

# OUTSOURCING CHECKLIST

70+ MUST-ASK QUESTIONS TO EVALUATE  
SOFTWARE TEAM AUGMENTATION FIRMS





To ensure you get the best outsourced developers for your software needs, it's crucial to build long-term strategic partnerships with a trustworthy tech provider who aligns with your expectations. But how do you choose the right partner?

Our ebook has you covered with 70+ key questions to ask prospective providers, from background to skills to standards of quality and everything else in between.

Before assessing any IT staff augmentation or custom software development companies, make sure to have a shortlist of promising prospects based on your criteria. If you need help figuring out where you need them to fill in the gap, check out our preliminary steps videos:



📋 For a comprehensive walkthrough of the IT staff augmentation partner selection process, take a look at our [step-by-step guide](#) on choosing the ideal partner for your software development needs.

There are 9 areas we recommend looking into:

1

Background

2

Partnerships and References

3

Capabilities and Readiness To Deploy

4

Culture and Values

5

Talent Team Dynamics

6

Communication Processes and Collaboration Tools

7

Development: Methods and Standards of Quality

8

Engagement Model and Rates

9

Security and Contract



# 1 BACKGROUND

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- ☐ How long has your company been operating?
- ☐ What is the ownership and management structure of your company?
- ☐ Are the company owners actively involved in running the business?
- ☐ How many years of experience does the founding or management team have in the software development industry?
- ☐ What is your company's management style?
- ☐ What is your company's business model?
- ☐ What are your company's primary values and guiding principles?
- ☐ How would you assess your company's financial health?
- ☐ What sets your company apart from other software development outsourcing firms?

💡 The ideal partner should be highly experienced to offer the resources you need, but with a close-knit and approachable management team.



## 2 PARTNERSHIPS AND REFERENCES

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- ☐ Do you have a track record of long-term cooperation with clients from various countries and industries?
- ☐ How many clients have you served to date and how many active clients do you currently have?
- ☐ Where can I find your client testimonials?
- ☐ Can you describe your 3 most recent client collaborations?
- ☐ Can you provide at least 2 references I can speak to, along with their contact information?

💡 In addition to providing feedback on their working relationship, current clients may offer valuable insights and tips for the collaboration's initial weeks and long-term advice.





### 3 CAPABILITIES AND READINESS TO DEPLOY

- ☐ How many employees do you have and can you provide the breakdown per position?
- ☐ What are the primary skills and technologies that you offer?
- ☐ Which areas do you specialize in?
- ☐ Do you have the capability to assist in areas such as UI/UX Design, Business Analysis, QA, Cloud Monitoring, Technical Support, etc.?
- ☐ Do you have a CTO who can step in if needed (aka CTO as a service)?
- ☐ How quickly can you assemble a dedicated team based on my needs?
- ☐ What is your process and timeframe for scaling a dedicated team up or down?

💡 **Communicate your growth plan with the provider so they can anticipate your future demands and see how they can grow with you over time.**



## 4 CULTURE AND VALUES

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- ☐ Where can I see what your employees say about your company? Please provide your social media accounts and employee review sites.
- ☐ What benefits and perks are your employees receiving?
- ☐ Can I talk to some of your employees to get an initial feel of the culture?
- ☐ Do you provide cultural training to your employees? If so, what kind?
- ☐ What is your employee attrition rate?
- ☐ What are your employee retention strategies?

💡 Check out all the signs of a positive company culture [here](#). And remember not to rely 100% on what you read online about a company — it is often just the tip of the iceberg.



## 5 TALENT TEAM DYNAMICS

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- ☐ What are your team composition and dynamics?
- ☐ What is your team's degree of maturity and seniority?
- ☐ What are their strengths and weaknesses?
- ☐ How do you pick and hire developers?
- ☐ Do I get to choose the developers I work with?
- ☐ What are the educational backgrounds and previous experiences of your employees?
- ☐ Do your employees need to have specific certifications to be able to work with you?
- ☐ Do your employees receive training? Which types of training and how often?
- ☐ Can my outsourced team members work on another client's project simultaneously, or are they exclusively dedicated to my team?
- ☐ Where are your employees primarily located?
- ☐ Which time zone do your employees work in?
- ☐ What happens if an employee assigned to my team leaves your company? What is your process and timeline for finding a suitable replacement?
- ☐ How does your company keep up with the latest industry trends?

💡 While virtual meetings and asynchronous communication are convenient and effective, they lack the human connection that comes with meeting in person. That's why it's important that clients and their dedicated teams make it a priority to have **at least one in-person meeting every two years** to build camaraderie, foster trust, and solidify team dynamics.





## 6 COMMUNICATION PROCESSES AND COLLABORATION TOOLS

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- ☐ Does everyone on the team speak proper English?
- ☐ What are your workflows like?
- ☐ Can I directly communicate with the dedicated team?
- ☐ What are your main tools for daily communications and collaboration?
- ☐ How and when does the team report their progress, roadblocks, etc?
- ☐ Do you use DevOps lifecycle tools like Github Actions or GitlabCI?
- ☐ How is the source code managed?
- ☐ How do you document issues?
- ☐ Can my dedicated team adopt my existing tools and processes?
- ☐ What does your escalation process look like?
- ☐ What are your feedback processes for developers and work quality?

💡 **Asynchronous collaboration is highly effective** when working with the right outsourced development team because it allows for greater flexibility in terms of time zones and work hours. With the right tools and communication practices, in-house and offshore team members can work on their own schedules and still maintain high productivity and collaboration.



## 7 DEVELOPMENT: METHODS AND STANDARDS OF QUALITY

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- ☐ What software development approaches or styles are you familiar with and specialize in?
- ☐ What application lifecycle management tools do you use — i.e., for code authoring, version control, change and requirements management, estimation and project planning, source code management, and test management?
- ☐ Do you use Agile/Scrum methodologies?
- ☐ Do you follow clean code principles?
- ☐ What are your testing methods?
- ☐ What do you think about commenting on code?
- ☐ Do you perform peer code reviews?
- ☐ Are there any development processes that you refuse to follow?
- ☐ Can you explain your processes and methods of work to us, and can we do the same for you?
- ☐ Could you please describe the approach you took with clients with similar needs?
- ☐ Do you log hours during the development process?

💡 **Commenting on code isn't always necessary.** But by asking your potential providers about their perspective on code commenting, you will gain insights into their coding practices, their understanding of code readability and maintainability, and their attention to documentation. Their response will help you evaluate their approach and determine if it aligns with your expectations and requirements.



## 8 ENGAGEMENT MODEL AND RATES

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- ☐ What type of engagement model do you prefer (i.e., fixed price, time and materials contract, etc.)?
- ☐ Could you please provide me with information about your fees and other services?
- ☐ Are there any extra fees for recruitment or seating?
- ☐ Do you have a risk-free trial for us to test the waters before we make any major decisions?
- ☐ What is the schedule for payment?
- ☐ Can you describe your time accounting and milestone management process?
- ☐ Do you employ subcontractors to carry out any additional work?

💡 Some providers outsource parts of the work to other firms to reduce costs or fill skill gaps, and you need to be aware of the consequences on your project. Asking these questions early in the evaluation process will help you prepare and decide on any accountability, security, privacy, and data integrity issues that you may not be comfortable with.





## 9 SECURITY AND CONTRACT

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- ☐ What are the primary legal aspects of the contract?
- ☐ What are your guidelines for security and confidentiality in protecting your clients' intellectual property, source codes, and other sensitive information?
- ☐ Who owns the code, process, hardware, licenses, and other materials required in the project?
- ☐ What warranties do you provide for intellectual property and work deliverables?
- ☐ What does your business continuity plan look like?

💡 Taxes and other expenses should already be included in the computation. All costs should be in black and white to avoid any hidden fees and unfulfilled expectations.



# Conclusion

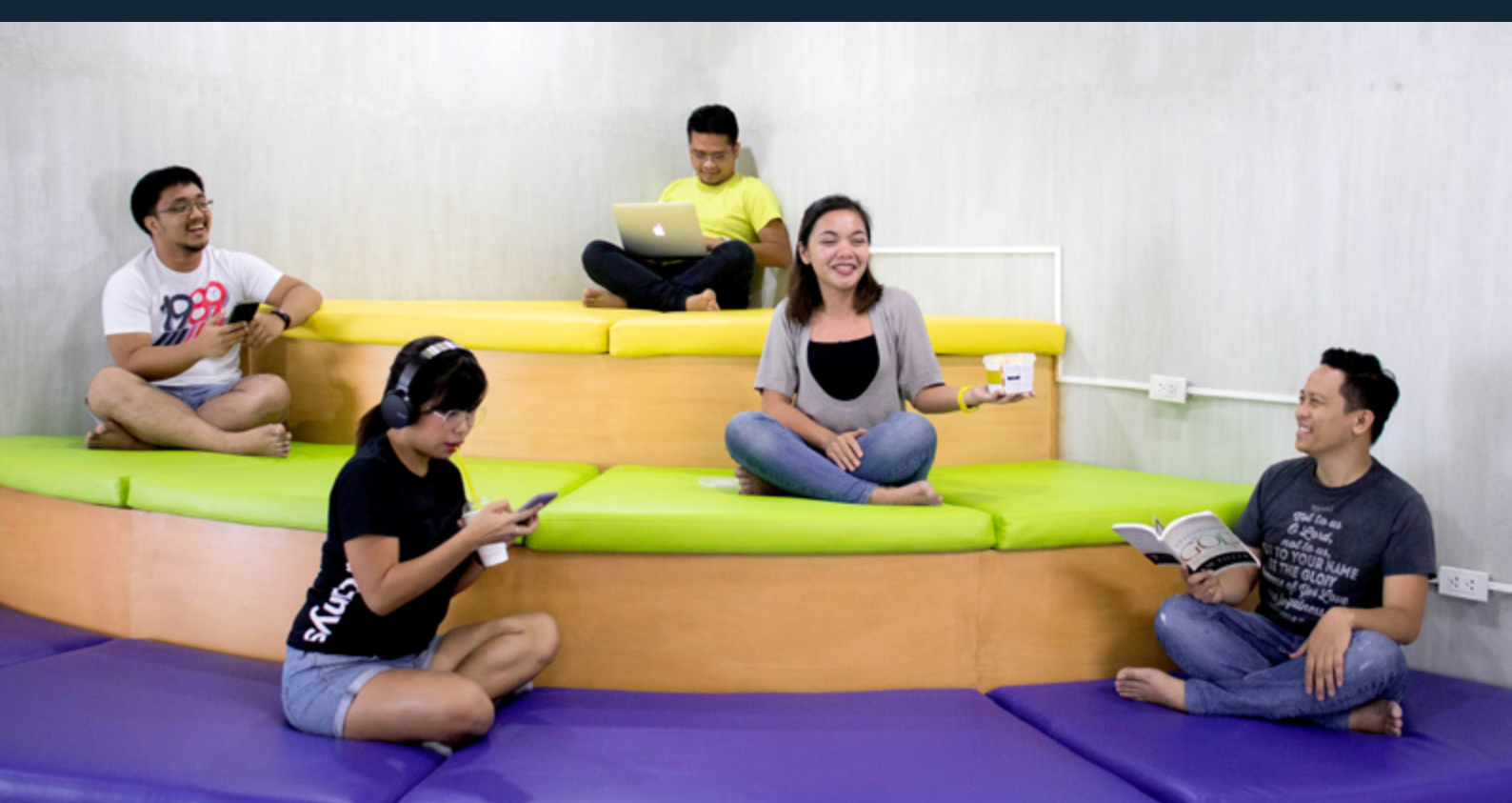
Choosing the right outsourced developers for your software needs requires careful evaluation. By asking the right questions and looking beyond what's on paper, you can ensure a long-term strategic partnership with a trustworthy tech provider who aligns with your expectations.

With a good sense of who these companies are, what they offer, and how their teams work, it should be a lot easier for you to make an enlightened decision for your strategic outsourcing moves.

## REMINDER...

The 9 key areas in evaluating software development firms are:

- Background
- Partnerships and references
- Capabilities and readiness to deploy
- Culture and values
- Talent team dynamics
- Communication processes and collaboration tools
- Development: Methods and standards of quality
- Engagement model and rates
- Security and contract



## About the author

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Fred is the co-founder of Arcanys, a software development team augmentation company recognized as one of the Philippines' [Best Workplaces™ in IT-BPM](#). With over 20 years of experience in the industry in Switzerland, Hong Kong, and the Philippines, he has worked with listed companies and is a pro at negotiating and managing outsourcing suppliers. Fred leads the worldwide sales and marketing efforts of Arcanys.

View on LinkedIn 

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## About Arcanys

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Arcanys is a Swiss software development outsourcing company in the Philippines.

We do one thing: assemble highly skilled dedicated development teams that are built to last. We partner with tech-enabled companies big and small and fill their need for robust software capabilities with flexible arrangements.

The vendor-buyer type of relationship is not how we work. We position ourselves as genuine technology & business partners, meaning we treat your goals as our own and are not afraid to speak our minds in the interest of your success. And our customers see the best results this way!

We complement our core expertise with technical and business mentorship, business analysis, UX / UI design, QA, and other delivery and support services.

Since 2010, we've helped more than 200 companies worldwide, including 50 startups. In short, our services are the following:

- Full-time dedicated teams (software development, testing / QA)
- Web and mobile applications development and testing
- 24/7 AWS & customer support
- Business Analysis & UI / UX design
- Machine Learning, Artificial Intelligence & Data Science
- CTO on-demand

