



Insider Strategy on Outsourcing - Take Control of Outsourcing Relationship

Your Results.
Our Commitment.



1. What is outsourcing relationship management?

Outsourcing relationship management goes beyond the buyer/seller relationship. Both client and vendor must collaborate closely and support each other to achieve common goals. This collaboration must be nurtured by affectionate passion, constant communication, clear priority and expectation. The relationship should be mutually beneficial. Decisions in the relationship should be inclusive, accurate, and especially structured and controlled by both "partners".

2. How do we take control of the outsourcing relationship?

It takes skills and hard work to build the team, select vendors, establish and control processes for the outsourcing relationship. Once vendor and client operate with repeatable processes, the teams will find internal synergies - the key ingredient of success. But never stop controlling your outsourcing venture. Constantly identify the challenges, routinely monitor results, and continually review strategies. Your proactive approach in managing the outsourcing relationship will pay off tremendously.

3. What are the challenges in the outsourcing relationship?

Assume you obtain commitment from executive management, recognize business risks, and dedicate the best internal resources, offshore outsourcing has a few additional challenges including time zone difference, language barrier, remote location, and cultural differences.

4. How do we overcome the time zone difference issue?

This is not an issue for transactional relationship outsourcing in which vendor operates routine tasks that are easy to define. In many cases, the time zone difference is truly an advantage for companies that are interested in 24/7 development, operation support, or system maintenance. However, time zone difference is one of the most challenging issue for others in co-sourcing alliance in which client and vendor must collaborate extensively. It's hard to find the time slot for everyone to meet. It's even tougher to exchange questions/answers and arrive to problem resolution quickly. Though the problem can not be eliminated, companies find ways to work around these challenges. Many vendors create flexible work schedule for employees to meet customer's time windows. Offshore staff spend a few nightly hours for meeting with client during client's office time. Some clients also have team members rotate schedule to discuss with offshore staff when necessary. Moreover, asynchronous communication tools and processes are very effective to keep the team informed with minimal effort. Information is organized, updated, and reviewed any time on wiki, lesson learned database, document management tool, build automation tool, defect resolution management tool, forum, and etc.

www.3Nexus.com

3Nexus

5. How do we communicate effectively with the offshore team?

Three main reasons for the communication challenge are: time zone difference, language barrier, and remote location.

First, the time zone issue is discussed in the above question and answer.

Second, the language barrier problem often lies at the spoken and written English skills of the offshore staff. Note that reading and listening skills are usually not a problem for the offshore staff. But this language barrier problem is often overcome by other methods applied to fix other communication issues. To ensure team information comes from one source (in order to make sure the information is authentic and to reduce the volume of information the client has to process,) offshore team leaders take responsibility to communicate with client. It's likely that the team leaders can write and speak English fluently.

Third, the remote location issue can be easily overcome by advanced meeting technology like Webex that can remotely share application and desktop to meeting participants around the globe. Moreover, asynchronous communication tools and processes are very effective to keep the team informed with minimal effort. Information is organized, updated, and reviewed any time on wiki, lesson learned database, document management tool, build automation tool, defect resolution management tool, forum, and etc. Last but not least, offshore employees can apply for B1 visa and arrive to North America in as few as 2 weeks. With B1 visa, they can stay within the US for 3-12 months, learn about your business operation, and tackle any important matters that require face-to-face interaction.

6. How do we overcome the cultural difference?

Cultural difference is no longer a significant issue. In the IT market where most customers are Westerners, Western cultural behavior and international project management practices are studied and adopted by offshore IT professionals. If possible, you can go beyond to build that special bond between the teams by allocating budget for team building activities between employees and contractors around the globe.

On the other hand, company cultures may be different. It is important to choose a vendor whose values are aligned with your company's values. Is risk encouraged? Does the vendor focus on high quality? (Note that high quality is different from gold plating). Are innovators rewarded? Does the vendor foster personal and professional growth and work-life balance to retain best employees? As long as both vendor and client are not at odds, you should not have a problem.

7. How do we make sure the offshore team perform the work and deliver as promise?

Trust but verify. You trust each other and work together. But you need to verify each milestone and/or results on significant dates. Make the review and verification part of the structured and controlled process. If the only way to know whether the systems operate as expected is testing, then test, test and test as frequently as you can. Discuss with your vendor about their test plan, release plan (for pilot, alpha, beta programs,) and support for the test releases.



3Nexus Headquarters

- Address 3Nexus LLC
6701 Democracy Blvd, Suite 300
Bethesda, MD 20817
- Phone 1 877 236 3987 (1 877 23nexus)
- Fax 1 866 436 3987 (1 866 43nexus)
- Email info@3nexus.com
- Website <http://www.3nexus.com>