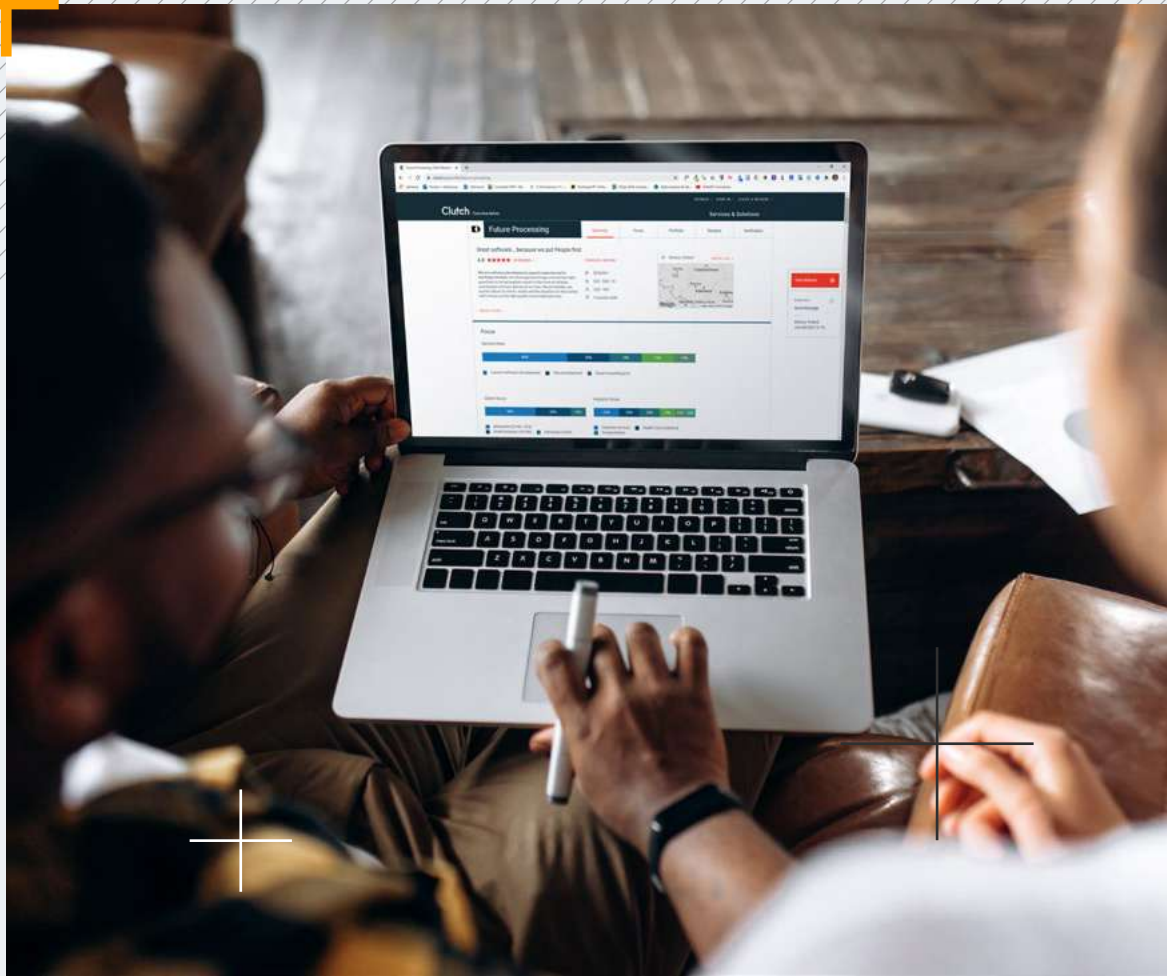




 Future Processing

Everything you always wanted  
to know about **outsourcing**



[www.future-processing.com](http://www.future-processing.com)





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## 1. Introduction

This document contains everything you need to know before you decide to outsource your software development projects. Not only will you read about the different types of outsourcing, but also find out about current outsourcing trends. Additionally, further in the document, we will provide you with tips that can help your product be as good as possible.



## 2. Before you decide to outsource

### What is outsourcing?

Outsourcing seems to be the word that entered IT for good. Let us start by briefly defining what it really is. Outsourcing is the cooperation between two companies, usually from different countries, where one company is the provider of services or processes on the other company's behalf.

Over the past years it has immensely developed and has been noticed as an excellent solution to vastly reduce costs and time (that otherwise would have been spent on e.g. recruiting new personnel), yet still sustaining quality.

In the era of widespread Internet connection, outsourcing comes into sight as an easier way to do business. It frees management time, letting companies concentrate on their core competencies.

### Different words, the same meaning



#### Outsourcing

It is assigning services or processes to another, usually external, company rather than conducting them internally. It frees you from many actions connected with managing your project. From planning, through supervision to market analysis. That is why, outsourcing has become popular, especially in the IT sector. It guarantees flexibility and can save you unnecessary expenses, because companies pay only for the services they require. Also, it eliminates the need to hire and train new employees.



#### Offshore outsourcing

Offshore outsourcing is a type of a classic outsourcing model. It is an agreement between two companies, where one agrees to provide services for the other one. It is usually in a distant country. Its biggest advantage is lower price, in comparison to in-house services.



#### Nearshore outsourcing

Nearshore outsourcing is understood as an outsourcing to a neighbouring or nearby country or a region with similar, or a very close time-zone. It is based on exactly the same principles as offshore outsourcing, with the possibility of more frequent visits due to geographical proximity. Each can bring you high cost-effectiveness, while delivering tailor-made products.



As you probably have noticed, all of the above mean almost exactly the same thing, regardless of the term.

While choosing your outsourcing partners, always bear in mind political background of their country. Also, try to look for the country with similar culture, as this will make the cooperation easier and more pleasant.



### 3. Outsourcing... but where?

When you finally made that crucial decision and decided to outsource, you must choose from the best.

We consider location to be an important factor for successful software development outsourcing. Poland is known for a vast talent pool of IT graduates with many international award-winning developers. The reason the country's recognition is growing is due to a solid services sector and its talent pool.

What is more, the stability of the Polish economy makes it more resistant to economic crises. Boasting **a stable GDP growth**, the country provides a business friendly environment to investors being **second among the world's 50 best countries to invest in**, according to [Polish Investment and Trade Agency](#).

Key factors placing Poland on this position are business openness and technological readiness. The investors also appreciated the professionalism and commitment of Polish employees, the quality of business infrastructure, the freedom of movement and the tax system.

#### READ MORE:

Choosing outsourcing location: poland

READING TIME: 6 MIN

READ ONLINE →



## So, let's take a look at why Poland is such a good choice:

- economically and politically stable country
- similar time-zone as a large part of Europe gives us the advantage to quickly respond to any challenges and meet our Clients in person.
- we don't need a visa to travel around Europe.
- our working (and leisure) culture is not that different from our clients'.
- technical skills are incredibly strong in Poland, with many international award-winning developers and Information Technology is the most popular field of study in Poland
- well-established member of the EU, meaning it not only follows, but also enforces European Union copyright and other laws.

Everything goes through the changes, the same is with outsourcing. Do you ever wonder what technology will be the best and most innovative for your company?

Well, we will show you the latest trends. You can read about them on the next page.



## 4. Top 6 software outsourcing trends to follow in 2020

To meet the needs of different customers and thus maintain competitiveness, companies must keep up with market trends and implement new technological solutions.

The development of outsourcing trends will always be associated with cost reduction. However, the progressive automation and digitalization of data considerably influences the quality of services provided by IT outsourcing companies.



We have created a list of the trends in software outsourcing that will certainly affect industries in 2020.



## 1. Outsourcing destinations matter (more than ever)

With the current pace of technological development and shortage of specialists on the national market, companies will look for outsourcing locations in Central Europe. Therefore, managers are more oriented towards geographical proximity, greater flexibility and adaptation to work culture. Many have already chosen Poland, which combines good quality code with a very reasonable price.



## 2. Changing business attitudes

The relations between the external software developer and the customer's representative are becoming more and more human-oriented, focusing on the quality of cooperation and implementation, as well as on simplifying processes – and not just the price.

As a result, there is stronger competition in the outsourcing industry which may translate into a higher quality of the final product. Therefore, for IT outsourcing providers, it is essential to be a reliable partner who understands their client's processes well.



## 3. New contract models

New contracts are increasingly focused on performance. One of the barriers to the development of the outsourcing industry was the concern about the quality of services provided, as well as the security of data stored in the systems operated by an external provider. This can now be regulated through a Service Level Agreement (SLA), which is prepared according to the needs of the company and its service requirements. This protects the interests and intellectual property of the company and guarantees high quality of both the cooperation and its results.



## 4. Process automation

There are currently huge budgets for Artificial Intelligence and Robotic Process Automation projects. We are also observing the increased demand for AI experts, machine learning and data analysts. Plus, some of the IT service providers are already striving to automate their processes.





## 5. IT outsourcing moves to the cloud

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The most visible trend of outsourcing in 2019 was the popularisation of services available in the cloud. By its definition, cloud computing technology allows data to be processed and stored on servers outside the local network. Cost-efficiency and scalability are the most important advantages of this solution, allowing for flexible management of server computing power. The high performance and security of cloud computing means that this technology has an increasing number of solutions available to support various business processes.



## 6. Support for smaller companies

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IT outsourcing is a rare opportunity for the sector of micro and small businesses, which often have to reduce costs. The possibility to buy products in the subscription model directly from vendors – from simple office packages, through accounting software, to the purchase of entire platforms – helps to considerably optimize costs by stretching “installments” over time and paying only for the actually used functionality.



## 5. How to make the most of outsourcing

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How to combine success and cost-effectiveness without compromising on quality? This section will answer these very questions in depth.

Since this solution is a type of classic outsourcing model but with a big advantage – lower price. This is why, it is obvious you want to know everything about it. If you are after a delivery of tailor-made products,





close and regular contact with your developers and high cost-effectiveness offshore outsourcing is for you.

However, how to make it right? Are you afraid there's too much to take in? Are you scared your outsourcing process won't go the way you wish it to? Or, you simply don't know where to begin? We'll try to help you in this endeavor.

## 5 Cs to successful outsourcing of software development



### 1. Concentration on the goal

Allow your outsourcing partner to implement their own way of working. Trust that they are the ones who want what's best for your business. Concentrate on what you want to achieve with outsourcing your software development, not how you want it to be done.



### 2. Choice

It is important that you look for someone with knowledge and expertise, who will always try to deliver software developed according to industry's best practices. Look for outsourcers with vast expertise, who have similar goals and will understand your business.



### 3. Commitment

No matter how good your vendor company is, no matter how much expertise they have, you still need to remain involved, because nobody knows your business as well as you. Your commitment can have very tangible effects on the final product.



### 4. Contract

Appropriate business agreement can be crucial to the success of outsourcing your software development. The contract must reflect what was agreed on during the negotiations, specify the scope of the project and focus on business outcomes that both sides want to achieve.



### 5. Communication

For outsourced relationships to really succeed, the clients should clearly express their expectations, which will empower the supplier to deliver the best service. Be specific about what you want to achieve.



## 6. Cost-effective outsourcing, is it possible?

Software development outsourcing is not a new concept and you would hope that suppliers and customers alike have learnt from the mistakes of previous deals.

However, reading the trade press, this is not necessarily the impression one gets. On both sides of the outsourcing relationship companies seem to be making the same mistakes again and again. It appears that one of the biggest slip ups is around achieving real cost savings.

While cost reduction remains the main driver for most software development outsourcing, there is a clear evidence that innovation and quality improvement are becoming more important than ever.

Companies need to take a long hard look at how focused they are on cost cutting and why. If you push cost savings too hard, the quality and innovation in your software will suffer.



### 1. Invest in testing

Look at testing for example. This is the area that most frequently gets cut when customers put downward pressure on prices. Yet it is one of the most important elements of best practice in software development. Avoiding testing or not taking time to incorporate QA testing results may cause bug-ridden code and greater problems when the software to be upgraded or developed further. But what is even worse, it may result in the product being not used or not suited to user's actual needs.

**Cutting testing time directly results in poor quality software, which in turn generally makes for unhappy customers who view the project as a failure.**

Additionally, a lack of testing can end up costing more as it takes much longer to fix poor code in the future than to release it correctly initially. We urge offshore developers and outsourcers of all types to resist pressure to cut testing time or at the very least to explain the consequences to customers. We also urge these customers to question their suppliers closely about testing and make sure that they feel satisfied that there is sufficient testing in the outsourcer's development process.



## 2. Avoid body shopping

Here is another example of what can happen if you look too hard for cost savings: some companies decide to outsource just to build up teams at a lower cost. Recently this practice has received a fair amount of negative press in the UK. In terms of best practice it is certainly not the way to go. Most outsourcers have developers with fantastic skills. If customers are just body shopping they are not taking advantage of them or of the general knowledge and experience of the supplier.

**In other words, while the customers think this is a cheap option they are not really getting value for money.**

Again, body shopping usually gives the developers themselves no control over their work and can become boring and demotivating. This does not result in the best code being produced.

As we know, fixing poor code costs much more than doing it properly in the first place.



## 3. Establish the relationship

So, if extra press on cost is poor practice and not the way to save money, what is?

**Well, the answer is simple: The relationship between supplier and customer.**

This is the lynchpin of any outsourced project, whether it be software development or something else. It has the single biggest influence on the success or failure of the project, one that really can save you money in the long term.

If you have a relationship based on openness, the outsourcer is more likely to tell the customer as soon as a problem occurs, rather than brushing it under.

Equally, without regular communication the project cannot progress. Openness and trust both make communication much easier – there is no doubt about that. Indeed the most



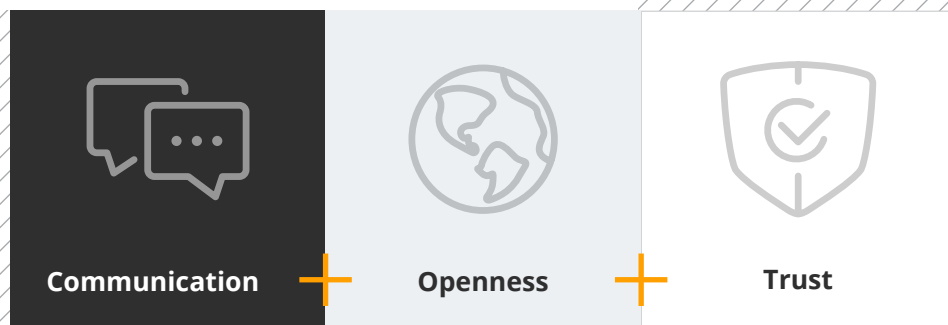
successful second- and third- generation outsourcing deals are based more on a joint-venture, equal relationship than a standard contract.

Evidently there are other factors that can help relationships succeed. Primarily among these is the fit between outsourcer and customer.

Following these steps may result in a better end product, which will in turn result in the partnership continuing. And this is where the real savings come in on both sides – no time and money wasted trying to find a new software development outsourcer or customer, much less time required to brief the team, no steep learning curve, an understanding of how to work together from the outset and a willingness on all sides to produce a good end product.

This definitely outweighs the cost savings that might be made from choosing someone basing purely on price.

### There are three fundamental elements to any customer-supplier relationship



...and all three are interlinked

## 7. Succeed at outsourcing

The most important thing that has to be done in order to succeed in outsourcing is believing and trusting your developer. However, are there any other aspects that should be taken into account? How can you make this process as smooth as possible? Read on and find out.

### 1. Believe outsourcing is a good choice

Outsourcing is delegating services or processes to another, usually external, company rather than conducting them in-house.

It is a great solution due to extensive cost reduction that goes hand in hand with excellent quality and economics of scale. Outsourcing helps to control the funds for two reasons. First



of all, it limits the need to spend money on specialised crew, equipment, technology and licence. Companies gain competitive advantage because they can focus on their core business and activities like building their brand awareness. Secondly, it improves the resource exploitation and may also increase the value of outsourced activities.

## 2. Use iterative development approach

Agile methodologies are constantly gaining popularity in outsourcing.

There are many advantages of introducing them to your project, although you will need to make time to be engaged in the process. Feedback is delivered regularly because the teams work in sprints, which are usually 2 or 3 weeks long. This guarantees that if any issues appear, they are addressed quickly. During the sprint, the scope of work is fixed, so that the team is focused only on the tasks agreed to be done. Because of that, it is easier to plan and adapt to changing business environment. Flexibility of the process helps preventing potential threats that may endanger the final product and supports faster time-to-market. All this put together results in a better end product and higher customer satisfaction.

Projects develop and evolve on a daily basis. Sometimes the final products differ from the initial version that you had in mind. However, changes should be embraced because they are crucial in order to develop the right, fully-functional product.



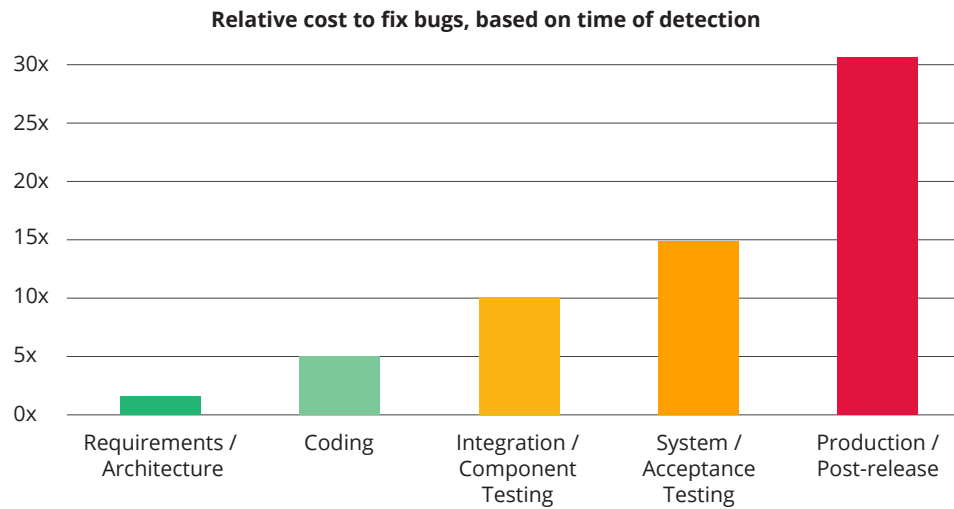
## 3. Put emphasis on quality

We believe that the best approach is being focused on quality from the very beginning of the project.

Not only does it reduce the unnecessary reworks, but also it is more time efficient. The sooner the defects are found and fixed, the lower costs your company will face. What is more, high quality of your product guarantees Customer's trust, which in turn may result in long-lasting cooperation.



The graph illustrates how the effort to detect and correct defects increases over the five broad phases of software development. In brief, the later you fix a bug the more expensive it is.



Source: <https://deepsources.io/blog/exponential-cost-of-fixing-bugs/>

## 4. Trust your partner

Trust is one of the fundamental elements to any customer-supplier relationship, there is no doubt about that.

Look for outsourcing partner that is focused on long-term collaboration, but will let you build up the scale of your commitment or exit, if you're not satisfied with the outcomes.

It is certainly easier to achieve your business objectives if you base your cooperation on trust, rather than getting caught up in micromanaging. You should let your partners work according to their processes and leave the room for them to define how.

Since, relationships rarely work well from the get-go, take time to consider issues from your outsourcing partner's perspective. If you have a strong relationship, both outsourcer and customer are more likely to work harder at resolving any problems that occur, simply because of the emotional investment on both sides. It has the single biggest influence on the success or failure of the project, one that really can save you money in the long term.

Once these conditions are met, do not hesitate to rely on the knowledge, experience and expertise your partner brings to the table.





## 5. Choose the location well

If you consider outsourcing, the most important question you should ask yourself is: where to outsource?

Choosing Poland as a destination for software development outsourcing, it is possible to be cost effective, compared to domestic markets. Despite increases in salary, you are still likely to outsource to Poland at very competitive rates. Over-zealous bargain hunting can, in fact, cost you more.

Also, Poland was ranked 2nd with the best developers and 2nd among the world's 50 best countries to invest in. Furthermore, The EF English Proficiency Index 2019 shows that Poles are among the world's best English speakers, demonstrating a "very high level" of English language skills.

An outsourcer needs to be compatible with its customer's corporate culture communication and working style. Employees from both organisations will be working alongside each other and they need to fit in.

Poland is a constantly growing country with stable economic and political situation. Our working culture is similar to our clients'. This, in addition to being a member of European Union, makes us a secure choice.

In short, companies that will follow these few steps in their outsourcer selection criteria can actually succeed at outsourcing, having a head start over their rivals that do not.







## 8. Our clients' problems. Do you recognise them?

**We are aware that choosing your outsourcing partner isn't easy.** However, since everybody makes mistakes, who not learn from them? We decided that asking our client about mistakes they've made and presenting you with the solutions may prove extremely beneficial. Read the following page and find out for yourself.



### 1. Technical debt

It is crucial to use the latest, well-established technologies in your project. Protecting yourself from technical debt will be beneficial for your company in the future. Your outsourcing partner is there to keep track of the latest technologies and help you during their implementation. All done to help you stay ahead of the competition.



### 2. Too big expenses

In these hectic times we are aware that your company must watch its spending. Choosing Poland as an outsourcing location will help you be cost-effective and simultaneously not compromise on quality. The rates are competitive, in comparison to those in the UK.



### 3. Negative experience with outsourcing

Finding the right outsourcing partner is like finding a life partner. This important decision must be well thought through. You should be given access to the most experienced engineers, to make the development process professional. Also, you should focus on choosing a partner in similar time zone, which will make it easy to keep communication frequent.



### 4. Changing business needs

Well-chosen outsourcing partner will help you adapt to the changes that may arise during the development process. Future Processing works using iterative development approach, which not only embraces the modifications, but also makes the development process more effective, since it is based on mutual trust and frequent communication.



### 5. Lack of resources and experience in-house

Sometimes in-house options are impossible and not cost-effective, due to lack of talent on the market. In such situation, finding an external partner is the best solution. Only a team of skilled experts, who know their job, can help you develop a fully functional product. What is more, you don't need to invest in any resources because your outsourcing company offers the most professional equipment.



## 9. Who are we

We are software development experts who leverage technology and ask the right questions to bring you tangible results in the form of reliable, high quality, sustainable software that is delivered on time, right first time.

We build long-lasting partnerships through honesty, transparency and open communication. We are trusted with our clients' business and technology problems, delighting them with our talented, agile and adaptable team.

Working with us is like having a partner next door. Our can-do attitude, positive atmosphere and energetic approach create a unique culture that fosters open-mindedness and drive to succeed.



**Zest** – Long term key partnership in which we provided highly scalable teams with technical expertise allowing Zest to take on more projects, while focusing on core business.



**Flowbird** – Partnership in which we provided significant software development capabilities using a range of technologies to various business units.



**Neyber** – As an IT partner we provided the client with a self-organising, highly scalable team of competent engineers.

[DISCOVER OUR CASE STUDIES](#) →

We have 20 years of experience and carried out more than 500 projects, frequently proving our ability of precisely adjusting services to the clients' needs.

We gained industry recognition (named Top Software Developers in 2020 – according to the ranking conducted by Clutch) and won numerous awards, such as Global Sourcing Association's Service Provider of the Year 2019 Award.

## Future Processing at a glance:

**13**

years of **Microsoft**  
partnership

**Net Promoter Score: 63**

on a scale **from -100 to +100**, a result  
deemed excellent for the IT sector

**65%**



revenue from clients  
with us for **+3 years**



**40%**



team members  
with over **5 years**  
of experience

Contact us now to see how nearshoring can  
be a **flexible solution to help you innovate**  
**your organisation.**

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