Calculating outsourcing strategies and trials of strength
– Time-space dynamics of the program and its projects

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Abstract
Public sector outsourcing is a program within a suite of contemporary reforms mobilizing private enterprises in the belief of a more efficient public sector. Danish Armed Forces outsourcing of its facility services and management emerged as an option in 1991. Two strategic options developed; one promoted immediate outsourcing while the other promoted internal optimization first. We study how the two options emerged and were valued differently by the supra-national outsourcing program and the local Defense projects over 22 years and how that valuation process involved accounting. Drawing on Actor-Network Theory we show how the two strategic options emerged and were pitted against each other in what Callon describes as in vivo and in vitro ‘trials of strength’. The contribution of the paper is in three actions: 1. highlights how accounting inscriptions take part in formulating, evaluating and advancing different outsourcing strategies during a series of trials of strength, 2. develops the concept of ‘trial of strength’ for accounting and organization research by showing how ‘the rules of the game’ for the trials of strength can become challenged and controversial, and finally 3. shows that, in addition to the pervasive role of programs, projects can play a strategic role invoking issues of time and space to challenge the outsourcing program and develop a trial of strength. In conclusion the paper considers the strategic role projects can play in challenging the new spirit of capitalism.
Introduction

The relationships between accounting calculation and organizational change strike at a central matter of interest to accounting scholars (Rowe, Shields and Birnberg, 2012; Empson, 2004; Gendron and Spira, 2010; Robson et al., 2007). Dwelling in this field we examine an enduring situation of conflict as an organization was pressured to alter its identity because of an accounting-based reform to outsource its facility services.\(^1\) Although underwritten by the EU across its Member States and now being recognized as rapidly growing and pervasive (Kremic, Tukel and Rom, 2006; Balakrishnan, Eldenburg, Krishnan and Soderstrom, 2010), that public sector reform generated severe controversies within and across formal organizational boundaries over a protracted period.

In studying this case, our purpose is to better understand how accounting is implicated in shaping and valuing reform options and the trials of strength (Callon, 1986a, 1986b; Latour, 1987, 1988; Boltanski and Chiapello, 2005) that emerge when options become defined as proponents face off against each other. Within the trials of strength we observe the roles of accounting inscriptions being used to formulate, challenge and support various options as the networks attempt to ‘harden’ (Rowe et al., 2012) the resultant accounting inscriptions. Accounting-based reforms are those with a rationale or rhetoric vested in accounting calculation, performance or impact and the case presented here can be seen as a continuation of research into the role of accounting inscriptions in organizational change (Busco and Quattrone, Forthcoming; Dambrin and Robson, 2011; Qu and Cooper, 2011; Quattrone and Hopper, 2005; Ahrens and Chapman, 2006) and to strategic change (Ahrens and Chapman, 2007; Skærbæk and Tryggestad, 2010; Carter, Clegg and Kornberger, 2010; Boedker and Chua, 2013; Seidl and Whittington, 2014) but where that change becomes contested.

\(^1\) ‘Outsourcing’ here refers to a form of contracting-out where a public sector entity contracts a private provider to perform a function that had previously been delivered internally. In order to delimit the term, it is taken here to involve transfer of some assets, employees and management responsibility to the private provider; however, the full military establishment of buildings, some inventory and land may remain in public sector ownership.
Like a growing body of accounting researchers, we invoke Actor-Network-Theory (ANT) to assist our study of the case.

ANT has increasingly been invoked within accounting research and can in a general sense be seen as a sociology about the strengths of networks which are tested in a number of trials (Callon and Latour, 1981; Callon, 1986; Latour, 1987; Latour, 1988). In accounting research, only a limited range of papers explicitly use the notion of ‘trials of strength’. Briers and Chua (2001) and Revellino and Mouritsen (2009) both use it in relation to specific innovations (a cost system and management control system) to analyze how these innovations become subject to certain ‘trials’ during enrolment. Bourguignon and Chiapello (2005) analyze human resource performance evaluation systems in terms of ‘institutionalized trials’ which they define as a “trial that is considered to be important for the distribution of social goods within a society” (p. 669). The limited accounting research using the concept of trial can provide useful insights into aspects of accounting change but it has not analyzed situations in terms of the relative strength of different networks nor does it make multiple, competing networks’ different visions the object of research. In wider social theory, Guggenheim and Potthast (2011) review Latour’s usage of trials of strength compared to Boltanski’s ‘tests’, and find that they are ‘symmetrical twins’, though rehearsing the argument of Boltanski and affiliates (Boltanski and Thevenot, 2006; Boltanski and Chiapello, 2005) that projects proliferate in the current-day capitalist society because projects help to escape costly trials of strength. Collectively, the work of Latour and Boltanski can thus be said to support the view that networks and the relations within them are subjected to trials. This view moves away from structural views such as Marxism where social institutions are expected to behave in predetermined ways and where clashes between these institutions must necessitate massive expense.
in the resolution of their conflict (for example, where riots between workers and their employers spill into the streets of ‘despotic capitalism’ (Ezzamel, Willmott and Worthington, 2008)).

A 22 year case study in the Danish Defence Force (in Danish: Forsvaret; hereafter ‘DDF’) involving an outsourcing program and its projects provides a rich site to study trials of strength. Callon (1986) noted that controversy is implicated in scientific research projects and programs and we take inspiration from this work. As suggested by Callon among the issues put to trial is the question of representation of actors and interests. Miller (1991, p. 738) alludes to the same question in his discussion of programs as being “idealized schemas for representing, analysing and seeking to rectify the problems associated with particular aspects of economic and social life.”

The extent to which outsourcing programs and projects are implicated in trials of strength, is best addressed within a case study. Our proposition is that a program initiated project – although being a temporary organizational arrangement within the host and permanent organization (Borum and Christiansen, 1993; Lundin and Söderlund, 1995; Kreiner, 1995) – is not an order that may reliably help to escape costly trials. Instead, it may possibly produce a number of unexpected and quite lengthy trials and controversies, the very cost and duration in time being part of what is unexpected. How change comes about can be heavily dependent upon repeated and intense trials of strength yet this concept which is central to ANT is relatively under-researched. Little has been written on the pre-conditions, the processes and the rules of the game within a trial of strength. Such dissection/analysis of this important ANT concept is the purpose of this study whilst also contributing to the literature on outsourcing and the constitutive role of accounting to organizational change (Burchell et al., 1980) through a more profound understanding of these pervasive matters.
The case presented here shows the emergence of two strategic options regarding outsourcing over two decades: the DDF leaders (and followers) responded to the governmental program and pressure to outsource by enacting a strategic option of “internal optimization – first”. The option was formulated during the years 2000-2002 and implied an element of exploration and search for ways to first to increase cost efficiency in own operations. Another element of exploration involved a series of small experimental tenders to test whether the free market can compete against an optimized internal provision. The strategic option further implied a specific perspective on time and space, which rendered outsourcing an option dependent upon the exploration and execution of optimized internal provision in particular facilities in specific places. In effect, it also implied that outsourcing, if economically feasible, would be postponed and be (possibly) executed after “internal optimization - first” was tested and executed. Opposed to this project was the central agencies’ program and goal to immediately implement widespread outsourcing. It will be shown how two networks emerged and clashed around these two strategic options regarding outsourcing until this protracted and concatenated trial of strength culminated in an observable success of the one side that scaled up the outsourcing ambition by formulating and executing its ‘Big Bang’ option of immediate outsourcing in only two large contracts across Denmark.

The contributions provided by this article are three. First, it highlights how accounting inscriptions take part in (re)formulating, evaluating and advancing different outsourcing strategies in a series of trials of strength. Second, it develops the concept of ‘trial of strength’ in the ANT-based literature in accounting by showing how ‘the rules of the game’ for the trials of strength in heated processes can become challenged and changed. Third, it shows projects to be an important mechanism through which trials of strength are set up and negotiated playing a strategic role in invoking in situ
calculations involving time and space that challenge the more aggregated in vitro calculations underpinning the outsourcing program.

The remainder of the article is structured as follows. In the next section, three literatures of relevance are described: contributions on outsourcing; discussions dealing with ANT and its use of the concept of trial of strength; and, third, the emerging literature that relates project order of worth to more broad aspects of social and organizational change. After discussing these literatures, the article accounts for its method and data sources before presenting the case narrative. The case and analysis is then followed by a section which discusses and concludes on the contributions.

**Outsourcing, Actor-Network-Theory and a trial of strength**

*Outsourcing and the constitutive role of accounting in organizational change*

Public sector outsourcing is not new and so a substantial literature on it has emerged. Since it is frequently couched in arguments of the creation of a more efficient public sector (for example, Kremic et al., 2006 reviews 200 papers arguing for outsourcing), most of that literature has tried to assess whether the change has been worthwhile. In the accounting literature, outsourcing is also a significantly researched issue. However, a lot of these studies tend to study outsourcing in terms of the different management control systems that are put in place when the outsourcing or some other inter-organizational relationship have been decided and established (Mouritsen and Thrane, 2006; Håkansson and Lind, 2004; Vosselman and Van der Meer-Kooistra, 2009). In contrast, processual studies of the assessments prior to adoption of outsourcing are rare. Although the public sector in most countries is in “an era of unprecedented delegations of power to the private sector” (Verkuil, 2007, p. 196), public sector outsourcing is sometimes still deeply contested as to the motivations behind it (Kremic et al., 2006) and the consequences of its implementation (refer to Covaleski,
Dirsmith and Rittenberg (2003) for a review of the literature discussing the technical aspects of outsourcing in terms of impact on cost, knowledge and competitive advantage. The extensive literature in this field shows that outsourcing is most challenged for legitimacy and applicability in contexts where: the prevailing organizational culture has unique features (e.g. the highly professionalized culture of health care; refer Roberts et al., 2013); a strong organizational culture is present (e.g. military and para-military organizations; refer Fredland, 2004); the unique outcomes sought by the organization – especially public sector organizations - are not easily found from a market provision (Hood, 1997). In such contexts, public servants are typically skeptical of outsourcing reforms (Rantanen et al., 2007) and some of their resistance is longstanding. However, as will be demonstrated in the case analysis here, public servants’ interests and identities are not fixed and so it is important to recognize that “interests should not be imputed to actors as background causes of action, but rather they should be seen as attempts to define and enforce contingent forms of social order on the part of actors themselves” (Callon and Law, 1982, p. 615).

The growth in public sector outsourcing has been opposed by the professional fighting forces with “significant resistance to change” (Rantanen et al., 2007, p. 426).

To Boltanski and Chiapello (2005) outsourcing is considered to be a mechanism “associated with the new spirit of capitalism” (p. 429) and declining job security. The project and temporary work arrangement based on a fixed-term contract is the dominant mode of organization in connection to this mechanism and spirit. Their understanding of this new emerging project order is summarized in their notion of a “projective city”. While Boltanski and Chiapello (2005) draw attention to the project organization as a recipient of the effects on workers’ declining job security, Miller (1991) and Miller and O’Leary (2002) draw attention to the effects caused by programs and supporting accountings, for example concerning workers’ and managers’ identity in permanent organizations.
Our work can be positioned in relation to the above contributions by opening up for an inquiry of the complex relation between outsourcing programs and those permanent organizations in the public sector that are targeted for outsourcing. More specifically, we aim to inquire into that relation by focusing on the two project organizations that in subsequent steps were established and hosted by DDF in response to the outsourcing program. Prior outsourcing studies invoking institutional theory have argued that organizational outcomes are a result of institutional pressure (Ang and Cummings, 1997) but this explanation seems one-dimensional and unable to account for instances where outsourcing initiatives were not accepted by the agency since it “leaves little room (if any) to material devices, technologies and, more generally, action and distributed cognition” (Callon, 2005, p. 8). The latter contribution can be seen as a response to Hopwood’s (2007) assessment that “In the management accounting area, we still have the most minimal of understandings of the processes and pressures underlying the shifting locations of economic calculation and control” (p. 1370).

Given the extent of the ‘outsourcing industry’ and associated controversies within some parts of the public sector, it presents researchers with interesting opportunities to understand both outsourcing per se and the organizational processes undertaken during its evaluation and eventual execution. That is, more research is needed wherein the processual aspects of organizational change, such as outsourcing and project organizing, are scrutinized with an eye towards the manner in which accounting calculations shape such change. Whereas much of the outsourcing literature sees outsourcing meeting resistance from certain predetermined organizational structures and cultures, there is a gap in our understanding of the sometimes protracted organizational processes through which strategic options and eventual resistances must first emerge (Skærbæk and Tryggestad, 2010). Drawing upon ANT and related work we propose that those strategic organizational processes can be better understood as a series of trials of strength.
The concept of trials of strength

Going back to the origins of ANT in the late 1970s and especially the early 1980s, the terms ‘trial’ and ‘trial of strength’ appear in several publications (Callon, 1986a, 1986b; Law, 1987; Callon, 1987; Hughes, 1987; Latour, 1987; Akrich et al., [1988](2002); Latour, 1988). Callon (1986) was quite early to relate the concept of ‘trial of strength’ to translation and interessement in his study of research in St Brieuc Bay: “The scene is set for a series of trials of strength whose outcome will determine the solidity of our researchers (sic) problematization” (p. 207).

The terms ‘trial’ and ‘trial of strength’ were metaphoric descriptors associated with the means of translation that alters identities and relations between actors. “For Latour, the world is a field of objects or actants locked in trials of strength” (Harman, 2009, p. 16) such that “nowhere can we escape from the consequences of the translations and trials” (Latour, 1988, p. 147) since “there are only trials of strength, of weakness. Or more simply, there are only trials” (Latour, 1988, p. 158).

Yet despite the crucial importance of ‘trial of strength’ to the Callonian and Latourian literature, these terms have been used to describe two different, but related, things. First, a ‘trial’ can be a pilot study or test where some experiment is undertaken to advance understanding – for example, a research project testing ship stabilizers through “mathematical formulas and as models stripped down to scientific abstractions permit small investments and small failures before the costly venture of full-scale trial and ultimate use is attempted” (Hughes, 1987, p. 63). Second, a ‘trial of strength’ involves a test of two opposing forces’ strengths in which an outcome of win-lose may emerge such as between two boxers (Latour, 1987) or between two strategic options (Skærbæk and Tryggestad, 2010).

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2 Evidencing the importance of this concept, Latour’s seminal work “The Pasteurization of France” (1988) as translated into English from the original French, uses the phrase ‘trial of strength’ 44 times and the word ‘trial’ in the absence of ‘of strength’ 32 times.
A ‘trial of strength’ in either meaning can be – and typically will be – followed by subsequent trials such that, before an option is translated sufficiently to secure agreement within the network, it has been subjected to a series of trials and probably sequential revisions. Whilst the nomenclature of ‘trial’ has been useful in ANT literature, including some accounting literature (discussed below), two gaps exist: first, regarding descriptors of a collection of trials and second, suitable terms to capture a struggle between networks as opposed to trials within networks. It is with respect to these gaps that this research contributes.

A sequence of trials of strength will typically be the norm, as already suggested by Callon’s (1986) work on the research project as a heterogeneous network. That the project can be implicated in such a series of trials, has also been well illustrated by Briers and Chua (2001) in an accounting context concerning the implementation of activity based management. The essence of the collection of trials is that a project is being sequentially refined in terms of its acceptability to actants within the network. Each trial forms an act of attempted enrolment – with or without success – in which actants have an opportunity to examine a project in terms of its suitability to their identity. Such examinations do not need to provide competition between opposing projects or strategic options but instead might more simply put a single project under test. The concept “institutionalized trial” (Bourguignon and Chiapello, 2005, p. 669), which is inspired by the work of Latour and Callon, draws attention to the institutionalized and well-defined rules of the game\(^3\) in which trials take place. Their important point is that trials may not be unproblematic in that they may be subject to criticism which, if sufficient, may be enough to challenge the legitimacy of the trial and to call into

\(^3\) Key features of their use of ‘rules of the game’ are that they may not be stable but are subject to dispute and they become significant matters to be resolved before actors can progress their interests and identities. This is also consistent with the usage of Rowe et al. (2012).
dispute its findings. Legitimacy of a trial is a crucially important feature which will need to meet at least two requirements (Bourguignon and Chiapello, 2005): first, something needs to be precisely defined as the subject of the trial beforehand; and second, the strength which is examined in the trial must be subject to a process of qualification and categorization. Sometimes the qualification and categorization processes underpinning a trial’s legitimacy will be clear and explicit – for example, in international sports where significant effort in fine tuning rules begins to develop a tight legal and regulatory framework. However, in other cases the qualification and categorization processes may be subject to challenge and refinement as subsequent trials are undertaken. Thus it is important to conceptualise a series of trials and what might happen in the movement from one trial to the next as challenges regarding the legitimacy of the trial (Chiapello, 2003) itself are experienced.

Whilst trials can be seen as events wherein a single project is being tested, after a series of such trials have taken place a higher order of test can be observed if two networks with their competing strategic options come into conflict with each other. In that conflict a battle emerges from which only one option and network will survive and prosper. The battle can be conducted along legitimated grounds since the series of trials of strength have established at least some form of consensus around the qualification and categorisation processes necessary for a test to be considered legitimate (Bourguignon and Chiapello, 2005). Where the trials and revisions are within more than one network, it is conceptually useful to distinguish between a series of trials within networks and the consequential trials between networks that will emerge if the two (or more) networks are unable to coalesce around a unified and agreeable option. Using Bourguignon and Chiapello (2005) nomenclature, we label the former phenomenon as an “institutionalized trial” (or ‘trial of greatness’, Chiapello, 2003). By contrast, in situations in which there is little or no agreement concerning goals and the rules of the game we use the notion trials of strength since that
term encompasses the sense of a battle or struggle in which opposing entities or networks will find themselves. This is consistent with Bourguignon and Chiapello (2005, p. 673) who note that “no institutionalized trial can claim to be so well regulated that no unknown force occurs in it. It is always possible to find elements which support a description of the trial, not in Boltanski and Thévenot’s terms, but in those of Latour.” Eventually, as a result from that trial of strength, the stronger/-est network will emerge and define and provisionally stabilize the outcome.

By invoking the concept of ‘institutionalized trial’ with its underlying claim to establish legitimacy, it is possible to better understand how conflicting networks will test each other within situations that are relatively well known, or at least assumed to be well known. However, in addition to institutionalized trials, frequently it will be the case that trials of strength roll through as seriatim tests during periods of attempted organisational change. These tests will typically involve recourse to instruments of measurement and calibration and thus we are able to better appreciate the role of accounting inscriptions and systems of calibration in matters of organisational change. A trial of strength emerges as actors – or in our case, as the program and the project with their respective networks – come into conflict, and will remain in conflict until some form of resolution: “Once a form is stable, it no longer appears to be a trial.” (Latour, 1988, p. 159). Thus Callon and Muniesa (2005, p. 1239) use the analogy that an economic market reflects a series of trials through buyers’ and sellers’ competitive actions. They also extend that conceptualization (2007) to identify economic experiments that are theoretically based and run in vitro as though in a laboratory, in contrast to experiments run in vivo with real markets. Callon (2009, p. 542) also utilizes the concepts of in vitro and in vivo experiments to analyze markets that “are the result of on-going experimental processes and series of trials of strength, the outcome of which is not predictable”.

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The concept of ‘trial of strength’ has been taken up in a number of accounting contexts, notably Briers and Chua (2001) and Revellino and Mouritsen (2009). These authors have applied the meaning of ‘pilot’ or ‘test’ to the terminology ‘trial of strength’. Thus Briers and Chua (2001) explain how a series of pilot versions of an activity-based costing system were conducted in order to achieve recognition and legitimacy. Revellino and Mouritsen (2009, p. 341) show how an innovation needs to “pass various trials each of which links the innovation to obstacles which are mediated by unique sets of technologies of control”. These trials are similar to the pilots shown by Briers and Chua (2001) in that each must be tested against some obstacle that had been identified and if the costing system or innovation were to fail those series of tests, in turn they would not be accepted as appropriate strategies.

As demonstrated by both Revellino and Mouritsen (2009) and Briers and Chua (2001), with the benefit of hindsight, a series of trials can be conceptualised as a single event or an encapsulated happening. We focus here on the trial of strength concept as the means of understanding how conflicting networks will experience a contest of two opposing outsourcing options and out of which a discernible outcome will emerge – in a manner comparable to Latour’s analogy of two boxers used to illustrate a trial of strength (Latour, 1987). Our own position here owes much to the concept of institutionalized trials (by Bourguignon and Chiapello, 2005) in which a discernible outcome (a win/lose outcome) emerges from a trial of strength when it achieves legitimacy according some given rules and criteria. The generic concept of trials of strengths considers the rules and criteria as part of the outcome along with the institutionalized trial and its legitimacy. Thus the trials of strengths concept includes a series of trials, protracted and concatenated, in which also the goals, accounting methods, rules of the game and organizational identities are subjected to trials from which eventually emerges a clear and strong victor. Having recognized these concepts,
we are guided in our empirical inquiry by the following research question: How do accounting inscriptions shape outsourcing options in on-going series of trials of strength?

Methods and data sources

The case presented below has been constructed from archival and interview data. Whilst the protracted nature of the case has made the gathering of data a demanding challenge, a strategy of relevance and triangulation was followed with the aim to develop plausible coverage of the identifiable events in the case. Most data for the period to 2000 was derived from archival data whereas for the period after 2000 a mix of interview and archival data was used. Some data sources were confidential in nature but most were publicly available sources or results of ‘Freedom of Information’ requests. Some data impediments arose from commercial-in-confidence restrictions imposed by the relevant parties but these have been counter-balanced by interviews where interviewees were guaranteed anonymity; further, some interviewees granted interviews after leaving the public sector and thus had less restriction to openly and honestly divulging information.

The archival data consisted of more than 50 documents exceeding 1,000 pages in total derived from reports, White Papers, presentation slides from meetings, DDF Annual Reports, internal memos, spreadsheets supporting calculations presented in memos or reports, newspaper articles, union letters, announcements, press releases and legislation. Finally, documents of supra-national organizations such as the EU and OECD, have been drawn upon. As noted by Hammond and Sikka (1996) and Napier (2006), researchers need to recognize the limitations to their craft in particular circumstances such as when the archive needs supplementation if events are very recent and controversial. Sufficiently comprehensive historical data is likely to be beyond that which is offered up from the archive. Given that recognition, non-archival data was also accessed. Interview data
was gathered from 22 informants and classified into the following categories (with codes allocated as shown) where those individuals held roles at some stage during the case (and in some instances were holding a relevant role at the time of contact with us):

- Defence Command Denmark employee (code: DCD#)
- Facilities Management Unit employee (within DCD) (code: FBE#)
- Project Group – Outsourcing (within DCD) (code: PG – UDLIC#)
- Ministry of Defence employee (code: MoD#)
- Ministry of Finance employee (code: MoF#)
- Union official (code: U#)
- Member of Parliament (code: MP#)
- Private Service Provider (code: PSP#)
- Senior officers not noted above (code: SO#)

Non-archival data was gathered from interviews and other means provided by informants (for example, by way of email, telephone or face-to-face meetings without formal interview protocols). Where possible, that data was verified against the extensive archive and it was of most use in the analysis of the archive. Interviewees were also presented with some of the archive to ground the interviews in the events of the day. A feature of the informant-sourced data is that almost all informants had extensive experience in the organization or role/s relevant to the case. Perhaps as an artefact of military and administrative career structures, some informants had been in their military or public sector careers for more than two decades. From such longevity a rich contextual appreciation has been imparted to us as researchers. However, the inherent vulnerability of human memory and the possible presence of bias needed to be countered by triangulation with the archival data whilst acknowledging that not all of the archive has been made available to us for various parts of the case. Nevertheless, identification of bias, as an indicator of values and identity, was precisely part of the methods approach adopted here: where actors’ actions and the inscriptions they produced demonstrate their values, we were interested in uncovering how they invoked accounting tools in

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4 These informant categories are used to distinguish between informants without identifying them as individuals - as was promised through guarantees of confidentiality given to informants.
the resultant inscriptions. Collectively this data relates to the case’s ‘matters of concern’ (Latour, 2004) where ‘facts’ need not be separately identified by researchers since such a characterization of elements of the data does not aid the analysis. Analysis of the archival and informant-based data was undertaken by way of examination looking for patterns of confirmation and contradiction in actors’ accounts of the actions and events related to the DDF outsourcing.

During the analytical stage, data was first ordered chronologically in order that the sequence of events could be determined. Second, the sequenced data was used to identify points of departure that could indicate beginnings and endings to phases within the case aided by the advantage of hindsight. The phases identified in this process assist in the exposition of the case and are described in the following section. Within the phases, signposts of preparation for a trial of strength and subsequently for engagement with the other network were identified if present. Arising from this is the presentation of the case study as is described next.

The case: The trials of strength in outsourcing Danish military facilities services

The case presented here involves a protracted fight between two opposing networks resisting each other by formulating different strategic options about increased DDF efficiency: the “outsourcing now” and “internal optimization-first” options. The first network sought to implement outsourcing in the military to at least the degree achieved in other parts of the Danish public sector and to do so in a short and defined timeframe whereas the network behind ‘internal optimization-first’ sought to achieve recognition that military functions, and all that is required to service those functions, should be first subjected to internal optimization rather than outsourcing.

The case begins as actors formed goals around the emerging issue of outsourcing in the early 1990’s and traces the formation of networks and organization around the two options as their identities and
goals underwent a series of changes during a protracted trial of strength that can be dated from the early 2000’s until a definitive outcome can be observed in 2013 when the whole of the Danish military’s facilities service functions (FBE) had come under contract for provision by two companies from the private sector. In effect about 800 staff from FBE was outsourced leaving this unit with only a few people and the much narrower task of monitoring the contracts. The aim of this section is to describe the principal events with their materialities and actors that can be observed from the data sources described above, refer also to Figure 1.

The 22 year case events can be grouped into a series of trials which the networks moved around intractable problems: first, a period of articulating the option of defence outsourcing and during which we can see goals and identities initially coming into formation; second, a seven year period in which outsourcing was being calculated, benchmarked and tested against an emerging option of internal optimization; third, a relatively short period of mobilization during which stronger forces, involving further accounting calculations, were brought into action to culminate in a ‘final’ trial of strength in which a scaled up version of the outsourcing option came out as the winner; and, fourth and finally, an implementation period to embed the outsourcing victory in the facilities operations of the military. Over the length of the case the two conflicting networks were re-configured as actors’ goals and identities underwent change, including key actors either leaving or shifting positions and aligning with the other network and option. The emergence and subsequent stabilization of goals and identities around outsourcing took some time to become apparent: during the 1990’s actors can be observed to be taking readings as to what outsourcing would mean and thus whether they were agreeable to it and its numerous variants. As will be seen, by the time the trial of strength reached full mobilization, the goals and identities of those behind each of the two options was important to maintain and as the controversy reached the culmination in a final trial of
The emergence of a program of public outsourcing in Denmark: 1991 – 2000

The idea that the public sector should economize on scarce resources and be cost efficient is not new. What is relatively new is the claim and assumption that cost efficiency can be better achieved by outsourcing public operations to private enterprise contractors. This assumption, in turn, rests on another and even older assumption that is integral to the core of neoclassical economics and liberal doctrines: that the market mechanism, *ceteris paribus*, will secure the most efficient allocation of scarce resources, provided that it is kept pure from political interference. Given that such pure conditions hardly exist anywhere outside the ‘laboratory’ of the economic sciences, it becomes theoretically important and practically relevant to investigate what actually happens if such assumptions and conditions are actually enacted in programs and forced upon the public sector – as if it fulfills the laboratory conditions of being a pure economic entity. Like many other countries,
Denmark was on a march towards public sector outsourcing after the EU Commission had recommended member nations adopt outsourcing as early as the 1980s when the British Parliament introduced compulsory public sector tendering. After production of a comprehensive outsourcing White Paper in 1991, the first enforceable Danish MoF circular on outsourcing was issued in 1994 (Finansministeriet, 1994), under a social democratic government. At the same time, an institutional infrastructure to encourage outsourcing across public sectors was created in the Outsourcing Council. The Council produced Guidelines on how to outsource; hired law professors to advise on legal implications; promoted reform; and, commissioned consultancy companies to investigate outsourcing possibilities in various public sector areas. From the mid-1990s, the MoF began to calculate the extent of outsourcing within central government agencies as an important management accounting control and implementation parameter. In 1996 the MoF reported to Parliament that a slow increase of outsourcing had taken place across the Danish public sector and that 19.9% of Danish outlays were in outsourcing contracts.\(^5\) (Finansministeriet, Økonomistyrelsen, 1996).

The DCD reported to the MoF, in 1996, on instances of DDF outsourcing without specifying an ‘outsourcing degree’ and appeared to be one of the more reluctant agencies regarding outsourcing even though the DDF had used private companies to source vehicles, flights and vessels maintenance and construction works for decades. Further, in 1998-1999 DDF outsourced cleaning and canteen services at five different facilities (out of more than 170 facilities in Denmark). The meaning of that is that selected canteens within the MoD became outsourced and some managers realized “they were provided with much better food” (FBE#1). In 2000, the Outsourcing Council reported low compliance with the MoF’s circular mandating outsourcing across the public sector

\(^5\) This was the first time that an ‘outsourcing degree’ measure had been calculated for the entire Danish public sector; it was measured by dividing the total expenditure on outsourced contracts in a year by the total public expenditure (capital and recurrent).
but it concluded that “there is a broad consensus that tendering will be followed by savings …
typically) of 15%” (Udliciteringsrådet, 2000).

In effect, the MoF and the Danish Outsourcing Council promote an outsourcing program based on
the assumption of a simple and positive causal relationship between outsourcing and cost
efficiency: the higher the degree of outsourcing of public operations to private companies, the more
cost efficient will be the public sector. The assumption about increased cost efficiency through
market competition is in alignment with conventional neoclassical economic doctrines, but as we
will also show below, the assumption is not a consensual matter of fact. Rather, the assumption
about cost efficiency through outsourcing became a matter of concern, as further questions and
concerns emerged about the economic, social and operational feasibility, scale and scope of public
sector outsourcing. Below, we will describe how the Danish outsourcing program played out in one
public sector organization, the DDF, beginning with the establishment of a project group that
subjected the program to a series of tests and trials of strength.

Setting up the project, in situ work and the first trial of strength (2000-2003)
The pressure for compliance to the program’s requirement for outsourcing was growing and as a
consequence the DCD included a specific outsourcing goal in its new strategic directions
pronouncement. The DCD’s strategies for its future were documented in “Vision 2010”
(Forsvarskommandoen, 2000) in June 2000 after a full year’s work and as a result of collaboration
across political parties. It provided a guiding statement on DCD strategic priorities and included a
goal targeted at outsourcing: “The DDF will focus on core areas and optimize and develop the
company, among other things by outsourcing of a limited number of service functions (Eds.
facilities management)" (Forsvarskommandoen, 2000, p. 22). The inclusion of outsourcing amongst the military’s strategic directions stands as an official recognition that outsourcing was part of the relevant external environment of the DDF and, importantly, that some current activities were peripheral, or non-core, to the military effort. That recognition acknowledged that the DDF could no longer ignore the pressures from (a) outside Denmark in the form of EU and OECD’ support of outsourcing and (b) inside Denmark as the MoF and its Outsourcing Council promoted change.

The creation in 2000 of a project group to investigate a pilot outsourcing of facility services for a single barrack under the command of a colonel marked the commencement of analysis of outsourcing in the DDF. While the subject of the pilot study, Holstebro army barracks, was limited in scale, possible ramifications were not. The goal of the project was to explore the economic feasibility of outsourcing by conducting an in situ experiment with a real prospective market subject (the Holstebro barracks). The emphasis on place and related data on the facility in operation is important to the DDF since it acknowledged that empirical investigation down to the level of time-and-motion studies of specific activities was needed to test the theoretical approach being presented to the Danish military experts. That is, the project began as an attempt to get data specific to a DDF location rather than relying on MoF inscriptions and in so doing it also opened up the possibility that there could be other and more feasible economic alternatives to outsourcing: “to optimize DDF’s own [FM] services at a competitive level” (Forsvarskommandoen, 2002, p. 6).

According to Danish law, private companies outside the public sector are entitled to bid for public sector work and the public sector provider is also entitled to make a ‘control bid’ in any contestable

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6 The quote provided from Vision-2010 is as near to literal English as is possible; an interesting aspect of it is the use of the word “virksomheden” in Danish to mean ‘company’ where that word means an undertaking or commercial entity rather than the military sense of ‘company’ to denote an army unit typically commanded by a Major or Captain.
tender process. With these mechanisms, the project group sought in calculations to represent the market by gathering price data from private companies in order to benchmark its own cost of operations. The project group worked under the law and the theoretical assumption that if the market price showed lower costs compared to those of its current operations considered for outsourcing, then that would strengthen the case for a decision in favor of outsourcing. Conversely, if the market price turned out to be comparatively higher, it would strengthen the case for a ‘make’ (internal) rather than ‘buy’ (outsourcing) decision. In essence, the DDF wanted to see if market prices were in reality lower than current production costs rather than relying on the theoretically based predictions underpinning the outsourcing program. The stakes were therefore high. The project group assumed a rather broad perspective to address the question of whether outsourcing of facility services would be economically beneficial for the military since it also considered the alternative option of “internal optimization”. Such an evaluation would allow for an assessment of the relative cost efficiency of the two options: whether internal optimization of operations could outperform outsourcing based on the market and tendering outcome.

Titled ‘PG-UDLIC’ (a Danish acronym for ‘Project Group – Outsourcing’), this project was given five full-time military staff under the command of a Lt. Colonel with a dedicated budget capable of securing management consultancy services to assist its task. One year and nine months later after detailed work specific to the one location, in May 2002, the PG-UDLIC report was finalized. The report concluded that “internal optimization” would reduce current costs by at least 18% and would be a more cost efficient “option” compared to outsourcing (Forsvarskommandoen, 2002, p. 35, p. 43 and p. 15 appendix 8).\(^7\) The project group recommended that “after 4 years the outsourcing option can be reconsidered” (p. 45). At this point, it became clear to all concerned that using ‘live’

\(^7\) The calculation of ‘savings’ (in Danish ‘besparelse’) was carried out in a six year cashflow projection.
in situ data, PG-UDLIC challenged the outsourcing option by recommending internal optimization-first and, since it also considered the time dimension, its recommendation would imply a delay to outsourcing. Further, since the PG-UDLIC recommendation made future outsourcing contingent upon a subsequent eventuality (the result of expected further testing of outsourcing), it left open the possibility of rejecting the outsourcing program.

With respect to the pilot project’s specific barracks (Holstebro), the internal optimization recommendation anticipated planned savings – including those savings resulting from improved productivity arrangements negotiated with the relevant unions (DCD, 2004). An interesting aspect arising was the accounting calculation comparing costs of the status quo against two predictions: an internal provision after ‘optimization’ and an outsourcing provision of the barrack’s facilities services (based on market information provided by an external consulting firm. It is worth noting here that this calculation differs from the typical management accounting ‘textbook’ technique of comparing the current cost to a projected outsourcing cost. The comparison showed that outsourcing was expected to save around 1.3 million DKK over a 6 year period (6.1 % of total status quo costs). That saving however was qualified by the reservation that the private provider’s profit would be likely to exceed the saving and thus it was not in the interests of DDF to outsource since the expectation was that the DDF could capture savings in excess of the private providers’ profit margin and efficiency gains. Interestingly, after completing the numerate analysis of expected costs under the two scenarios, the image of an additional quality (provider profit) was presented without quantification: “the savings from the outsourcing model must however also cover the profits of private providers which will not accrue to the DDF” (Forsvarskommandoen, 2002, p. 43).
The PG-UDLIC report was presented in May 2002. The following persons participated in the briefing: the Minister of Defence, the Permanent Secretary of State for Defence, a manager of the MoD’s accounting department, an Admiral, the Chief of Defence, the Chief of Staff, the Lt. Colonel of the PG-UDLIC-group and the Holstebro barrack’ Colonel. The Admiral presented the report and concluded that a decision to internally optimize before outsourcing would generate the savings asked for by the Minister. In support, the Lt. Colonel said that the PG-UDLIC-report saving estimate of 18 % was the lowest possible and that 25% savings could be achieved from optimization alone without outsourcing. According to a participant in the meeting, the Minister was quite happy with the saving potentials despite the fact that the MoF and the Outsourcing Council had already provided estimations that outsourcing could achieve greater savings. At this point it seemed difficult to reconcile these two opposing claims about public sector cost efficiency but PG-UDLIC’s in situ work triumphed provisionally over the outsourcing program’s in vitro work.

As the PG-UDLIC decision meeting progressed, the manager of the MoD’s accounting department expressed disappointment and became angry at the Lt. Colonel responsible for the report. S/he argued that s/he did not believe the report’s calculations and asked for others. Some discussion about costing methods then took place but the decision to internally optimize was approved with the caveat that after the optimization had been implemented, a decision on outsourcing could be revisited. Two further rationales for the internal optimization decision appeared during the discussion. First, as was noted by the consultants advising PG-UDLIC, if an organization’s operations were not optimized before considering the desirability of outsourcing, an internal control bid would not be effective in avoiding excessively high market prices. Second, the DCD CFO argued that outsourcing would require bothersome accounting system change necessitated by establishment of a new separate organizational entity to manage the outsourcing arrangements. The
Chief of Defence, supported by the Minister and the Permanent Secretary of State for Defence, chose to follow the PG-UDLIC report conclusions and ordered internal optimization-first for four years to be followed by tenders; thus there was not a definitive decision on whether the DDF should implement or reject outsourcing.

The PG-UDLIC decision meeting was significant since a number of individuals at that meeting were to later become more significant in the outsourcing decision, as shall be seen, and they were not convinced by the PG-UDLIC work. In characterizing the PG-UDLIC project, it can be noted that it did not faithfully follow the program of increased outsourcing. Rather it became the organizational mechanism through which the program’s assumptions about the economic efficiency of optimization were tested by gathering in situ data and exploring an alternative option that was contrasted with the program’s preferred option. When the project group concluded their trial and exploration by recommending internal optimization, it challenged the program rules of the game and in turn triggered a controversy which came to implicate an extended series of trials of strength involving additional accounting calculations. While the DCD followed the PG-UDLIC recommendation rather than the program, it appears to imply transformation in the form of a bifurcation point: two options are recognized, but the one followed next is internal optimization. The DCD decision to optimize while putting outsourcing on hold was controversial and dissatisfied several persons who later, in 2009, came to participate in the Big Bang outsourcing decision. The decision to postpone outsourcing seems to implicate multiple rationales including: priority of location over market; concerns about the people working with the DDF facilities; military core functions in terms of weapon depots and security; and, additional costs of adapting the DDF’s accounting and control system. In effect, the project and decision to postpone came to implicate a trial of strength that challenged the program and the institutionalized trials which stipulated the
rules of the game to be about outsourcing *in the present and without concern for location*. The project continued in the years following the report as the internal optimization-first strategy was executed during 2002 – 2005. However as will be further elaborated below, the PG-UDLIC project (Forsvarskommandoen, 2002) also gave rise to controversies concerning the rules of the game.

*In vivo experiments: five requests for tenders after PG-UDLIC (2006 – 2008)*

PG-UDLIC’s work helped to clarify the stakes by formulating two strategic options and by evaluating their relative value and claims to cost savings based on *in situ* data on operations. However, PG-UDLIC had not accessed live *in vivo* market data via tenders and so its calculations were subject to the same challenge as the program’s *in vitro* workings: they were grounded in assumptions about a market. Prior to PG-UDLIC, outsourcing was simply deemed to be the one best path to increased public sector cost efficiency based on *in vitro* workings regarding a market. By 2006, two opposing positions had emerged and sparked a controversy in the DDF and its key constituencies. Three years after the release of the PG-UDLIC report, five further ‘tests’ of outsourcing were called for in separate tenders. While the internal optimization strategy was being executed, the MoF and the Outsourcing Council continued to measure the DDF’s ‘outsourcing degree’ and the OECD was quoted by the MoF (Finansministeriet, 2005; OECD, 2005, p. 107) as noting that Denmark’s public sector has: “substantial potential for further competitive tendering and outsourcing”. A General and a Lt. Colonel investigated how the MoF calculated the outsourcing degrees and found them to be incompetently calculated\(^8\) but nevertheless could not overthrow the calculations nor could they alter the current fact that the DDF outsourcing degree was lower than average for the Danish state sector (FBE#1).

\(^8\) An accounting technicality arose whereby capital intensive organizations, such as the DDF with its large equipment procurements, were not treated differently in the ‘outsourcing degree’ calculation compared to organizations with predominantly recurrent funding.
The MoD and the MoF continued to point out that outsourcing must take place. A meeting in 2005 was arranged with the Minister of Defence (who had shown interest in the PG-UDLIC report back in May 2002), the Permanent Secretary of State for Defence, the MoD’s CFO (who had asked critical questions at the PG-UDLIC briefing), an MoD divisional manager (an officer who three years later in 2008 would become Chief of Staff), some Colonels, Generals and a few CEOs of Danish cleaning companies. Out of that meeting came a decision by the Minister to test outsourcing in a limited number of barracks and services. Simultaneously, a consultancy company was hired to restructure the whole of the DDF and the decision to centralize all of the DDF facilities services in one unit, called FBE, was made with implementation to commence from 2007. The plan was to appoint a commissioned officer as CEO of FBE. However, the MoD’s intervention ensured that the position was occupied by a civilian manager experienced in outsourcing from August 2006.

Amongst FBE’s first acts were preparations for the coming tenders by establishing two independent units, one for organizing tenders and the other to provide control bids (FBE, 2006). To present a control bid is a possibility according to the law of tender under strict regulation by the MoF. In addition to the two departments, a “Chinese wall” was established between them so that the people working in them were prohibited to communicate.

The tenders intended to test outsourcing with in vivo data are shown in Table 1 which summarizes the prices bid as a percentage of the DDF’s control bid and the outcomes. Collectively these tenders amount to a significant body of data that both the network in favor of outsourcing and the network

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9 The agency calling for tenders can provide an internal or “control” bid to test whether the market is efficient and thus whether private provision should proceed. The subsequent tender evaluation is mandated to be conducted independently of the control bid and its preparers through an independent agency or behind a ‘Chinese Wall’ ensuring separate scrutiny.
in favor of internal optimization could invoke to support their respective options. That is, the body of tender results did not resolve the contest and controversy but instead provided results that fuelled it as both sides in the controversy used them to support their cause.

<table>
<thead>
<tr>
<th>Tender</th>
<th>% price differential: FBE control bid relative to lowest tender</th>
<th>Outcome of tender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Braband SOK</td>
<td>96%</td>
<td>Awarded to FBE on basis of control bid</td>
</tr>
<tr>
<td>Avedøre FKIT</td>
<td>96%</td>
<td>Awarded to FBE on basis of control bid</td>
</tr>
<tr>
<td>Ballerup FMT</td>
<td>91%</td>
<td>Contract issued to 3rd highest bid</td>
</tr>
<tr>
<td>Korsør KOR</td>
<td>178%</td>
<td>Cancelled: no complying bid; FBE continued internal provision</td>
</tr>
<tr>
<td>Antvorskov ANT</td>
<td>93%</td>
<td>Cancelled; FBE continued internal provision</td>
</tr>
</tbody>
</table>

Table 1: Overview of tendering experiments (FBE, 2007 and 2008c)

Over a 26 month period, the testing of outsourcing managed to repeatedly demonstrate what both sides already knew from the first trial set up by PG-UDLIC; but it failed to produce common ground which both sides considered to be probative evidence. The program network ignored instances where the control bid was lower than the tender other than to conclude that the tender was poorly constructed and had not attracted a competitive market or that the control bid was unreasonable. Similarly, the network in favor of internal optimization looked beyond instances where the control bid exceeded the lowest tender since they argued that the tender was non-compliant. Further, both sides disputed the risk and uncertainty arising from claims for compensation under untested legislation introduced in 2002 to better regulate the labor market due to an expected increase in public outsourcing and transfers of workers to private employment. The complexity of these issues is summarized in Table 2 where the contested grounds concerning the rules of the game are shown.
### Rules of the game being argued during tendering experiments

<table>
<thead>
<tr>
<th>Program option: Increased outsourcing ('Big Bang')</th>
<th>Project option: Internal optimization-first (with undertakings to assess outsourcing later)</th>
</tr>
</thead>
</table>

### Importance of DDF specificity including location

- Not important since facility services are pervasive and a competitive market will emerge where buyers attract sellers; hence unimportance of *in situ* data
- The DDF is unique in Denmark and so a competitive market is not guaranteed; hence importance of *in situ* data

### Price comparison between FBE and private providers

- Tender price is unknown because the tenders were too small in size to "test the market" and the control bids were not realistic (too low). However, in theory, the market should be efficient therefore outsourcing should result in savings
- "FBE’s control bids were mostly lower than the tender prices and so demonstrate that the optimization had worked as a strategy" (FBE#2) to the extent that outsourcing was not needed and it would not result in savings

### Assessment reliability

- The ‘Chinese wall’ within FBE did not secure reliable control bids and FBE was successful in signaling to industry that tenders were likely to be beaten by internal provision.
- FBE had organized itself so as to separate control bidding from tender evaluation; that is: “the Chinese Wall was effective in securing objectivity and due procedures (FBE#3).

### ‘Core business’

- Facilities services “is not core to the military effort” (DCD#3)
- Without effective facilities services the military effort will be impaired; these services form part of Denmark’s “weapons platform” and “security around the military facilities.” (FBE#1)

### Risk arising from private provision

- Since the practice of outsourcing was common elsewhere and the impact of labor laws was unknown, the risk arising from outsourcing was acceptable. Also, some companies had been falsely advised about risk by FBE
- Risk of interruption to services and/or higher prices was very significant; as evidence, a major facilities company had refused to tender due to their consideration of risk arising from employment impacts. (FBE#1)

### Quality assessments

- “Equal levels of service quality are available in the marketplace” (DCD#6)
- There may be no market provision of a range of services in any one place so if outsourcing is to happen it: “will require multiple contracts with multiple suppliers and incur high transaction costs including monitoring of contracts and service delivery” (FBE#1)

### Need for modernization

- The need for change as measured by ‘outsourcing degree’ is legitimized by practice elsewhere, and directives by the MoF, Danish Government, OECD and EU.
- The market tests show that there is no notable cost efficiency from outsourcing compared to internal optimization, it’s risk is too high and it is not able to deliver services of the required quality

| Table 2: Summary of controversies between program and project around the rules of the game |
An additional controversial issue emerged concerning the progression of the trials: “The MoF and MoD considered that the process (calling tenders and evaluating the bids) went too slowly” (DCD#1). It seems that the agencies’ impatience was linked to the many inconclusive results emerging from the trials in the wake of the PG-UDLIC report as well as increased pressure on the MoD to deliver an increase in the quantum of outsourcing. This fact was further clarified by the MoD corporate management team which reported (Forsvarsministeriet, 2007, 19/6) to the MoF that the total outsourcing degree in the DDF dropped from 19% in 2005 to 17% 2006. Just four months earlier, on February 28 the MoD issued a new inscription in the form of a control document (Forsvarsministeriet, 2007, 28/2) which stipulated an increased goal for the degree of outsourcing, up from 18% (for 2005) to 20% (for 2007). Since the DDF’s outsourcing degree was only 17% DCD and MoD could now require corrective actions. In effect, the program had responded by reinforcing the institutionalized trial and its rules of the game so as to increase pressure on the DDF. This new inscription and its reinforcement of the program’s rules mark a turning point in the controversy.

*In vitro experiments: Mobilization up to the ‘final show down’: 2007 February – 2009 June*

During 2007, it became apparent that a ‘final showdown’ was imminent and that additional resources were needed to settle it. The preparatory period and successive trials had not only helped to clarify the two strategic options with respect to their costs and benefits but also transformed the actors and networks behind them. Criticisms emerged: private companies accused the FBE of lodging insincere control bids; the DCD repeated its criticism that the Chinese Wall was ineffective in keeping the two FBE units apart; and, the DCD argued that the control bids were unrealistically low as a result of cross subsidization and inaccurate costing systems. In response to such criticism, the FBE CEO commissioned the State Attorney to independently evaluate the control bid
organization and the bids. Although the State Attorney confirmed the probity of FBE’s actions, by December 2008 the FBE’s CEO had resigned as pressure rose.

By the end of 2008 the rival networks had reconfigured themselves: notably, the DCD, having previously made decisions in favor of internal optimization, instead developed a new interest in favor of speedy outsourcing. Along with this, the MoD also changed its goal and supported the scaled-up outsourcing ambitions. Intervening in this transformation of interests and identities was a change in the scale of proposed outsourcing. The network behind the outsourcing option had refined their approach in the wake of the trials. In their interpretation, the trials had revealed a weakness concerning costs arising from the scale of outsourcing. Instead of remaining indifferent or unclear about the number and size of contracts, with the possible effect that many smaller and time consuming tenders would be followed by costly control bid and contracting procedures, the outsourcing network scaled up their ambitions and goals. It thus aimed for very large contracts, complete outsourcing also termed the ‘Big Bang’ which was deemed more cost efficient both in terms of reaping possible cost reductions from economies of scale, as well as in terms of lower transaction costs (reduced number of contracts and costly contract administration). In contrast, the rival network maintained their ‘small scale’ approach by considering smaller size contracts limiting outsourcing to small and locally-based service providers delivering only a single service.

The most notable feature of the mobilization phase is that both networks put significant effort into producing inscriptions that strengthened their core rationales. These inscriptions were mostly reports, including expert reports from both networks, but also included formal agreements, strategy documents, memos, calculations of the impact of outsourcing, personnel decisions that replaced major players in both networks, business cases and letters to staff. Table 3 summarizes the main
inscriptions produced by each network and evidences that increasingly the network promoting outsourcing was able to produce more – and the most powerful – outputs.

<table>
<thead>
<tr>
<th>Outsourcing Program (with an increased scale): inscriptions and actions</th>
<th>Project: <em>in vivo</em> tests of internal optimization-first: inscriptions and actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) 1 Jan '07: a centralized unit for delivery of facilities services, ('FBE') was created within the DCD; this was a precondition for outsourcing since it aggregated the numerous service functions under a single management structure and ensured it was staffed with personnel experienced in outsourcing</td>
<td></td>
</tr>
<tr>
<td>(2) 28 Feb '07: MoD and DCD agreed a Control Document requiring DDF to achieve a 20% outsourcing measure and report on outsourcing with respect to specific expense accounts. The goal for outsourcing degree was increased from 18% in 2005 to 20% in 2007 by MoD.</td>
<td>(1) Apr-Dec '07: FBE cancelled three tenders due to lack of competitive bids; awarded one contract at a higher price than FBE’s control bid (small scale: involved transfer of only two FBE staff)</td>
</tr>
<tr>
<td>(3) 1 May 2007: New Permanent Secretary of Defence appointed (previously with the Ministry of Justice); replaced a supporter of the internal optimization-first strategy.</td>
<td>(2) Dec. 13th 2007: FBE proved that FBE was competitive on price in a smaller tender, but gave the contract to an external provider regardless.</td>
</tr>
<tr>
<td>(4) 19 Jun '07: MoD noted that DDF failed to achieve the goal of outsourcing since the degree had fallen to 17% in 2007 and so directed that facility management must be outsourced.</td>
<td>(3) Early 2008: Deloitte commissioned to advise on suitability of FBE control bid methodology; Attorney-General asked to test FBE control bid process. Both found the process to be in order.</td>
</tr>
<tr>
<td>(5) 1 Nov '07: Minister of Defense enquired as to which senior officer could be relied upon to implement outsourcing if appointed to DCD Chief of Staff position</td>
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<tr>
<td>(6) 1 Apr '08: McKinsey hired to review FBE and advise on potential outsourcing opportunities</td>
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<td>(7) 18 Jun '08: DCD ordered FBE to identify “focus areas” for the approved McKinsey review.</td>
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<tr>
<td>(8) Aug '08: New DCD Chief of Staff appointed (prior role was liaison with the MoD); an advocate of outsourcing</td>
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</table>
Considering the mobilization period in retrospect, it is apparent that it was a time of frenetic activity around which both networks placed high importance on ‘breaking through’. The outsourcing network went beyond limited, small contracts based in single barracks or for separate functions. Instead, it began to argue for a “Big Bang” approach which could be implemented with just two contracts covering roughly half of Denmark each. In contrast, the network in favor of internal optimization continued to question outsourcing but it also changed to the extent that it argued that if outsourcing was required despite their arguments for an alternative option, the tendering, the control bid and the subsequent control of the contracts should still be organized by FBE. Thus the network in favor of internal optimization softened its stance somewhat but continued its strategy of
questioning the outsourcing network’s major claim of 100-200 million DKK annual savings, around a 30% saving, from outsourcing.

The network behind internal optimization was both perplexed and frustrated that their calculations and results had not persuaded the opponents about the relative advantage of their option: “We just tried to optimize and to compete competently with the private companies, but they did not care about that and the staff” (FBE#2). The five tenders (and the earlier analysis within PG-UDLIC) had found internal provision to be least-cost compared to outsourcing but these results generated criticism of the internal optimization project in at least three ways. First, the network favoring outsourcing criticized the accuracy of FBE’s internal bids by alleging cross-subsidy from FBE’s other activities whilst also alleging a breakdown in FBE’s ‘Chinese wall’ separating the bid and evaluation processes. Second, based on feedback from private companies, it was argued that the contracts were too small to be of commercial interest to large companies. Third, FBE’s control bids were thought to have signaled to private businesses that the DDF was not sincerely interested in outsourcing. The network supporting outsourcing thus argued that competent companies were being discouraged from expressing interest in the tender process. That criticism underpinned a new set of evidence constructions via the well-known consulting company McKinsey in 2008 and 2009. In its work, McKinsey replaced the actual tender bids’ in vivo workings with in vitro workings on why the private sector should be least-cost compared to internal provision. That is, whereas the network behind the project of internal optimization used data from ‘live’ tenders, the network behind the outsourcing program relied on new and more aggregated accounting inscriptions based on general assumptions about labor cost and productivity, for example that a facility worker in DDF would perform at the work pace of 100%, while a private company’s staff would work at 130% (McKinsey, 2008, 3/11, p. 26). Those quite aggregated calculations and their bases within the
generalized universe of the outsourcing program were not fully accessible to the project behind the internal optimization option. The project was consequently disadvantaged by the program’s shift towards more abstract and generalized in vitro calculations and therefore left more vulnerable since the relative cost and benefits of internal operations was now outside of its control. Related events facilitated this shift in the comparative strengths of the program and project:

- First, the MoD and the MoF increased pressure whereby the DDF were compelled to expand outsourcing as measured by the extent of the DDF’s budget being paid to private providers. This pressure was constant but with some intensity around the actions to require minimum levels of outsourcing in 2007 and to subsequently report on outsourcing to the MoF.

- Second, the internal optimization project became victim of its own method to focus on cost since that provided data which demonstrated the high transaction costs of the tenders. The costs of calling for tenders, preparing a control bid and evaluating all bids were estimated to be around 2 million DKK per contract (FBE, 2008d) or an astounding 28% of the tenders’ average size. The quantum of these costs was used by the proponents of the outsourcing program to argue that even larger contracts were needed, that is, it moved towards the “Big Bang” model with only two contracts.

- Third, significant personnel changes meant that the DCD and MoD both aligned with the outsourcing program and became active in promoting it by equipping the Strategic Outsourcing Unit and commissioning McKinsey to perform a review of FBE and outsourcing. They also emphasized the ‘global engagement’ report (Defence Commission, 2009) whereby the DDF’s role would move from territorial defence to international missions and so rely less on domestic logistics as a ‘weapon platform’.
During 2008, the DDF’s Chief of Staff established an informal task force to consider ways to increase outsourcing. One result from this work was the identification of a new strategic third option which entailed seeking only two outsourcing contracts for the whole of Denmark and without providing ‘control bids’ (Forsvarskommandoen, 2008). In effect, the program now refined its own rules of the game: while the law stipulated the control bid as an option, the program now explicitly formulated a third strategic option which disregarded control bids. The DCD’s strategy department argued that for the 800 people working within FBE’s facilities services it would be better if the outsourcing was swift rather than one that “prolonged their uncertainty about the future” (Forsvarskommandoen, 2008, p. 2). A new strategic outsourcing unit (DCD’s SOU) was announced along with a new project organization that would assume responsibility for executing the new and more ambitious strategic option (Forsvarskommandoen, 2009). In case control bids still were to be used, they would be prepared by the SOU and the new project organization reporting to the accounting section under direct control of the Chief of Staff. In effect, the SOU and project organization were given the task that was previously within FBE and project PG-UDLIC.

By June 2009, the program network appeared to have secured Parliamentary support for the DDF Chief of Defence to implement an outsourcing strategy (Forsvarsforslig, 2010-14, p. 23) and so it set about implementing its new scaled up goal, the ‘Big Bang’. Nevertheless, an intense debate emerged involving DDF and the Parliament concerning the outsourcing of military functions and services. In that debate, the Minister of Defence clarified: “we do not outsource for its own sake – outsourcing must only take place if it is economically profitable” (Berlingske, 2010). During the East Denmark tender assessments, the FBE was again allowed to prepare a control bid, yet according to an FBE manager, calculating the control bid created further internal methodological
debates. Eventually, the SOU was assigned the responsibility of preparing and executing the first large contract in excess of 6,000 pages for a single private provider to supply all facilities services in East Denmark (FBE 3). The SOU was also in charge of the next large project covering facilities services for West Denmark (Forsvarskommandoen, 2010) and in November 2013 it awarded a single contract with an expiry date aligned with the East Denmark contract’s expiry.

Following the DDF’s outsourcing contracts 800 FBE staff were transferred to the private sector. Only a few FBE staff remain employed within the DDF for the much narrower task of contract and vendor monitoring (contracting and tendering remained with SOU). In consequence of the outcome of the trial of strength, both the people who remained in FBE and those who left had their identities reconfigured along with FBE itself. As a result, after more than two decades, Denmark has moved from considering its military establishment operations as being ‘core’ to its sovereign defense to a stance where those operations are reliant on private provision. That movement transformed the network behind internal optimization from where it enjoyed success according to its own criteria and strategic options to a situation of being judged as a failure according to criteria put in place by the new scaled-up outsourcing initiative. Thus, the network behind internal optimization was unable to influence, nor prevent the execution of the ‘Big Bang’.

From the start of the project PG-UDLIC through to the end of the mobilization phase, there was significant change in the goals, and thus identities, of the two networks. The outsourcing strategists reinforced their approach by increasing the ‘outsourcing degree’ goal from 18% to 20% and then opting for fewer but significantly larger contracts, i.e., the ‘Big Bang’ option, whereas the strategists behind internal optimization retained their goal of promoting ‘internal optimization-first’. These two goals were incompatible and the outsourcing network, with its greater investment in
inscriptions of persuasion, reinforced by a new strategic unit and their own project organization, became well prepared to resist the internal optimization alternative and to extend their position further by taking outsourcing to a scale that included all facilities services and to be delivered through only two large contracts. With the above description of the protracted case of Danish military facilities services outsourcing, to the remainder of the paper discusses insights and contributions that may be drawn from the case.

Discussion and conclusion

Our research has revealed that the accounting inscriptions can assume an important and complex role in formulating and negotiating the strategic options for programs, projects and host organizations during trials of strength. Building on accounting literature that has addressed questions about the role of accounting inscriptions we asked the following research question: How do accounting inscriptions shape outsourcing options in on-going series of trials of strength? Below we will summarize the most significant findings in this respect, before we discuss them in relation to accounting research.

The role of accounting inscriptions in trials of strength

The dynamic and complex role of accounting inscriptions in our case can be summarized in three interrelated episodes: (1) the program’s initial outsourcing option was reinforced by accounting inscriptions designed to measure the ‘degree of outsourcing’. This setup is akin to what Bourguignon and Chiapello (2005, p. 669) term an “institutionalized trial.” When the MoF and MoD put the DDF on trial and reported its relatively low degree of outsourcing, the latter could ignore, follow or attempt to challenge that set up and trial. The DDF opted for the last option, which brings us to: (2) intervention by the project organization PG-UDLIC. Our account reveals that the program’s institutionalized trial was challenged in terms of option, accounting methods and time
perspectives in a series of trials of strength. The establishment of PG-UDLIC and its intervention on behalf of the DDF constituted the first organized trial of strength in this respect because it formulated an alternative strategic option, ‘internal optimization-first’, and only considered outsourcing as a supplement that could eventually be implemented later if proven economically feasible. This detour is integral to the trial of strength and can be conceptualized in a more specific manner as an instance of ‘goal translation’ (Latour, 1999).

According to Latour (2002) and Tryggestad, Georg and Hernes (2010), ‘technical action’ can also shape goals. In our case, the technical action concerned the calculations of the cost/benefits of the two competing options. Value statements such as options (and goals) are not independent of the devices for calculation and accounting, and success in favour of internal optimization-first was based in calculations that also included a method for how and when to execute small scale tests of tendering and control bids for the coming years. The resulting report and accounting inscriptions implied both a response and a challenge to the outsourcing program as a new option and evaluations emerged for consideration of the relative importance and value of outsourcing. However, that project success also produced new controversies that shaped the third episode in our case. (3) Finally, the network behind the outsourcing program responded by reformulating and increasing the performance goal and by pressing for immediate and larger scale ‘Big Bang’ outsourcing. At that stage the program exhibited awareness of the need to be appropriately equipped with accounting inscriptions. In addition to the increased target, a new consideration was the transaction cost in setting up contracts and so the method of calculation changed as the outsourcing approach was scaled up with larger and fewer contracts. This new approach to save on transaction costs by reducing the number of contracts also implied problematization of the ‘control bid’ and the small scale tendering approach promoted by the PG-UDLIC project so that while outsourcing started as a
means to achieve the DDF’s goal of cost saving and increased efficiency in service delivery, it ended as a goal in itself. The ‘Big Bang’ emerged in the wake of this protracted trial of strength. In this way we claim to add nuance to the view that organizational actors use accounting as a means for their own ends (Ahrens and Chapman, 2006) by pointing to the dynamic and emergent role of the accounting inscriptions in shaping and valuing outsourcing options during a protracted series of trials of strength. Additionally, using Rowe et al.’s (2012) insights, we see how calculations based on in situ operational costs were presented by the project to be inherently more convincing because of their location-specificity than the program’s more general in vitro estimations of claimed benefits. Across these observations the rules of the game were changed during the trials of strength.

Development of the concept of trial of strength for accounting research

The trial of strength concept has been put to good use in accounting research (Briers and Chua, 2001; Revellino and Mouritsen, 2009). Our research builds on that usage and extends it by considering the case of outsourcing, and in particular in the public sector. The institutionalized trial initially set up by the program involved general rules about degrees of outsourcing and rationales about increased cost efficiency but, in response, the internal optimization-first option involved a different set such as the importance of logistics, a conceptualization of the weapons platform, consideration of the impact of outsourcing on facility workers although still wanting to economize on expenditure. While the process of outsourcing can be characterized as an institutionalized trial in the period up to the establishment of the project PG-UDLIC, the process and events that followed are better characterized as a series of trials of strengths. Integral to this are controversies and mutual resistances over emerging rules concerning outsourcing. There was no clear common ground, nor any consensus about goals and methods for evaluating the cost/benefit of the two options. If the institutionalized trial was initially set-up with clarity and independence, during the trials of strength
it lost these features and the outsourcing program was also frustrated and delayed. In response to this frustration, the program changed the rules of the game in several respects: by increasing the outsourcing target; by significantly enlarging the economic size and geographical scope of the outsourcing contracts; by creating an organizational structure for managing the enlarged outsourcing option; and, by altering HRM policy for swift transfer of DDF personnel to private facility companies. These changes were aimed at establishing legitimacy. The fact that only one small outsourcing contract emerged before the ‘Big Bang’ was because the attempts to outsource had not established legitimacy. Thus legitimacy was not given initially through the set-up of the institutionalized trial, rather legitimacy and the rules that constituted the institutionalized trial were part of what was produced during the trials of strength. It was only after the outsourcing program returned, better equipped and more refined, that legitimacy was obtained. If our story had ended in 2007, the PG-UDLIC project would appear victorious and legitimate; however at the time of writing, the balance of forces had changed in favor of the refined and enlarged outsourcing option as an integral outcome of the trials of strength. In this sense, we also claim to add to studies of valuation (Helgesson and Muniesa, 2013) by demonstrating the topicality of valuation in a pervasive public sector reform that has had significant global impact whilst also addressing the complex dynamics between institutionalized trials and trials of strength, i.e. their protracted and concatenated nature through which value and legitimacy is achieved and the spectacle of valuation (Muniesa and Helgesson, 2013) may become a tool.

Projects and programs as centers of calculations in trials of strength

We show the quite pervasive role of a program (Miller 1992; Miller and O’Leary, 2002) for outsourcing and how it played out in the DDF as it was subjected to trials of strength and transformation with our focus being how the project as a temporary organizational arrangement
(Lundin and Söderholm, 1995; Kreiner, 1995) play a role in the trials of strength. There is contribution arising from this, concerning the role of projects and programs and how they are implicated in calculations and in setting up trials of strength. Our case and findings suggest that there can be many and quite complex roles. The PG-UDLIC project did not faithfully follow the prescribed role of implementing the outsourcing program but instead assumed a more strategic role that challenged the program by exploring and calculating alternative options. It was through the establishment of the PG-UDLIC project that the DFF could mobilize and organize the calculations and accountings which allowed them to evaluate the relative value and relevance of the outsourcing program. In the parlance of Latour (1987), the project organization is similar to a center of calculations, established in response to the program. As also noted by Boltanski and Chiapello (2005), project organizations can be established for many purposes, even in opposition to spirits of capitalism, and we also consider this kind of active and strategic role for projects to hold for the case of outsourcing. In this respect, we show how the project assumes an active strategic role in negotiating the outsourcing program and the associated set up of the institutionalized trial (Bourguignon and Chiapello, 2005), by formulating and executing an alternative option.

The PG-UDLIC project also emphasized the in situ specificities of space and location which the program ignored. Instead the program used an in vitro-based approach which started from the theory and assumption of an efficient market and that the presence of buyers would attract competitive sellers regardless of location. Thus while the program enacted and promoted the expansion of a facility management market, the project questioned value of this program and option. Equally, the program and project differed in their interpretations of time since the project incorporated time for organizational change and improvements in its analysis but the program assumed that the analysis can only be based on the immediacy of the present; thus like Callon
(1986), our case points to the complex dynamics between a program and a project. As the project challenged the program’s outsourcing approach by using its *in situ* analysis to promote *in vivo* small scale tender testing, the latter responded by establishing another more faithful project with different data. We have theorized this prolonged series of trials of strength by drawing upon and extending the twin notions of *in vivo* and *in vitro* experiments and trials of strength (Callon 2007; Callon and Muniesa, 2005). In addition to *in vivo* and *in vitro* experiments regarding markets, we note that *in situ* analysis of strategic options can emerge from projects where the emphasis on place can be used to contest the importance of markets. However, each of these experiments and analysis are contested during the inevitable trials. For example, the new project disregarded the *in situ* data and used the results from the *in vivo* tendering results to argue the case for scaling up the size of the outsourcing contract in order to avoid the transaction costs as demonstrated by the *in vivo* tests following the recommendations of project PG-UDLIC. In responding to Quattrone and Hopper’s (2005) ‘time-space odyssey’ we note that in contrast to a program, a project’s time is more limited and it can also provide a more specific focus on space/location. In terms of time and space, PG-UDLIC defined the space for the program to be limited to individual military establishments whilst also adopting a timeframe which extended beyond the typical present-day analysis which is observed in textbook treatments of make-or-buy decision-making. By at first delaying outsourcing while also paving the way for small scale and location-specific *in vivo* tender experiments a few years later, PG-UDLIC had imposed a different time-space dynamic on the program and until 2007 it had been remarkably successful in delaying the timing and extent of the program’s objectives.

**Implications**

This article shows how accounting inscriptions become constructed and circulated in on-going trials of strength between projects and program. As outsourcing options emerged and were pitted against
each other they became valued through protracted trials of strength. The process implicates in vitro, in situ and in vivo economic experiments of the value and size of anticipated organizational reform, going from internal optimization and small scale tendering towards the ‘Big Bang’. Integral to this trial of strength is the successive mobilization of new and more aggregated in vitro data and estimations obtained from outside the public domain, such as the program’s use of labor productivity data for private facility workers (supplied by a consultancy firm). The breakthrough of the program’s outsourcing option seems to be facilitated by this attempt to harden (Rowe et al., 2012) the data supporting a scaled-up outsourcing program across Denmark. The trials of strength influenced both the time and space of the DDF’s outsourcing. From this observation come further insights into how programs work and develop (Miller and O’Leary, 2002) in dynamic interaction with projects in protracted trials of strength. In conclusion, the paper shows that the project does not help in escaping costly institutionalized trial and can play an active role by subjecting ‘the new spirit of capitalism’ (Boltanski and Chiapello, 2005) to a test in the form of an unexpectedly costly and protracted trial of strength.

Our article further suggests that to study the dynamics between and within programs and projects during the trials of strength that they entail, can be a promising avenue to understand the mechanisms of related phenomena like strategy and organizational change, resistance to change, reforms, market expansion and distinctions such as those between public and private sectors.

Projects can become organizational mechanisms for counter-calculations and reflexivity; issuing of inscriptions (Busco and Quattrone, forthcoming); equipment that can change the balance between opposing forces; and, opening up for futures and actions that are not presently programmed or predetermined – at least for a while. Others (Boedker and Chua, 2013) have also encouraged more
research into this possibility, while also considering instances such as anti-programs (Tryggestad, 2005) that can define unexpected alternative strategic options. Since projects are temporary organizational arrangements, their duration and outcome can also be dynamically related to rival and emerging programs and other projects (as was the case in the Danish military). The PG-UDLIC project can be considered an anti-program and an obstacle in the eyes of the program. This type of resistance with its consequential delay and cost may provide insight into an increasingly cited flaw of public sector reforms in recent decades (Lapsley, 2009). That is, whilst reforms are promoted by programs, if the accounting inscriptions offered in support of such reforms are considered ‘soft’ there will remain a pool of resistance to the reform, as noted by Rowe et al. (2012). We consider these findings suggestive; there can be more to projects and programs and they warrant further research, notably concerning the complex roles and links between accounting inscriptions, projects and the more permanent national and international programmatic organizations such as the OECD.

In future research several agendas can be pursued. One of them would be to bring further into the fore, how organizational reforms such as outsourcing become valued in trials of strength as ongoing economic experiments and to what extent the (accounting) rules of the game become part of that which is tested. Implicated in this will be how such organizational reform generates unexpected costs including both economic and social costs. Second, studies that seek to deepen insights into the dynamics between program and project are likely to be fruitful if they can throw further light on how these organizational arrangements accommodate strategic, organizational and accounting change. Third, we envisage benefit from studies that focus on turning points where one set of calculations such as in situ or in vivo is supplanted by more abstract in vitro calculations. Specifically, if projects are temporary organizational arrangements that are terminated "when time is up" (or when the task is accomplished), programs by contrast, are less time constrained and also
more general in spatial application and organizational scope. In our case the program, in contrast to the project, extended beyond the formal organizational boundaries of DDF to the Danish state's sectors and even across other EU states. *In situ* and *in vivo* data was thus transformed into *in vitro* (aggregated and generalized data about 'outsourcing degree', '130% pace of private workers', 'economies of scale') and it is perhaps this transformation and unique quality that can make the program more powerful than the project. Further studies testing this point would be most beneficial.

We return to Hopwood’s (2007) observation that minimal understandings exist regarding the shifting (turning points) locations of economic calculation and control. Calculations frequently reside dynamically in and between projects and program in our current-day society. Such calculations can take the form of being *in situ, in vivo and in vitro* and interestingly the latter ends up being the most forceful. It could be indicative that *in vitro* calculations consistent with a program are likely to be hardened unless significant investments in the project can manifest a new program.
## Abbreviations:

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>DCD</td>
<td>Defence Command Denmark: the command structure in control of the military forces of Denmark</td>
</tr>
<tr>
<td>DDF</td>
<td>The military forces of Denmark: army, navy and air force</td>
</tr>
<tr>
<td>DKK</td>
<td>The Danish monetary unit, Danish Krone, equal to approximately 0.075 Euro</td>
</tr>
<tr>
<td>FBE</td>
<td>Facilities Management Unit (within DCD)</td>
</tr>
<tr>
<td>MoD</td>
<td>Ministry of Defence</td>
</tr>
<tr>
<td>MoF</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>SOU</td>
<td>Strategic Outsourcing Unit (within DCD)</td>
</tr>
<tr>
<td>PG-UDLIC</td>
<td>Project Group-Outsourcing (in FBE)</td>
</tr>
</tbody>
</table>

## Interviewee list:

<table>
<thead>
<tr>
<th>Interviewee number</th>
<th>Interviewee Code</th>
<th>Descriptor notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td>FBE#1</td>
<td>Colonel, Deputy CEO of FBE</td>
</tr>
<tr>
<td>4</td>
<td>U#1</td>
<td>Union representative, 3F</td>
</tr>
<tr>
<td>5</td>
<td>DCD#1</td>
<td>Chief of Defense</td>
</tr>
<tr>
<td>6</td>
<td>DCD#2</td>
<td>Department manager in the Ministry of Defense/Chief of Staff</td>
</tr>
<tr>
<td>7</td>
<td>DCD#3</td>
<td>Chief of Defense</td>
</tr>
<tr>
<td></td>
<td>FBE#2</td>
<td>CEO of FBE</td>
</tr>
<tr>
<td></td>
<td>MoD#1</td>
<td>Permanent secretary of state within the Ministry of Defense.</td>
</tr>
<tr>
<td></td>
<td>SO#1</td>
<td>General, home guard.</td>
</tr>
<tr>
<td></td>
<td>U#2</td>
<td>Union representative, FOA</td>
</tr>
<tr>
<td></td>
<td>DCD#4</td>
<td>Civil servant of MoF/CFO of the FKO/CEO of the MoF. Agency for Modernization of the Public Sector.</td>
</tr>
<tr>
<td></td>
<td>MoF#1</td>
<td>Outsourcing provider (with own company. Chairman of officers’ union Member of Liberal Party (?). Son of an influential Liberal Party politician</td>
</tr>
<tr>
<td></td>
<td>PSP#1</td>
<td>Outsourcing provider (with own company. Chairman of officers’ union Member of Liberal Party (?). Son of an influential Liberal Party politician</td>
</tr>
<tr>
<td></td>
<td>MoD#2</td>
<td>Major, the Ministry of Defense.</td>
</tr>
<tr>
<td></td>
<td>MP#1</td>
<td>MP for Social Democrats, member of Parliament’ Committee of Defense.</td>
</tr>
<tr>
<td></td>
<td>MP#2</td>
<td>MP for the Liberal Party, Chairman of Parliament’ Committee of Defense.</td>
</tr>
<tr>
<td></td>
<td>U#3</td>
<td>Chairman of Local Defense Union (FLO). Representing all of the Defense Service Function Staff.</td>
</tr>
<tr>
<td>FBE#3 C#1</td>
<td>FBE tendering manager/Consultant of Brix and Kamp concluding that FBE is qualified as outsourcing organizer.</td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>---------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>U#4</td>
<td>KAD-union now 3F. Roadshow around Denmark with colonel on KPMG/COWI.</td>
<td></td>
</tr>
<tr>
<td>FBE#3</td>
<td>FBE Control Bid group</td>
<td></td>
</tr>
<tr>
<td>DCD#6</td>
<td>DCD CFO (in 2013)</td>
<td></td>
</tr>
<tr>
<td>DCD#5</td>
<td>DCD Strategic Outsourcing Unit Manager</td>
<td></td>
</tr>
</tbody>
</table>

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