



Managing Offshore Projects - Beyond The Honeymoon Period

Many companies are finding that once the "honeymoon period" in offshoring is over, issues tend to crop up with the offshore vendor. When you started working with your vendor to set up the initial project(s) for offshore work, they were attentive. You felt they considered you to be the most important client in the world. They took time to educate their people about your company's specific needs. Unfortunately, things have changed. Now your offshore vendor seems distracted and distant; their staff doesn't seem to remember all of your needs or seem indifferent to them.

Why is this?

Over time, offshore staff can forget the business intent of your projects or the meaning behind the scripts if you have offshored if you are into support. The result? Late deliverables, Poor quality or Customer dissatisfaction. Key members of the offshore team that support you may change as the result of natural attrition or rotation policy. Scripts must be refreshed regularly and offshore staff must be constantly kept up-to-date.

Chances are high that the workload of your offshore vendor has expanded to the point they are stretched too thin. With today's increasing move to outsource offshore, competition for labor at offshore locations is intense. While offshore vendors hate to turn away new accounts, try to seamlessly scale their own business, some are more successful at it than others and their "growing pains" can hurt you.

Since the focus of many senior vendor managers is business acquisition rather than operations, your project, which is now in the delivery cycle, can suffer.

In addition to technical staff, the key ingredient to success is management talent at the vendor location at all levels, especially at the team/project lead levels; yet this cadre is in high demand in the industry and in short supply.

What can you do?

- Start small and build. Successful organizations have begun their offshoring initiatives with pilots. Figure out the right processes, procedures and staffing, and build on those successes.
- Communicate. Institute regular management reviews, make adjustments accordingly, and clearly articulate expectations. Lack of communication has been the source of many derailed initiatives.

- Stay involved: Offshore outsourcing does not mean you can sign a contract, sit back and count your savings; you must still actively manage the offshore organization as if it is an extension of your own organization, though it is legally a separate entity.
- Perform regular (at least annual) and carefully constructed audits that can catch problems early the nip them in the bud before they can cause severe harm to your ability to achieve your business objectives.

Points to Ponder

- Is your offshore organization meeting your business objectives? What are the metrics?
- If not, how many of the issues do you attribute to the vendor and how many lie in your own organization?
- While you may have done a good job of training vendor personnel initially, how adequate is the ongoing training program - either conducted by you and/or the vendor?
- Is this vendor still right for your current and future needs? Perhaps, they were the right ones to go with at the time you made the decision. With rapid growth of many offshore vendors, what do you mean to them at this point in time? Should you develop a second source?
- Do you have a program of regular audits in place to stay ahead of these potential issues?