



# Offshore Outsourcing Guide

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# TABLE OF CONTENTS

- Outsourcing levels
- Sourcing recommendations
- Average pricing by geo
- Summary of popular destinations
- Common objectives
- Winning Partnership
- Selection Steps
- Qualities in reliable partners
- Managing offshore teams



# OUTSOURCING LEVELS

Businesses outsource depending on internal resource availability and delivery structure.



## Complete Technical

Product requirements are developed in-house, and all technical aspects are outsourced completely.



## High-level

Project management, solution, and test design are passed to partner company, under in-house supervision.



## Low-level

Product management stays in-house. Only low-level coding and quality assurance tasks are outsourced.

# SOURCING RECOMMENDATIONS

Let's determine the suitable outsourcing models that match your strategy.



## Multi-sourcing

Recommended for companies that prefers to enter into parallel agreements with different vendors to satisfy all kinds of needs for the business, accessing the best talents in each field. Lower risk because of optimizable outsourcing with distributed responsibilities.



## Hybrid

Combination of offshore, onshore and nearshore resources is great to secure the most optimal solution that aligns with the business and delivery goals while minimizing the cost outlay.

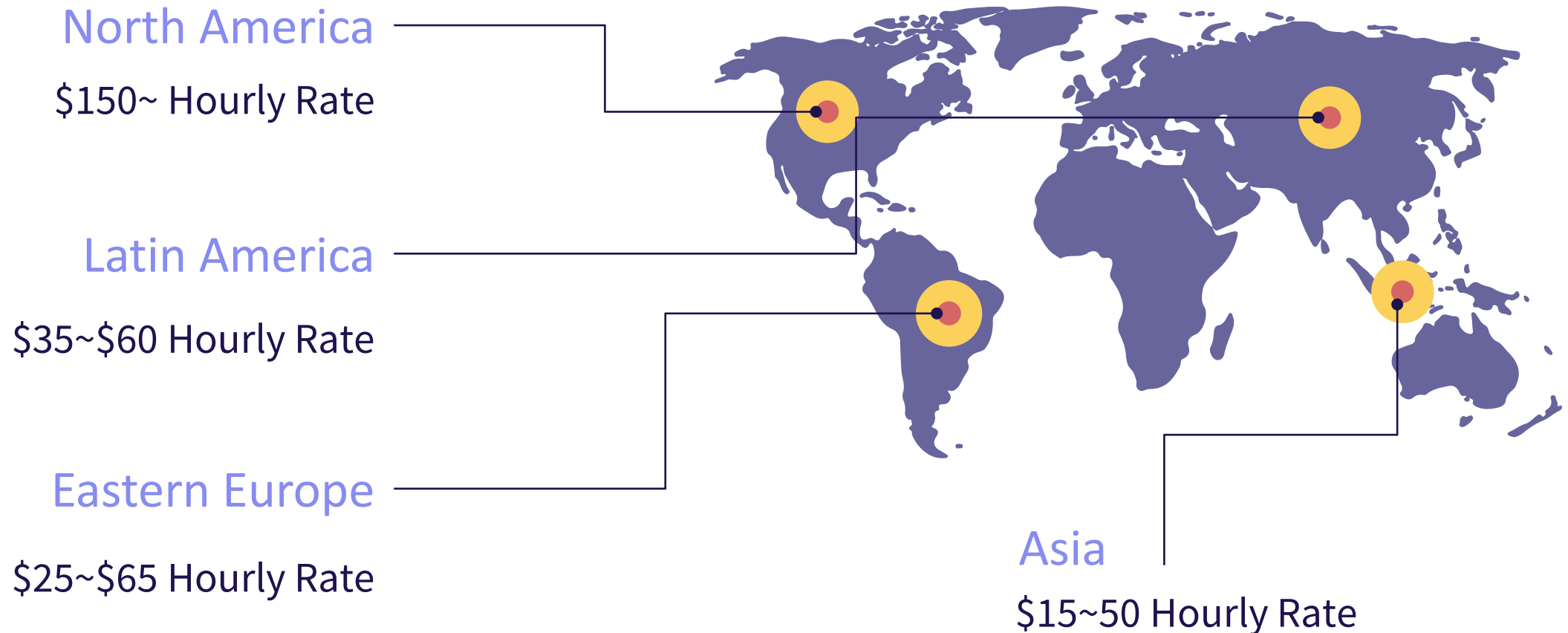


## Build-Operate-Transfer

A.k.a. technical outsourcing, in which the requirements come from in-house team responsible for managing offshore projects. Only the operation part involving programming, development, maintenance, enhancements, and testing are outsourced for better control.

## HOURLY RATES BY GEO

Is the priority time difference or cost? Rates vary in different locations.



## COMPARISON BY COUNTRY

Characteristics of popular outsource destinations.



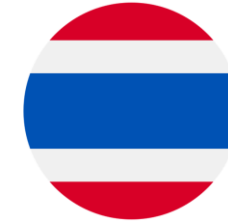
Vietnam

Increasingly Popular Destination, for cost effective and variety in services available.



India

All Time Favorite for immensely talented workforce large US firms take advantage of.



Thailand

Favorable Moderate Pricing, stable economy and robust infrastructure.



Cambodia

Up and Coming along with Myanmar. Competitive labor at much lower rate within Asia.



Phillipines

English Speaking Laborforce, offered at lower rate. Preferred choice in CS outsourcing.



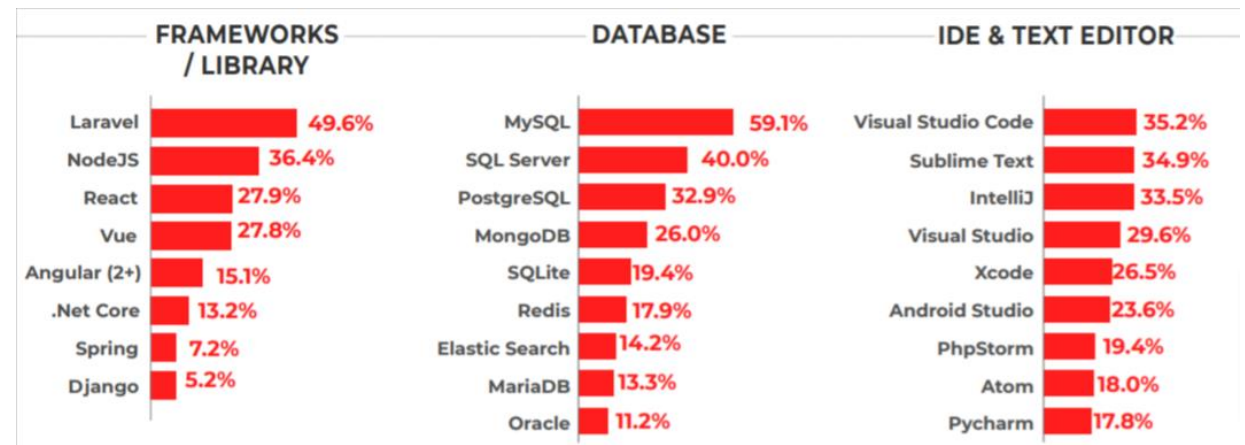
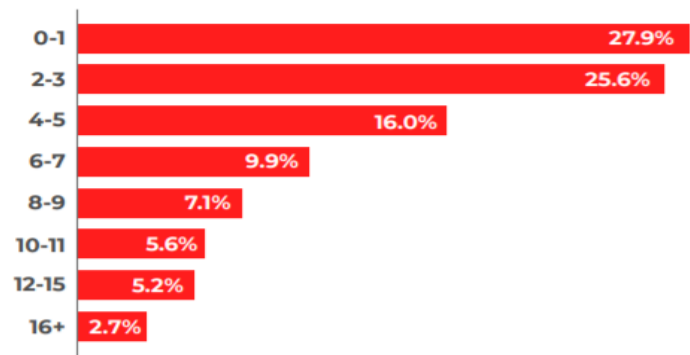
China

World-class Outsource Destination for large scale and high-tech projects.

# VIETNAM TECHNICAL EXPERTISE

The nation's workforce is young, therefore large portion of the engineers are concentrated within 5 years of experience. Since the digital economy is growing, young developers are highly motivated to work on mobile apps in addition to advanced solutions like IoT, RPA the government pushes . Commonly outsourced projects include:

- PHP C++ enterprise system development
- Image recognition and authentication system development
- Native mobile apps development using React JS/Native
- Agile MVP development
- ERP applications development and maintenance
- EC applications and website update requiring database
- RPA / EPA automation projects



# OUTSOURCE OBJECTIVES

Best to know the ultimate objective before utilizing external resources whether it's onshore, nearshore or offshore.

## 01 COST REDUCTION

Asian countries are ranked top in ideal outsource destinations due to government policies, technological edge and cheaper labor force.

## 02 SKILLED LABOR

Gain access to bigger pool of talents specialized in the services you are looking for such as development, quality assurance etc.

## 03 GLOBAL DELIVERY

Companies are increasingly establishing global delivery scheme centering product team in Asia to take advantage of competitive labor.

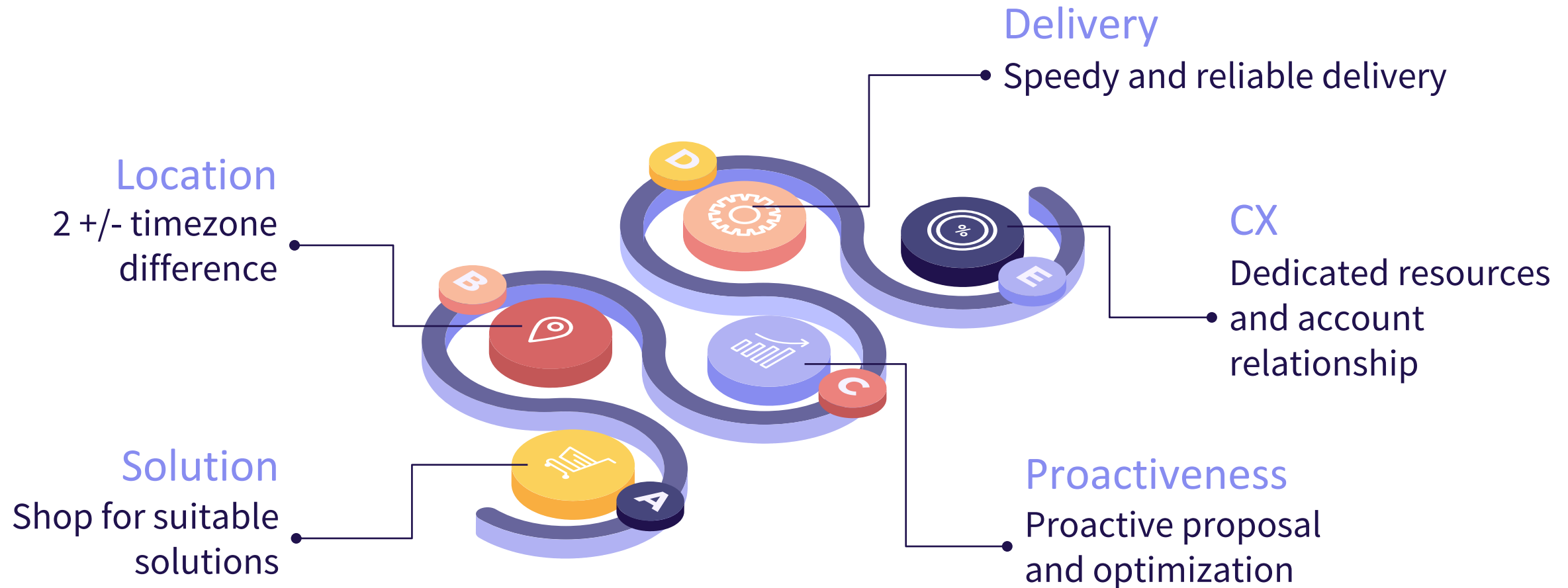
## 04 LOCALIZATION

As Asian markets grow bigger, Western companies launching in the region seek localization and deployment experts for relevancy.



# WINNING PARTNERSHIPS

Win-win partnerships progress and advance its services vs traditional offshore.

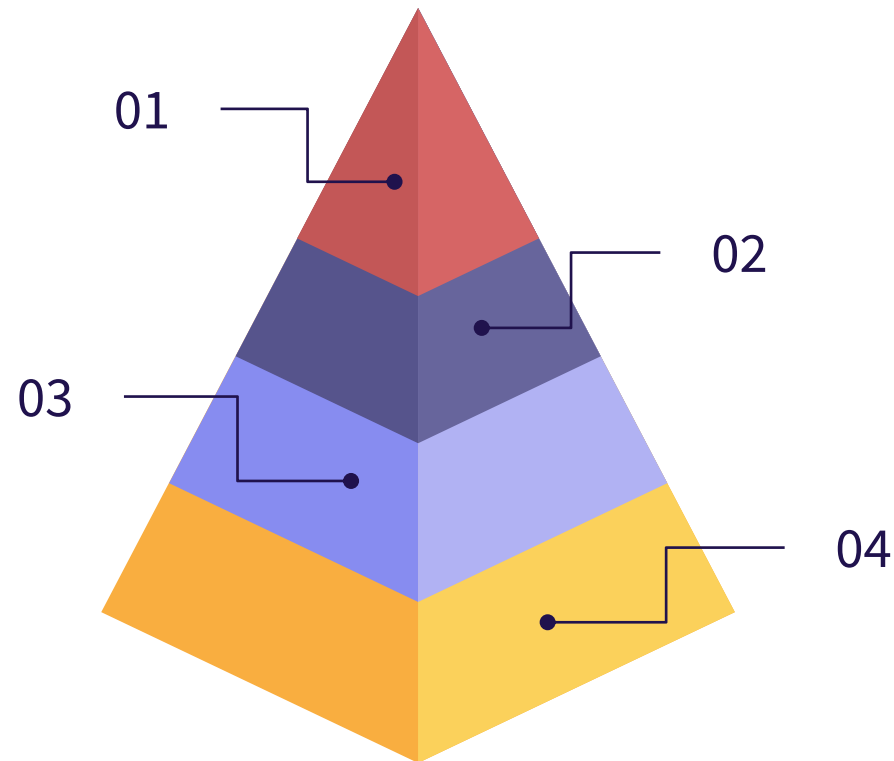


# SELECTION STEPS & CHECKLIST

STEP	TO-DO	CHECK-OFF
#1	Goal & Objectives	<ul style="list-style-type: none"> <li>• Business Objective</li> <li>• Requirements</li> <li>• Budget</li> </ul>
#2	Decide Location	<ul style="list-style-type: none"> <li>• Time-zone</li> <li>• Language</li> <li>• Cultural Fit</li> </ul>
#3	Outsource model & Contract	<ul style="list-style-type: none"> <li>• Time and material, Fixed Budget, Subscription, Incentives etc.</li> </ul>
#4	Solutions	<ul style="list-style-type: none"> <li>• Define areas to be outsourced</li> </ul>
#5	Research	<ul style="list-style-type: none"> <li>• List 5~10 companies through keyword research</li> <li>• Also check B2B review &amp; database sites</li> </ul>
#6	RFI / RFP	<ul style="list-style-type: none"> <li>• Send out RFI / RFP (Qualification, Contract, Pricing Models, Security Policy etc.)</li> <li>• Case studies of similar projects</li> <li>• Efficient estimation</li> </ul>
#7	Trial & Optimize	<ul style="list-style-type: none"> <li>• Quality of output (Code Review, # of Bugs etc.)</li> <li>• Establish reporting and visibility</li> <li>• Optimize process and request for change if necessary</li> </ul>

## STRATEGIC VALUE IN PARTNERS

Excellent partners have qualities in common to provide strategic value to cater to customer's organizational and financial problems.



1

- Industry Specific Knowledge
- Bespoke Solutions

2

- Ability to consult and propose
- Problem-solving skills

3

- Technical Skills & Certification
- Quality Mindset

4

- Communication
- Precise Execution

# MANAGING OFFSHORE TEAMS

Learn from others' mistakes to facilitate quality output.

To avoid a shocking surprise at the end of the project, communication is everything. In the past, "Offshore" meant "Cheap labor" to perform what was given but they now have a lot to offer and it's also up to you to make the most out of it.

In order to reassure quality output, we recommend

1. Clear documentation and requirements
2. Avoid translators or Br engineer for lost-in-translation
3. Involve QA testers to verify code and bug fixes
4. Choose teams with agile and test-driven development practices
5. Work with vendors with similar project experience and adequate understanding in business practices



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