The Strategy of Japanese IT Industry on Penetrating the Eurasian Market (Central Asia, Caucasus and Russia) : Lessons from East Asia

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[ICT](status of sourcing network)

Offshoring

: Simple offshore outsourcing, with vertical division
 of labors across national borders

Multisourcing

: International division of labor to globally allocated functions, mainly
by large enterprises (ex: Global Delivery Center Model such as
GID/GIE of IBM)

Network Sourcing

: Forming a global ICT Industrial community by establishing cross-border networking system of collaboration and innovation.
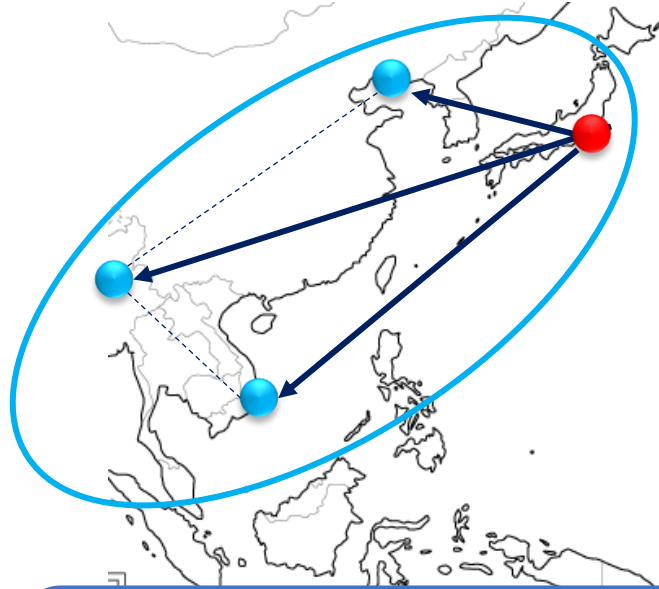
Latest paradigm

Global Sourcing Network

Integrating several theories/concepts, reforming new framework of Global Sourcing, optimized for emerging sourcing capability
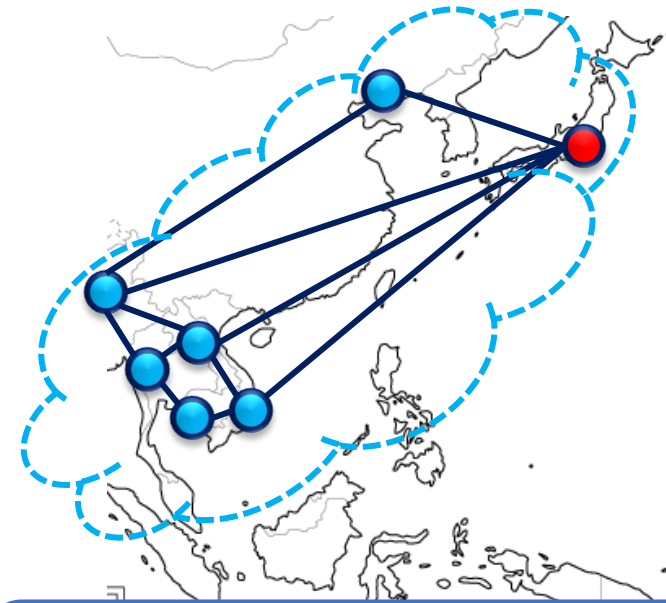

**Phase 1
Offshoring**

**Phase 2
Multi-sourcing**

**Phase 3
Network Sourcing**

Simple Offshoring
Destination defined by country

Multiple destination of Offshoring.
Limited within boundary of company
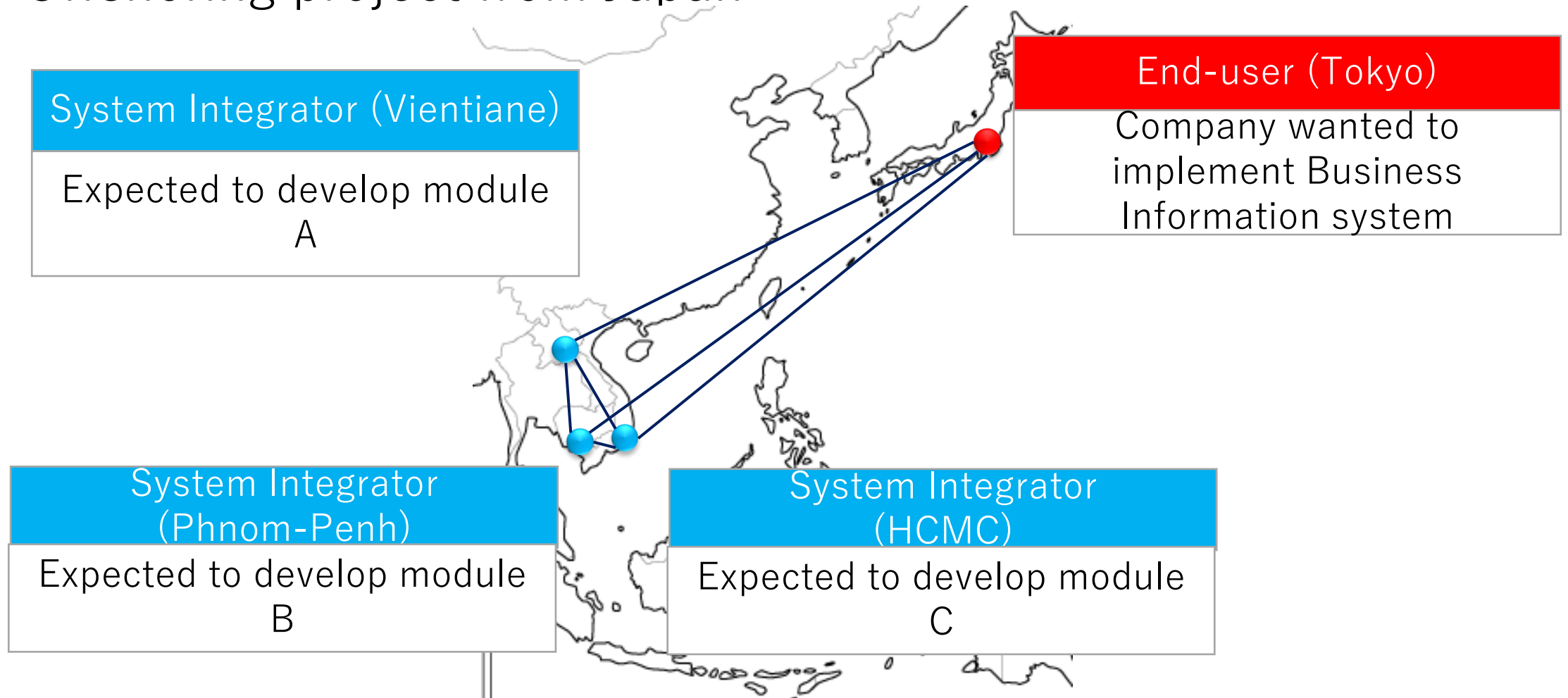
Independent companies, involving SME, linked through network community

Lessons from East Asia - Case1

- Offshoring project from Japan

End-user (Tokyo)
Company wanted to implement Business Information system

System Integrator (Vientiane)
Expected to develop module A

System Integrator (Phnom-Penh)
Expected to develop module B

System Integrator (HCMC)
Expected to develop module C

Lessons from East Asia - Case2

- System Integratio... ....t

End-user (Vientiane)

Company wanted to implement Business Information system
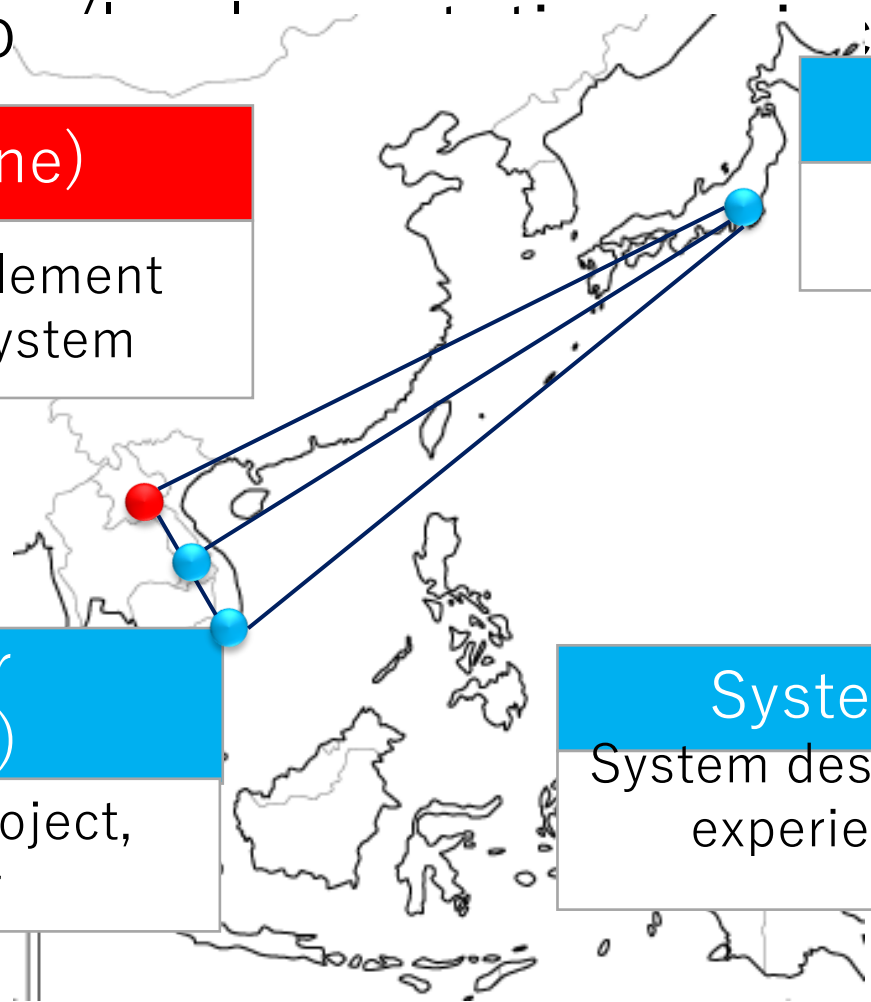
PMO(Tokyo)

Project management support

System Integrator (Vientiane/Pakse)

Prime contractor of the project, facing with End-user

System Architect(HCMC)

System design and implementation with experience/knowledge of target technology

Lessons from East Asia - Case3

- Japanese manufacturer implementing service network

Service Partner (Vientiane)

Provide field service for the customer in Lao PDR

End-user (Tokyo-HQ)

Manufacturer want to implement maintenance service network in ASEAN
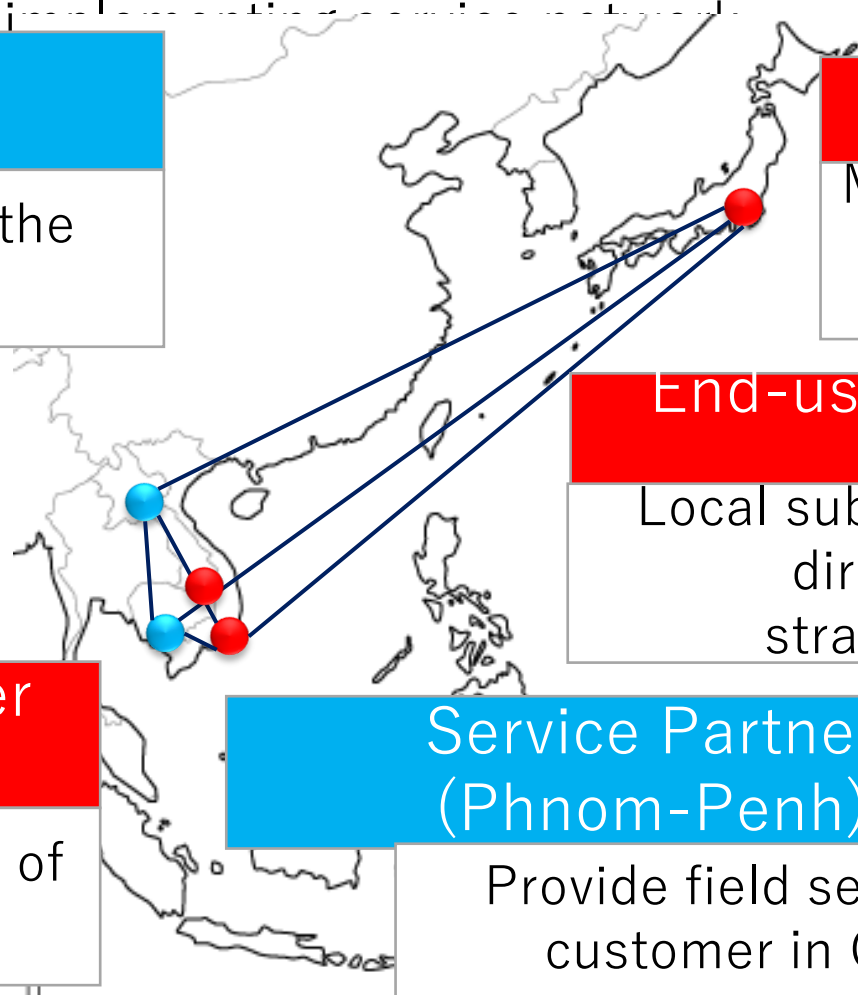
End-user (HCMC-Local HQ)

Local subsidiary of end-user, directing service strategy/operation

Parts distribution center (Pakse)

Base center of parts logistics of Indochina region market

Service Partner (Phnom-Penh)

Provide field service for the customer in Cambodia

Global Network Sourcing

Integrating several theories/concepts, reforming new framework of Global Sourcing, optimized for emerging sourcing capability

Focus industry	IT service focus beyond physical infrastructure
Service Design	Loose coupled/fragmented as SOA like architecture
Production network	Production network community beyond bounds of enterprise
Organization	Globally Integrated "Community", linked independent entities
Business size	Size doesn't matter. Open for SME and possibly for freelance
Target criteria	Capability of the companies themselves, rather than "country"

Applying the East Asian Global Sourcing Network onto Eurasia

- Japanese IT industry needs to have a 'Front Line'

 in Penetrating Eurasian Market

- AIIT/ERISE and Republic of Kyrgyz is now developing a pilot project of establishing a 'Front Line'

   = Kyrgyz-Japan Partnership Project