



5 ways to navigate outsourcing issues and why to go offshore instead





Introduction

One of the ways that tech leaders are **overcoming local talent shortages** is by leveraging global talent. This can be done with outsourcing, or offshoring — depending on specific requirements.

However, outsourcing can **often present some unique challenges**. This is because you're working with a third-party vendor, with engineers assigned to you. This is different to offshoring, where the developers are 100% dedicated to your business. Let's look closer...



1. Less control over your work

Because the developers haven't been specifically hired by you, you're essentially working in the same way as you would with a contractor. They **aren't full-time employees of your business**, so aren't as invested in the products they work on.

- They're not aligned with your wider company culture
- They're external to your in-house engineering team
- Maintaining control over your product can be difficult





2. Hidden costs

'Pay as you go'

Despite agreeing on a roadmap and timeline, sometimes projects overrun or **you might need additional support**. Since outsourcing is essentially 'pay as you go', extended timelines can see costs spiral.

Equipment

Your vendor will normally provide the office space and equipment. But in some cases, **you might need to provide extra equipment** to the developers in your outsourced team. It's rare, but it does happen.

Training

Is onboarding and training included in your initial scope? For **particularly challenging projects**, additional guidance and technology-specific training might be required. Will it be you or your vendor who pays?

3. Cybersecurity risks

Because you're **working with an external third-party vendor**, can you really be sure your IP is safe and secure?

The developers you work with are also working with multiple other clients and projects.

- Exposure to external threats
- Potential data and IP theft
- Are GDPR and other guidelines being followed?

Source: Gartner

The worldwide information security market is forecast to reach over €138 billion in 2022



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The illustration shows a person in a yellow shirt and white pants standing next to a large computer monitor. The monitor displays a yellow padlock icon at the top and a horizontal bar with five yellow circles containing the Euro symbol (€) below it. The person is pointing at the rightmost circle. The background is a light blue and yellow gradient.



4. Issues around quality

With outsourcing, since the lowest price is the main driver, it's common for businesses to choose outsourcing vendors that offer the least expensive deal.

- Vendors often **focus on speed of delivery over quality delivery**
- Since you don't hire the engineers yourself, can you be sure of their technical capabilities?
- Working for multiple clients means the developers don't have your customers 100% in mind





5. Cultural incompatibility



Outsourced developers aren't hired by you, so **there's no guarantee that they'll be a good fit** for your business.



Since you're working with external third-parties, the engineers themselves **aren't invested in the long-term mission** and values of your company.



Over the long term, **offshoring delivers a higher-value solution.** The engineers are a complete and holistic part of your wider development operation. This means the engineers deeply care about the products and services they work on for your business.



Why offshoring is a better option...

With the right offshoring partner you're able to **source from deep pools of elite skills in talent-rich locations** like India. And, with the right support on the ground you'll get:

- A culturally aligned team
- Managed operations and administration
- Round-the-clock support
- Full-time, long-term employees that are invested in the success of your business

OUTSOURCING vs. OFFSHORING

	OUTSOURCING	OFFSHORING
Quality engineers	✗	✓
Your own team	✗	✓
Fast to hire	✓	✓
Scalability	✗	✓
Value for money	✗	✓





Wrapping it up



If you have a one-off project to complete or a temporarily overfilled development pipeline, then outsourcing can be a fruitful route for you to take. But, you may encounter some of the things outlined in this presentation.

By offshoring you get to harness elite global talent in a way that's fully aligned to your existing engineering setup. Your engineers are genuine colleagues, not outside support.

Thank you



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