

SQS COMPACT OFFSHORE OUTSOURCING

Short version

Success factors

“Two external management factors, ‘creation of a spirit of partnership’ and ‘ensuring of a continuous communication flow’ between the project partners have the biggest influence on the success of an offshore development project.”

(Source: Prof. Michael Amberg / Martin Wiener: “Critical Success Factors of Offshore Software Development Projects”, University of Erlangen-Nuremberg 2006)

A White Paper published by SQS Software Quality Systems AG in December 2007 underlines this point. It states that, to an ever-increasing extent, the so-called soft factors are becoming the focus of attention for those responsible for deciding on where to place contracts in the context of outsourcing. The result is what can be called “offshoring 2.0”.

Offshoring 2.0

“Simply offering an attractive price is no longer enough. Rather, service providers also have to be able to offer sufficient expert know-how, in terms of both quality and quantity. Over and above that, suppliers exhibiting the closest possible linguistic and cultural proximity with the client are also in demand. Finally, the service providers increasingly have to be in a position themselves to provide the requisite mix of offshore and onsite resources that best satisfies the individual requirements expressed by the customer.”

(Source: SQS Software Quality Systems: “Offshoring 2.0”, Cologne 2007)

Knowledge of the providers and their services is therefore essential. There is no such thing as an offshoring “wonderland” that combines all of the advantages in one place. Numerous analysts therefore recommend the adoption of a multi-sourcing strategy, whereby companies choose different providers from different countries for different IT processes and functions. Not least, this also helps to avoid the problems that can arise from being tied to a single provider.

The success factors that are important for IT offshoring are revealed by the academics at the University of Erlangen-Nuremberg in their study “Critical Success Factors of Offshore Software Development Projects”.

Top 10 success factors for IT offshoring

1. Creation of a spirit of partnership
2. Ensuring of a continuous communication flow
3. Preparation of a detailed project specification
4. Face-to-face meetings with the offshore provider on a regular basis
5. Creation of a cultural sensibility among employees
6. Good English and German language skills of the offshore employees
7. Selection of suitable software components
8. Development of a comprehensive business case
9. Continuous controlling of project results from an early stage on
10. Geographical closeness of the offshore provider

(Source: Prof. Michael Amberg / Martin Wiener: “Critical Success Factors of Offshore Software Development Projects”, University of Erlangen-Nuremberg 2006)

The trend in offshoring is towards outsourcing services to specialised service providers. Access to qualified personnel is also becoming more and more important. For German companies, nearshoring also has an important role to play.

We will be please to provide you with a full version of SQS COMPACT OFFSHORE OUTSOURCING on request. Please contact Liliana Preuß (liliana.preuss@sqs.de).

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