From a Vendor to a Strategic Partner

Whitepaper

accedia

OVERVIEW

The past year has been challenging for the business. Some industries had to speed up digitalization, while others had to deprioritize innovation initiatives in favor of cost restructuring that yields quick results. Whether to reduce costs or increase flexibility, lots of business owners and IT managers faced the need to elevate their software development outsourcing relationships, up to a strategy that ensures business continuity.

Intended namely for those looking to get more value from outsourced services, this whitepaper outlines the steps on the path to migrating from a buyer-vendor to a strategic partner relationship. This includes an essential checklist for selecting the right software development provider to steps for nurturing success over the long run.

WHY SHOULD YOU OUTSOURCE SOFTWARE DEVELOPMENT?

Software development outsourcing is an essential strategy for any company that wants to achieve the optimum combination of costs and quality. Let's look at the key reasons why companies outsource software development.

TECHNOLOGY OUTSOURCING REASONS GLOBALLY

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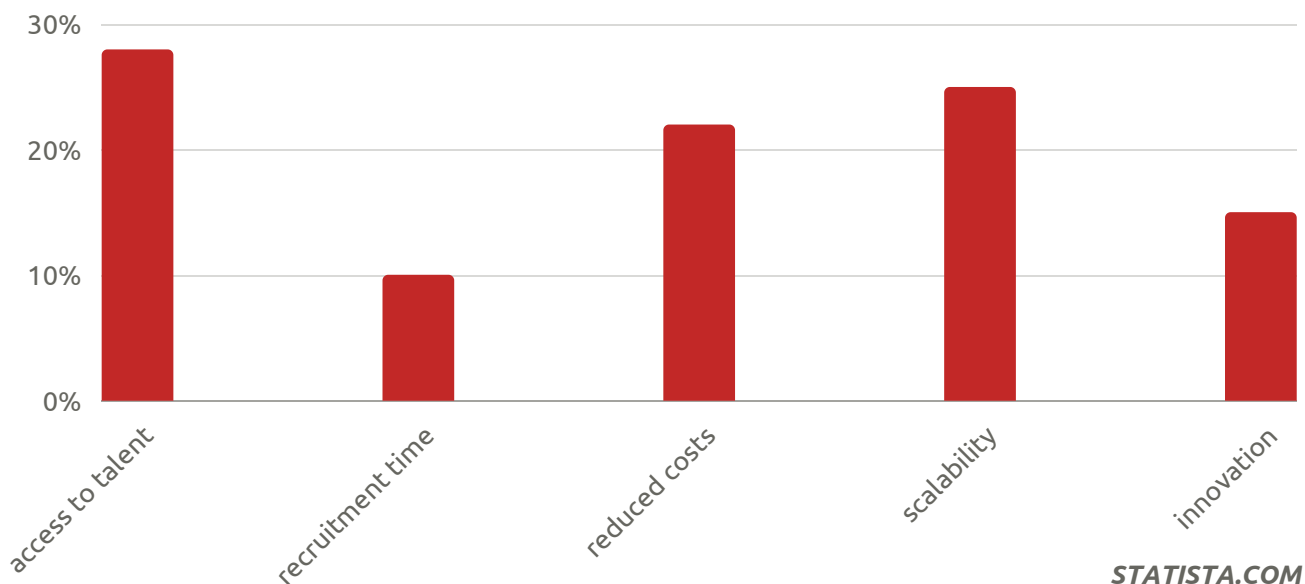
Access to talent worldwide

With the global lockdown turning remote into the norm businesses have been faced with different recruitment opportunities. The distance has been shortened, and it matters less and less whether your software development team is based next door (literally). Therefore, expanding your search geographically and taking a talent-everywhere approach will ensure that you have constant access to the best talent and important jobs can be filled timely.

Minimized recruitment time

One of the key benefits of IT outsourcing is the speed and effort with which talent can be brought into the company and start contributing to the project. You don't have to worry about finding developers with a diverse skill-set for years of projects and investing thousands in recruitment strategies each month. Typically, the right-size and right-mindset partner company can wrap up a team within 2-4 weeks after you make a formal agreement.

Reduced costs

If software development outsourcing is done correctly, the savings are significant. There are many cases where a good outsourcing partner reduces the development cost, not just by offering lower rates but also saving you costs for office space and safeguarding you from wasted budget. For example, providing you with advice on making the most of your investment in cloud services may generate very minimize recurring expenses substantially.

APPLICATION OUTSOURCING MARKET GROWTH IN REVENIEW

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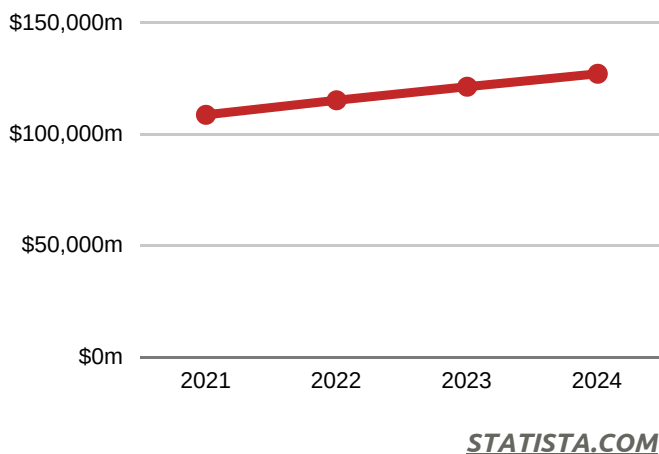
Increased flexibility of scaling

In the course of realizing your business objectives with the help of technology solutions, the scope may largely vary, as you uncover new knowledge about the market, stakeholders, or in-house factors. Outsourcing allows scaling a software development team up or down to help your business stay nimble and respond to the changing business requirements.

Focus on innovation

To stay ahead of competitors, your company should innovate and grow fast. For this to be possible, you need to concentrate on key processes and strategies, delegating all associated operations that fall outside. When you move software development functions, whether entirely or partly, to an outsourcing partner, you ensure that a team of experts is going to take care of software development, while your own team stays focused on the tasks that really matter, like maximizing the value for your stakeholders, or developing and reevaluating strategic directions.

All of these benefits demonstrate why companies outsource software development. We live in an age dominated by digital products and services, and businesses must produce quality solutions to secure a foothold in a crowded market.

Trusting an external software development team with the ideal skill-set to create a product of high value to its users pays off. It's more transparent than ever to choose a long-term technology partner and every company should take advantage sooner rather than later. Here are the essential signs of the success potential of your partnership you need to be on the lookout for.

FROM A VENDOR TO A STRATEGIC PARTNER

A supplier or vendor relationship is primarily transactional—you reach out to each other as needed. A partnership, however, is more value added and moves you toward being part of strategizing and deliberating before, during, and after the transaction is needed. Many types of barriers prevent companies from transforming traditional outsourcing relationships with key IT companies into powerful collaborations that can deliver substantial value for both parties. The secret of collaborative partnership is not only what the parties create together but also what they believe about each other and how they interact. It all starts with the right selection approach.

HOW TO CHOOSE YOUR SOFTWARE DEVELOPMENT SERVICES PROVIDER?

Whether you are currently outsourcing software development or not, you should be reassessing your options for technology partnerships every now and then. The market is quite dynamic, and companies like Accedia now offer more than just competitive prices but additional business value like industry expertise. Pay special attention to choosing the company that is reliable and prompt in exceeding your requirements. Keep in mind that the cheapest price may turn into poor-quality product delivery.

Request vertical references

For a software development services company to be more than just your vendor, they need to be well-versed in your industry and business specifics. Choose a company that is aware of restraints and opportunities ahead of your sector and has previous experience with similar to your organizations. This will surely affect the amount and shape of innovation you can develop together.

Make sure company cultures correspond

Bringing in tech experts into your ecosystem successfully means they need to understand your work values. When travelling was the norm, paying a visit to the vendor premises at the stage of evaluating alternatives could tell you a lot about how well you would knit together. Today that it is not a viable option, make sure to spend sufficient online time video chatting and talking about general relationship matters as opposed to day-to-day business only. Look for communication and social engagement factors as triggers of innovation.

Make outcomes a priority

Putting budget first might seem alluring, especially if it is a practice among your industry counterparts. However, you cannot expect to maintain a competitive advantage if innovation capacity lays upon savings considerations. There are examples of large companies with spending splendor and cost-conscious startups who have taken a 180-degrees turn to boutique service providers after embarking on the price-first highway to hell. Seek the balance between cost, value, cultural proximity and agility to find your perfect fit.

Focus on growth over time

Define your partnership success metrics, whether they are hard-coded like a product release in a certain time span, or synergy-oriented like team size expansion, integration capacity, etc. This will help you observe how your relationship grows and redirect the track you have taken together, if necessary.

Recognize their commitment

You can learn a lot about your combined innovation potential from how your partner treats your relationship. The questions they ask, how regularly they conduct satisfaction surveys, how smooth the process from establishing the first contact to project and account management is — the health of these is an indicator that the company follows the high process and quality standards, cares about your feedback and is committed to improving over time.

CHECKLIST

☑ Request vertical references

☑ Make sure company cultures correspond

☑ Recognize their commitment

☑ Make outcomes a priority

☑ Focus on growth over time

HOW TO ENSURE PROPER ONBOARDING?

Onboarding is the time to lay the foundation of a successful partnership and phase for both sides to try and test the ground. And good onboarding is especially important for remote teams, since they do not have as many opportunities to organically integrate into the company processes and culture. In this chapter, we lay out the best practices for getting your software development partner up to speed.

Virtual hands shake and high-fives

Imagine the first day at the work of a new team member on-site. Once they are done with the introductory meetings and presentations, they usually head to the common area where they meet coworkers over a cup of coffee. Try to arrange an analogous situation for the newly brought onboard external team. To foster a sense of affiliation, introduce them to as many people as possible from your in-house team and try to include them in your culture-building activities where applicable.

Start with a small project

Collaborate on developing a clear plan for the outsourced team's first weeks so you're both aligned on the expectations for the role. Provide an opportunity within the first couple of weeks for cross-team collaboration or knowledge discovery to introduce them to other team members, information at the company, and regular ceremonies within the remote culture.

Stay connected at all times

Even with advanced communication technology, such as instant messaging services and video conferencing platforms, you must put time into communicating with your remote team. Maintaining channels for continued, transparent communication is the most effective way to keep a team collaborating effectively.

Build trust in the team

The most challenging aspect of remote collaboration is trust – relying on your technology partner' word and having confidence in the team' expertise. It might take you a while to build that trust, especially if it is your first time to outsource software development or if you had a bad experience in the past. Focus on goals, not an activity. Ask yourself if the team is accomplishing the end goals, rather than whether they doing a 9 to 5 job. It will help you define clear expectations while giving your remote team the freedom to be creative. Thus, a real chance at winning your trust

WHAT CLIENTS SAY

"They were really able to take our idea, run with it, and make it better. While other outsourced companies tend to deliver what you ask, they helped us take our product to a higher level. "

Director of Product Development, SalonBiz

"Accedia is very good at delivering on time, and they have a great project management style. Their team works toward fulfilling our business requirements, and they're the ones with the technical understanding to do that. It's easy to have a good collaborative partnership with them. "

-Tove Petterson, Thomas Concrete Group

HOW TO STAY ALIGNED?

Striving for alignment with your external software development team helps them stay on track and see the bigger picture. Establishing an alignment strategy does not happen overnight. It's a result of the everyday actions you set along the way. By following our recommendations, you can help team members feel the contribution they add to your company and boost your dispersed teams' productivity.

Communicate on all levels

Your responsibilities do not end with choosing the remote team and signing the contract. Project success has a great deal to do with good communication practices. Whether it is taking turns meeting or analysis before each sprint, make sure you provide a main point of contact who can reply to the partners' questions timely. gradually, you should start to feel confident about letting your software development partner speak directly to business stakeholders or end-users, onboard them or discuss the implementation of custom features. As a leader, you should encourage your team to share ideas, expectations, and the value they desire to contribute to the project.

Embrace change

It is in time of changes and turbulences, whether a change in organizational structure, new stakeholders, or going remote, you experience the value of having a partner. For this to be possible, you need to get every member involved and informed about what's new and upcoming.

WHAT CLIENTS SAY

"They seem to have right-sized management procedures; they are big enough to have quite good processes in place but small enough to be still somewhat flexible and agile.
The most important things are team competency and the quality of their work, which have generally been quite good."

 - Outsorcing Director, Siili Solutions

Celebrate success together

To keep a high-performing external team engaged, you should keep recognition a priority. A great way to show appreciation is to celebrate a job well done. Celebrations boost confidence, strengthen team member connections, and increase engagement in company initiatives. Consider hosting virtual celebration hours during which you can give your distributed team members the praise they deserve as well as positive feedback in an informal environment.

SOFTWARE DEVELOPMENT OUTSOURCING MODELS

Once you've chosen to <u>outsource your software development</u>, the next step is to decide what model will best fulfil your requirements and business needs. Outsourcing models are the way in which projects are approached and delivered. The model that best suits your project will largely depend on the project specification and what you want your product to achieve. However, the two most effective software development outsourcing models are staff augmentation and dedicated teams.

STAFF AUGMENTATION	DEDICATED TEAMS
Increased capacity and flexibility of working with engineering talent at hand	Handling design, architecture, development and testing of your digital solutions
Access to state-of-the-art expertise for exploring emerging technology areas	Identifying and leading the right members of your team to achieve project objectives
Agility for investing into R&D rather than locking in higher operational spend	Designing tailored governance processes to match your preferred collaboration approach
Shared risk thanks to leveraging proven processes for remote	Helping you minimize operational overhead (infrastructure, training)

Outsourcing software development is no bulletproof but when approached with the right mindset, you will benefit from a healthy team dynamic much needed when developing software innovation. <u>Look for a company that will be your partner</u> rather than a vendor, and more importantly, make sure your own mindset allows for that type of transformation. Then, you are sure to set your company to success.

READY TO BUILD A STRATEGIC PARTNERSHIP?

Get in touch with us today and discover <u>the benefits of working with a strategic software development partner!</u>

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ABOUT ACCEDIA

Accedia is a professional IT services company, specializing in Technology Consulting, Software Development and IT Operations Management. Founded in 2012 in Sofia, Bulgaria, Accedia has become one of the fastest-growing technology companies in EMEA, according to Deloitte and Financial Times.

Accedia works with clients in more than 19 countries on 5 continents – from America to Japan, from Finland to South Africa and Australia. The company is a partner of choice for software engineering and consultancy for startups, SMEs and large enterprises in Finance, Manufacturing and Energy.

The team helps solve technology challenges and maximize digital opportunities by delivering:
• Engaging customer experiences for Web and Mobile,
• Sustainable transformation with Cloud applications,
• Increased effectiveness with Intelligent Automation and Data Analytics,
• New products and services leveraging Machine Learning and AI.

What makes Accedia stand out is the dedication to quality software that delivers practical business value. By endorsing agility and collaboration, learning continuously, and nurturing a growth mindset, the team crafts solutions with true professionalism.