

## **Moving Work Offshore to Meet the Demands for Quick, High Quality, Low-Cost Software**

We want it quickly! We want high quality!! And we want it at low cost!!! These are the demands that are being placed on software development companies. These demands are driving software development companies into creative resourcing strategies. One such strategy, moving work offshore, creates some unique project management challenges. As a new manager with resources offshore I find myself faced with these challenges daily. I've learned that how well the project management challenges are addressed will dictate the success or failure of a project.

In this paper, I'll outline some of the challenges that I have personally encountered as well as challenges documented by others. Left alone, one or more of these can quickly sink a project. So, I'll provide some possible strategies for addressing the challenges.

The most obvious challenge we face when moving work offshore is communication. Communication goes far beyond simple language differences. In "Managing Multicultural Teams"<sup>1</sup>, Jeanne Brett breaks communication down into the following four categories:

**1. Direct versus indirect communication**

Here, Brett states that Western cultures use "direct and explicit" forms of communication. I interpret that as "what-you-see-is-what-you-get". Whereas communication in other cultures is not quite as obvious. It may be necessary to interpret how the communication is presented in addition to what is being said. I have experienced several miscommunication episodes with my development team in India because I did not correctly interpret the presentation of information and simply took it at face value.

**2. Accents and fluency**

Verbal communication with someone who speaks English as their second (or third) language is the most common issue I hear about. Brett goes further and discusses fluency as part of the problem as well. Basically, if someone is unable to clearly articulate their position (in English) the perception is that they may not be intelligent or have anything of value to contribute.

**3. Differing attitudes toward hierarchy and authority**

Cultural differences in how hierarchy and authority is perceived creates a communication chain that may be different than what is considered the norm in the U.S. Where it is appropriate to escalate issues up the chain in the U.S., it may be considered disrespectful to take that route in other cultures.

**4. Conflicting norms for decision making**

In the U.S., we want to move quickly and tend to not spend a lot of time in analysis. In other countries, it is more appropriate to spend a great deal of time on analysis with little regard to how long it takes to come to a decision.

Brett offers the following strategies for addressing the challenges outlined above:<sup>2</sup>

**1. Adaptation:** Acknowledge the cultural gaps and work with/around them

This is an approach that I have tried and had success with. One word of caution, it is critical to be respectful when acknowledging the cultural gaps. And keep in mind that the U.S.-way is not necessarily the "right" way.

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<sup>1</sup> Jeanne Brett, *Managing Multicultural Teams* (Harvard Business Review), p 1-3

<sup>2</sup> Brett, p 3-5

2. **Structural intervention:** Change the shape of the team; reorganize/reassign to reduce interpersonal friction.
3. **Managerial intervention:** Set norms early; bring in higher-level manager to set the stage with effective processes from the very beginning.
4. **Exit:** Remove a team member who cannot work effectively within a multicultural environment and ends up distracting the rest of the team.

Some additional strategies for effective communication with offshore resources are the same strategies used for effective communication with virtual teams (not necessarily offshore). “The Distance Manager” by Kimball Fischer is an excellent resource for describing these strategies.

In addition to the challenges presented by communication differences, we find gaps in experience, project estimation and quality expectations that have to be managed. In his article “Managing Offshore Programming Projects”, Jeffrey Stenger describes Dabble Communications approach to these issues.<sup>3</sup> To sum it up, Dabble Communications maintains responsibility for what they consider the more difficult or critical tasks onshore (requirements gathering, design, developing the specifications, testing and implementation). They send only programming tasks offshore. This model does not work in my organization. While I agree with Stenger when he discusses the importance of thorough documentation, I disagree with how the work is parceled out. The approach has been successful for Dabble because they are not only offshoring but also outsourcing the work. In my organization we have a development site offshore that is part of the company. Our approach to parceling out work has to be more inclusive so that the offshore resources can buy-in to the projects they are working on and truly feel part of the team.

Given all of the challenges in using offshore resources effect program management becomes even more crucial. Here are some keys to successful program management:<sup>4</sup>

- Dedication to transition execution
  - The work that is sent offshore has to be planned carefully. Thorough documentation, training and knowledge transfer is crucial.
- Continuous monitoring of metrics, scope and issues
  - It is crucial to stay on top of what’s happening. The further along a project gets the more difficult it is to resolve issues that have been buried. In fact, it becomes more difficult to even discover an issue that has been lingering in the project.
- Maintaining a local program office
  - It’s important to have someone local who knows the laws and cultural norms that govern a specific region.
- Attentiveness to typical pitfalls
  - While this is just good project management its importance is elevated when a project includes offshore resources.

A final thought on how to effectively manage projects that include offshore resources ... maybe the answer is in agile. Thoughtworks has experimented with using agile to manage projects that include offshore resources with relative success.<sup>5</sup> While the concept of agile may on the surface appear to be contradictory to successful use on projects that include offshore resources, Simons finds that agile actually addresses some of the challenges posed by offshore development. Specifically, offshore resources may have little visibility into project status. But agile’s frequent delivery approach allows everyone visibility into how the project is progressing. Agile also relies on people doing the work to provide the estimations. By involving the offshore resources in task estimations you reduce the risk of major disconnects between what is promised and what can actually be done. Using agile to manage projects with offshore resources is something I would like to explore further.

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<sup>3</sup> Jeffrey Stenger, “*Managing Offshore Programming Projects*, (Dr. Dobb’s Journal, Jul. 22, 2001)

<sup>4</sup> Atul Vashistha and Avinash Vashistha, *The Offshore Nation*, (McGraw-Hill, 2006), p. 182

<sup>5</sup> Matt Simons, “*Internationally Agile*”, (Infomit.com, March 15, 2002)

The question then becomes, do the gains we make using offshore resources justify working through the many project management challenges? In my experience, the answer is a resounding YES! The biggest advantages I have experienced thus far are: 1) utilizing offshore resources to take advantage of time zone differences to stagger the work (e.g. development can hand-off to QA, so the code is being worked around the clock); and 2) we can obtain more resources at a lower cost when compared to the U.S. labor costs.

Gains I expect to see as we get better at working with our offshore resources 1) speed up in the delivery cycle and 2) higher quality deliverables.