

Plan Before You Outsource

Outsourcing is a proven strategy, but it can fail if you do not plan it thoroughly. There are no short cuts to reaping benefits of outsourcing. It requires planning and execution on your and your service providers' part. Here we have documented some of the key steps that are important to making outsourcing successful.

Step by Step Approach	How and What to Plan
Identify your key business objectives	<ul style="list-style-type: none"> • If cost saving is the only objective then outsource all labor intensive and non-core functions. Be aggressive, identify work, set targets for provider and outsource. • If access to bigger resource pool is also the objective then always plan with long term strategy in mind. Select the service provider with long term vision and financial stability. Be aggressive but selective in deciding on a services provider.
Take management buy-in	<ul style="list-style-type: none"> • Outsourcing is a change which is bound to be resisted as employees will naturally feel insecure thus giving way to rumors. Senior management needs to be proactive in resting rumors and realigning employees to bigger company goals. • At the same time management needs to be patient and should not expect cost savings overnight. It is not just savings but increased flexibility and scalability which should also be the yardstick to measure success in the offshore outsourcing strategy.
Identify work to outsource	<ul style="list-style-type: none"> • Identify, select, prioritize IT functions. Determine what skills to keep in-house and what to outsource • For immediate short term cost savings always outsource non-core resource intensive work. • To ensure zero failure always outsource work which is less dependent on knowledge transfer and people. • Always start by outsourcing easy and non core functions and then follow up with more complex work going offshore so that provider gets time to pick pace. • Try to start outsourcing work which requires minimum of your team interaction. Thus giving your team time to adjust to the change. Examples: Software testing, software maintenance. Leave the new development in house with the existing employees so they feel they are moving up the value curve and proudly share knowledge with the outsourcing provider..
Search and Select Outsource IT Services Provider	<ul style="list-style-type: none"> • For short term cost savings, it is imperative to focus on a service provider with lower billing rates and immediate resource availability. (lowest billing is not recommended) • For long term outsourcing strategy, it becomes equally important to focus on experience, track record, customer references, people, quality practice, certifications, financial stability and work ethics of the service provider. • For long term outsourcing strategy selection of offshore destination becomes equally important. Study and compare the time overlap, political stability, resource availability, and cultural compatibility of the offshore country. • Search, shortlist and select provider company by visiting them onsite and never forget to interview their personnel during your visit. • Always visit the offshore services company and try to meet as many people as you can from each rank to analyze the work culture of the country and provider company.

<p>Prepare company for change</p>	<ul style="list-style-type: none"> • When going in for short term outsourcing, educate in house team honestly about your strategy so they do not feel insecure. • When outsourcing is your long term strategy, it is imperative that you align employees to company goals and their future. • Outsourcing is a change which will be resisted and will lead to rumors. Thus the senior management should be proactive in resting all rumors and to address employees. • Treat the IT services provider as part of your extended organization and not merely as a sub-contractor. Encourage your project teams to interact and familiarize themselves with extended teams. This will close cultural gaps and lead to better working relationships.
<p>Start operational readiness</p>	<ul style="list-style-type: none"> • Upgrade your network and security policies before you start giving access to your network and servers to the offshore outsourced team. • Upgrade your internet and telecommunication backbone to enable a smooth and reliable communication between your team and offshore team. • Study the preparedness of the provider company to enable a reliable and smooth communication with your team onshore.
<p>Start the engagement small</p>	<ul style="list-style-type: none"> • If you have time it is always recommended to start with a pilot in which not only you assess the provider company but you also prepare yourself for the changed working environment. • Never outsource complex and core technology functions immediately, but always start outsourcing with easy, labor intensive and non core functions.
<p>Scale outsourcing to maximize benefits</p>	<ul style="list-style-type: none"> • If possible, always start with what the provider company does very well and slowly outsource more complex functions thus giving provider the time to adjust and reach steady state. • When successful with the outsourcing strategy do not hesitate to maximize the outsourcing and reap more benefits of cost, productivity and enhance performance levels. • Economies of scale always work well and will always help in attracting more competitive rates from outsourcing services provider.

Outsource Your Next Project With ISHIR

With over 12 years of experience in making outsourcing software development successful for our clients and with over 80+% repeat business, ISHIR has consistently exceeded our clients expectations. ISHIR can scale to accommodate any project size or timeline leveraging SEI CMMi Level 3 certified processes. Having deep knowledge of Microsoft .NET, SharePoint, Java and Open Source platforms, we can help build superior solutions and help in accelerated time to market. We pride ourselves to be problem solvers and helping our clients get most out of their IT budgets.

Contact Us

We are committed to solving your unique business problem. Please call us at +1 888 99 ISHIR (47447).