Offshore Voices: The Vendor View of Outsourcing Best Practices

New York City Software Process Improvement Network

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The vendors had the following questions in advance, in preparation for the evening's discussion:

What actions can a client project manager take at the beginning of an offshore outsourcing engagement to ensure its success?

What are the critical success factors of an offshore outsourcing engagement from the vendor's perspective? What does a vendor consider to be legitimate critical success factors from the client's perspective?

How does a vendor measure success in an offshore outsourcing engagement? How does the client typically measure success? How would a vendor prefer that clients measure success?

What are the most important questions a vendor needs to ask a client at the beginning of an offshore outsourcing engagement? What are the questions a client should ask a vendor?

What issues are most likely to cause problems on an offshore outsourcing engagement after the relationship is a week/month/year old? How can the vendor service delivery manager and client project manager collaborate to resolve them?

What are the most important provisions in a Statement of Work/Task Order for an offshore outsourcing engagement?

What internal client software processes have the most effect upon the outcome of an offshore outsourcing engagement? How can a vendor effectively make suggestions about improvements in client software processes?

How can a vendor effectively fine-tune its internal processes to facilitate integration with the client's internal processes?

What software engineering methodologies have proved most suitable for offshore outsourcing engagements? (Waterfall, RUP, XP, Scrum)

How can a vendor effectively negotiate and manage changing client requirements on offshore outsourced projects?

What activities can a vendor undertake to gain ongoing participation from the client's stakeholders and end-users on offshore outsourced projects?

What are the most common cross-cultural communication problems between client staff and offshore vendor staff? How are these issues best avoided and/or resolved?

What mix of tools have you found best supports a distributed work environment on a offshore outsourced project for both technology and communications?

If you were looking to hire new staff out of university, what technical and non-technical skills would you seek if you were to involve them in an offshore outsourcing engagement?

What emerging trends to you see in offshore outsourcing engagements? How can clients adapt to prepare for these developments?

Audience questions addressed by the panel during the event:

How is the issue of attrition being addressed in offshore locations, particularly in India? The job market is hot in India and contractors are changing jobs as a better offer arises.

Are there key indicators/characteristics of a project that may indicate that the project would NOT be a candidate for outsourcing?

How much visibility does a client have into your internal processes, including Software Quality Assurance (SQA) activities, configuration management and testing?

Due to lack of time, audience questions submitted but not asked of the panel during the event:

If one of the critical success factors is agility, then why stick to waterfall? (Question posed for TCS). What are the issues in managing changes in waterfall? How do you run Software Process Improvement (SPI) activities with agile

development? Because SPI focuses and emphasizes universal and repeatable processes, but agile development methodologies emphasize flexibility of processes.

In many studies by Forrester and Standish (and many others), software development projects failed in the range of 50-67%. How are outsourced projects different?

What are the BIGGEST issues/weaknesses of outsourced engagements? How do you overcome them?

How do you establish trust? On all levels (i.e., executive, management, developers)?

How can clients cope with the shift of institutional knowledge to resources that are not part of the institution?

What is the time period of a contract that is preferred? Service Level Agreements (SLAs) exist in a world of fast moving technical and business changes. As far as I know, during the first year of a contract the customer enjoys services and on the other hand the vendor invests a huge capital on meeting/providing SLAs.

In an outsourced project with multiple competing bids, how is the contract negotiated?

How do you maintain relationship and delivery costs with changes downstream in the lifecycle? How about when key performance indicators change with project progression? What is the common measure between the vendor and client, except for cost? Timeline or quality?

How are you currently addressing the need to augment project teams of another vendor to bridge the business to project management gap when outsourcing implementation services? (Known factor of deep technical skills but a lack of business/communication skills, so the need for outsourced resources.)

What measure can you relate to software flexibility and offshoring project execution?

What about protecting the intellectual property (IP) in due diligence when a project is not officially awarded, and the impact of timeline and cost?

What about effective communication between the client and vendor? Effective meaning that both sides understand the information being communicated.

How do you handle cross continental/cultural communications on your projects?

How can a client be assured of quality without visibility into your internal processes?

What do you do to ensure the quality of the work? How do you measure quality?

How do you select the best candidate for the job?

How do you deal with change management? Emergency changes? How is this handled in the contract?

How to handle the resistance of the knowledge-transfer from the current production support or development team to the offshore consulting firm?

How to effectively control the product/software system quality while all the development is done offshore?

Projects may go through schedule changes that may be due to the unavailability of business users. How can you ensure that appropriate or originally assigned resources will be available? Keeping in mind that the business users may require specific resources assigned.

How are high turnover risks handled/mitigated?

How does the client customer handle communications with the offshore company?

How does the client company insure that the technology knowledge used for projects stays with the client company?

With such high turnover, how do you insure that highly sensitive data is not compromised?

Are you worried, with the sinking dollar and your rising economy, that US companies will no longer feel that it is economically feasible to use your services?

Why do we see such a drop off in talent and experience in the later stages of a project?

What is the role of the outsourcing company in requirements gathering?

What is your turnover rate? How do you keep your employees?

What model do you provide to help customers not to lose internal application knowledge?

How to overcome issues and problems related to communication between clients of offshore development centers?

The business in different countries runs in different ways. How can a business analyst test the requirement for a client of a different country?

How is the weak US dollar affecting earnings? Are contracts negotiated in USD or local currency?

How does the vendor stage the transition of operations from the client? Is it "pull the plug"? Is it one or more functions at a time?

How is the success of the 1st stage measured and what measurement is required before the next stage can start?

What is the point of outsourcing to countries like India now, when some companies are charging as much (or even more) than US-based consulting firms? Do they provide significantly higher levels of quality?