Medical tourism and hospitality
Vertically Modular Firm

Recycling Business Units

- Cardiovascular research center
- Cancer Centers
- Tissue bank
- Biomedical lab
- Hospital management
- Integrated ERP & EMR (since 2002)
- Telemedicine service and consultations
- Medical School
- Medical transportation services
- Social programs
- Medical Uniform production
- Medical tourism
Future of Sourcing

• SOURCING IS INCREASINGLY ABOUT DATA
• KEY EXTERNAL (e.g., POLICY/POLITICS) INFLUENCES SHAPING SOURCING
• SOURCING: FROM NEW ECONOMICS TO NEW FORMS
• SOURCING: FROM EXTERNAL TO INTERNAL
What are the implications for (IS) sourcing research community?
Q & A