

6 SECRET TECHNIQUES

TO IMPROVE SOFTWARE DEVELOPMENT OUTSOURCING





INTRODUCTION

As a business owner, what do you think is the most important factor for an effective client-outsourcing service provider relationship?

In the search for the right **software development outsourcing provider**, many businesses mainly look at the costs and the technical skills of a team. But this is rarely enough. The devil is hidden in many other aspects that should be analyzed in the process of finding the right fit or keeping the relationship going strong.

With our experience as past clients and now as providers for more than seven years, we have seen more than 250 different situations, with various setups, and maturity levels on the clients' side.

While the initial choice of a provider might be done already, there are many ways to constantly improve the working relationship with a provider aside from addressing the cultural and communication challenges that distance might pose if the right tools and processes are not put in place from the start.

Clients too can be a reason for the inefficiency in the working relationship, even if they are not always aware of it. Demanding commitment from your service provider only means that you should extend the same commitment.

As a client, you must find ways to improve the effectiveness of the workflow. You should not just dole out instructions then wait for the results. Your management skills will be needed to build a strong relationship between you and your onshore or offshore team.

To get the best out of outsourcing, you need to have a provider who can give you the necessary guidance for your relationship to succeed, and at Arcanys, this is what we do.

Based on our view as software development providers, here are six techniques to improve and strengthen the relationship between you and your software development team:

- 1 Map out the project scope and be prepared.**
- 2 Actively manage the project and the relationship.**
- 3 Set accountability.**
- 4 Start small.**
- 5 Check cultural and managerial compatibility.**
- 6 Choose a partner that can offer a solution to your particular problem.**



1. Map out the project scope and be prepared.

For software development firms, working on a project without a definitive goal and a roadmap is a nightmare.

While it may seem ridiculous, clients sometimes fall into this trap. Some may feel that the burden of accomplishing the project lies only in the hands of the service provider. What's worse is that some of these clients want their projects to be rushed - resulting in a low-quality product.

Defining the scope of a project is vital because it ensures that you and your service provider are on the same page.

As a business looking to outsource some of your projects or operations, you must be ready with the details, plans, and performance metrics for the project before you hand over the job to the offshore team.

Likewise, you should also be clear about the scale of the job. Will it be a one-time partnership or a long-time commitment resulting in more deliverables in the long run? Clear up these details with your service provider to avoid moving forward aimlessly with your project.

Of course, the service provider has a responsibility to uphold during the definition of the project's scope and scale. The outsourcing company must be prepared to take on the task and clarify anything that has not been properly specified. Also, the provider should disclose to the client their capabilities, as well as limitations.






Regardless of the type of engagement, you should aim at getting a cost estimate of at least the first few milestones and understand how the provider is breaking down the tasks for the project.

They must have the proper resources, the right team size, and the necessary knowledge and skills to deliver the required output. After all, your detailed project plan will not mean much if your service provider simply lacks the resources, skills, and expertise to fulfill it.



Likewise, your offshore team should be committed to delivering what is stated on the scope and scale. Discuss it openly and settle differences early on, so that when the project starts, operations will run smoothly.

Learnings:

-  Define a clear project scope.
-  Estimate the work needed.
-  Break down the milestones.
-  Define deliverables.
-  Check the provider's capabilities.



2. Actively manage the project and the relationship.

Project Management

When a client is involved in the project, operations work much better. Fewer mistakes are made, as they can provide feedback on the spot and steer the project back to the right direction when it veers off course.

However, keep in mind that as a client, being involved does not only mean delegating tasks and throwing out requirements. No matter how great a service provider is, progress will be slowed down if the client changes his mind every five minutes or gives unclear requirements.

Software development is a constant process that needs management from people who deeply understand it.

This is where your defined scope-and-scale will come into play. **Be involved and actively manage the project in accordance to what has been agreed.**

Changes are inevitable, but they have to be managed to create the least disruption to the team.

If your provider is mature enough, they will be able to guide you in this process, as this is one of the main keys to success.

Account Management

Nurturing your outsourcing relationship with your service provider also goes a long way. Regardless of how long you are supposed to work with them, a good relationship with your provider can

contribute to the success of your project.

Treat them as part of your team and not as an outsider; deal with them like how you would treat your internal team.

Reiterate that you are working on the same project, and thus, aim to achieve the same results.

A mandatory meeting every month is also advisable so that you can follow up the project's status and bounce ideas off with your offshore team.

Provide positive feedback when they earned it. Improvement should be continuous throughout your relationship, and your provider would love to know they are doing well by hearing directly from you.

Consider having a reward system in place if they exceed your expectations. Celebrate small successes and send e-mails of compliments to everyone in the team. These little acts can improve the morale of the team and motivate them to work harder and do better.

On a similar note, do not hesitate to constructively criticize your provider. If you have concerns or complaints, voice them out. This way, they will know what they need to improve on or change. Remember,

your working relationship heavily relies on communication.

Suggest ways on how they can serve you better and reiterate their commitment to providing quality service. These service providers welcome constructive criticisms, as these are critical for the growth of both parties.

Learnings:



A hands-on and organized approach works best.



Understand the development lifecycle process to avoid disrupting the project.



Treat your provider as part of your team, not just an external resource.



Give regular feedback to your provider.








3. Set accountability.

Accountability is expected from both the client and the service provider during the duration of the project. Services to be rendered, responsibilities, and priorities, as well as the metrics that measure them, should be laid out early on the partnership.

In Arcanys' case, a frame agreement is crafted to manage the client's expectations and solve their issues through an agile approach. Among the key points that should be defined in the agreement are confidentiality clauses, terms, duration and timeframe, termination grounds, indemnification clauses, and ramp-up plans.

Accountability should also be reiterated during the kick-off meeting. Here, the client and service provider must define the roles of various individuals in the project, escalation process, deadlines, deliverables, and handling change requests.

Learnings:

-  Set accountability and manage expectations.
-  Formulate a strong agreement.
-  Kick-off projects with the team to clarify operational questions.





4. Start small.

When working with an outsourcing company for the first time, it is best to start small to gauge whether the service provider has the means and skills necessary for your project.

At Arcanys, we usually recommend clients to begin with a test or a non-critical project. They also have the option to start out with a few developers to learn the project, then just scale up with additional resources later on.

You, as the client, can see the offshore team at work and determine if their workflow and output are up to your standards. Likewise, your offshore team will be acquainted with your company's vision and goals—letting them work better on your project, and even help you optimize your internal projects.

Testing the dynamics between you and your service provider first helps mitigate the risks of potential failure. This also allows you to settle differences early on so that those issues will not affect future projects anymore and make the long-term working relationship more harmonious.

Learnings:



Reduce the risks at the start of the relationship.



Modulate the external team structure and workflow to both your maturity and your needs.





5. Check cultural and managerial compatibility.

Cultural and managerial differences remain to be among one of the biggest challenges in outsourcing. No matter how small the differences are, these can still affect how your service provider handles your projects. Address these concerns immediately to avoid further conflict.

Business ethics

First, know the business ethics of your provider. Doing so will help you understand how they work.

For example, in the Philippines, workers are known for having a friendly and accommodating nature. They also take work hierarchies seriously, which means messages are relayed strictly through the formal communication line.

Language barrier

Language plays an important role in long-distance communication. While Asians have become increasingly proficient in the English language, misunderstandings may still arise occasionally.

Asians, for instance, are known for being subtle and indirect in contrast to Westerners. Westerners speak in a

straightforward manner and give direct criticisms while Asians tend to beat around the bush. In the West, “yes” really means “yes” while in the East, “yes” could also mean “maybe” or “I’ll see.”

We have chosen the Philippines because the level of English proficiency is nearly native, and because Filipinos are used to western presence more than any other country in Asia. Hence, much bigger proximity to our value system.

Cultural workshops

To improve cross-cultural competency between you and your service provider, conduct workshops both onshore and offshore. Training on both sides will help you and your provider integrate each other's business cultures, leading to a seamless working relationship.

For example, if you are an American company doing your outsourcing software development in India, it would be advisable to have an Indian business culture training. In return, your service provider in India should also have an American business culture training.

This way, both parties will have a grasp on the other side's business ethics and know how to work around with them. At Arcanys, we encourage clients to come on-site, or if they can't, there is an option for us to send our software developers to

the clients' premises.

If training on both shores is not feasible for you, look for service providers who conduct culture and language classes for their employees. Arcanys, for instance, is fully aware of Western culture because of our weekly culture classes.

We also train our clients to understand the Filipino culture on a regular basis. Cultural awareness that goes both ways will improve the working relationship significantly.

Learnings:



Be aware of the work ethics of your provider.



Work to eliminate the language barriers.



Get on board with exchanging cultural training between the two.





6. Choose a partner that can offer a solution to your particular problem.

Most of the time, clients choose the cheapest option when selecting their outsourcing provider. But, this should not always be the case.

While businesses outsource to cut back on costs, remember that **cheap is not always equivalent to quality service**. There are several affordable options out there, but the price alone should not determine your decision in choosing your provider. Consider the following points as well:



Quality of their work



Experience



References



Technologies covered



Ramp-up capabilities

Let's say you opted for the cheapest software development provider. Even though they were the most affordable option, the software they developed for your business ended up with a lot of glitches and offered limited support.

Upon computing how much you paid for their extra services, it turned out to be a lot more expensive than you thought. You were initially trying to save by choosing them, but you actually ended up shelling out more money than you intended. A big portion of our new clients are projects we

rescue because the previous provider of our clients wasn't able to deliver, for many reasons.

Consider how your provider addresses common outsourcing problems

such as time difference and cultural disagreements.


Are they equipped with enough employees to work in shifts, so the development continues 24/7? Do they have enough English speakers who can answer your concerns whenever they arise?


Your service provider must be able to offer the solutions to your problem and should ask you many questions as necessary to understand your needs. The offshore team should take the initiative to clarify the requirements before jumping in the development.


Determining the person in-charge of the day-to-day operations, both on the client's and service provider's side, is also imperative. By defining these roles, responsibilities will be clearly outlined, and the communication process will be more efficient.

Having an established escalation process, or a set of procedures to be followed when an issue arises, is also critical in mitigating possible bigger issues.

Learnings:

 Clearly assess the provider's capabilities, not just the price.

 Does the provider listen to your problems and have a tailored solution for you?

 Do you have a clear process about issues escalation?

By employing these techniques,

you will be able to work better and smarter with your offshore team. Likewise, they would feel more motivated to work on the task at hand, knowing that you—their client—is actively involved and concerned in the project as well.





ABOUT ARCANY S

Arcanys is a Swiss software development company with a delivery center in Cebu City, Philippines. Our focus is in the development and implementation of great and innovative ideas into smart software solutions for enterprises and startups.

Our core business is to help our clients from the design of the specifications to the release of a software project. We provide and manage teams of full-time software developers collaborating with offshore IT teams who are primarily based in North America, Europe, and Australia. We are dedicated to helping clients spot areas for improvements in their innovation process, from solid specifications to limiting errors and bugs, with a keen interest in delivering projects on time; just as you expect it.

With our extensive experience in dealing with onshore and offshore clients, you can be assured not only with the quality of the output, but also with the quality of your outsourcing relationship with us. Talk to us today to find out how we can help you achieve your software development goals.

CONTACT ARCANY S

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