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Outsource It!

A No-Holds-Barred Look at the Good, the Bad, and the Ugly of Offshoring Tech Projects

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Introduction

"Yes, sir, Mr. Nick, we can fix it!" Rajesh smiled broadly as he wobbled his head from side to side. I stood transfixed, trying to interpret this unusual body language and asked myself, "Where did I go wrong?" And as if answering my question, Rajesh added, "Each and every step..."

That little chat prompted me to consider writing about outsourcing. With more than twenty years of offshore outsourcing experience and having had my fair share of success and failure—and the battle scars to prove it—writing a book seemed like a sensible thing to do. I hope that by sharing my experiences; reviewing a common-sense approach to offshore outsourcing; and covering proven techniques, tips, and traps of working with offshore vendors, I can help you improve your chances for outsourcing success.

Why Outsourcing?

Offshore outsourcing has been around for long time, and it appears easy enough to master. Consequently, companies move into it all too often without due research. That strategy is likely to backfire. Outsourcing is a powerful weapon, but it's also a complex one: if you don't know what you're doing, you may shoot yourself in the foot.

With most outsourcing providers located thousands of miles away in countries that you might have seen only on the Discovery Channel, embarking on an outsourcing journey may bring challenges you haven't seen before. Once you enter the world of outsourcing, you'll most likely find yourself working with people you've never met who have names you can't pronounce and whose behavior you can't interpret.

While outsourcing can be an exhilarating experience—introducing you to new cultures, exotic lands in faraway places, and new career opportunities—the challenges it brings are tough. Your favorite tools and techniques may not work anymore. Proven processes and procedures may fail. Your estimates

will be significantly off. Your communication approach will require major adjustment.

To be successful under these conditions you need knowledge.

And that's exactly what you'll find as we move through the book—knowledge. Knowledge that I gained through years of outsourcing to locations all over the world. Knowledge that will empower you to make informed decisions about outsourcing initiatives for your organization, your colleagues, your family, and, of course, your career.

Who Is This Book For?

While most of the topics covered here apply to almost any outsourcing situation, this book is written primarily for technology professionals; it specifically caters to those working in small- to medium-size companies or in the technology trenches of large organizations.

If startups or small- to medium-size companies are your world, you most likely need outside help either to grow your firm quickly or to get a product off the ground fast, or just to add the short-term or specialist expertise you need at a critical juncture. You know your core business and how to make your product, and you cannot afford to experiment with offshore production or to make the costly mistakes that far too often come with outsourcing. This book is for you.

If you are working for a large company, offshore outsourcing is probably already in place and plays a significant role in your organization, but it may not be effective or efficient. The inefficiencies of going offshore are clear and painful to those working side by side with remote resources. If you want to fix what's broken and help your organization improve its outsourcing techniques, this book is for you.

Whether you make most of the technology decisions for your company, are climbing the proverbial corporate ladder, or are an individual contributor involved in the daily operations of your company's technology team, you will find plenty of useful information here.

While this book is written from a "client's" or "buyer's" standpoint, it can help those working for outsourcing vendors of all sizes, as well as for freelancers and contractors. If your company or if you yourself are offering services to companies that outsource some of their functions, reading this book will help you sell, provide better services, and retain us as clients.

A word of caution—this book is not an outsourcing survival guide. If that's what you are looking for, check out *The Passionate Programmer [Fow09]* by Chad Fowler.

What Is in This Book?

Outsource It! is a down-to-earth guide to offshore outsourcing. It is based on my experiences and on those of my friends and colleagues, as well as on information from books, industry publications, and the outsourcing blogosphere. It is divided into five main parts that take you through a full cycle of offshore outsourcing, from making the decision to terminating the engagement.

In Part I, *Decide If, What, and How to Outsource,* on page ?, we'll start with weighing the pros and cons of outsourcing, figuring out how to make an educated decision, defining the scope of an outsourcing initiative, and selecting an appropriate engagement model.

Part II, *Find the Right Vendors,* on page ?, covers the process of selecting a partner that matches your outsourcing engagement.

In Part III, *Negotiate Solid Contracts,* on page ?, we'll discuss negotiating a solid contract with reasonable rates, terms, and conditions.

Part IV, *Lead Distributed Engagements,* on page ?, reviews how you should adjust your development methodology for outsourcing, build and lead distributed teams, and establish metrics frameworks.

In Part V, *Keep Risks under Control,* on page ?, we'll discuss techniques that help to both mitigate risks and minimize the impact of inevitable mistakes.

How to Read This Book

Outsource It! contains no code examples, complex exercises, or legal fine print (even though I was tempted to include plenty of it). The book could be your perfect companion for a cross-country flight, and chances are you can skim through it in just one trip between SFO and JFK.

At the same time, if outsourcing is a big part of your day job, you may want to keep *Outsource It!* close to your fingertips as a desk reference. Many of the techniques covered here fall into the category of soft skills that need to be reinforced continuously until they become second nature. Reviewing the tips, tricks, and traps associated with outsourcing will help you build your skills. In addition, you'll find helpful tools, such as templates and checklists, in the appendices, which you can use from the planning stage through execution to termination of your project.

Online Resources

At the website for this book,[1] you'll find an errata page, which lists any mistakes in the current edition (let's hope that will be empty!), and a discussion forum, where you can communicate directly with me and with other technology professionals involved in outsourcing (let's hope that will be full!).

Another online resource that offers plenty of material extending the content of the book is my blog.[2] In addition to new posts and discussions it includes helpful documents, such as examples of a master service agreement and a statement of work, directory of freelancing sites, and suggested reading, as well as tools, including spreadsheet models and document templates.

And with that, let's head into the murky world of outsourcing, find our treasure, and more importantly, return safely to the comfort of our home, cubicle, or office.

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1. http://pragprog.com/book/nkout/outsource-it
2. http://pragmaticoutsourcing.com