

IT Offshore Development Management – A Project Manager's Perspective

CASE STUDY

Mark Adkins CEO of Osadio, an integrated technology consulting firm focused on creating measurable results to meet their customers' strategic goals provides his insight on the difference between working with offshore teams in Colombia, South America and other offshoring locations around the world.

Here are my thoughts on the difference in working with Colombian offshore teams vs. working with either U.S. resources or even Indian, Chinese resources etc. Colombian culture (and Latin American culture in general) is closer to American culture in terms of working style, management structure etc. Typically Indian resources tend to be more deferential to management or any authority figure. They have a harder time questioning decisions and operate under a kind of "command and control structure", they require clear, unambiguous direction. I believe this is the case in Chinese development centers as well – strong resources, but many requiring clear direction before they will make a move. They work well in teams, because there is a sort of a collective mindset, and individual achievement or initiative is not ever a real consideration.

With our development center, our developers tend to be free thinkers much like American workers. They are given a specification, and can code to the specification – but will also ask a lot of questions. They question the reasons for doing things a certain way, and the development process is a learning experience for them – mainly about American culture. The education level of our developers is not as high as in India (on average), which leads to a smaller pool of quality resources to draw upon. There are quite a few professional software developers, but many are self-taught. We find it is harder to work with those who are self-taught.

English as a second language is also less prevalent. Our development center is fairly small right now (growing rapidly) so we can only have English speaking/writing developers. This makes the talent pool even smaller. We have to find English speaking/writing .NET developers with a college education in software engineering that are self-motivated and eager to learn. Because we are not in the business of just sourcing "bodies" this is ok – it allows us to stay small and put more emphasis on finding the best of the best.

One thing we are learning is that Agile development approaches are much easier to swallow. We have daily stand-up meetings, and try to feed each developer smaller pieces of work – rather than an entire use case or even worse, an entire functional specification. Another

interesting thing we've had to learn to work around is holiday schedules. There are 17 public holidays in Colombia, and some city specific holidays in Bogota – something we've come to learn over time and is just a fact of life doing business in Latin America.

In most of Latin America use of the Internet is closer to where we were in the late 1990s. While they utilize social networking, download movies & music etc. it isn't really utilized extensively as a business tool. This leads to several situations. The first that .NET and Java are not utilized in development as much as open source tools like Ruby, PHP, PERL and the LAMP stack. It also means we have to explain concepts like web self service, online enrollment and web based tools like payment processing.

Business concepts, in general, are more difficult to convey. As these are ubiquitous in American companies, it is usually an afterthought to consider them when writing a specification. We intuitively know how these should work. In Latin America, you have to explain the concepts. This is one reason why the development model for Osadio isn't the traditional offshore or near-shore business model. We like to think of it as a dual-shore model. We aren't looking to sell bodies – we are selling the full solution. We utilize customer-interfacing knowledge experts here in the U.S. to do the high-touch knowledge work (PM, business analysis, and architecture/design), while farming the implementation offshore to our lower cost development resources. By doing this, and considering the cost of both resource groups in the equation, we typically come in at an \$85 an hour blended rate for everyone – about 30-35% less than comparable shops in the markets we serve.

Some of the other advantages of doing work in Latin America from our perspective include proximity and time zone. We are a short 4 hour flight from Atlanta to Bogota – comparable to us flying across the U.S. from Atlanta to L.A. We are in the same time zone 6 months out of the year (they don't recognize daylight savings time), so our working hours are aligned. This is a critical distinction in our opinion, as we don't have the meeting lag or the need to wait for work to be completed. While I've heard of companies using the time shift to their advantage (using the shift differential to complete development on one shift and QA on the other), I believe the time difference is more of a hindrance than a help.