

OFFICE™ METHOD

OFFshoring In a Controlled Environment
INTRODUCTION BOOKLET



About this ebook

The purpose of this ebook is not to deliver a detailed guideline. The main objective is to make the readers understand that by following a specific approach, Offshoring will always deliver positive results.

Unfortunately, in most business leaders mind, offshoring is not a viable option. It is too risky and too complicated... To some extent, they are right. Without the proper organisation and methodology, Offshoring Projects can easily fail and sometimes result in a disastrous situation.

However, such failure does not happen by accident. It can always be avoided. Through the years I have developed a set of tools and techniques to successfully undertake Offshoring Projects. I have compiled them in a method. I named this method « OFFICE » which stands for « **OFF**shoring **I**n a **C**ontrolled **E**nvironment ». So this book is meant to be – and is – an easy introduction to the OFFICE method.

Thank you for reading this ebook. I hope it will make you realise that Offshoring can bring a lot of value to your organization. It can help you find this technical skill that is currently so difficult to find in the job market. It can help you to attract and retain very talented and dedicated workers. Obviously, it will also allow you to save a lot of money; **it is not uncommon to reduce labour cost by 50%**.

NOTE: This method has been mainly designed to manage IT projects but it can be easily adjusted and tailored to undertake any kind of Offshoring projects.

Feedback: I welcome any [feedback](#) (good or bad).

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Offshoring Misconceptions

In order to consider the possibility of Offshoring, it is important to face the truth: What you currently think is maybe inaccurate, plain wrong or simply outdated. In any way, it is important to read what follows...

Myth #1: Remote/Distributed team is not a realistic organisation

If you have the right company culture as well as the appropriate organizational and communication tools, you can build a very successful organisation based mainly on Remote/Distributed team(s). Many famous companies, like Dell, Amazon or Hilton offer remote jobs. Moreover, less know companies have been entirely built on this model, meaning they have 100% of their employees working remotely. Here are a few companies, 100% remote, without headquarters and employing each 100+ employees: Articulate Inc., Scrapinghub, WAKA Kickball & Social Sports, World Wide Web Hosting.

Myth #2: Teleworking is great for the employees, not for the employers

In reality Telework is a win-win situation. Both the employees and the employers benefit from the situation. Here are a few statistics that highlight the positive aspects for the employers: Two-thirds of managers report that employees who work from home increase their overall productivity. In a Stanford University study, employers who offered a work from home option had employee turnover rates fall by over 50%. Lastly, 68% of millennial job seekers said a work from home option would greatly influence their interest in working for a company.

Source: <https://www.fundera.com/resources/working-from-home-statistics>

Myth #3: Offshoring is only for big companies

The truth is that even the smallest companies can benefit from Offshoring. No need to plan a business trip or to solicit high-end consultants. Nowadays, innovative platforms like [Upwork](#) offer a fully integrated solution which include: huge catalogue of freelancers, easy selection process, communication and monitoring tools, invoicing, secure payment...

No matter what is the size of your company, it can benefit from offshoring activities.

Myth #4: Offshoring is not compatible with proper monitoring and controlling

As a supervisor, the physical distance obviously makes it more difficult to literally pop up and watch over a worker's shoulder. Except this outdated practise, many solutions exist to assure efficient monitoring and controlling. Just to name a few, there are daily reports, Virtual Scrum Stand-up meeting, Project Management softwares, Live-chat solutions...

And for those who still need to watch over a worker's shoulder, there are softwares which allow full activity monitoring and that are even able to analyse and deliver concise reports.

Myth #5: Distance is an obstacle to effective Communication

As stated in the AGILE manifesto, here is one of the core principles of AGILE: "The most efficient and effective method of conveying information to and within a development team is face-to-face conversation." That being said, with very affordable modern technologies, "face-to-face conversation" can be done very easily with a webcam and a decent internet connection. Nowadays, free softwares allow to simultaneously share your screen, video-chat and send instant messages. Except shaking the hand of your offshore co-workers, there are very little things that you cannot do remotely!

Common mistakes

Mistake #1: Confusing speed with haste. Proper planning is especially necessary at the beginning.

Mistake #2: Having unrealistic expectations

Mistake #3: Looking for the cheapest option. Being miserly rarely equates to more profit.

Mistake #4: Neglecting monitoring & controlling as well as quality assurance

Mistake #5: Neglecting communication

Mistake #6: Neglecting useful training

Mistake #7: Neglecting adequate risk management

Mistake #8: Contracting with useless expensive middleman

Mistake #9: Considering Offshoring without having the relevant skills and expertise

Mistake #10: Neglecting legal aspects (intellectual property, NDA, SLA, penalties...)

Mistake #11: Hiring wrong people. Adequate selection process is key.

Mistake #12: Failing to define clear rules

Mistake #13: Not having an exit strategy

Mistake #14: Failing to define roles and responsibilities

Mistake #15: Failing to Supervise adequately. Offshoring involve ongoing management.

Mistake #16: Neglecting cultural difference

Mistake #17: Not auditing the source code (if you are dealing with IT development)

Mistake #18: Not having clear project / vision / instructions / specifications

Mistake #19: Not considering the currency fluctuation which can affect the project budget

Mistake #20: Trying to offshore/outsource processes that are not clearly defined

Mistake #21: Failing to appoint a manager able to deal with offshoring projects/operations

Mistake#22: Disregarding security aspects

What activities can be offshored?

Moving manufacturing jobs abroad started in the 1960s. Even if Offshoring grew continually and quickly affected service jobs, it only started to grow exponentially with the development of Internet. Nowadays, intercontinental fiber-optic cables allow many countries to transfer data very effectively. This allows real time collaboration with people located in most part of the world.

Among the general population, when mentioning offshored service jobs, many people think about call center jobs. A few people have heard about IT Offshoring or Virtual assistants. It is important to realize that Offshoring is a lot more developed than that.

Just to name a few, offshored jobs/activities include: Developers, Server Administrators, Technical Support, Website Managers, Designers, Video Editors, Writers, Virtual Assistants, Translators, Customer Service Agents, Marketing Experts, Accountants, Consultants, Auditors, Human Resource Managers, Research and Development, Radiological Analysis, Medical Transcription...

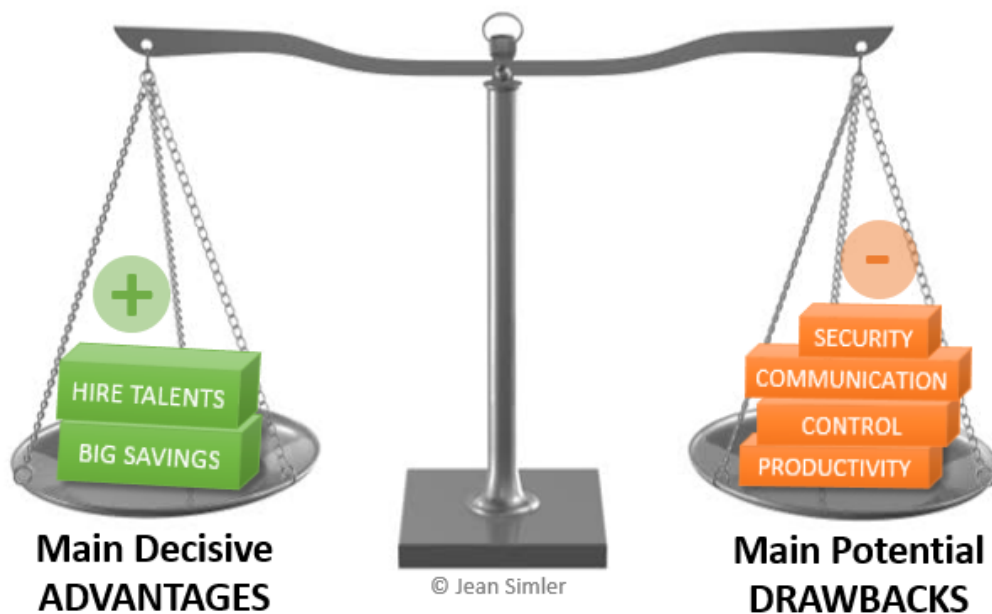
Instead of answering the question: "What activities can be offshored?" it would make more sense to define what activities cannot be offshored. At the time of writing (2019), real time video calls with screen sharing feature are free, remote-controlled robots are entering the workforce and telepresence robots become affordable. In that context, most office jobs could be offshored...



To offshore or not to offshore?

To offshore, or not to offshore? That is the question... which in most cases is really easy to answer. There should be no Offshoring dilemma. If a work is mostly dependant on human and if there is no geographical/physical constraint, then Offshoring is probably a good option. Despite this undeniable fact, Offshoring remains marginal in many developed countries.

WHY OR WHY NOT OFFSHORING ?



This is why companies are reluctant to offshore activities. They do not know how to manage these potential DRAWBACKS.

The potential drawbacks exist to some extent in most offshoring projects, but they can be avoided or at least kept under control with the right tools and techniques. However, in the real world, most companies are not ready to do it properly. When an offshoring project goes wrong it is easier to blame the cultural difference rather than recognizing its own deficiencies. The truth is that well managed offshoring projects are successful... but it involves a proper methodology. It cannot be improvised.

The most affordable way of Offshoring

Let's imagine a company (the client company) would like to realize an IT Project. It will involve to setup a team of professional developers. In order to find these developers, there are basically 4 options:

| # | Solution | Description | Cost level |
|---|---------------------------|--|-----------------|
| 1 | Outsourcing | Contract with a local IT service provider. | Very expensive |
| 2 | Hiring | Hire Inhouse developers. | Expensive |
| 3 | Standard Offshoring | Contract with an IT offshore service provider. | Less expensive |
| 4 | Offshore Distributed Team | Hire an IT distributed team composed by offshore full-time professionals who can work from anywhere. | Least expensive |

Offshoring main objective is obviously cutting-costs (without sacrificing the quality). If the "client company" is located in a country where salaries are high, offshoring the project to a workforce located in a developing country will greatly decrease the cost of the workforce.

However, it is possible to push the saving even further. Instead of contracting with an IT offshore service provider (Solution #3), it is possible to directly hire the developers (Solution #4). By cutting the middleman, the savings can be huge. Offshoring service providers have various overhead costs, management costs and usually a big profitability margin.



Key success factors and best practices

The following ideas will not include general points that apply to any kind of project but rather focus on a few specific points that are specifically important to offshoring projects. So general project management aspects like communication, proper hiring process, planning, monitoring and controlling (...) will not be discussed here.

In order to succeed in Offshoring, here are a few points to take into consideration:

TIP #1: Take the time to define the right strategy

Do not jump into action. An Offshoring journey is a marathon rather than a sprint. Working with offshore partner(s) is a big step for your company. Having the right strategy and plan will take a bit of time in the short term but will ultimately save a lot of time in the long term. Better safe than sorry.

TIP #2: Set up proper rules

How communication will be made? How often? What will be the working hours? Are there enough overlapping hours between the local team and offshore team? What about national holidays? Policies and Procedures must be defined regarding working, communication, quality...

TIP #3: Use all the relevant tools

What Project Management software will be used? What communication tools will be used to make video conferencing, screen sharing, live chat interaction. How a person presence and absence will be communicated among other team members?

TIP #4: Choose adequately what task(s)/project(s) should be offshored

Technicity, labor cost, human resources availability (locally and offshore), ease of offshoring, are the main factors that must determine what activities must be done locally or offshored.

TIP #5: Consider hybrid teams

Building team(s) composed by local and offshore team members allows a better cohesion & collaboration, easier monitoring of the offshore team and higher trust from the offshored team members.

TIP #6: Take care of ALL team members

Local collaborators can be afraid of the new paradigm that offshoring represents. Offshore collaborators can feel exploited or considered as less important. Both local and offshore team must be treated appropriately. Consideration, frequent feedbacks, small talks, respect and monetary reward can make a big difference.

TIP #7: Appoint a senior executive

Offshoring must be supervised by a true expert who is able to deal with international projects. More information in the following section: [The Offshoring Program Manager](#)

The Offshoring Program Manager

If you plan to offshore projects or day to day operations, the whole organization must be setup and supervised carefully by someone who has the relevant profile. The Offshoring Manager must be present within the “western company” in order to be the interface between the internal employees and the remote offshore collaborators. The adequate person should at least fulfil the following points:

Candidate Checklist:

Offshoring

- Significant experience of leading projects remotely
- International / multi-cultural experience
- Fluent in English (or any other selected language)

...

Managing people

- Hiring (How to find job applicants, candidate selection, contract, onboarding) and Firing
- On-boarding and Training
- Defining and managing working policies (working hours, communication, absence, holydays...)
- Ability to motivate
- Ability to monitor and control

...

Project Management

- Top notch communication skills
- Excellent organization
- Proactive strategist
- Relevant certification like PRINCE2, PMP, SCRUM...

...

Information Technology

- Relevant IT Knowledge
- Proficiency in Project Management Software
- Proficiency in Communication Software(s)

...

Soft Skills

- Conflict Management
- Problem solving
- Change management

...

Do not underestimate the value of a good Remote Manager. Appointing the right or wrong candidate can be determinant to the outcome of your Offshoring project.

Conclusion

If you had preconceived ideas about offshoring, I hope this ebook helped you to debunk the myths. If you were sceptical about the interest of Offshoring, I hope this ebook helped you to change your mind. Done properly Offshoring can leverage the success of your company. It can really help you to attract talented workers and reduce labor cost significantly.

At this point, you should have understood, that Offshoring is a growing phenomenon. It can be really beneficial to your organization but it cannot be improvised. You need to have an expert, someone able to manage projects remotely with the relevant skills and experience, someone to guide you through every step.

I wish you all the best in your Offshoring Projects.
If you have any question, feel free to [contact](#) me ...

