



Offshoring Management - Increasing Head Count Offshore Can be a Bad Idea!

When offshore productivity is low and attrition rate is high, some offshore entities attempt to persuade you to allow them to hire more people. Their argument is: "After all, offshore labor is so much cheaper that throwing more bodies at your projects is a no-brainer." In fact, here's where it pays you to devote some brainpower to your problems. For projects that are not running efficiently, scaling up an operation will only make matters worse. What's needed is to identify and solve problems first.

There are a range of issues that can affect efficiency of your offshore operation. To begin with, you need to examine if the projects you are offshoring are the right types of projects and whether you have worked out the processes for executing these projects in-house; if you do not have a clear idea of how to execute the projects in house, your problems only get worse because of distance and time issues. Once this is addressed you need to examine the processes for managing an offshore project - these processes should deal with distance time and working in multicultural environments.

An approach that is used to come to grips with this situation is to conduct an objective assessment of your offshore operation. This can help you take appropriate steps to address issues. Once the offshore organization is running efficiently, you may decide to staff up your offshore operation. In this scenario you will be adding staff to handle additional work load and not to mask an inefficient operation.