

IT Staff Augmentation vs Offshore Development: The Better Model?



Introduction

An emerging trend in **today's business world** is the concept of globally distributed teams.

While this practice isn't necessarily new or modern, it has become increasingly popular in the **wake of the coronavirus pandemic.**

The acceptance of remote teams has manifested itself in the form of many working models: including **outsourcing**, **staff augmentation**, **and offshoring**.

In this piece, we compare two popular models that have gained momentum in the software industry —<u>IT staff</u> <u>augmentation</u> and offshore development.

IT staff augmentation a flexible outsourcing strategy

Staff augmentation is a model where businesses **evaluate their existing staff and determine the additional skills** required to bring a specific project to fruition.

They can then hire external employees with specialised skills to **temporarily augment the existing capacity** of their organisation.

And given the **acute shortage of tech talent** globally, this solution allows businesses to hire the engineers they need to keep their business afloat.



When to use IT staff augmentation?

- 1. To increase capacity to meet a sudden demand
- 2. To access skills for one-off projects
- 3. To access skills for one-off projects



The pros of IT staff augmentation

Flexibility:

Businesses can hire employees on a flexible, contract basis and **pay them only for the work they do**

Cost-effective

With no investment in

infrastructure or training, IT staff augmentation is a cost-effective model to access on-demand, specialised skills.

An opportunity to focus on the core business:

Because businesses collaborate with an external vendor, they don't have to worry about **organisational and administrative responsibilities.**



The cons of IT staff augmentation

Hidden costs:

Because it is billed on a **time-and-materials pricing model**, you may be charged for services you haven't used. Inconsistent quality:

Potentially high turnover because of employees who often work on a short-term contract or freelance basis. Not sustainable over the long term:

The staff you hire may need to take on other projects or **leave the vendor company mid-project**.



Offshore software development — a dedicated team

With fierce competition and a serious shortage of engineers, finding **elite in-house IT talent** can be challenging.

Offshore software development is the solution to this dilemma.





The pros of offshore development

Independence

By going offshore, you no longer have to engage with external vendors to fulfill internal capacity. extension of your local team.

Talent pool

Instead, you can **leverage the large talent pools** in growing tech hubs like India and build a dedicated team of skilled developers abroad.

Dedicated workforce

The team is yours in every sense they're full-time, permanent employees that are **a value-adding extension of your local team.**

IT Staff Augmentation vs. Offshore Development: a conclusion

Both IT staff augmentation and offshore development have their own set of benefits and drawbacks.

For short-term projects that don't last for more than a couple of months, staff augmentation is **usually the strongest option.**

However, if you're a company **looking to enhance your operations** by building **a team hand-picked** from a deep pool of talent — while still retaining complete control of the process, then **offshore development is the way to**





Thank you



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