

## REFeree'S REVIEW

<b>Program:</b>	Master in International Technology and Innovation Management - MITIM
<b>Student:</b>	Joona Tuunanen
<b>Title of thesis:</b>	Partnering process in Cross-Border Outsourcing: Decision-Making Perspective from Finnish Technology Oriented Small Enterprises

<b>Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis.</b> Justification of the topic choice; accuracy in defining the aim and tasks of the thesis; originality of the topic and the extent to which it was covered; alignment of the thesis' topic, aim and objectives.	5	4	3	2
<b>Structure and logic of the text flow.</b> Logic of research; full scope of the thesis; alignment of thesis' structural parts, i.e. theoretical and empirical parts.	5	4	3	2
<b>Quality of analytical approach and quality of offered solution to the research objectives.</b> Adequacy of objectives coverage; ability to formulate and convey the research problem; ability to offer options for its solution; application of the latest trends in relevant research are for the set objectives.	5	4	3	2
<b>Quality of data gathering and description.</b> Quality of selecting research tools and methods; data validity adequacy; adequacy of used data for chosen research tools and methods; completeness and relevance of the list of references.	5	4	3	2
<b>Scientific aspect of the thesis.</b> Independent scientific thinking in solving the set problem/objectives; the extent to which the student contributed to selecting and justifying the research model (conceptual and/or quantitative), developing methodology/approach to set objectives.	5	4	3	2
<b>Practical/applied nature of research.</b> Extent to which the theoretical background is related to the international or Russian managerial practice; development of applied recommendations; justification and interpretation of the empirical/applied results.	5	4	3	2
<b>Quality of thesis layout.</b> Layout fulfils the requirements of the Regulations for master thesis preparation and defense, correct layout of tables, figures, references.	5	4	3	2

Each item above is evaluated on the following scale, as applicable: 5 = excellent, 4 = good, 3 = satisfactory, 2 = poor .

### Additional comments:

The student has chosen a topical field for his study. The offshore outsourcing of technology production has become a popular trend of doing business with a lot of success stories and significant cost savings. Although, a growing list of firms has pointed failures and disappointments. These failures on the one side and resoundingly successful experiences on the other, signal possible problems in the company's management capabilities essential for successful offshore outsourcing. Thus the case study how small technology oriented Finnish enterprises make their offshore outsourcing decisions and what are the typical phases of this process are actual and important.

The thesis starts with a background overview, formulation of the theoretical framework, and goes on with a theoretical study and literature review on the business partnerships and outsourcing, the strategic decision-making in small enterprises and cross-border outsourcing partner selection topics. The theoretical research is finalised by the formulation of the main phases of offshore outsourcing process in small enterprise. The forth chapter represents an empirical study. A qualitative method is used to get deep understanding of the situation from interviewees'. The case study approach is chosen for this task. At the end student formulates results of the study in the form of answers on the following three main research questions.

However, in the phases analysis of offshore outsourcing some important phases are missing or shortly described and analyzed. For example, contract facilitation phase is discussed superficially. It usually includes selecting type of contract based on requirements, ability to draw detailed and appropriate contracts and ability to develop comprehensive service level agreements (SLAs).

For the lifecycle phases analysis of outsourcing process the Waterfall model is used (Fig. 12 on p.42, Fig. 14 on p. 47) that has its own known drawbacks. The alternative Spiral model is known as a process passing through some number of iterations and could be more suitable in this work. The case study results prove it (see Fig. 16 on p.56, Fig.17 on p.62 and Fig.18 on p.69). Compared with Waterfall model Spiral model provides deliberate iterative risk analysis, particularly suited to outsourcing of

middle- and large-scale complex systems. For example, change management phase (organization change and user change), resource management phase (HR management, knowledge management, distributed work management) usually are passing through some number of iterations.

The main limitations of experimental studies are related to the number of studied enterprises (only 5 SME). In case of further research one of the directions should be the sample extension.

Studying both effective and ineffective groups of companies exploiting offshore outsourcing could help to compare and contrast the presence and absence of success factors in offshore outsourcing and partnering

Some of the points to highlight:

1. Figure 3 on p.8 defines offshoring as foreign location of outsourcing and inshoring as domestic location of outsourcing, while Fig.5 on p.17 mentions abroad and domestic outsourcing .
2. Table 15 on p. 86 has wrong rotation.
3. Figure 10 on p. 39 and Figure 11 on p. 41 have bad quality.

In general, the master thesis is structured and logic. The main results can be referred as new and valuable.

Master thesis of Joona Tuunanen meets the requirements of Master in International Technology and Innovation Management program, and deserves a good grade, thus the author can be given the desired degree.

05/06/2011



Referee: Associate professor Sergey Yablonsky