

Staying the course: 10 Best Practices for your next outsourcing project

To help you get the best from your outsourcing engagement, here are our customer-focused 10 Marathon Rules:

1 **Ensure that the outsourcer is a product engineering specialist rather than an IT generalist**

Product engineering entails a mindset wholly different from IT support. The rules of the game change almost every day, and the services firm should bring a talent pool and the gene pool that understands and adapts to these vagaries with aplomb, and still deliver flawlessly. The interaction with the U.S. team will be intense, and the team should be able to understand the bigger, customer-centric vision of the problem and solution. For IT projects, customers are internal, which results in limited specification vagaries. Products are conceived with a certain customer use profile in mind, thus creating very high levels of changes in specifications, priorities and even technologies. To cope up with these changes

2 **Treat the relationship as a partnership than as a client-vendor relationship. Treat the outsourcing team members as your own employees**

When teams on the other side of the world understand your dreams and ambitions, the energies are different, and the commitment to solve the same problems that you intend to is of high importance. If you treat the partner as a vendor, the team will just work to your orders, and not contribute valuable experience that it may have gained from other engagements. In a typical product cycle, one never knows when one needs to draw on that “superhuman” effort from some members of the team. The chances of counting on that one extra stride are much more when the offshore team members feel the involvement.

3 **Start small with maintenance-oriented activities before a full-fledged development**

As with any nascent process, time, training and hands-on problem solving experience are the keys to accelerate the learning curve. At the beginning of the engagement the offshore team may not be fully aware of the product to run you a full functional testing plan. But if the engagement begins with some maintenance and enhancement tasks, it gives the partner firm time and scope to learn the product better, thereby able to engage better with time.

4 **Choose your partner using a pilot project evaluation rather than from an RFP process**

As the saying goes, anybody can write a good RFP response, but that does not mean that you will be able to choose the right partner from the responses. Take a closer look and you will find that most responses simply copy out your RFP just so they fill in the check boxes for your selection. A pilot project will involve effort, but pays off in the long run when you decide to choose a partner.

5 **Hire for the job**

If the outsourced work does not involve mainstream development, do not insist the partner provide the best and the brightest of their talent pool. The top class talent may not like the non-development work and will create attrition problems very soon. As the nature of the engagement evolves, the right partner can always bring in the right talent.

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6

Delegate the project management

At least the people management should be in control of the outsourcer. They are on the ground there. The engineering leadership in the U.S. may tend to insist on full control on the project, which involves hiring, firing and day-today management—all of which will become distasteful issues with time. In many successful engagements we have seen than the involvement in these tasks is significantly higher at the beginning of the engagement, but the US company's detailed involvement successively tapers down as the US based management develops more and more confidence in their offshore counterparts. It is important that this gradual transfer of control should be planned at the outset.

7

Focus on the team's ability to deliver

Rather than choosing a group of technology savvy individuals, who do not operate as a team: the right partner firm will know best about putting the right team for you—choosing talent, experience, team effort and so on. Allow them the benefit of choice, and you will have a team that is far more responsive to your needs.

8

Ensure that the U.S. team begins following some engineering processes

Most start-ups scratch up a requirement document on the whiteboard, and the U.S. team, where the team members work in adjoining cubicles, will work very easily off such a rough transcript. Getting productivity out of a remote team working in a totally opposite time zone is much more complex than “over the wall” management. If you do not have a process, invite the partner firm to set up one for you. It will ease your managing the engagement vastly in the course of time. Again, one should never advocate a full blown SEI-CMM or ISO level processes for a startup. However, the discipline of creating specification-architecturedesign documents and critically reviewing the plans, documents and code created by the offshore team, both in a timely manner, is minimally necessary to ensure higher success.

9

Insist on weekly project meetings and monthly business review meetings

In addition to the ad-hoc daily communications. Weekly meetings can bring milestones, schedules, issues, changes, and goals at a tactical level in front of the project teams, while the monthly meetings can focus on larger issues like company goals, directions, and plans. These help glue the offshore and onsite teams in a more powerful manner—especially if you can enable a video conference and meet up virtually.

10

Incorporate a certain resource slack in the overall project budget

The US startups are forced to work with almost no resource slack because of the resource costs. However, in case of offshore teams, the chances of encountering some unforeseen situations, either people-wise or infrastructure-wise, are much higher, which could impact productivity and schedules. Since the offshore resources typically cost substantially less than the US resources, keeping a little resource slack is a very prudent way of doing things.

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We hope this paper has given you a helpful list of rules in managing your next offshore project. Xoriant Corporation brings nearly 2 decades of product engineering services for many clients across financial products, networking and telecom, supply chain, and Internet-driven businesses. Using a strategic onsite-offshore combination of product engineering delivery models, we help our clients in reducing the time to market and lowering the costs of their product engineering cycles. We welcome you to share your experiences in the offshore engagement, and add to the knowledge base we are building. For more information, please contact girish.gaitonde@xoriant.com