

A Managerial Decision Tool for R&D Outsourcing and Partner Selection

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Table 1. Template of the R&D outsourcing and partner selection decision tool

Phase 1	Question / Statement	Evaluation (1...5) (1=strongly agree, 5=strongly disagree)	Comments/Reasons		
Identity and Strategy	The task belongs to our core business / core competence area.				
	Carrying out this task by ourselves is in line with our R&D strategy.				
	Carrying out this task by ourselves is the best decision from the viewpoint of our organization's operation, competence, and identity.				
	SUMMARY (Average number)				1 suggests outsourcing, 5 suggests insourcing
Dependence	Outsourcing the task will probably lead to strong dependence on the selected partner.				
	It would be particularly difficult to change the partner afterwards.				
	It would be particularly difficult to insource the task afterwards.				
	We will not maintain replacement partnerships (second sources) or internal competences to limit dependence on the selected partner.				
SUMMARY (Average number)					1 suggests outsourcing, 5 suggests insourcing
Phase 2	Question / Statement	Internal R&D (1...5)	Supplier 1 (1...5)	Supplier 2 (1...5)	Supplier 3 (1...5)
Efficiency	The total cost of the project/task will probably be reasonable when compared to common cost level.				
	Governance and steering costs of the project/task will probably be small (i.e., we do not need to commit much of our own time and resources to project management).				
	Collaboration between project/task stakeholders and communication will probably be easy.				
	It is expected that time schedules and agreements will be adhered to.				
	The need to control the deliverables is minor.				
	SUMMARY (Average number for each column) (1 suggests low efficiency, 5 suggests high efficiency)				
Competences and Resources	This party has the best possible competence and resources to carry out the task.				
	This party will commit to developing its competences and capabilities relating to this task.				
	This party has sufficient capacity to carry out the task.				
	Having this party carry out the task provides opportunities for new learning and to deliver innovations.				
	SUMMARY (Average number for each column) (1 suggests low competences, 5 suggests high competences)				