redsalt

Steps to successfully implement nearshoring

1. *Start with a test project using measurable goals and objectives.*
A successful nearshore outsourcing initiative starts with self-contained, relatively brief projects based on stable requirements. Application module projects where internal or contract labor costs or time-to-complete schedules are known provide an excellent means for testing nearshore delivery and measuring its results.

2. *Ensure internal buy-in and involvement.*
Without buy-in from, and active participation of, internal constituencies, creating the type of collaborative environment that characterizes successful nearshore outsourcing initiatives is impossible. The continued involvement of internal constituencies that are educated on the potential risks and rewards of the nearshore model is important.

3. *Review and document internal processes.*
A common problem in outsourcing is that internal organizations often operate under informal processes, making it difficult to collaborate with outside suppliers. Before selecting a third-party supplier, a company must assess its internal processes, and identify and document where functions intersect and what and how information flows throughout the internal software development life cycle.

4. *Assign a dedicated project manager.*
Assign a dedicated client project manager, an individual who serves as the focal point throughout the entire project life cycle — i.e., from the planning and request for proposal (RFP) phase to acceptance testing and implementation. In addition, this individual is an experienced manager who works closely with an on-site supplier counterpart to handle day-to-day operational issues.

5. *Ensure organizational fit.*
It is also important to meet with the individuals who will be working on-site in order to get a sense of how they will fit into the internal culture. Reviewing the qualifications of prospective nearshore team members could be part of the process.

6. *Fulfillment of documentation*
Even with close and informal collaboration, well-documented roles and responsibilities, precise requirements, and clear project milestones and deliverables remain important. This practice also applies to project tracking and oversight; configuration management activities, such as version control, backup, and recovery; and all other facets of the relationship.

7. *Establish a secure infrastructure.*
Nearshore outsourcing presupposes a secure communications infrastructure and the use of such collaboration tools as email, chat, or intranet-based project Web sites. Choosing how work is distributed and the specific development and network infrastructure should be consistent with client security policies and development processes.

8. *Allow ample time and resources for knowledge transfer.*
Knowledge transfer not only ensures that supplier staff members understand the client's software, but also contributes to the creation of a collaborative work environment, one that carries over even after the nearshore team members return to the nearshore location. In addition, with long-term contracts that specify dedicated resources find that periodically rotating supplier nearshore staff through their facilities creates a flexible, yet knowledgeable base from which resources can be quickly drawn as needed.

9. *Acknowledge that cultural understanding is a two-way street.*
It is incumbent on companies that seek to do business in other countries to ensure that their employees are able to adapt to and work effectively in other cultures. However, enterprises that seek to take full advantage of the benefits of nearshore outsourcing need to be aware of such cultural issues as how, or even if, disagreements are raised and resolved. Some companies with extensive nearshore initiatives conduct internal cross cultural training to raise awareness around such issues.

10. *Organize meetings and monitor performance and stakeholder satisfaction.*
Regular status meetings in which client and supplier team members review schedules and deliverables and resolve open issues are an essential part of nearshore outsourcing. They enable clients to stay on top of and maintain control over projects as well as track supplier performance.