

# Outsourcing – A Guide

ShareIT Cork  
Conor O'Neill  
Argolon Solutions

# Introduction

- Ireland used to be a major Outsourcing destination
- With globalisation we are becoming more the customer rather than the supplier
- Our experiences as suppliers mean that we should be able to avoid common pitfalls
- IT and tech startups are probably best placed to take advantage of outsourcing on a global basis. Almost every aspect of what we do can be outsourced
- Outsourcing can help you in several ways
  - Get expertise you don't have
  - Get a larger virtual team
  - Get things done more cheaply
  - Move functions you don't want to do in-house
- The point of this presentation is to describe all of the issues I've run into working on both sides of the fence over the last 15 years

# Profile

- Conor O'Neill. Founder of Argolon Solutions, the creators of the LouderVoice web-site
- 15 years in software development and management of which 14 were spent providing
  - Outsourcing services
  - Design Services
  - Professional Services
  - Consultancy
  - Contracting Services
- S3: 1992-1996, Key customer = Philips
- IDL:1996-2000, Key customers = Toshiba/Lucent
- Xilinx: 2000-2001, Key customers = Nokia, Xilinx internal
- Advanticus: 2001-2003, Key customer = CoreOptics
- Argolon: 2003-2006, Key customer = EMC
- Argolon: 2006-2007, we are now the customer of others

# What can you Outsource?

- Software Development
- Graphic Design
- Web Hosting
- PR
- Marketing
- Office
- Accounts
- What else?

# Distributed Teams

- LouderVoice
  - We're in Cork
  - Developers in UK/Sweden
  - Original logo designed in Argentina
  - Core design done in Dublin
  - Follow-up design possibly UK
  - Servers in Holland managed from Greece
  - Blog in USA

# How/Where to find suppliers

- By recommendation is the single best way
- But often you don't know those who know!
- Ask everyone you know
- Blog it
- Google not so bad
- Dedicated sites (listed at end)
- Mailing lists dedicated to a technology/area

# More on how to find suppliers

- Maximise social contacts at a professional level
  - it@cork
  - BarCamps
  - Conferences
  - Enterprise Ireland events
  - OpenCoffee
  - ShareIT!

# Software Development

- Most important for us but wasted far too much time
- Talked to suppliers from Ireland, UK, Poland, Latvia, Lithuania, USA, Serbia, Romania etc
- Spent three months researching and talking
- Eventually found person on a mailing-list one day after I put the call-out on the list for help!
- Easier to do full outsource as you have more technology options
- Helps to have technology background but not essential (Jan in Touristr)
- Knowledge helps to avoid being spoofed
- Most potential suppliers will say “sure we do” no matter what you ask them about expertise. Probe!



# Design

- Tons of people in Ireland and UK.
  - However not tons of great ones
  - Very expensive compared to software dev
- Need to be very precise
  - Should have strong view of design you want
- Portfolio is critical but recommendations even more so
- Need to be clear on skills
  - Overall design of site
  - Graphic design of logos and icons
  - Front end coding (templates, javascript, ajax)
  - Standards compliant implementation using XHTML/CSS
  - Strong background of accessibility/usability

# Webhosting – Four approaches

- Simple shared hosting.
  - Easiest to go local (blacknight, hosting365).
  - But if niche (e.g. RoR, TG) may need to go abroad
  - No control of DB, apps, tools
  - Dirt cheap
- VPS
  - Virtual Server.
  - “Full” control.
  - You decide the apps and versions of them
  - Good value
  - More work for you
  - Performance?
- Dedicated Server
  - Here’s the box, do what you want
  - Needed if you are going to scale
  - Tons of work for you
  - Expensive
- Co-lo
  - Install your own box in a datacentre
  - You do all the work
  - 100% control and responsibility
  - Good value
  - Only possible in Dublin?
  - CIX coming
  - Option to hire 3<sup>rd</sup> party support

# Applications

- Google Apps for your domain
- Hosted email
- Online storage
- Other online apps
- What do you really need installed?

# PR/Marketing

- No real knowledge here
- Talk to Krishna/Jenny!
- Very common in USA
- PR often on retainer

# Office

- Consider some alternatives to getting a traditional office
- If tiny start-up or distributed then look at hot-desks
  - Webworks
  - Rubicon starting
  - Dedicated facility in Macroom
  - You outsource all the nitty gritty of having an office
- Look into Coworking initiative. Like hotdesk except with a strong community emphasis

# Types of suppliers

- Freelancers - usually lower cost. Often domain experts. Some risk
- Full Service outsource – For a given job they will handle all aspects
- Brokers – web-sites usually – eBay for contracts
- Middle-men – for full offshoring these can take a lot of the management load

# Elance/RentaCoder/oDesk

- Superb sites for small scale work
- Cheap, huge choice of suppliers
- Huge range of areas not just tech
- Can see history/feedback/income of each supplier
- Always work off portfolio
- Logos/Design (LouderVoice v1)
- Small scale web development (Ummerra)
- Not great on tech niches (Widgets, Wordpress)

# eLance



[Post your project »](#) [Sell your services »](#)

- [Design](#)
- [Programming](#)
- [Websites](#)
- [Writing](#)
- [Consulting](#)
- [Other](#)

Welcome, conoro! [MyElance](#) | [Logout](#)

[Help](#) | [Email us](#) | 1-877-435-2623


### Main Menu

- ▶ [Main Menu](#)
- ▶ [Buyer Activity](#)
- ▶ [Provider Activity](#)
- ▶ [Account](#)
- [Preferences](#)
- [Watchlist](#)
- ▶ [Referral Program](#)

### Announcements (updated on 05/Mar/2007)

#### Message Alerts

[View all messages](#)

 LanoelStudio has sent you a private message for Web-site Logo for a placeholder site . [View](#) 07:07 pm 13/Oct/2006

#### Activity

##### ▶ Buyer Activity

- [View my activity](#)
- [Post new project](#)
- [View Project Drafts](#)
- [Edit my profile](#)
- [View my profile](#)
- [View Buyer Guide](#)

##### ▶ Provider Activity

- [View my activity](#)
- [Edit my profile](#)
- [View my profile](#)
- [Membership Status](#)
- [View Provider Guide](#)

#### Browse Categories

|  |  |
|--|--|
| <a href="#">Administrative Support</a>         | <a href="#">Sales &amp; Marketing</a>      |
| <a href="#">Architecture &amp; Engineering</a> | <a href="#">Software &amp; Technology</a>  |
| <a href="#">Audio,Video &amp; Multimedia</a>   | <a href="#">Training &amp; Development</a> |
| <a href="#">Graphic Design &amp; Art</a>       | <a href="#">Website Development</a>        |
| <a href="#">Legal &amp; Paralegal</a>          | <a href="#">Writing &amp; Translation</a>  |
| <a href="#">Management &amp; Finance</a>       |  |

[View all Projects](#)



# eLance 2



[Post your project »](#) [Sell your services »](#)

- Design
- Programming
- Websites
- Writing
- Consulting
- Other

Welcome, conoro! [MyE lance](#) | [Logout](#)

[Help](#) | [Email us](#) | 1-877-435-2623

Project: **Web-site Logo for a placeholder site**

Category: Logos

Project ID: 11574233

**Project Related Links**

- [Project Description](#)
- [Project Clarification Board](#)

**Bidding Details**

# of Bids: 11 (9 declined)  
 Average Bid: US\$138.00 [EUR108.77]  
 Bidding Ends: Bidding Ended on 10/04/2006 16:36

**Open Communication**

Protect yourself against future disputes by always communicating within Private Message Boards (PMB). Use the PMB to clarify and agree on project requirements. Please review and adhere to our [Communication Policy](#).

**Bidding Control**

| Bids Received   |                               | Shortlist        | Declined Bids                    | View bidders with:                      |                                 | Feedback : All | Reviews : All   | Filter Bids |
|---|-------------------------------|------------------|----------------------------------|---|---------------------------------|----------------|---|-------------|
| Actions   | Service Provider              | Location         | Bid Amount                       | Last 6 months Feedback Reviews Earnings | Total Feedback Reviews Earnings | Status         |   |             |
| <a href="#">PMB</a><br><a href="#">Choose Bid</a><br><a href="#">Shortlisted</a><br><a href="#">Decline Bid</a><br><a href="#">Report Bid Violation</a> | <b>21centuryweb</b> Portfolio | MH, IN           | <b>US\$99.00</b><br>[EUR78.03]   | 4.8<br>33 reviews<br>\$19096            | 4.9<br>263 reviews<br>\$169435  | PlacedBid      | Bidder Comments : Dear Buyer, we will provide u 5-6 Design Mockup for logo to choose from and revision upto your satisfaction. Unlimited revisions, to 1 Draft. Final files will be provided in print-ready format and web used. Please take a look at our attached work, so you can get an idea of our high quality service. Also have look at our feedback review for client testimonial. we have more then 7 year experience and completed more then 300 project at elance. Our Payment Condition are 50% Down and 50% on Completion. Regards (21st Century Web :: ( Your Total Web Solutions) |             |
| Time to deliver after bid is accepted: Within 1 Week • Bid ID: 11574341 • Bid Time: 10/03/06 17:39  |                               |                  |                                  |   |                                 |                |   |             |
| <br>  | <b>LanoelStudio</b> Portfolio | Buenos Aires, AR | <b>US\$150.00</b><br>[EUR118.23] | 3.8<br>6 reviews<br>\$3620              | 4.6<br>30 reviews<br>\$21064    | PlacedBid      | Bidder Comments : Hello, we can get the right graphic image for your business! We are a 10 years experienced graphic design & illustration team   |             |

# Nearshoring vs Offshoring

- Started LouderVoice with view to using India/China
- Bit by bit came closer back to home as the language, access, trust and timezone issues arose
- Would have been happy with Poland
- Ended up using UK.
- Would use Ireland for right people at right price

# Ireland

- Despairing slightly
  - Very difficult to find competent developers in many areas
  - Only 6 Ruby on Rails developers for hire in Ireland
  - If they do exist, they seem to have minimal profile
  - They are missing tons of opportunities
  - Touristr done in USA for this reason
  - First Widget development expert in Ireland will make a fortune
  - Do look but if you don't find someone here quickly, give up, you could waste huge time on this

# Contracts and Legals

- Say nothing without NDA if it can affect your business
- Good contract protects both sides
- Nothing “on trust”
- All IP must be yours at end
- Deadlines with payment cancellation after drop-dead dates
- Maximum time for bug-fixes
- All deliveries warranted not to infringe anyone else's copyrights, IP etc
- Very strong specification for what is to be developed
- Specification -> Proposal -> Contract
- Payment terms vary. 25/75 or 33/33/33. Never do 50/50

# Intellectual Property

- Very opposed to licensing agreements
- Pay more if necessary to own the IP
- If any third party code or open source code, need to be clear who owns what
- IP infringement – be careful
- Cheaper designers will reuse a lot material
- On reverse side, consider open sourcing non core IP – can help with reputation and PR

# Project Management

- If you outsource most/all of your business then your role is one of project and product manager
  - Can be hard to do formal PM with a dispersed team
  - Constant communications critical
  - We lost a week due to lack of comms
  - Be clear on deadlines and deliverables and keep monitoring. Again, nothing on “trust”.
  - You will often be sharing a supplier (particularly freelancers). Be aware of this
  - Tools can be a huge help here (not MS Project!)

# Tools

- Common tools with all your suppliers. You should dictate!
- Communications – Skype, Yahoo IM,
- Deprecate email - A five minute 3-way conf call on Skype could replace 50 emails
- Version control system with distributed access
- Tracking/Ticketing systems like Trac that integrate with VC. Nothing falls through cracks
- Online lightweight PM/interaction tools like BaseCamp. More tracking and discussion
- Wikis for group editing of documentation and specifications
- Automate automate! When we get a bug-fix from dev, we can deploy new web-site in 30 seconds with one mouse click

# Trac

logged in as conor | [Logout](#) | [Settings](#) | [Help/Guide](#) | [About Trac](#)

|  |                      |                          |                         |                               |                                     |                            |                        |
|--|----------------------|--------------------------|-------------------------|-------------------------------|-------------------------------------|----------------------------|------------------------|
|  | <a href="#">Wiki</a> | <a href="#">Timeline</a> | <a href="#">Roadmap</a> | <a href="#">Browse Source</a> | <b><a href="#">View Tickets</a></b> | <a href="#">New Ticket</a> | <a href="#">Search</a> |
|--|----------------------|--------------------------|-------------------------|-------------------------------|-------------------------------------|----------------------------|------------------------|

[Available Reports](#) | [Custom Query](#)

## {1} Active Tickets (16 matches)

- List all active tickets by priority.
- Color each row based on priority.
- If a ticket has been accepted, a '\*' is appended after the owner's name

| Ticket | Summary  | Component | Version | Milestone   | Type        | Owner    | Created  |
|--------|--|-----------|---------|-------------|-------------|----------|----------|
| #146   | strange exception when using embedded IE engine in RSS reader    | Default   | 1.0     | Beta2       | defect      | splee    | 03/20/07 |
| #147   | update review on blogger/blogspot causes exception               | Default   | 1.0     | Beta2       | defect      | splee    | 03/20/07 |
| #149   | reviewblog link incorrect for LiveJournal                        | Default   | 1.0     | Beta2       | defect      | splee    | 03/21/07 |
| #118   | tweak rating output on blogs                                     | Default   | 1.0     | Beta2       | enhancement | splee    | 02/23/07 |
| #44    | search not searching tags  | Default   | 1.0     | FullRelease | enhancement | splee    | 01/07/07 |
| #103   | relation drop-down needs to appear in-line                       | Default   | 1.0     | FullRelease | enhancement | splee    | 02/19/07 |
| #131   | change url for reviews so it is not a simple number              | Default   | 1.0     | FullRelease | enhancement | elvelind | 03/02/07 |
| #14    | Basic admin interface  | Default   |         | FullRelease | task        | elvelind | 11/15/06 |
| #81    | Private/Public "My Bookmark" Folders                             | Default   | 1.0     | FullRelease | task        | splee    | 02/06/07 |
| #82    | Public User Profile Page   | Default   | 1.0     | FullRelease | task        | splee    | 02/06/07 |
| #141   | User town/region/country registration                            | Default   |         | FullRelease | task        | elvelind | 03/19/07 |
| #143   | RSS Feed for pages that show more than one review                | Default   |         | FullRelease | task        | splee    | 03/19/07 |
| #145   | Results-per-page links to be less obtrusive                      | Default   |         | FullRelease | task        | elvelind | 03/19/07 |
| #151   | settings/login/logout back to top right of page for full release | Default   | 1.0     | FullRelease | task        | splee    | 03/23/07 |
| #78    | MySQL should search sub-part of a word                           | Default   | 1.0     | FullRelease | task        | splee    | 02/06/07 |
| #152   | change "movable type" in drop down list of blog types            | Default   | 1.0     | FullRelease | task        | splee    | 03/23/07 |



# Trac 2



Wiki

Timeline

Roadmap

## Timeline

03/23/07:

- 15:42 Changeset [\[374\]](#) by splee  
Updated to add much better error handling so the users don't get those ...
- 14:45 Changeset [\[373\]](#) by conor  
changed word "article" to "review"
- 11:26 Changeset [\[372\]](#) by conor  
Auto-deploying to live site now
- 11:12 Changeset [\[371\]](#) by splee  
Merging 369:370 from beta2 branch
- 11:02 Ticket [#150](#) (defect) closed by splee  
fixed: Fixed by [r370](#)
- 11:01 Changeset [\[370\]](#) by splee  
Fixes [#150](#)
- 10:04 Ticket [#152](#) (task) created by conor  
change "movable type" in drop down list of blog types
- 09:59 Ticket [#151](#) (task) created by conor  
settings/login/logout back to top right of page for full release
- 09:30 Ticket [#150](#) (defect) created by conor  
setting up certain Typepad blogs causing major problem
- 08:57 Changeset [\[369\]](#) by splee  
Fixed routes bug that allowed use of methods that weren't exposed.

# BaseCamp

Dashboard | [Choose a project](#) [Settings](#) | [Permissions](#) | [My account](#) | [Log-out](#) **HELP**

## LouderVoice Argolon

**Overview** | Messages | To-Do | Milestones | Writeboards | Chat People Search

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### Project overview

[Add message](#) | [Add to-do list](#) | [Add milestone](#)

Due in the next 14 days

| Fri   | Sat    | Sun | Mon  | Tue | Wed | Thu |
|-------|--------|-----|--|-----|-----|-----|
| TODAY | Mar 24 | 25  | 26   | 27  | 28  | 29  |
| 30    | 31     | 1   | 2<br><a href="#">Full Launch Coding Deadline</a> | 3   | 4   | 5   |

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#### What's fresh?

##### Today

**MESSAGE** **What's the best way to integrate external review tools into site?**  
by Conor O. in [Code](#), 23 Mar

**TO-DO** **Added : Hiring Widget Developer**  
to [Full Launch Tasks](#)

**TO-DO** **Added : Sidebar Widget**  
to [Full Launch Tasks](#)

**TO-DO** **Added : Firefox Bookmarklet**  
to [Full Launch Tasks](#)

**TO-DO** **Added : Firefox Plugin**  
to [Full Launch Tasks](#)

**TO-DO** **Done : Fix IE7 compatibility bugs**  
in [Beta2 Design Tasks](#)

**WRITEBOARD** **External Integration with LouderVoice**  
added by Conor O., 23 Mar

**MILESTONE** **Added : Full Launch Coding Deadline** Due 2 Apr  
Conor O. is responsible

**MILESTONE** **Done : Beta2 Completion Deadline**  
Conor O. was responsible

##### Yesterday

No activity yesterday

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#### Subscribe to project's RSS feed

Want to be notified any time someone posts a message, comment or file, or adds or completes a to-do item or milestone in this project? Just [subscribe to your project RSS feed](#) **RSS** ([What is RSS?](#))

---

#### People on this project

Argolon

Conor O'Neill

# Successes/Failures

- Having seen many projects over 15 years, success usually comes from:
  - Everyone's expectations set correctly at start
  - The “what “ is fully understood by all
  - Tons of communications
  - Honesty from both sides
  - Flexibility on both sides
  - Co-development, co-involvement
  - “Some” knowledge of what you are outsourcing
  - Avoiding prima-donnas, gurus, know-it-alls (on both sides)
  - Contingency planning
  - Always having second choice suppliers you can move to quickly if existing supplier lets you down
  - Use of standards and common technologies to avoid lock-in

# Q&A

- General?
- Specific to your business?

# Sources

- [www.elance.com](http://www.elance.com)
- [www.rentacoder.com](http://www.rentacoder.com)
- [www.odesk.com](http://www.odesk.com)
- [www.offshoreexperts.com](http://www.offshoreexperts.com)
- [www.outsourcingprofessional.org](http://www.outsourcingprofessional.org)
- [www.globalservicesmedia.com](http://www.globalservicesmedia.com)
- [www.outsourcing-russia.com](http://www.outsourcing-russia.com)

# End

- Feel free to contact me with any questions via the following:
  - [conor@argolon.com](mailto:conor@argolon.com)
  - 087-9790297
  - Skype = cwjoneill
  - Yahoo IM = conoro
  - [www.argolon.com](http://www.argolon.com)