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L Bergkvist
Karlstad University, linda.bergkvist@kau.se

Odd Fredriksson
Karlstad University, Odd.Fredriksson@kau.se

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OUTSOURCING TERMS – A LITERATURE REVIEW FROM AN ISD PERSPECTIVE

Bergkvist, Linda, Karlstad University, Department of Information Systems, Universitetsgatan 2, 65188 Karlstad, Sweden, Linda.Bergkvist@kau.se

Fredriksson, Odd, Karlstad University, Department of Information Systems, Universitetsgatan 2, 65188 Karlstad, Sweden, Odd.Fredriksson@kau.se

Information Technology (IT) has made it easier for firms to communicate globally. Improved IT capabilities and the increased global collaboration have been drivers of the growth of IT 'outsourcing'. This growth has resulted in a variety of IT 'outsourcing' terms used to denote both global and domestic client–IT-supplier relationships. An introductory literature review showed that there exist no common standard definitions of 'outsourcing' terms used for describing the contracting of ISD activities between a client and an IT-supplier. This may lead to confusion. The first purpose chosen for the paper is therefore to review how the variety of commonly used ISD 'outsourcing' terms are defined in the literature. Based on these identified definition differences, the second purpose is then to propose a structured set of definitions of ISD 'outsourcing' terms.

The review process of IT/ISD 'outsourcing' research included two steps. Firstly, a literature search study was conducted. The literature search study resulted in the collection of about 240 articles. The second step of the literature review process included reading each paper. The selection criterion for the articles to be included in the review study was that the article should focus on IT/ISD 'outsourcing'. As a result, about 100 of 240 articles were reviewed. These articles constitute the majority of the articles studied in the literature review.

From the literature review, different definitions of the variety of ISD 'outsourcing' terms have been identified. One conclusion drawn from the literature review is that many of the different ISD 'outsourcing' terms are used as special cases of the generic 'ISD outsourcing' term. The different ISD 'outsourcing' terms found in the literature have been analysed and categorised based on a geographical distance perspective. Another finding from the literature review is that the relationship perspective often is neglected when ISD 'outsourcing' terms are defined. Therefore, definitions from a relationship perspective for the majority of the ISD 'outsourcing' terms identified are proposed. The proposed ISD 'outsourcing' definitions provide a structured set of definitions based on both the geographical distance perspective and the relationship perspective. Furthermore, a graphical representation of how different IT-supplier locations, from the client perspective, relate to the definitions of six of the proposed ISD 'outsourcing' terms is provided.

Keywords: literature review, ISD outsourcing terms, information systems development, relationship perspective, geographical distance perspective, structured set of definitions

1   INTRODUCTION

With the introduction of Information Technology (IT) it has become easier for firms to communicate globally. Through advanced technologies of networking and the accessibility of widespread communication through the Internet, Information Systems (IS) assets can be performed and provided anywhere and at any time (Shao & David 2007). The increased global collaboration and improved IT capabilities have been drivers of the growth of IT 'outsourcing' (Hirschheim 2006). The relationship between client and IT-supplier is commonly captured by the generic IT 'outsourcing' term, which is referring to both globally and domestically client–IT-supplier relationships. The primary rationales for IT 'outsourcing' from a client perspective are cost reduction, access to technological expertise and enabling focus on its own core competence (Lacity & Willcocks 2001). 61 IT 'outsourcing' decisions were studied in their survey study, showing that cost reduction was the most prevalent reason given for the IT 'outsourcing' decision (80%), followed by service improvements (59%). The growth of IT 'outsourcing' motivates to conduct detailed studies on how to best manage IT 'outsourcing' relationships (Hirschheim 2006).

A firm's IT assets facilitate the management of distant relationships. Via IS and IT, the parties can communicate independently of where the parties are located. As IS assets become more important for the firm's performance of daily business activities, the process of Information Systems Development (ISD) needs to be effective and efficient (Avison & Fitzgerald 2006). ISD is a process that involves the analysis, design, technical implementation, organisational implementation and subsequent evolution of IS (Iivari & Hirschheim 1996). The focus in this paper is on global and domestic 'outsourcing' relationships from an ISD perspective. "ISD perspective" is in the paper referring to the union of people, computers and work tasks (Nilsson 2006). With this is meant that the client and the IT-supplier communicate to perform ISD processes with the purpose of attaining ISD solutions that improve and facilitate work tasks in the client firm's organisational context.

The growth of IT 'outsourcing' has resulted in a diversity of IT 'outsourcing' terms used. To structure the variety of IT 'outsourcing' terms used in the IT/ISD literature, different categorisation principles are applied. Lacity and Willcocks (1998) apply percentages of the IT budget transferred to an IT-supplier to differentiate between 'total outsourcing', 'total insourcing' and 'selective outsourcing'. Ownership of the outsourced service/product is another way of categorising different IT 'outsourcing' terms (Dibbern et al. 2004). The ownership can be kept in-house, transferred to the IT-supplier or shared between the client and the IT-supplier. Another way of differentiating between different IT 'outsourcing' terms is to focus on the geographical relocation of the production of services/products (Norwood et al. 2006). Furthermore, research has approached the different IT 'outsourcing' terms used by addressing a chronological retrospective (Dibbern et al. 2004).

An introductory literature review showed that there exist no common standard definitions of 'outsourcing' terms used for denoting the contracting of ISD activities between a client and an IT-supplier. This may lead to confusion. A comprehensive set of distinct definitions of the different ISD 'outsourcing' terms used in the IT/ISD literature is needed, by both researchers and practitioners, in order to be able to evaluate the best 'outsourcing' option for their ISD needs. For the purpose of structuring ISD 'outsourcing' terms along their differences we have chosen the geographical distance perspective. Along the longitudinal dimension of the globe, the difference in geographical distance commensurate with the time zone difference. This is however not the case along the latitudinal dimension of the globe. The focus on both global and domestic IT/ISD 'outsourcing' in this paper motivates the use of the geographical distance dimension in order to discriminate between the different

ISD 'outsourcing' terms. *The first purpose of the paper is to review how the variety of commonly used ISD 'outsourcing' terms are defined in the literature. Based on these identified definition differences, the second purpose is then to propose a structured set of definitions of ISD 'outsourcing' terms.*

1.1 Methodology

This paper is one result of an ongoing research project focusing on critical conditions for attaining successful outcomes from outsourcing ISD-activities. Earlier research has indicated a need for research emphasising the critical role of relationships in IT 'outsourcing' (e.g. Kern & Willcocks 2002). Along this vein, a relationship perspective is applied in this research project.

The review process of IT/ISD 'outsourcing' research included two steps. Firstly, a literature search study was conducted. The literature collected was found through recommendations, by reviewing references in relevant IT/ISD 'outsourcing' articles and through searches in the Inspec database. The following words were used for the searches: outsourcing, offshoring, information systems development, information technology, relationships, global outsourcing and outsourcing terms. Thus, these search words were broad. In addition, the literature searches on IT/ISD 'outsourcing' were not delimited to any specific dependent variable/outcome, such as for example 'outsourcing' success, 'outsourcing' adoption decision, 'outsourcing' contract issues, etc. It was not either delimited to any specific industry. The searches were delimited to abstract, title and subject, and the publication time period was delimited to 1997–2007. The latter delimitation is motivated by the fact that many of the ISD 'outsourcing' terms are relatively new. The search for 'Information Systems Development' and 'outsourcing' resulted in 240 hits.

The second step of our review process included reading each paper's abstract, introduction, analysis and conclusions sections. The selection criterion for the articles to be included in the review study was that the article should focus on IT/ISD 'outsourcing'. As a result, about 100 of the 240 articles were reviewed. These articles constitute the majority of the articles studied in the literature review. The majority of the articles explicitly state a definition of ISD 'outsourcing' terms. Admittedly, our review process involved some degree of interpretation of the definitions used in the research articles.

Our review process has had its limitations. We made the choice to include only one major research article database for the literature searches. However, the Inspec database is representative for the scientific field of IS. We are aware of that searches in other research article databases may have resulted in partly different search results.

2 INTERPRETATION OF OUTSOURCING TERMS USED IN THE ISD OUTSOURCING LITERATURE

Table 1 below illustrates the different ISD 'outsourcing' terms found in the literature reviewed. The purpose with Table 1 is to provide an overview of the variety of ISD 'outsourcing' terms used and their definitions. Table 1 presents definitions of ISD 'outsourcing' terms from a geographical distance perspective. The generic 'ISD outsourcing' and 'ISD offshoring' terms are presented first. Then, the specific ISD 'outsourcing' terms follow, starting with the ISD 'outsourcing' terms which denote longer distances between the client and the IT-supplier. The three first ISD 'outsourcing' terms in Table 1 – 'outsourcing', 'offshoring' and 'offshore outsourcing' – are the most frequently used in the literature.

ISD outsourcing term	Definitions	Sources
'Outsourcing'	The client's contracting of ISD activities with an IT-supplier, irrespective of where the supplier is located	Davey & Allgood (2002), Kliem (2004), Bhatt et al. (2006), Gonzales et al. (2006), Hovlin (2006)
	The client's contracting of ISD activities with a domestic IT-supplier	Hirschheim & Lacity (2000), Khan & Fitzgerald (2004), Rao (2004), Siakas & Balstrup (2006)
	A relationship where the client contracts or sells ISD assets, people and/or activities to an IT-supplier. The IT-supplier manages these assets and provides services for monetary returns over an agreed time period	Lacity & Hirschheim (1993), Willcocks et al. (1996), Kern (1997), Kern & Willcocks (2002), Alborz et al. (2003)
'Offshoring'	The client's contracting of ISD activities with an IT-supplier located in a low-cost country	Edwards & Sridhar (2005), Sakthivel (2005), Hovlin (2006)
	The client's contracting of ISD activities with a foreign IT-supplier located far from the client	Gopal et al. (2003), Schniederjans et al. (2005), Gonzales et al. (2006)
	The client's contracting of ISD activities with an IT-supplier overseas, irrespective of whether it is affiliated or unaffiliated	Rao (2004), Sako (2006)
'Offshore outsourcing'	The client's contracting with an unaffiliated IT-supplier located in a low-cost country to perform ISD activities	Davey & Allgood (2002), Kliem (2004), Schniederjans et al. (2005), Gonzales et al. (2006), Siakas & Balstrup (2006)
'Offshore insourcing'	The client's contracting of ISD activities with an affiliated IT-supplier located in a foreign country	Prikladnicki et al. (2003), Carmel & Tjia (2005)
'Nearshoring'	The client's contracting of ISD activities with an IT-supplier located near the client's country border	Schniederjans et al. (2005), Gonzales et al. (2006)
	The client's contracting of ISD activities with an IT-supplier located in the same time zone	Rao (2004)
'Onshoring'	The client's contracting of ISD activities with a domestic IT-supplier	Kliem (2004), Erber & Sayed-Ahmed (2005), Gonzales et al. (2006)

Table 1.   The variety of ISD 'outsourcing' terms found from the literature review and the authors' interpretations of the definitions being used (to be continued)

ISD outsourcing term	Definitions	Sources
'Multi-sourcing'/ 'Selective sourcing'/ 'Multiple supplier sourcing'	The client's signing of ISD contracts with more than one IT-supplier	Currie (1998), Schniederjans et al. (2005)
	The client's signing of short-term contracts with more than one specialized IT-supplier for specified ISD activities	Lacity et al. (1996), Hirschheim & Lacity (2006)
'Insourcing'	The client's contracting of ISD activities with an affiliated IT-supplier located in a foreign country	Rao (2004), Barthélemy & Geyer (2005)
	The client taking ISD assets, activities and skills, that were previously outsourced to one or more IT-suppliers, back in-house	Erber & Sayed-Ahmed (2005), Gonzales et al. (2006)
	The client bringing human resources into the firm	Siakas & Balstrup (2006)
	The client's decision to perform and deliver ISD services in-house after evaluating the outsourcing market	Hirschheim & Lacity (2006), Veltri Falaleeva & Saunders (2006)
'Backsourcing'	The client taking ISD assets, activities and skills, that were previously outsourced to one or more IT-suppliers, back in-house	Dibbern et al. (2004), Cullen et al. (2005), Veltri Falaleeva & Saunders (2006), Whitten & Leidner (2006)

Table 1 (continuation). The variety of ISD 'outsourcing' terms found from the literature review and the authors' interpretations of the definitions being used

2.1   Discussion of the different ISD outsourcing terms used and authors' proposed definitions

Some conclusions can be drawn from the literature review on the variety of ISD 'outsourcing' terms used. From the overview of the different ISD 'outsourcing' terms and their diverse definitions in Table 1 it is obvious that the ISD 'outsourcing' terms being used are overlapping. To exemplify, the definitions of 'offshoring' and 'offshore outsourcing' are both including the client's contracting of ISD activities with an IT-supplier located in a low-cost country. Furthermore, both 'offshore insourcing' and 'insourcing' are ISD 'outsourcing' terms used to denote the client's contracting of ISD activities with a foreign affiliate.

Another conclusion drawn from the IT/ISD 'outsourcing' literature review is that the client perspective is overwhelmingly dominating. The literature review shows that only a minority of the researchers was defining ISD 'outsourcing' terms from a relationship perspective (among these are Kern & Willcocks 2002, Alborz et al. 2003). We adopt the definition of an IS 'outsourcing' relationship being proposed by Goles et al. (2005, p. 49): "*an ongoing, long-term linkage between an outsourcing vendor and customer arising from a contractual agreement to provide one or more comprehensive IS activities, processes, or services with the understanding that the benefits attained by each firm are at least in part dependent on the other*". By "relationship perspective" is in this paper meant that both the client firm and the IT-supplier firm are considered (cf. Lacity & Willcocks 2000).

Most researchers are emphasizing the importance of applying the 'outsourcing' relationship perspective on IT 'outsourcing', but they are not themselves applying the relationship as the unit of analysis. This is surprising since the successfulness of IT 'outsourcing' largely depends on how the client–IT-supplier relationship is understood and managed (Kern & Willcocks 2002). Thus, to use the relationship as the unit of analysis increases the understanding of successful outcomes of IT 'outsourcing' processes. Based on the definitions of 'outsourcing' terms used in the literature, we therefore propose definitions for ISD 'outsourcing' terms from a relationship perspective. However, as regards the proposed definitions for the 'ISD insourcing' and 'ISD backsourcing' terms, a client perspective is applied. The obvious reason is that these terms concern the client's unilateral decision to perform the ISD activities in-house. One important advantage with applying a relationship perspective on definitions of ISD 'outsourcing' terms, as compared to applying definitions from the traditional and commonly used actor perspective, is the resulting focus on the client–IT-supplier relationship.

There are, as noted, existing overlaps between different ISD 'outsourcing' terms, but often these are distinguished by one or more specific features. The term 'outsourcing' seems to be a homonym used for two different types of ISD 'outsourcing' relationships. Firstly, 'outsourcing' is generically defined as the client's contracting of ISD activities with an IT-supplier irrespective of where the supplier is located. Secondly, 'outsourcing' is a term also used to specifically indicate the client's transfer of ISD activities to a domestic IT-supplier. Lacity and Hirschheim (1993) was one of the early sources advocating the merits of applying a relationship perspective, which directs attention to, for example, the desire to reach an understanding of each other's IS outsourcing expectations. Inspired by them, we propose the following definition of the generic 'ISD outsourcing' term:

- 'ISD outsourcing' is a joint decision to sign a contract which stipulates that the IT-supplier should perform ISD activities for the client over an agreed time period, irrespective of where the IT-supplier is located.

As illustrated in Table 1 above the term 'offshoring' is used for defining both the client's contracting of ISD activities with an affiliated or an unaffiliated IT-supplier. The 'offshoring' definitions presented in Table 1 imply a geographical distance between the client and the IT-supplier. When U.K. firms outsource to Indian IT-suppliers this exemplifies what is meant by "far distant locations" (Schniederjans et al. 2005). Rao (2004) suggests that by 'offshoring' should be meant that there is a time differrence of three time zones or more between the client and IT-supplier (cf. nearshoring below). To consider geographical distance to be synonymous with time zone difference only holds along the longitudinal dimension of the globe. Thus, Rao (2004) neglects the latitudinal dimension when he only discusses the time zone difference. The term 'global outsourcing' is often used synonymously with the term 'offshoring'. However, a difference exists. 'Global outsourcing' is a generic term for the case when the IT-supplier is located in another country than the client (Chakrabarty 2006). Hence, 'global outsourcing' encompasses 'offshoring', 'offshore outsourcing', 'offshore insourcing' and 'nearshoring'.

The literature review shows that some researchers use the 'ISD offshoring' term for denoting 'outsourcing' to low-cost countries. This delimitation used in some of the reviewed articles raises questions regarding what constitutes a low-cost country. This is not a static condition. Costs in some low-cost countries may rise substantially over time and will then eventually disqualify them as possible 'offshoring' countries (Norwood et al. 2006). In addition, it is relevant to compare the cost situations between the client and the IT-supplier. To capture this cost difference we therefore use the "relative cost advantages" expression, instead of "low-cost country". We propose a broad definition of 'ISD offshoring' that encompasses both affiliated and unaffiliated IT-suppliers:

- 'ISD offshoring' is the special case of 'ISD outsourcing' when the two parties are located in far distant countries and when the IT-supplier has substantial forecasted relative cost advantages.

The literature review shows that the 'offshoring' and 'offshore outsourcing' terms often are used as synonyms. 'Offshore outsourcing' is in the literature used for denoting the client's contracting with an unaffiliated IT-supplier located in a low-cost country, for example India. As mentioned above, we argue that the "relative cost advantages" expression is more relevant to use. Accordingly, we propose the following definition:

- 'ISD offshore outsourcing' is the special case of 'ISD offshoring' when the IT-supplier is an unaffiliated firm.

Few of the reviewed sources use the term 'offshore insourcing'. The term is used to describe the client's contracting with an affiliated IT-supplier located in a foreign country. We propose the following definition:

- 'ISD offshore insourcing' is the special case of 'ISD offshoring' when the IT-supplier is an affiliated firm.

From the literature review it is found that the ISD 'outsourcing' terms 'outsourcing' and 'onshoring' both are used to denote the client's contracting of ISD activities with a domestic IT-supplier. 'ISD outsourcing' is however a generic term denoting the client–IT-supplier relationship irrespective of where the IT-supplier is located. Therefore, we propose the following definition of 'ISD onshoring':

- 'ISD onshoring' is the special case of 'ISD outsourcing' when the two parties are located in the same country.

'Nearshoring' is an ISD 'outsourcing' term that is similar to 'offshore outsourcing'. 'Nearshoring', like 'offshore outsourcing', is about contracting ISD activities with an unaffiliated IT-supplier located abroad. The significant difference between 'offshore outsourcing' and 'nearshoring' is that the term 'nearshoring' denotes the situation when the IT-supplier is located geographically close to the client (e.g. when a U.S. firm outsources to an IT-supplier in Canada). Rao (2004) suggests that the dividing line between 'nearshoring' and 'offshore outsourcing' should be a three time zones difference between the client's and the IT-supplier's locations. We propose that 'nearshoring' denotes the situation when the IT-supplier has a geographical proximity to the client, because face-to-face communication and collaboration advantages typically follow with geographical proximity (Schniederjans et al. 2005). We propose the following definition:

- 'ISD nearshoring' is the special case of 'ISD outsourcing' when the two parties are located geographically close, but in different countries.

'Multi-sourcing' refers to the client's contracting with more than one IT-supplier to obtain flexibility, specific competence and competitive pricing simultaneously (Schniederjans et al. 2005). Currie (1998) labels this type of 'outsourcing' as 'selective sourcing' or 'multiple supplier sourcing'. Lacity et al. (1996) also use the term 'selective sourcing' for denoting the client's contracting with more than one IT-supplier. Lacity et al. (1996), however, add that 'selective sourcing' is distinguished by short-term contracts (less than five years) with more than one specialized IT-supplier for specified ISD activities. In contrast to the other ISD 'outsourcing' terms found in the literature review, the definitions for 'multi-sourcing'/'selective sourcing'/'multiple supplier sourcing' do not refer to where the IT-supplier is located in relation to the client's location. As seen in Table 1, the 'multi-sourcing'/'selective sourcing'/'multiple supplier sourcing' terms are used as synonyms defining the client's contracting with more than one IT-supplier, i.e. two or more relationships. In order to simplify, we choose one of these synonymously used terms, i.e. 'ISD multi-sourcing', simply because the term mirrors, in a good way, the content of the phenomenon. We propose the following definition:

- 'ISD multi-sourcing' is 'ISD outsourcing' with more than one IT-supplier contracted.

The term 'insourcing' is puzzling since there exists a variety of definitions. As seen in Table 1, the most commonly used definitions are the ones regarded as moving ISD activities to a foreign affiliate and bringing outsourced ISD activities back in-house. A finding from the literature review is that also the term 'offshore insourcing' is used for defining the client's contracting with an affiliated IT-supplier located in a foreign country. Another finding is that the term 'backsourcing' is applied for denoting the client bringing outsourced ISD activities back in-house. According to our perception of the two terms 'insourcing' and 'offshore insourcing', the term 'offshore insourcing' is most suitable for denoting the client's contracting of ISD activities with a foreign affiliate. The foremost reason for this is the 'offshore' part in 'offshore insourcing', which indicates that the IT-supplier is located in a foreign country (compare 'offshoring'). The description of 'insourcing' used for bringing human resources to perform ISD activities into a firm is consistent with what Gonzales et al. (2006) regard as hiring IT consultants. Veltri Falaleeva and Saunders (2006) argue that the 'outsourcing' and 'insourcing' terms are related to the make-or-buy decision, i.e. whether the ISD activity should be deployed and performed in-house or if the ISD activity should be performed externally. This indicates that 'insourcing' and 'outsourcing' are related to the 'outsourcing' decision, whereas the term 'backsourcing' is representing the client's decision to terminate the relationship with the IT-supplier. As a result from the discussion above, we propose the following definition:

- 'ISD insourcing' is the client's decision to continue to perform and deliver ISD activities in-house.

'Backsourcing' is the term that refers to the client's decision to bring back previously outsourced in-house ISD activities. The decision of 'backsourcing' is often a result of a careful evaluation of the 'outsourcing' relationship and made in connection with the renegotiation, the termination or the expiring of the 'outsourcing' contract. Causes of 'backsourcing' are among other things the loss of expertise and ownership of ISD activities and that the client's expectations are not met (Veltri Falaleeva & Saunders 2006, Whitten & Leidner 2006). The following definition is proposed:

- 'ISD backsourcing' is the client's decision to terminate the relationship and to bring the contracted ISD activities back in-house.

2.2   Synthesis of proposed ISD outsourcing terms

The graphical representation in Figure 1 is a synthesis of six of our nine proposed ISD 'outsourcing' terms and their definitions presented in section 2.1: 'ISD offshoring', 'ISD offshore outsourcing', 'ISD offshore insourcing', 'ISD nearshoring', 'ISD onshoring' and 'ISD backsourcing'. Figure 1 graphically illustrates how different IT-supplier locations (marked with rectangles in the figure) and the client location (marked with a circle in the figure) relate to the definitions of these six ISD 'outsourcing' terms.

The ISD 'outsourcing' terms 'ISD outsourcing', 'ISD multi-sourcing' and 'ISD insourcing' are not graphically represented in Figure 1. The reason for not including the first two of these terms are that they denote 'outsourcing' irrespective of where the IT-suppliers are located. The term 'ISD insourcing' denotes the specific case when the client decides to continue to perform ISD activities in-house, thus there is no IT-supplier involved.
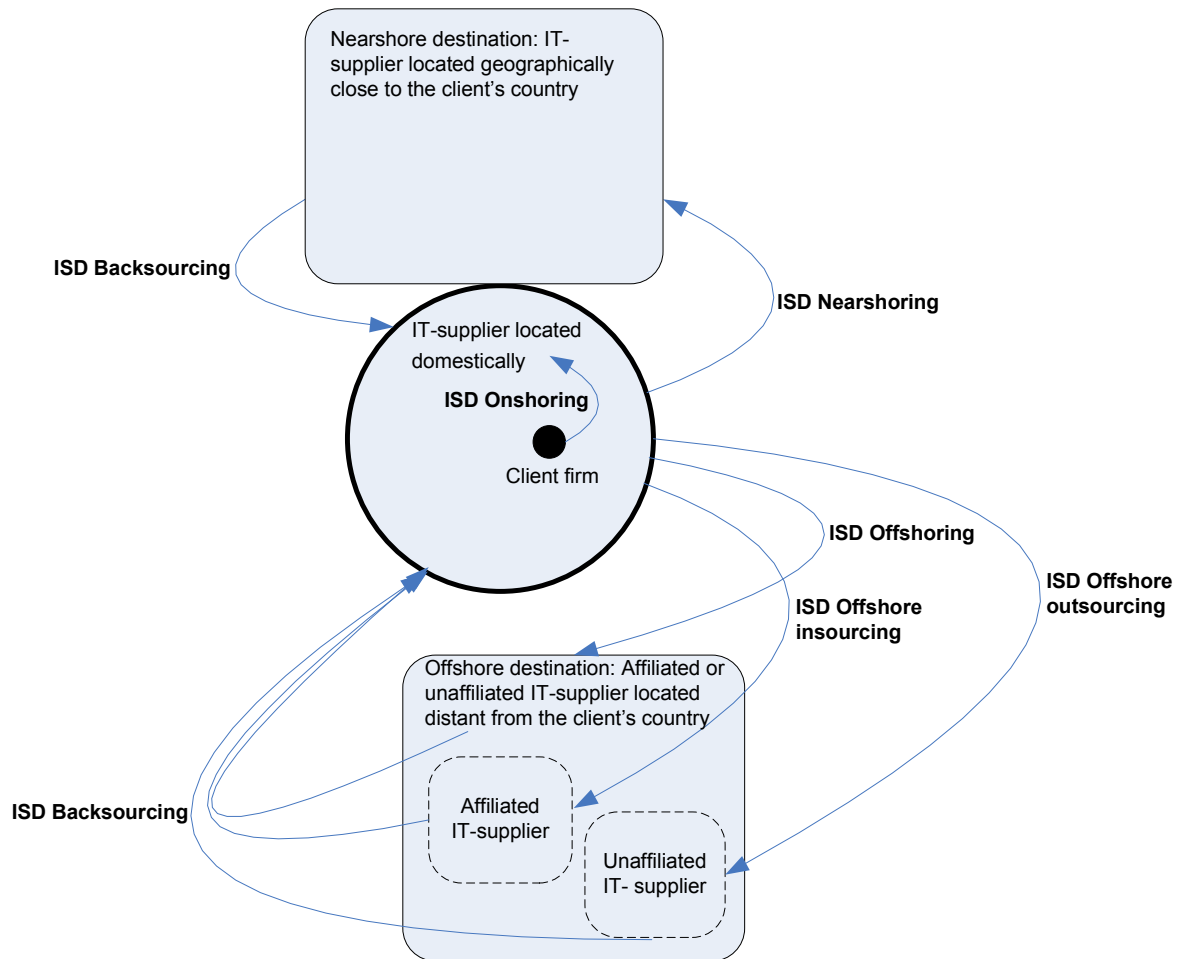
Figure 1.   *Graphical representation of how different IT-supplier locations from the client perspective relate to the definitions of six of the proposed ISD 'outsourcing' terms (the authors'; adapted from Erber and Sayed-Ahmed (2005))*

3   CONTRIBUTIONS

The first purpose of the paper is to review how the variety of commonly used ISD 'outsourcing' terms are defined in the literature. From the literature review, different definitions of the variety of ISD 'outsourcing' terms have been identified. We conclude from the literature review that many of the different ISD 'outsourcing' terms are used as special cases of the generic 'ISD outsourcing' term.

The different ISD 'outsourcing' terms found in the literature have been analysed and categorised from a geographical distance perspective (see Table 1). Table 1 summarizes our main findings on the first purpose of this paper. It provides a comprehensive overview of the variety of the different ISD 'outsourcing' terms used in the IT/ISD 'outsourcing' literature. This variety motivates the need for clarity and structure, which is provided by Table 1.

Based on the findings on purpose one, the second purpose is to propose a structured set of definitions of ISD 'outsourcing' terms. One conclusion drawn from the literature review is that the relationship perspective often is neglected when ISD 'outsourcing' terms are defined. We have therefore proposed definitions from a relationship perspective for seven of the nine ISD 'outsourcing' terms identified,

which is another contribution of this paper. The proposed ISD 'outsourcing' definitions provide a structured set of definitions based on both the geographical distance perspective and the relationship perspective. Figure 1 per se is a third contribution with this paper, since it provides a graphical representation of how different IT-supplier locations, from the client perspective, relate to the definitions of six of the proposed ISD 'outsourcing' terms.

As the IT 'outsourcing' phenomenon is continually evolving and not seldom involves strategically important business IT activities, the significance of reliable and trustworthy relationships is increasing. Our firm belief is that the degree of IT 'outsourcing' successfulness to a large extent depends on how well the relationship between the client and the IT-supplier is managed and to what degree human and organizational learning is achieved (cf. Markus et al. 2000). The expectations and perceptions of IT 'outsourcing' success may differ across different stakeholders in the client−IT-supplier relationship. In sum, a better understanding of the characteristics of an individual client−IT-supplier relationship is facilitating the understanding of the link between that relationship and 'outsourcing' success. A first step towards this end is to define 'outsourcing' terms from a relationship perspective. We believe there are many opportunities for further research in this area.

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