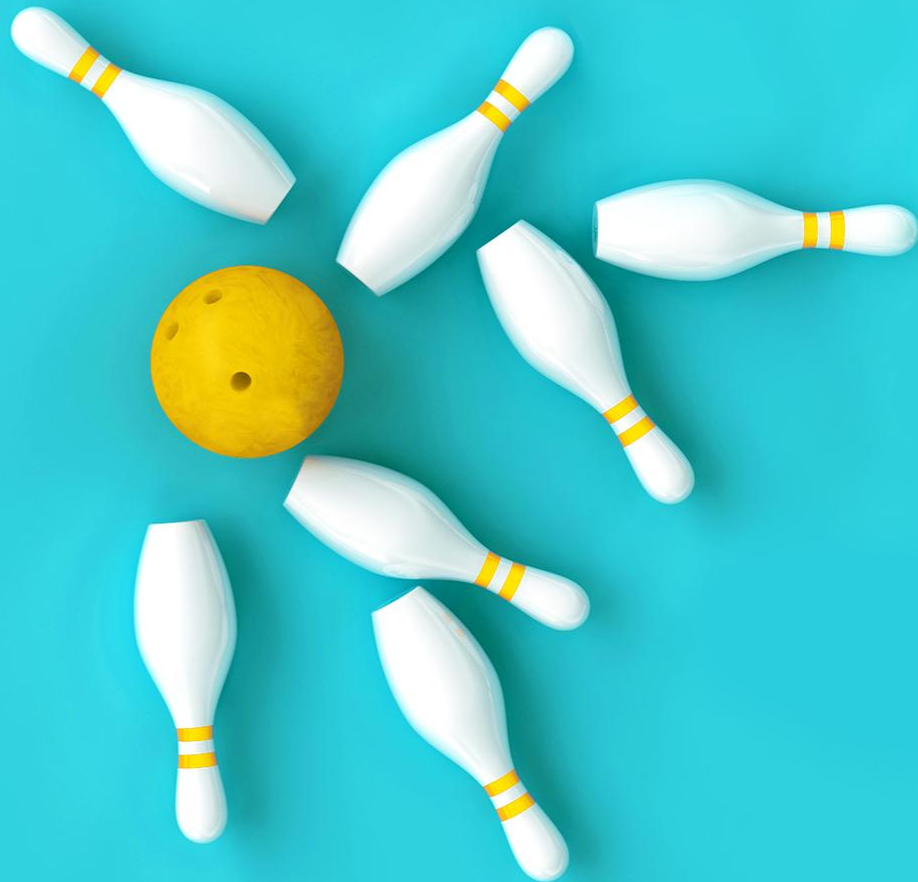THE SCALERS®

7 Offshore Software Development Myths Debunked

Introduction

The last few years have seen the **offshore software development** industry grow exponentially.

By going offshore, businesses gain access to an extensive talent pool, reduce operational costs, and scale at speed.

And yet, for some, the myths about offshore development are enough to put them off the idea.

While some people have had a negative first-hand experience, others hear exaggerated horror stories about **lousy communication, security breaches**, and failed projects. This has generated a lot of bad press and myths around offshoring.

And that's why, as the experts in building successful offshore teams, we decided to debunk a few **common [offshore development myths](#)**. Let's begin!

1. 'Outsourcing' and 'Offshoring' are the same thing

Though 'offshoring' and 'outsourcing' are used interchangeably, they are two entirely different concepts.

- Outsourcing is about **engaging temporary external contractors** to deliver capacity that you cannot meet internally. This brings a few benefits, such as flexibility and low cost.
- However, it also means **exposing your business to risks** like loss of ownership, hidden costs, and lack of customer focus.

The reality is that you usually get what you pay for: if you find the cheapest provider possible, you're unlikely to get the best results.

1. 'Outsourcing' and 'Offshoring' are the same thing

Offshoring is quite different — companies build a **remote software development team** (which they own, in entirety) to augment their existing workforce with skilled professionals.

Since offshoring is generally to newer economies like India, companies can access **first-rate talent at a lower cost** than at home.

The crucial difference here is that an offshore team is a part of the organization in every sense.

They share the company's vision, are fully integrated into the business, and work under the same management, making them as **valuable and reliable** as your existing local team.

2. Offshore Software Development is all about reducing costs

Another popular myth is that the primary focus of offshoring is to save money.

Offshoring to countries like India and Ukraine is **undeniably cost-effective** because the cost of living in these countries is significantly lower.

However, in our experience, cost isn't the most significant advantage of offshoring.

Offshoring means getting access to some of the world's **highly-trained technical talent.** The fact that salaries are usually lower compared to Euros and the Pound is an added bonus!

3. Offshoring does not produce quality work

Quality offshore software development is about **leveraging top-tier talent** to scale up and grow your business.

The lower cost and abundance of talent means you can scale more sustainably than at home without compromising your output.

Whatever your industry, the key to successful offshoring is **dedicating enough time to recruiting** and building a truly top-quality team.

If you make that effort, there's no reason to think your team will deliver sub-standard work.

4. Logistical challenges make offshore software development unproductive

In our experience, we've learnt that that **myth is absolutely not true**.

And that's because today, there is a plethora of internet-powered apps — instant messaging, screen sharing, video calling, and so on — which makes communication a piece of cake.

There is also **plenty of crossover time** for the essential stand-up meetings, check-ins, and reviews.

Being based halfway across the globe is now a minor inconvenience. For some businesses, it's even more productive than having everyone in the same place!

5. Offshoring only works for businesses with substantial capital

SME's often view offshore software development as impossible without significant cash assets or dedicated funding.

However, the **cost of building an offshore team** completely depends on your specific requirements, such as the country, the size of your team, the desired quality, and other factors.

When done right, offshoring offers a **great way to cut overheads** and keep producing great work at the same time.

Think about it this way: you're investing in a bigger team, but you can also meet higher workloads and generate a bigger margin using your offshore team.

6. Offshoring does not provide data security

While this is a completely valid concern, ask yourself why a **data breach** is more likely with your offshore team than your local team if you're taking the same precautions.

The offshore team that you build is yours. That means every piece of **confidential information** remains within the jurisdiction of your company.

Implement strict NDAs which clearly state the terms of your contract with your offshore team.

Conduct routine checks of **encrypted data and invest in advanced firewalls** to ensure that your trade secrets are well-protected.

7. Offshoring is 'too complex'

There are a few **technical and logistical challenges** when offshoring software development processes. However, they don't have to be **difficult and complex.**

An offshore team is an extension of your existing workforce.

Growing your workforce in a different country is not all that complicated, thanks to your offshore partner — the company that **sources and builds the team** on your behalf — people like us.

They manage recruitment, set up workstations, manage facilities, and generally make sure that your remote team is fully provided for.

Source: Fortunly

93% of organisations are considering or have already adopted **cloud services** to reduce privacy concerns

Wrap it up

So that's it — some of the big offshore development myths and why they're not to be taken seriously.

At the end of the day, **they're called 'myths' for a reason**.

By putting in the right strategic effort, you can **build an excellent offshore team** and use them to deliver top-notch products and services for your clients.

Thank you

THE SCALERS