

IT Outsourcing Landscape: Past and Present

Mohammed H. A. Tafti, Frank G. Zarb School of Business, Hofstra University, Hempstead, NY 11549
516-463-5720, mohammed.h.tafti@hofstra.edu

ABSTRACT

IT outsourcing has considerably transformed from the way it was practiced some three decades ago. A review of literature indicates substantial change in various attributes of IT outsourcing in terms of clients, vendors, and their relationships. For example, the cost factor may not be the prime reason any more for clients seeking IT outsourcing services. Besides the shift from cost-justification, there exist a host of other interesting changes in the trends of IT outsourcing. For example, as organizations have gained more experience in outsourcing their IT activities, and outsourcing companies became more mature in offering IT services, new types of outsourcing deals and contracts have emerged. Furthermore, the changing trend in client-vendor relationship has deemed a new set of IT-related skills and activities such as knowledge management and relationship management necessary.

What are specific changes in characteristics of IT outsourcing clients, vendors, and client-vendor relationships? How can the changing trends be used as a possible predictor of future developments in the IT outsourcing arena? This “work-in-progress” research is a preliminary attempt to shed some light on these questions by exploring relevant elements of a framework that can explain the changing landscape of IT outsourcing.

Keywords: *IT outsourcing, client-vendor relationship, strategic partnership, knowledge sharing.*