Chapter 37
Knowledge Sharing and IT/ Business Partnership:
An Integrated View of Risk Management

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ABSTRACT

In this highly technology dependent and knowledge intensive economy, organizations were forced to change the way of doing business and move form bricks to clicks to survive and compete. Accordingly, organizations have to adopt the suitable IT solutions that fit their mission, vision, and objectives. One way to achieve that is IT outsourcing either entirely or partially. This is a part of a comprehensive study that investigates the IT outsourcing risk management practice in Syria, identifies the causes of IT outsourcing projects failures and what kind of knowledge is used when identifying risks, and finally proposes a conceptual framework that achieves integrated view of risk management regarding IT outsourcing projects. To achieve that, the researcher followed DRM as a research methodology starting from "what is usually done" moving toward "what can be done most realistically," which is presented in detail in this chapter and resulted in the proposed framework.

BACKGROUND OF THE RESEARCH

Globalization and the fast development of technology forced organizations to improve their ways of doing business in order to compete in this fast changing age. Accordingly, organizations in our modern society have become larger, more complex and more dependent on technology to provide advanced services to the various social demands. In order to survive, organizations have to take into consideration coping up rapidly with the technology development. Therefore organizations have to successfully acquire, develop or outsource IT solutions that satisfy their business needs.

IT outsourcing is a notable phenomenon that is becoming more common in information technology and other industries. For example, Computer Economics' IT outsourcing statistics 2010/2011 reports indicate that there is a continuing, rising trend in IT outsourcing spending among organizations that

registered to United States and Canada. Organizations' median spending percentage on IT outsourcing of their total budget was in 2008 3.8% while in 2010 the percentage was 7.1%. The primary focus of outsourcing is on externalizing the organizational activities which are not directly related to the core competences of the organization (Vagelatos, Tsaknakis, Foskolos, Komnino, & Greece, 2010).

For Syrian Organizations, adopting IT solutions is a competitive necessity rather than a competitive advantage in order to survive in this rapidly changing economy. So they became more dependent on technology in the past decade. As any starting point, failure was an essential part of Syrian Organizations technical development.

This chapter is a part of a comprehensive study that adopted Blessing & Chakrabarti (2009) DRM research methodology which consists of four phases:

- Identifying the research area.
- Explaining the current situation and the aimed situation, and the gap between them (the descriptive study I).
- Explaining how to close this gap (the prescriptive study)
- Validating these results (the descriptive study II).

This chapter explores in general the main results of the first descriptive study and gives more focus on the prescriptive study and the second descriptive study. The conducted interviews, onsite observation and deep analysis of some of the failed projects documents that conducted in the first descriptive study in order to investigate the current state of IT outsourcing projects in Syrian organizations resulted in the need for:

- IT/Business shared understanding.
- An integrated view of the IT outsourcing risk management.
- Share knowledge and especially risk knowledge.

THEORETICAL OVERVIEW "THE PRESCRIPTIVE STUDY"

This chapter presents in depth investigations of Risk Management, IT/ Business Alignment/partnership and Knowledge management relating to each other in the context of IT outsourcing Project Management.

IT Outsourcing "General Overview"

There are as many definitions of outsourcing as there are many ways to screw it up. The term "Outsourcing" is the process of shifting or externalizing tasks and services previously performed in-house to outside vendor. According to Gartner "IT outsourcing efforts focus on using external service providers to effectively deliver IT-enabled business process, application service and infrastructure solutions for business outcomes".

There are so many examples for the most common outsourced IT services such as: application/software development, web development/hosting, telecommunications, data center management, software maintenance and application support or management.

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