# Overcoming critical offshoring *pain points* in Software Development

It is imperative for businesses today to leverage the effectiveness of software in order to get ahead in the market. This is not limited to the enterprise software pieces they use as part of their day to day operations, but it also relates to the proprietary pieces they offer to their users, clients, and partners. But developing proprietary software is a serious undertaking, and one which might be beyond the reach of the average small or medium-sized business - in terms of cost effectiveness and also the general skill and expertise needed to truly deliver. So what is the answer for SMEs in the market?

Offshoring software development represents a viable solution. This concept in software design refers to hiring a third party team in a different country to handle the development process, and it connects businesses with a great many different advantages which we will explore in this whitepaper.

The term 'offshoring' is largely a figurative one. For businesses in the United States, a lot of offshore development work is handled by firms in Canada and Mexico - i.e. firms based in foreign countries, but connected by a land border. For businesses in Europe, offshore development may take place in Ukraine or Russia; similarly reachable via land routes, and not 'offshore' at all in the literal sense. This has led to the rise of terms such as 'nearshoring' - relating to software development handled in neighboring or nearby countries - and 'onshoring', in which the responsibility for development is taken on by a third party firm within national borders. Regardless of the location of your chosen third-party organization, this approach to development brings with it immense benefits, as well as significant challenges. With this paper, we will take a look at some of these key pain points, and examine how businesses can navigate obstacles effectively en route to serious advantages.

# ❓ Why Opt for Offshore Software Development?

## Significant reduction in costs and required resources

Perhaps the most immediately obvious benefit of offshoring a software development project is the reduction in capital and resources required to get the project off the ground. You won't need to hire in-house staff specifically to handle these technical duties, nor will you have to divert valuable resources to seeing it through. All of this will be handled by the offshore team.

## Connection to a highly specific skill set

Of course, this team is not just any team. This is a team with a highly specific set of skills which businesses find very difficult to replicate in-house. With no training required, no skill surplus after the project is completed, and no risk of falling short in terms of expertise and capability, an out-sourced, offshore team is often the best option. They can be scaled up and down based on need and offer the best and latest of the technological benefits.

## Associated tasks are taken care of

All in-house teams need to be managed and administered. This means, devoting areas of office space for their use, managing equipment rosters and maintenance of key tools, recruiting replacement staff as and when required, and much more, adding layer upon layer of hidden costs to the project. Outsourcing neatly sidesteps these additional costs and concerns altogether.

## Shared adoption of risk and responsibility

Every project carries with it an element of risk. When you work with an offshore, outsourced team, you are sharing the risk and responsibility between your two organizations. Don't forget that the outsourced team also has a stake in the project, and their dependence on a successful outcome provides an additional safeguard.

# 🖥️ Difficulties Commonly Associated with Offshoring

## Breakdown in communication between teams

Offshoring means a team operating in a different country or territory - which in turn means potential time zone clashes and a heavy reliance on digital communication tools. There is also the very critical factor of cultural differences existing between the in-house and outsourced teams, leading to communication breakdowns.

## Lack of integration between outsourced and in-house efforts

Just because the software development project is being handled elsewhere, it does not necessarily mean that the job is not a business-critical initiative for a company; although it may not be the company's core function. Therefore, there needs to be a high level of integration between the efforts of the teams - which means project timelines that fit with the outsourcing company's internal activities, and results which integrate with the existing systems, and minimal disconnect between in-house and outsourced outcomes.

## Quality not guaranteed

This is a familiar source of anxiety for any businesses working with an outsourced team – How to ascertain the quality of the outcome? There is no guarantee here, but, if services of a company are hired purely on the basis of low rates, there is a strong likelihood of low quality turning out to be the byproduct. No good service comes cheap.

## Sensitive data risk

We are in the beginning of the digital era data has already started making the business world go round. This makes outsourcing something of a minefield. On one hand, the team needs the requisite data to do the job and to do it well, while on the other, the companies outsourcing are always going to be nervous about how much access to sensitive data would they be giving away. The risk of data breach, either accidental or malicious, is always high and the ensuing penalty could be significantly detrimental.

# 🏆 Overcoming these Pain Points, Connecting with the Benefits

## Deployment of digital communication tools to support collaboration between teams

Outsourced teams - both on and offshore - are introducing businesses to a whole new world of flexibility and agility. This is being supported by a wealth of different communication tools which allow collaboration and communication between teams across the globe in real time.
With so many high-quality software tools and platforms available, communication breakdowns can be completely eliminated.  Also, standard procedures and tenets have to be in place to ensure that members on both the sides understand how the tools are used, and schedule regular digital meet-ups to ensure effective collaboration, taking the required precautions to be well aware of the cultural sensitivities as well.

## Progress reports and regular project appraisals

This focus on high-quality communication can be taken further and codified into the agreement a company has with its outsourced partner. This is particularly important with regards to end-product integration with in-house systems and expectations.

When a contract is drawn up with an offshore team, regular appraisals and reports have to be included in it to keep a tap on work progress. The result will be a process which is far more streamlined, one unlikely to get hung up or face too many unexpected pitfalls. The stakes are even higher if the outsourced work is a critical enabler of the core functions of a company. Dependencies would be very high in such cases. The step thus enables both the teams to stay on course and make required modifications whenever it is deemed necessary.

# 💲✂ Temper cost reduction with quality-oriented focus

Reducing costs and achieving better resource management are certainly two important and obvious factors for a company when it comes to outsourcing their software development work. What should also be given equal importance is the quality of work. Everything fails otherwise.

Clarity is required on two fronts here. Firstly, knowing the impact the quality of the outsourced work will have on the end result. Secondly, having established evaluation criteria to identify the right partner to engage with. Reading reviews of previous clients, asking for references, interviewing the offshore teams, are steps in the right direction to meet the ends. Armed with this knowledge, a company is likely to increase the chances of making the right decision

# 🖥🔒 Develop an in-house data security plan, Extend it to outsourced teams

A business should first understand that it is not immune to data breaches from within, and thus, should begin by drafting a high-level data security plan that covers all potential vulnerabilities. This means, having contingencies in place to guard against third party device usage in the office, password protection on all devices, provisioning for security software updates, building robust architectures to prevent unauthorized access, possessing a tiered security approach that permits access to data based on eligibility and need.

With the required processes in place the approach can then be extended to include the offshore partner. Providing them with a copy of one's data security policy, and ensuring that the same is ratified and agreed upon before the final contract is signed would clearly underline the importance the company puts on the matter. Infact, mentioning the punitive actions that are likely to be applied in the event of breaches can go a long way in ensuring that partner takes all the required steps at their end to ensure compliance. Subsequently, all sharing of information should happen following the protocols agreed upon.