OUTSOURCING GOES BACK TO SCHOOL

As college students return to campuses this fall, will they be exposed to outsourcing as a topic in their business classes?

How will young students prepare for careers in this growing professional?

Could outsourcing one day be a minor for studies?

Pulse posed questions like this to a group of educators at leading academic institutions in IAOP's Research Committee for a virtual roundtable discussion to delve deeper into the topic.
In an article in the Knowledge Center, “Industry and Academia - A Collaboration Conundrum,” Bobby Varanasi, IAOP Global Ambassador and a Certified Trainer for the IAOP’s COP Master Class, emphasizes that most educational institutions tend to focus highly on theory versus practical application.

IAOP’s Chief Advisor Thought Leadership Jag Dalal agreed, saying “don’t ask students what time it is, they will tell you how the watch is made.”

While the outlook may not be that dire, we wanted to know where leading institutions stand on the subject of outsourcing in their curricula. We found a growing recognition among educators on the importance of studying the practice; increased participation by outside thought leaders and graduate level; increased course offerings at the undergraduate and graduate level; and possibilities for new programs in the future.

**George:** At the Cameron School of Business, the Sourcing Management course addresses the strategic and tactical aspects of sourcing management.

**Dawson:** Here at Arizona State University, we recognize that outsourcing is huge part of business that will likely continue to grow in the future.

**George:** The Sourcing Management course at the Cameron School of Business of the University of St. Thomas was first offered in 2003 and I believe it is one of the first graduate courses in Sourcing Management to be offered at an American university. In 2004, the course was recognized with the Innovations in Information Systems Education award by the Association of Information Systems, the premier academic association in the information systems discipline. The course has been regularly offered as an elective to our MBA students since 2003. We also have offered the course to our students as a study-abroad course in India, combining the class with visits to multiple service provider centers.

**Dawson:** For the 2013-2014 semester, Ca’ Foscari University will offer for the first time a 6-credit course on Global Sourcing to master’s students that will combine a traditional class discussion with e-learning. The class will discuss case studies from Zerox and Norwich Union and the “Outsourced” movie. Some of the topics that will be covered include sourcing models, country attractiveness for sourcing, crowd sourcing, globally distributed teams and innovation. The course will conclude with group presentations.

**Snir:** At Washington University in St. Louis we have a single short course on Global BPO, targeting our MBA students and students in the specialized Masters program on SCM (MS/SCM). In addition, the general topics of make/buy and outsourcing are covered in general Strategy and Global Marketing courses, but these rarely go in to the details of current BPO practice. We also have quite a few courses on Supply Chain Management, which at times cover topics that are adjacent to issues that come up in BPO.

**Varanasi:** The current state of outsourcing education at universities in the Asia-Pacific region (except for Japan), and also in the greater South Asia region is so limited it is currently insignificant. The emphasis rests on technology and engineering. Sourcing discussions are currently limited to a few chapters within the larger course, usually offered as a one-term course within a larger graduate program, of Global Management. Some universities that I have spoken and taught at look at outsourcing as a subsidiary model within the larger context of technology-related programs. One university in Malaysia did offer a course titled BPO, which was actually one paper for one trimester a few years ago, but have now discontinued it.

**Pulse:** In your opinion, what is the current state of outsourcing education at your university (or universities you are familiar with)?

**Sharing their viewpoints on the topic were:**

- Dr. Mary Lacity, COP, Curators’ Professor of Information Systems, College of Business, University of Missouri-St. Louis;
- Dr. Beena George, Dean, Cameron School of Business, University of St. Thomas;
- Dr. Gregory Dawson, COP, Assistant Professor of Information Systems, W.P. Carey School of Business, Arizona State University;
- Dr. Giovanni Vaia, COP, Professor of Business Administration, Ca’ Foscari University of Venice, Department of Management;
- Eli Snir, Lecturer in Management, Washington University in St. Louis and Varanasi.
Vaia: Universities are focusing on outsourcing as both a strategy and tactic but more as a strategy with the emphasis typically on global sourcing.

Lacity: Most business schools are still organized along functional lines such as marketing, management, finance, information systems, supply chain and accounting. By having a separate course on outsourcing, students gain a cross-disciplinary view of business services. They learn sourcing fundamentals that apply to all business domains, including shared services, outsourcing and offshoring.

Snir: At Washington University in St. Louis and other universities that I’m familiar with there is some discussion about BPO, either within a larger sequence on MIS, or in a stand-alone course on the topic. I am not familiar with an emphasis on outsourcing specifically, although I’m sure there are schools that do have concentrations in the domain.

George: At the Cameron School of Business, the Sourcing Management course addresses the strategic and tactical aspects of sourcing management. The sourcing decision is clearly positioned as a strategic choice, with careful consideration of the expected and realized outcomes from sourcing for the organization. Students learn the different theoretical frameworks that help them understand the issues associated with the management of outsourcing arrangements. This understanding instills in them an appreciation of the importance of the different tasks and necessary outcomes of each stage of the outsourcing lifecycle. The operational issues are studied using the outsourcing lifecycle approach. Guest speakers from within the country and around the globe share stories from the field and provide additional practical guidance. We also have an outsourcing tools provider share an outsourcing management solution with the students. Students learning of the topic are evaluated through assignments such as case analyses, field projects reviewing actual outsourcing projects and service provider analyses.

Vaia: Yes, Ca’ Foscari University is working with Southern Cross University and we are packaging a course that will include the Global Sourcing course. I am teaching with courses on Supply Chain Management in Distributed Innovation Processes and Quantitative Models for Global Supply Chains.

Pulse: Are universities focusing on outsourcing, either as a strategy or as a tactic? If so, how is the topic addressed in the class room?

Vaia: Universities are focusing on outsourcing as both a strategy and tactic but more as a strategy with the emphasis typically on global sourcing.

Dawson: In my MBA class (core information systems class in the full-time MBA program), outsourcing is covered in three ways. First, it is a topic within the readings for the class and gets extensive discussion. Second, my students will start doing a major project on outsourcing in January 2014. Finally, we were fortunate to have Jag Dalal, Chief Advisor for Thought Leadership at IAOP, come in to discuss the topic with the students. To help frame the conversation, Jag presented a primer on outsourcing and also lead a discussion of a Harvard Business School case on outsourcing, where Jag and his work at Xerox were the focus.

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Pulse: Is outsourcing viewed as a “discipline” and is there a chance that it may become an optional “minor” in the business school?

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Varanasi: To an extent categorization of outsourcing as a “professional service,” like accounting etc., would greatly benefit its acknowledgement.
Pulse: What are providers doing to ensure there are qualified graduates coming with some discipline on outsourcing (besides their base process/tool/major skills)?

Lacity: Outsourcing providers generously give of their time by serving as guest speakers in our outsourcing class. Rich Etzkorn, Executive Managing Director at Cassidy Turley, regularly teaches a class on real estate outsourcing services; Shane Mayes shares his experiences as founder of a rural sourcing company, Onshore Outsourcing; Dan Schulte, Executive Vice President for The Outsource Group, speaks about revenue cycle outsourcing solutions in the healthcare sector; and Matt Shocklee, COP, IAOP Managing Director & Global Ambassador, speaks about relationship management.

IAOP has been valuable in promoting outsourcing because most of the guest speakers mentioned above are members of the IAOP Midwest Chapter. Students also earn extra credit points by attending our IAOP Midwest chapter meetings. In addition, our graduate course is worth 15 of the 150 points required to become a Certified Outsourcing Professional (COP).

Snir: Currently, providers and outsourcing clients do not appear to screen MBA and graduate students based on their exposure to, or knowledge of, outsourcing best practices. While we have many graduates entering the field of outsourcing in many and varied industries, formal academic training for these students does not seem to be a priority among employers.

Varanasi: Across the region, providers are not participating in the skill-building programs. There are no examples of any of them working in collaboration with universities or institutions of higher learning (even if it’s to their own advantage). Most view it as the government’s responsibility to create the supply. There’s just one instance of a contact center provider that has set up its own training organization that is working on building a pipeline of trained people for its own client requirements. From a government standpoint it continues to provision knee-jerk support on a request basis, which doesn’t do any good in most instances when talking about building a pipeline. Unemployment is on the rise and providers do not (as yet) see the benefits of engaging with universities. Unfortunately, there are no private entities focused on providing such education either.