LEAWARE

< A BETTER WAY FOR GREAT APPS / >

COOK BOOK

FOR NEARSHORE SOFTWARE DEVELOPMENT

REAL STORY:

WHY NEARSHORE OUTSOURCING IS GETTING MORE POPULAR

I was sitting in a customer meeting room just four weeks back and talking with a European Bank. The Senior Director had asked us to meet him, because the bank had decided to move their software development from India to Poland.

This is however not a new trend in IT outsourcing. As research shows 74% of these businesses where already outsourcing IT and 87% of the them will increase or keep the same level of outsourcing in 2018. Companies, that already have been in India are now looking for smoothness in their daily development operation. These European companies are turning their gaze from offshore to local or nearshore development partners, which can offer business value by agile development cycles and disruptive solutions.

"

"While cost optimization is still a critically important criterion for outsourcing, it is no longer at the top of the list (nor even in the top five), since disruptive outsourcing, when executed well, can deliver competitive advantage by transforming the way organizations operate, and making them more agile, efficient, and effective."

"

Deloitte, 2018 global outsourcing survey

When digging more deeply to this phenomenon it seems, that there are four main reasons behind this: 1. Cultural compatibility 2. Work efficiency 3. Talent pools 4. Cost of outsourcing

Starting with the first, these companies are looking for smaller cultural barriers and better match for their own mentality. They crave for developers, that take responsibility and actively search for solutions when challenges come along the development road.

Secondly, they look at efficiency and smoothness of daily operation and mixing their own development teams with a nearshore partner. To operate these teams effectively (daily scrums and weekly retrospectives) you more or less need to be on the same time zone.

Thirdly, competition of the top talents in India is intense. In discussions with our customers we have heard, that Indian IT companies are already taking the top talents form local talents pools.

Fourth, as publicised on the Deloitte 2018 outsourcing report cost optimization is no longer top incentive for outsourcing. As a matter of fact, price levels between Europe and India have got a lot closer to each other.

So, how to get started with a nearshore development partner? We drafted this cookbook for you to get a short cut and a better understanding of the road you are about to take, so enjoy.

Joona Mäntyvaara, Business Director, Luxembourg

HOW TO GET STARTED?

Before starting any development project even, a small evaluation project with a development company, it is essential to have a clear focus on WHY this development will make a difference for your business. As you are entering in first discussions with a development company have your business goals in mind and a vision of expected technological outcome.

So, what are the most important things to look for in a development partner:

1. Quality of development work and quality assurance process
2. Developers ability to take responsibility in work and solve challenges proactively
3. Clear process for collaboration and communication
4. If required: Specific technological knowhow for the development project or developer resources. *(Not be locked with a specific technology might be even the best scenario for your businesses future technological scalability)*

With a new development partner, you should always start small and see how work processed. e.g Take one developer for a limited time or start with a test period with a small project scope. We will now explain in a 5-step process, how relationship should be cooked with a new development partner.

LEAWARE

FIRST TEST PERIOD AGREED

Now imagen a situation, that you have selected one development company for a development test period. Before starting the work, some preparations are needed. Scope is usually agreed on a document called Statement of Work and general work-related agreemets are signed. From our experience for getting good sense of development company's capabilities, this period should last around 2-3 weeks, but it can varie depending on the test project.

ORGANISATION OF WORK

Organisation of work is one of the first things, that should be agreed on and it is part of the preparation before actual development work begins.

This consist:

1. Defining roles between customer and development company,
2. Tools for collaboration and development
3. Setting up weekly routines and collaboration.

Depending on your technical team skills and experience the roles are distributed.

(1) DEFINING ROLES BETWEEN CUSTOMER AND DEVELOPMENT COMPANY

As a minimum set up from your side, you should have a Product Owner who is responsible for the developed solution and product backlog prioritisation. He will be involved deeply in the sprint planning, daily scrum, sprint demos and retrospectives.

Here is an example how Leaware has distributed roles with Flow Pilots during 6 yearlong partnership:
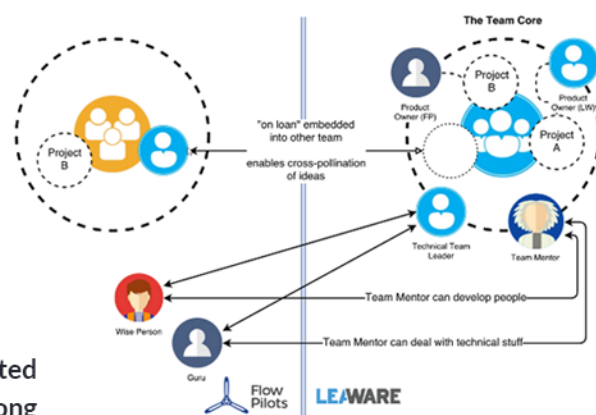
Other roles that are usually are seen in digitalisation projects, which come either form you or development company are: Project Manager, Scrum Master, UX Designer, Solution Architect, Test Manager. From the customer side only, following roles can be present: Project Owner, Business Owner and Stream Lead.

② TOOLS FOR COLLABORATION AND DEVELOPMENT

To make the team work effectively it is essential that communication and collaboration tools are at place. It is important that project documentation can be viewed all times by your own development team and the development company. Work can be then distributed effortlessly between both parties and roles can be changed, if needed. As a basic set up you can use a cloud-based folder (e.g. Sharepoint, Drobox) but even better if you can use a specified software, which is linked with the task management like Confluence to Jira. This are our recommendation for tools used during development:

OUR RECOMMENDED LIST IS:

✖ Confluence
for Project Documentation

◆ Jira Software
for sprint/task management

Ti Microsoft Teams
for ad-hoc communication

and minutes from meetings and all relevant information
that led to decisions will be recorded on **Confluence**

② WEEKLY COLLABORATION AND ROUTINES

Weekly routines are an important part of successful cooperation and they need to be agreed between your company and development company. Here is an example of agile routines that are performed my mixed development teams. Your Product Owner will attend these routines weekly according to the set week plans.

SPRINT ROUTINES

PLANNING AND REVIEW
PROJECT TEAM & MANAGEMENT

Define sprint backlog & set sprint goal

DAILY SCRUM
PROJECT TEAM

Mantain momentum & identify roadblocks

SPRINT DEMO
PROJECT TEAM & MANAGEMENT

Present sprint results

RETROSPECTIVE
PROJECT TEAM
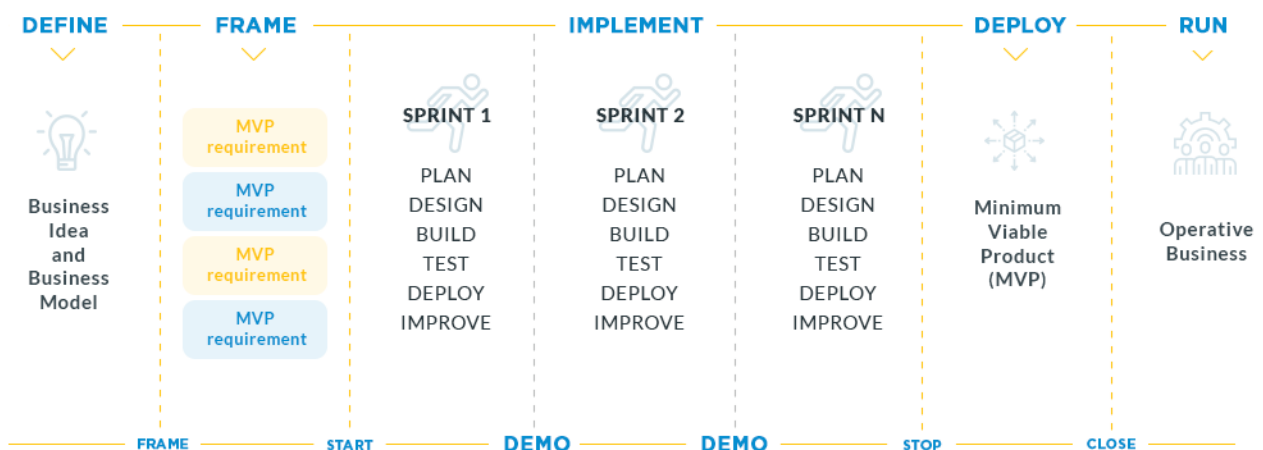
Identify needed improvements to make net sprint better

LEAWARE

SPRINT LENGTH & ROUTINE DURATIONS

	1 WEEK	2 WEEK	3 WEEK
SPRINT PLANNING	1 hour	2 hours	4 hours
PLANNING REVIEW	15 min	15 min	30 min
DAILY SCRUM	15 min	15 min	15 min
SPRINT DEMO	1 hour	1 hour	1 hour
RETROSPECTIVE	1 hour	1 hour	1 hour

DEVELOPMENT DURING THE TEST PERIOD

During the development phase work is managed through an agile project management model. This ensures the work is performed by a structured manner throughout the development test phase. When the test period lasts from 2-3 weeks it is usually divided into 1 or 2 sprints. These sprints consist of sub-phases: *Plan – Design – Build – Test – Deploy – Improve.* Ideally after one sprint a new feature can be deployed to production.

DEFINE	FRAME		IMPLEMENT			DEPLOY	RUN
	MVP requirement	SPRINT 1	SPRINT 2	SPRINT N			
Business Idea and Business Model	MVP requirement MVP requirement MVP requirement	PLAN DESIGN BUILD TEST DEPLOY IMPROVE	PLAN DESIGN BUILD TEST DEPLOY IMPROVE	PLAN DESIGN BUILD TEST DEPLOY IMPROVE		Minimum Viable Product (MVP)	Operative Business
FRAME	START	DEMO	DEMO	STOP		CLOSE	

EVALUATION OF THE TEST PERIOD

When the test period is over it is time to look at the results of cooperation. A proper After-Action Review should be done by the development company and you:

(1) **ANALYSE WHAT WAS SUPPOSED TO HAPPEN AND WHAT DID HAPPEN – WHY WHERE THERE DIFFERENCES?**

(2) **WHAT WORKED AND WHAT DID NOT?**

(3) **HOW THE WORK CAN BE DONE BETTER BY THE PARTICIPANTS AND THOSE RESPONSIBLE FOR THE TEST PROJECT?**

(4) **WHAT SHOULD BE DONE DIFFERENTLY?**

Also, highly important is the chemistry between your company developers and nearshore development team. How fluid was the communication? Was there a good match with working styles?

COMMITMENT

You have now gotten good a sense of the development company capabilities during the test period. Building a partnership is always a process, that needs time and committed people working together for a common goal. Test period is of course only a glimpse of the possible partnership, but it sets the ground for the relationship development. Trust is the most fundamental feeling that you need to have after the test period. Even, if there were challenges with the assigned work a good development company will address these challenges in an active and constructive manner. You can then be utterly confident, that the development company puts fully its heart and soul to your company's development needs.

Now, when you move forward with the development company it is time to check, that the documentation supports the ongoing partnership:

- Contract + Terms and conditions
- Agreed scope for now and a description, how it can be scaled in the future
- Organisation of work, if it differs from the test period
- Price level now and price level, when partnership is grows to a stated level

LEAWARE

COLLABORATION

During the ongoing collaboration with you and the development company, there will be changes in the business environment as well as in your company, which will affect the partnership. Having a set up common goals and periodic evaluation points, makes the cooperation leaner and more transparent.

GOALS FOR THE PARTNERSHIP

You and development company will set up common short term and long terms goals for the partnership, which will be documented and revisited by the leadership and the development team. As an example, there might be a need in the future for new competences and knowledge, which will require a setup-time from the development company.

"When considering building new technology focused teams – it will be much easier to seek resources together and decide how and where it is best to build new competencies."

PERIODIC EVALUATIONS = PARTNERSHIP HEALTH CHECK

To keep the partnership live and kicking - periodic partnership evaluations are agreed. We recommend having these evaluations quite frequently in the beginning of new partnership and then later make a quarterly evaluation as a norm.

As a pre-task before every partnership evaluation session mirror your vision and goals from the past to the current state. Has there been changes that affect the partnership? If there has, what actions can be collaboratively taken?

ABOUT LEAWARE

Our main competence is to combine web and mobile technologies in a way to create solutions tailored to the needs of our clients.

Leaware is a software house specializing in the optimization of business processes using modern technologies. Our solutions integrate mobile technologies (including multi-platform Xamarin) with Azure and other back-office environments. We are fans of combining the methodology of agile development with the lean concept, the concept of product development or process optimization (Lean Startup and Customer D Development). We do not limit ourselves to technical support, but we actively participate in designing applications, e.g. on the behavioral level (HOOK model) or UX. Rich experience in cooperation with corporations (including BNP Paribas, AXA, Belfius Bank, E & Y, Japan Tobacco International, Tauron) and startups (over 15 projects) allows for extremely effective project management. We feel great when outbox solutions are inadequate when using, among other things, advanced Azure services.

HOW DO WE WORK?

Good and productive cooperation is based on mutual understanding, trust and building relationships. Each project starts with a detailed analysis of the client's business and market environment. Then, we discuss the goals and expectations of our clients in detail. During work, we use different project management methodologies to make the best use of the client's time, resources and money. We make sure that your company or product develops through close cooperation with us. When you start working with Leawere, you become part of our team.

LEAWARE

LEAWARE

< A BETTER WAY FOR GREAT APPS / >

CONTACT US

🇵🇱 POLAND

ul. Perkuna 86 / 1
04-124 Warszawa
✉ ask@leaware.com
📞 +48 (22) 37-81-522

ul. Grudziądzka 46-48
87-100 Toruń
✉ ask@leaware.com
📞 +48 (22) 37-81-522

🇩🇪 GERMANY

52222 Stolberg (Aachen)
Hoehenstrasse 71
✉ ask@leaware.com
📞 +49 (0) 240 238 930 09

🇱🇺 LUXEMBOURG

Regus 46 JFK, 46A Avenue J.F. Kennedy
L-1855 Luxembourg
✉ joona.mantyvaara@leaware.com
📞 +352 6911 36739