

10 Criteria to Evaluate an Offshore Vendor

Are you looking into going offshore for some of your development needs? Having trouble figuring out which kind of vendor is the right fit, or afraid that you'll be jaded by a bad choice? Here are ten criteria to evaluate an offshore vendor to see if they're right for your company.

1 Hiring

A lot of offshore vendors have something called bench resources, where you come in and say you need someone, and they say, "Let's pull Johnny off the bench." If you've got unique criteria that you're wanting to hire for, then bench the bench resources and find someone that's right. Many vendors won't involve you in the process—you may be shocked to discover later on down the road that your developer isn't well suited for the job. Be careful of some vendors who start you off with an A-team, then after a few months move you to a B-team. Suddenly you're saying, "Where did Arun go?!"

The only way to guarantee you get the developer you're after is to be involved in the hiring process. Pick a partner who will allow you to play a vital role in who you chose to join your team.

2 Communication

Many vendors have layers of management between you and your team, and all communication filters through them. Good communication is core to quality development—in terms of code, and in terms of relationships. Your team is made up of real people in a real office, so pick a vendor that's going to let you talk to your developers. Also ask about staggered work schedules, where your developers will have a later working day to overlap with yours. If you get to know them on a personal level, they're more likely to bring their a-game. Moreover, if you can tell them exactly what you want, you're going to be done faster.

3 Control

More on management layers: if you want direct control over your developers and development, don't compromise on this. Ask, ask, and ask again about maintaining control over your team and your intellectual property. Pour over your contract and make sure there's no loopholes. One of the biggest flaws with typical outsourcing is the lack of ownership when it comes to your team's work. If this is important to you, don't compromise. Find a vendor that will guarantee control.

4 Employee Retention

A negative perception of outsourcing is the high level of employee attrition. Ask what a vendor's retention rate is before signing on. Onboarding and training are expensive, and you're going to absorb that cost. A company's high retention rate is very valuable to you. When your team sticks around, they gain a higher level of domain expertise, which makes them more valuable to you daily.

5 Working Conditions

Want to know a good sign that a company doesn't have the best working conditions for their employees? A high attrition rate. The quality of a work place has a big affect on moral, emotional, and physical health. Seek a vendor with transparency about their office space, and what they do to make your people comfortable. Would you want any less for your offshore employees than your in-house employees? Hopefully not.

6 HR Support

Who's the one keeping your guys comfortable while they're at work? Who's building a strong company culture that will lead to better retention? Who's addressing with work-related issues like time off? The HR team. Ask your potential vendor about their HR staff, and what sort of company culture they're building. Is it a relaxed and fun space, or a rigid space focused on rules and regulations? What steps is HR taking to make sure your team is both happy and productive?

7 Ongoing Training

If your guys aren't being trained in the latest technology, then how are they supposed to contribute further down the road? Or, if they're the self-learning type, if they don't have the freedom to research relevant technologies, how will they continue to contribute?

Ask to see if a potential vendor has experts that come in. What sort of training are they doing? Is it just technology, or are there other classes too that might benefit your employees? For instance, leadership classes, family counseling, etc.

8 Measuring Productivity

Are you worried that if you go offshore you won't be able to monitor your team's productivity from a distance? Your offshore provider should be able to help you in this department. Will they take the time to understand how your team functions and then make helpful suggestions based on your workflow, or will they prescribe a stock method they have for all of their clients? Remember how we talked about maintaining control? Don't give in to a plan that won't work for you. Make sure your offshore vendor wants to understand how you and your team works, and how to best integrate your offshore team members into your plan.

9 Can I Visit?

Even if you don't want to visit your offshore team, you should seriously consider it. It's surprising how much meeting your team in person can help how you work together. Ask your vendor if they can arrange a trip for you to come and meet your team. You'll get to see the office, have lunch, learn about their life and their family, and connect with them in the way that you get to connect with your in-house team every day. Imagine how much your relationship, and your work, would improve.

10 Cost

Cost is pretty self-explanatory. Be skeptical of places where the cost seems unbelievably low—they're probably cutting corners somewhere. If cost is higher, weigh it against what kinds of services your vendor offers, and evaluate if the services are worth it to you.