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Choosing the right outsourcing partner

An ids logic perspective

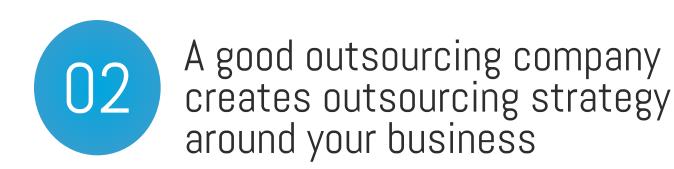# | Table of content

01 INTRODUCTION

The low entry barrier to start a web based business has fueled the creation of hundreds of web agencies in the world. Web agencies have mushroomed in low cost economies like India, Philippines, and China as well, making them a preferred outsourcing destination.

Try googling "outsourcing companies in India" and you get thousands of results, very similar ones to others like: "Save huge cost ", "Save time" "Best quality", "100% satisfaction guarantee", you name it. Under these conditions, it is easy to get lost and give your trust to the wrong outsourcing company. After all **too many choices are always not good.**

We have put together 5 simple tips that you can use to choose the right outsourcing partner.

02 A good outsourcing company creates outsourcing strategy around your business

What works for one business may not work for other. Each business is unique and has its own specific requirements and objectives to achieve from an outsourcing arrangement.

A good outsourcing company understands your requirement first, and then creates a unique outsourcing model that suits your business the best. It takes into consideration your expectations in terms of quality, commitment, your ability to invest in the relationship, and their ability to meet the expectations in terms of quality, commitment and budget.

**Understand
Your Business**

**Understand
Your Requirement**

**Define An
Outsourcing Strategy**

Making a good outsourcing strategy for your business can not be productized. After all, it remains a service! So, if you hear those nice, but pushy sales persons, trying to sell you what they have got – packages, models, methods, etc. Just Beware! Because, one size doesn't fit all!

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03 Give a task that will require the sales persons talk to their production team

Nearly every agency you speak will talk about processes, project management, etc. But, how do you really check if these processes and systems are just to sell or they actually work? Everything boils down to **how well different teams in the organization talk among each other**, no matter how great the system and processes are.

Just float any requirement, or even give any vague technical query that assumingly will require specialized input and will need the sales team talk to their multi-skilled technical team.

Once you receive a response make the following judgments:

o What was the response time?

o Did they get back to you as per the deadline or commitment?

o Did you receive a qualified answer?

o What is the quality of response and quality of communication?

While this test alone may not be a qualification tool, but this can certainly be a dis-qualification tool and you can disqualify some companies (especially those ninjas who have great faking websites).

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04 Never miss to speak to some of the references

A good outsourcing company encourages you to speak to their previous customers. After all who is shy to flaunt the good muscles they have built out of years of hard work! And if they do not give you references....Run for the hills!

If you are a digital agency, it is better to ask for the references of other digital agencies. Discuss the challenges they were facing and how outsourcing has helped them, or to be more specific, how outsourcing to that "specific agency" has helped them. Some questions that you may want to ask are:

o   Did you use XYZ for your outsourcing requirements?

o   How was your outsourcing experience with XYZ?

o   How long did you use them?

o   Are you still using them?

o   What problems or frustrations did you have with them?

Having customer references in your own country, at least, symbolize that the **cultural aspects must have been learnt over a period of time** and that outsourcing company has learnt not to do those silly mistakes out of the cultural differences between your countries.

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05 Make it a point to speak to the Proposed Production Team Member

Don't give in to the hard sell and pressure tactics used by the sales person. Be polite and ask them to make you speak to the team member or team leader that will be dealing with your project.

Logically enough, outsourcing business to a non-native English speaking country means that you are prepared to overcome the hitches. While you might not expect the technical team to be too much of voice and accent trained, it is important to ensure that whatever is being told is understood in its true meaning.

Most problems arise in understanding the requirement clearly due to communication gaps. You said X, they understood Y, produced Y, and communicated Z.

It is, therefore, essential to speak to the proposed team member(s) of your shortlisted outsourcing agency. After all, you need to be sure that you and the out-sourcing company's team are on the same wavelength!

First date with your offshore technical team can give you a feel of the work culture of the company and future of your relationship with them.

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06 A good outsourcing company is not dirt cheap!

Keep in mind that a good outsourcing company wants to keep you as a client forever, not just sell once! That's why everyone in the outsourcing company will work hard to bring you the best results, communicating with you more frequently, and controlling the processes and systems in the best way possible. Hence, can't be cheap!

So, what is dirt cheap in outsourcing? **Cheap is ineffective – It's something that costs little money, but produces little or no value.**

Moreover, sometimes you end up putting so much time doing to and fro communication that it actually costs you more than you would have think of.

Therefore, the cost of outsourcing should be calculated as:

$$\text{Cost of Outsourcing} = \text{Price Paid to Outsourcing Agency} + \text{Your time consumed in getting work done}$$

If you are putting a lot of time in managing relationship, getting jobs executed, giving repeated feedbacks, and doing quality checks, then be sure that you fell into the wrong hands! A good outsourcing company will always aim to save your time so that you can sell better, and eventually outsource more.

07 Summary

At IDS Logic, we believe that globalization has brought challenges and opportunities for businesses worldwide. There are opportunities to grow businesses globally, have business locally but still use the global workforce to deliver more, execute more projects simultaneously and save cost.

At large SMEs, digital agencies, web and software development companies in the UK, USA, Australia and other high cost economies have enormous potential to consider outsourcing their requirements to their counterparts in India, and other low cost economies. They can reap tremendous benefits out of these outsourcing relationships. The longer the relationship, the better is for both the parties.

However like any other relationship, if you are searching for a right outsourcing partner who can work with you in long term, a due diligence should be conducted before entering into any such outsourcing relationship. And if you do it chances are high that you end up championing the art of '**the best of both worlds**'.

About Author ············

Ratnesh Dubey is director of IDS Logic and brings to the company offshore IT outsourcing experience. He has helped several global giants like BestBuy, Canon, McKinsey in his 12 years stint in IT industry.

Ratnesh believes that globalization has made the world local and advises businesses on how to succeed in the flat world.

He has helped many businesses in the UK, USA and Australia to setup dedicated offshore IT labs in India and forge long term strategic outsourcing partnerships with IDS Logic.

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