Five Most Common Mistakes When Outsourcing Software Development

A White Paper

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Inadequate Readiness Assessment of Current State, Desired Future State and Required Roadmap
Software organizations often make decisions about what and how to outsource too quickly, without detailed expert assessment of their current state, desired future state and required path on how to get there. It is critical to plan outsourcing strategy by considering a company's current software engineering process maturity, in-house team size, available project documentation, and experience with distributed software development, cross cultural fitment, executive support and staff by in. It is recommended to access applications, source code base, business processes and to lay out a matrix of how and in what sequence applications and processes can and/or should be outsourced, kept in-house or retired.

Unrealistic Cost Expectations
The cost expectations that determine the savings that an organization can expect as a result of outsourcing are often over estimated. IT organizations fail to consider learning curve for the offsite team to become productive. An offsite team will become as productive as a onsite team for at least two to four months, or even longer depending on how complex the project is. The transition phase will add costs to the initiative – but planned budgets should cover diligence, knowledge transfer and outsource program management.

Relying Too Much on Executive Contract
Once a company decides to outsource, it usually rushes to get the outsourcing deal closed with the vendor and put everything to fast track. To do this, executives tend to agree on the billing rates and agreements and then let the next level management to sort out the details. It is advisable to have the executive remain involved while have next level management have a say in process integration.

Not Letting the Outsourcer Lead the Process
The essence of outsourcing is that a company transfers the process of application engineering to the outsourcer, and then buys the results of that process. When the company chooses not to transfer the ownership of the outsourcing process to the outsourcer, instead opt to keep it under their control, it removes the ability of the outsourcer to add value to the process.

Improper Process Management
Companies new to outsourcing process often do not assign the right people to manage the outsourcing process. They often assume very little governance is required and lose oversight to recognize any problems before they surface.

About ISHIR

ISHIR is a global diversified outsourced IT services company and we make outsourcing successful for our clients.

We assist our clients to achieve their business objectives by successfully outsourcing their non-core business processes and functions in the areas of technology and digital marketing.

We have been part of the outsourcing industry since 1999 and have successfully implemented strategic offshore programs in the areas of custom software development, software product development, casino game development and outsourced digital marketing production services to India. ISHIR has been servicing clients thousands of miles away, maturing into a core dependable extension of a client's internal team.

ISHIR has extensive experience in providing outsourcing of non-core business processes - **IT functions** (Custom Software Development, Software maintenance, SharePoint consulting and development, mobile app development, software testing, Remote Managed IT services, Cloud and Software Virtualization solutions), Interactive (web design and development, game development), Managed Web Hosting, setting up Built Operate Transfer (BOT), specialized R&D facilities, and **non-IT functions** (Digital Marketing (Search Engine Optimization, Paid Search, Display and Social Media marketing services) Business Process Outsourcing (Data Entry, Data Cleansing, Lead Generation, Research, Photo Editing, Online Customer Support, Finance)).

We have vast experience in offshore outsourcing and have matured into a dependable outsourcing partner providing substantial value and savings to our clients, often exceeding up to 65 percent. We leverage our people, processes and effective use of technology to catapult our clients to achieve their business potential.

Next Step: **Discover how ISHIR can accelerate the success of your business. Contact us today:**

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