

# GLOBAL SOURCING: A COMPETITIVE ADVANTAGE

**I**NDEPENDENT software vendors (ISVs) face a challenge of building software products in a dynamic technological environment and increasingly demanding market conditions. Product managers not only have to manage the strategic direction of the product, but are challenged by meeting the time-to-market pressures while staying within the budgetary constraints. Along with this they need to maintain the flexibility to incorporate relevant features based on the market situation in every release. Successfully managing software product development requires more than having a suitable software process. Deployment of CMM or ISO processes of software development is also not enough of an assurance for successful software product development.

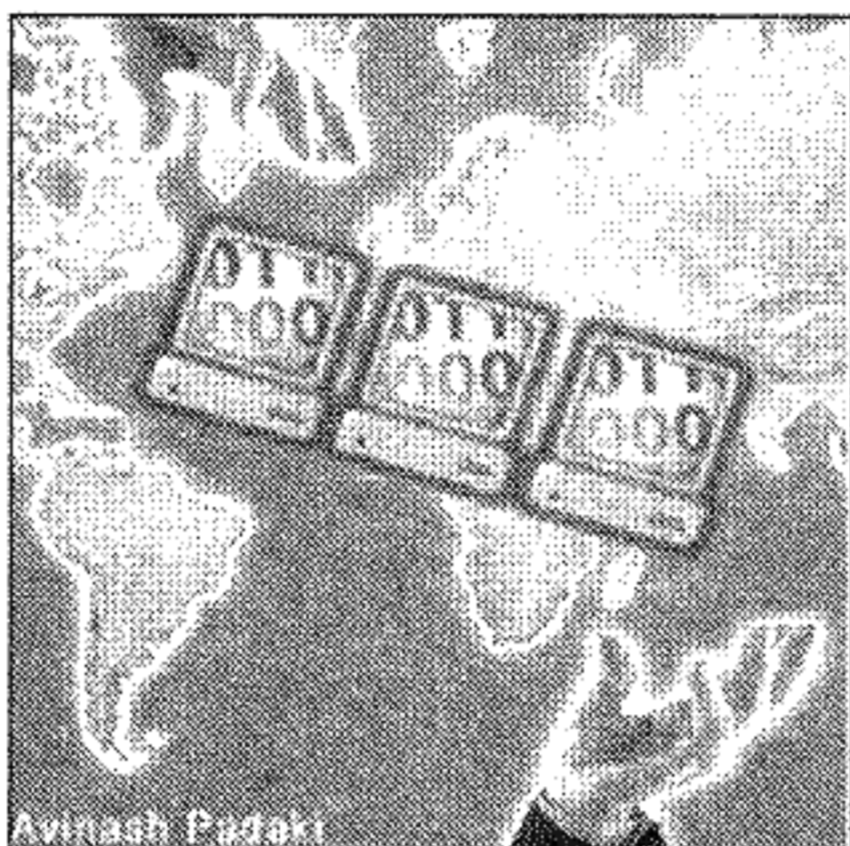
The cyclical process of software product development comprising product release management, project management, iteration management and milestones management can be effectively managed in these challenging marketing conditions by utilising Global Resourcing Options.

Key areas that can be addressed by OPD are competence management (management of resources and competencies in the organisation) and portfolio management (management of the whole set of projects of the product development organisation) in a multi-project environment.

Global resourcing for software product development can enable ISVs to reduce product release cycle-time, to achieve cost optimisation with high quality software product, to optimise resources across various stages of

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software product lifecycle, to increase reach through globalised software product, to provide 24X7 multilingual support services and to focus on strategic product management.

OPD by ISVs can make them competitive by maximising customer value addition through better products, faster turnaround time, continual support and higher reach. Multi-project development environment entails a management of cost driven, schedule driven and functionality driven projects simultaneously. Many projects have a composite of objectives of cost, schedule and functionality. The purpose of multi-project management is to balance and allocate resources between projects on a regular and short-term basis.

Competence management in terms of knowledge assimilation and dissemination, team compositions, and resource mobility across projects is a challenge. Offshore outsourcing of certain software product development activities for ISVs can increase the efficiency and effectiveness of product portfolio management

and competence management.

Software product development activities like projects on derivative products, development, testing (QA), migration, enhancements, implementation, maintenance and customisation can be outsourced. This helps ISVs to focus on their core competency of developing breakthrough products thereby augmenting the product line rapidly.

Outsourcing would help in optimal resource utilisation for critical schedule-based projects as well as complex functionality projects. The key challenge for an ISV to leverage the benefits of Offshore Product Development for portfolio management and competence management is identifying right partners in India. Parameters like intellectual property right protection, information security, quality standards, network & communication infrastructure are already addressed by many organisations given the maturity of Indian software services. The critical factor is the maturity of an offshore organisation to manage software product development.

Organisation mindset in understanding the difference in software product development as compared to conventional; application software development is essential to forge long-term partnerships. The benefits of offshore product can only come when the engagement is over the product lifecycle and not across just a few projects. Ability of the OPD partner to manage competence of teams across a portfolio of multiple projects is also a critical success factor.

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