



Offshore Software Development: The Definitive Guide for CEOs





Introduction

There's no doubt that the software industry has become incredibly saturated.

Competition is at an all-time high, operational costs are always climbing, and talent is **getting scarcer by the day**.

Offshore software development services have now **risen as a solution** for Western businesses looking to get ahead in the crowded and expensive marketplace.

But how can you **leverage the model** for your business? Let's dive deeper.

What is offshore software development?

Offshore software development is when a company hires a **dedicated software development team** and opens a new office called an offshore development centre in another country.

They are **permanent employees** just like your local team, except that they're based elsewhere.

For instance, IT giants like Google, Microsoft, and Apple have all established their **R&D centres in Bangalore**, the Silicon Valley of Asia.





When is the best time for offshore software development?

1. Your operational costs are getting out of hand

With employee **wages accounting for more** than half of the fixed costs of an average business, hiring local talent in the West means having to pay through your nose.

Instead, by **starting offshore development**, you can save a significant amount of money, and increase your margins, without compromising your output.

2. You're not scaling fast enough

No business wants to be in a position where they have to turn away profit-generating, **growth-enabling business** because they don't have the internal capacity to accommodate them.

However, without the right tech team in place, it's quite likely to happen. This is where an **offshore development model** can prove to be invaluable.



Who should use offshore software development?

- Service-based companies whose core business is non-technical
 - ◆ These businesses are experts in their respective industries but cannot keep up with the **ever-changing technology**.
 - ◆ Because of their lack of expertise in all things software, their **technology is not cutting edge** and requires many developers to maintain and build.
- Offshoring is a neat solution to **hire developers full-time** and at a fraction of the cost.
- Companies already having an in-house development team but are not able to scale up and take on bigger contracts.
 - ◆ They want to **increase the value** of their business and grow with the times but are struggling.
 - ◆ Since new developers are expensive and hard to find, a **dedicated offshore team** might be an ideal solution



What are the benefits of offshore software development?

1.

Access to
engineering
talent

2.

Lower costs of
operation

3.

The opportunity
to scale quickly

4.

The ability to
focus on your
core business

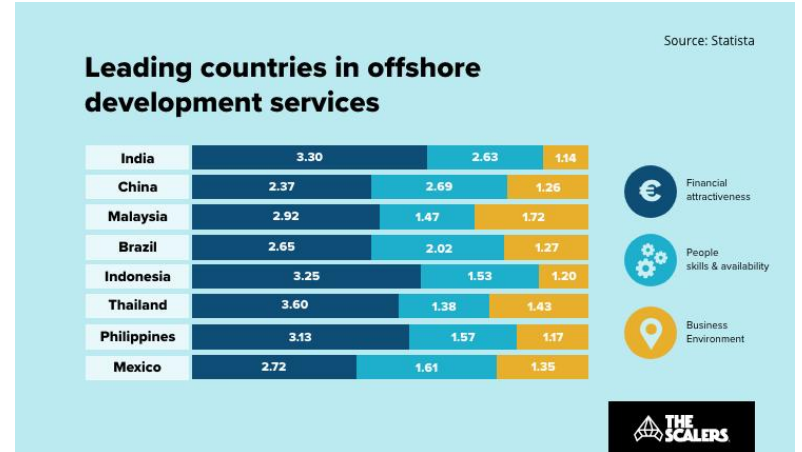


Offshore development location: India

India is the IT **offshoring capital** of the world.

They have the most developers, with the best training, and the most **fluent English-language** skills.

Given the lower cost of living, setting up offshore software development in India can be a very **lucrative option for your business**.





How can you manage your offshore software development team?

Once you've done all the groundwork, the next step is to **team up with an offshore partner** who will take care of the recruitment, administration, and everything in between.

However, as a stakeholder in the business, here are some tips on how you can **manage your offshore team**.

- **Share the vision and mission of your company**
- **Bridge the culture gap**
- **Use online collaboration tools**

Share the vision and mission of your company

The first step towards a successful collaboration with your offshore team is to explain the **vision and mission** of your business to them.

This is an opportunity to formally introduce the objectives, goals, and **needs of your business** and define where you see your company in the next couple of years.



Bridge the culture gap

When working with offshore teams, you're bound to come across some **cultural differences**. The key is to foster a unified culture of belonging across both your teams.

Remind your teams that they are both **working towards a common goal** and that if the project is a success, then everyone wins – together.

Visit your **offshore team from time to time**; conduct ice-breaker conference calls where both your teams get a chance to get to know each other and always be vocal about how you feel about their collaboration.





Use online collaboration tools

It is crucial to foster an environment in which **effective communication** becomes the first, and most important goal.

Some communication channels that you can use include:



E-mails: official communication, schedules, and project meeting notes can be shared via emails.



Instant messaging: Instant messaging tools like Slack and Skype work best for quick clarifications, status updates, and queries.



Productivity tools: Project management is crucial when working with offshore teams because without it, you wouldn't know what your team is working on. Tools like JIRA, Asana, and Basecamp are worth exploring.

These are just a few of the many strategies that you can implement when working with offshore development teams.

Thank you



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