

Zibtek's Software Development Comparison Guide

Helping you get the most out of your software

Comparison Guide

Affordability Accessibility Quality Agile Development Resource Flexibility

Direct Offshore

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Freelance

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Offshore/Onshore

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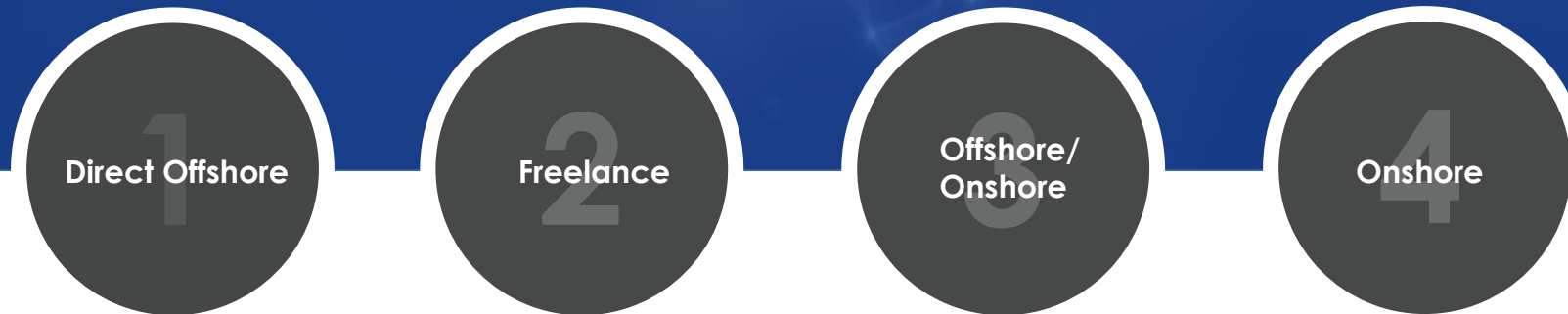
Onshore

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What's Out There?

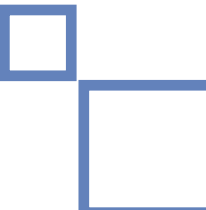
You know you need software developed , but have no idea where to begin. Don't panic, you've found the perfect resource to discover all the options and see the pros and cons of each model.

The Different Types of Outsourcing:



We'll help you discover which model is right for your business's needs by comparing the key advantages and potential deal breakers for each model.

Enjoy Zibtek's Software Development Comparison Guide!



Direct Offshore Software Development

Direct offshore is probably what you've thought of when you hear the term "outsource." Outsourcing has been around for a while so there are lots of options when it comes to direct offshore development.

This type of development gets you a dedicated developer (or team of developers) to work on your product for a specified term. Typically, companies choose to outsource QA or menial tasks rather than core product development.



Key Advantages

1

Low Cost

Outsourced development can offer huge cost savings over hiring in-house. With training costs, employee benefits, and a competitive developer salary, you'll spend more than pocket change on in-house hiring. Plus, overseas developers are willing to work for less than what someone in the US would charge. On top of that, you can feel good knowing that your offshore partner is bringing home the bacon because the cost of living in some offshore countries is considerably less than in the U.S.

2

Accessibility

Because your outsourced developer(s) are working for a contract period rather than full time, they are willing and able to work around the clock on your product. These developers also don't have the distractions of the office going in the way of progress. There are several offshore partners available whenever you need them. Direct offshore development is very popular in countries like India, Russia, and Ukraine.

3

Resource Flexibility

In-house employees generally need to be a jack-of-all-trades. Because hiring costs are astronomical, HR managers know that hiring developers with vast skillsets leads to better output. The downside to the jack-of-all-trades employee is that they really aren't an expert at anything...

Potential Deal Breakers

1

Miscommunication

There is eminent value in face to face meetings. While tons of work is completed online, miscommunication happens when collaboration occurs over email. Tone, body language, and lack of eye contact all play an important role in effective communication. And, exclamation points can be so misleading.

2

Cultural Barriers

Direct offshore development means you'll probably be working with someone who has never been to your country. In the US, we tend to over communicate, to double or triple confirm, and to send LOTS of emails. Misunderstandings such as scope of work or timeline can vary across cultures and lead to engagement disasters.

3

Logistical Issues

Working with someone who is eating breakfast while you're crawling into bed can be hard. Because of the nature of direct outsourcing being overseas, differing time zones can cause logistical issues. Development progress can be slowed when your outsourced team has to wait 12 hours for a response from you. No one wants to be awake answering emails in the middle of the night

Freelance Software Development

Hiring a freelancer can be a great option for someone who doesn't want to jump into outsourcing head first. There are plenty of online resources to help you find the right person with the skillset you're looking for.



Go ahead and scroll Craigslist for freelancers looking for work. The hard part will be making sure you've found the right one.

Key Advantages

Accessibility

1

Freelancers are everywhere. Because freelance work is so popular, you may be able to find a local freelancer who has the skills you need. The biggest benefit of this being that a local freelancer can bridge the gap between outsourcing and hiring in-house. A local freelancer may be able to meet with you in person to discuss scope, timeline, and project requirements but allowed he flexibility to work away from your office.

2

Expertise

The most skilled employees may not be in your area. When considering a freelancer, you can get the best person for the job because this person doesn't need to be the best in multiple areas. Consider hiring a freelancer with the skillset you need for a specific project or part of a project and then hire a new freelancer with different skills based on what your product needs.



1 Quality

Isn't it great when a team works together to create something amazing? That's the thing about working with a freelancer, they are just one person. While many freelancers are highly skilled developers, a fresh set of eyes is always a good idea. Because one person can only have so many skills, and can only be responsible for so many pieces of your product, working with a freelancer can lead to errors which ultimately means lower quality code. Not to mention that freelancers work on a fixed-bid framework. This means that they are incentivized to finish a feature within a specific time frame. Unfortunately, this can mean that features are not built with scalability and maintainability in mind.

2 Lack of Dedication

The nature of freelance work usually requires multiple projects at the same time. This is great for the freelancer, maybe not so great for you. Often times, it is hard to find a freelancer who is willing and able to dedicate his or her full attention (and time) to your project. This can lead to extended deadlines and poor quality code. Often times, freelancers will dedicate a month or two to your project but after your project's completion issues arise and your freelancer is nowhere to be found.

Offshore/Onshore Software Development



Traditional offshore boasts many benefits, but the most common concern in working with an offshore partner is generally communication. Several offshore development teams have realized this concern and created a new model to mitigate communication issues.

By working with an offshore team but utilizing a US based project manager, these hybrid agencies are able to reap the benefits of offshore development but also allow easy communication between client and US-based contact.

Offshore/Onshore Software Development

Key Advantages

1 Communication

The offshore/onshore model helps its clients to get lower cost development without the potential for miscommunication. The US-based project manager is responsible for daily communication with the client. This way, clients are never left hanging or misunderstood. Development can happen fast without a hitch

2 Team Augmentation

Maybe you have a killer development team already. Or maybe there isn't a person in your office who knows a bit of HTML. Either way, the offshore/onshore team is perfect for development needs big and small. The hybrid model allows for extra QA coverage, core development, or adding new features to an existing product.



Offshore/Onshore Software Development

Key Advantages

3 Agile Development

Agile development can be difficult even when the entire team is at the same scrum meeting. With traditional offshoring, distance it seems, can only make Agile development harder. With this model, Agile projects can be actively managed by both the client and the US-based project manager, who can collaborate easily and then share information with their overseas developers. When the entire team is on the same page development is flexible and fast moving.

4 Cross-cultural Collaboration

We all know that cultural differences exist, and that we need to educate ourselves when engaging with a new culture. With this hybrid model, the US-based project manager takes some of that leg work off of your team. This project manager has worked with and developed relationships with his offshore team, making him a great middle man and an advocate for your project. While we certainly don't encourage that you remain completely ignorant to other cultures, it's nice to have a US-based teammate who can effectively communicate with your offshore team.



Potential Deal Breakers

1 Face Time

Great collaboration is built on effective communication. And while there are a plethora of great online collaboration tools out there, nothing beats some good ol' face time. While there is arguably a lot of wasted time with traditional onsite culture, whiteboarding with your team can be some of the most productive collaboration in the development process. And when your development team is located all over the globe, the opportunity for team whiteboarding is slim to none.

2 Less Control

Companies that function with mainly on-site employees find that working with offsite teams can be difficult. Body language, tone, and gesturing do a lot to aid in effective communication. When communication amongst distributed teams takes place mostly online, it's harder to communicate and develop lasting relationships. Bottom line is, you need to be set up with the right kind of remote employees who are disciplined enough to get their work done.



Onshore Software Development



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Key Advantages

1 Collaboration

Let's face it, collaboration is easy when your team is right across the table from you. Close proximity gives your team the ability to feed off of each other's ideas and make decisions quickly. Miscommunication is minimized when you have your whole team, a whiteboard, and a full pot of coffee.

2 Pivotal Priorities

Piggybacking on collaboration benefits, when your team is all together, it makes shifting priorities pretty easy. During the morning scrum meeting at an all onsite company, no one needs to take notes, make tickets, or document daily the meeting topics. We all know that in Agile development, especially with startups, priorities shift constantly. And being able to communicate the new priority and get started on it right away is a huge time saver.



Onshore Software Development

Potential Deal Breakers

1

Smaller Talent Pool

By requiring that your employees be local, the talent pool is inevitable minimized. Not that there aren't good potential employees in your area, but they may not be the best employees. When you've got the entire world of software development candidates to pick from, choosing from a group of 12 that applied for your listing in Tulsa, OK makes the stakes considerably lower.

2

High Costs

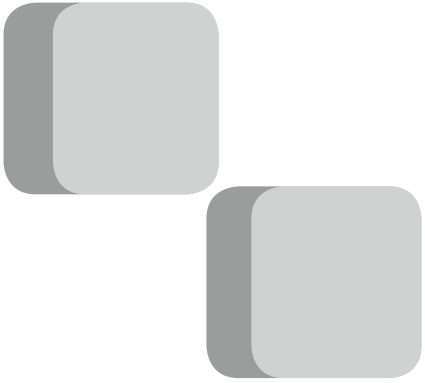
It is incredibly expensive to work with local developers. The Silicon Valley Business Journal says California developers make \$35,000 more per year than the average U.S. developer. Adding \$35K on top of training expenses, office supplies and benefits, you'd better be ready to stroke a big check. According to US News, from 2006 to 2014 software developer salaries grew about \$17K.

3

Longer Hiring Period

Due to the fact that local talent pools are smaller than international talent pools, it may take quite a bit longer to find the right employee in your area. This is because in-house employees need to have the skills you need, they have to be a culture fit for your office environment, and they need to be available from 8-5 five days a week (and probably more).





Which model is best, you ask?

Well, that depends on your development needs, your budget, and your timeline. Now you've seen the key advantages and potential deal breakers for each model, you can make a well-informed decision before you start a new software development engagement.



For more offshoring resources or to start your next project, get in touch with our sales team

