

Foreword

Robert A. Goehlich's doctoral thesis analyzes the inefficiencies in today's organizations and the potential explanations for them. According to the thesis, these inefficiencies may be rooted in corporate governance, at least partly as a result of political considerations, as well as for reasons related to the individuals involved and to globalization. Specifically, the thesis focuses on the make-or-buy decision within aerospace organizations.

The second chapter offers an extensive overview of the current aerospace sector from an economic point of view. The chapter has benefited from the background of the author, who has an extensive work experience with JAXA, NASA and EADS.

The third chapter presents the outsourcing strategies that have been employed by space organizations in Europe, the US and Japan. The chapter includes valuable information with respect to existing theories on the make-or-buy decision and its interaction with respect to the aerospace industry in the "big three" regions of the world. The literature used is well explained and its relationship to decisions of organizations in the specific context analyzed is well described.

The fourth chapter describes a theory-based decision process and suggests a very useful tool for guiding management in its make-or-buy decision process. The tool is designed to induce transparency in a modular fashion. Methodologically, the chapter presents sequentially each of the arguments related to make versus buy: the pros and cons of vertical integration and outsourcing. Each of the tool's dimensions has a thorough theoretical foundation with a solid underpinning in the existing literature. The comprehensive method employed by this tool guarantees that management will be forced to think through each of the possible pros and cons of outsourcing versus integration through. Including arguments for or against outsourcing in the tool is simplified because the tool is structured in modules. Although developed for the aerospace industry, use of the tool is by no means restricted to that industry.

Overall, the thesis is well written and provides a very useful management tool for guiding the make-or-buy decision processes in organizations.

Prof. Dominique Demougin, Ph.D.

Head of Department of Law, Governance & Economics
European Business School