

In the software industry today there is a constant struggle to offer the customer quality software at a price that does not break the bank. With many companies struggling to stay a float in today's economy they often seek out the vendors that can give them the best price, the highest quality, and in a reasonable period of time. To meet this demand, software vendors have begun outsourcing their development to other countries. There is an inherent risk in using a team in another country to do a job given language barriers and time zone constraints. There are also a number of cultural differences that can affect the approaches and the relationships between the software vendor and the outsourced team. At the Software Process Improvement Network meeting on March 11th of 2008, some of the big names in the software industry put their heads together on a panel and answered four questions related to overseas outsourcing in software development before an audience at Microsoft's office in New York City. The people on the panel were Vivek Kwatra from Cognizant, Thomas Meola from Beyondsoft, Anupam Singhal from TCS, Lev Saks from Luxsoft, and Sandeep Tandon from Polaris.

The first question asked what are the critical success factors in an offshore engagement. The panel seemed to agree that a lot of the success is dependant on the relationship built over the course of the exchange. Lev pointed out that there needs to be a clear understanding of what the engagement is all about while Vivek and Thomas explained that there needs to be trust and flexibility. Past the relationship aspect, Sandeep said that there needs to be some agreed upon performance indicators. If there are no indicators then it's hard to tell whether or not the project is successful at any given point in time. The last key thing that was mentioned is that the client and vendor must be driving towards accomplishing the same business objectives.

The next question asked of the panel was: How do the vendor and the client measure success? The whole panel tended to agree that the success of a project is measured by how happy the client side of the project is. Vivek stated specifically that the business manager needs to be happy and Sandeep said that one can measure success in the client company as a whole by looking at how happy the client as a whole is. Thomas agreed that a lot of that happiness is derived from how closely the project satisfied the business requirements. He also stated that it is important that if those requirements change that the client needs to tell the vendor immediately so that that vendor is working towards the right end goal. If the vendor completes a project that does not satisfy the real business objectives then the project can be looked upon as a failure. The vendor-client relationship needs to be balanced where the vendor is flexible and the client is fair with their deadlines in order to maintain happiness throughout the entire project. Finally, it was said that the vendor needs to be an extension of the client company rather than a separate entity.

For the third topic the panel was asked to talk about what are the most important provisions for a successful engagement. Vivek drove home the point that time needs to be spent up front working with the client to make sure that the objectives are clear. He went on to explain that about two weeks of due diligence is needed to make sure that the scope, deliverables, time frames, account management, and product management are consistent from both perspectives. In line with that, Sandeep said that there needs to be clear acceptance criteria and that there needs to be a distinction between bugs and change requests. Anupam pointed out that it helps greatly if the vendor specializes in the type of project that the client is trying to complete. Lev stated that there needs to be a clear understanding of who's in charge of what – it's not always the business manager that has the best answer to a given question. The whole panel seemed to

agree that the provisions to make a software project a success are largely dependent on the type of project and the companies on either side of the table in addition to their ability to clearly communicate information in a way that both sides understand.

The final topic was on methodologies and what works. The panel all said that there is no one proven methodology and that what works is largely dependent on the current trends, the type of project, the cultures involved, and the size and types of the companies on either side of the table. They all agreed that the industry is always in flux and that the waterfall method that companies have been using in the past is not really a good idea especially in offshore engagements because the requirements are always changing. Thomas stated that agile development has been the development methodology of choice over the past six to nine months at his company. Lev said that there is no time to write requirements anymore but both sides must act like a team and make sure that each has the same knowledge at any given time. Everyone did seem to mention agile development or scrum at some point in their answer to the question. The whole panel agreed that there is no single cookie cutter solution and that each engagement calls for a different methodology.

Everyone had their own insight into critical success factors, measuring success, provisions for a successful engagement, and what methodologies work. The majority of the panel did tend to agree with one another though. The trends among the questions enforced accuracy in information at all times. They all seemed to believe that a team formed by the client and the vendor is absolutely essential to create a successful project. The key to making sure that the engagement is successful and everyone is happy is to insure that both sides know what is going on at all times and that the relationship remains flexible and based on trust. If there is no trust and either side is

uncooperative then the project is destined to fail. With the constantly changing environment of offshore outsourcing, everyone involved must be able to adapt to whatever the situation calls for in order to stay on top.

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