

Evaluating Software Development Firms **OUTSOURCING CHECKLIST**





INTRODUCTION

Outsourcing a software development team is a huge undertaking. If done properly, it can greatly improve the way you do business and give you a more competitive advantage. If it fails, however, the damaging effects can be catastrophic to your business.

With the time, money, and resources you will invest, you need to ensure that you get your money's worth. Apart from making certain that the winning vendor has the right credentials, expertise, experience, and technologies for the project, you need to ensure that you can have a healthy working relationship with them.

Utilizing this proactive approach will help you gain more insights into a vendor's capabilities, experience, and business ethics, as all these information will help you make better-informed business decisions.

The Checklist

This checklist is a generic list of questions designed to give you a proactive approach during the vendor selection process. You can adjust them based on your specific methods and needs.

Some questions are for you (the client), others are for prospective providers and their employees/teams, and there are also questions for the references.

I. The Basics First

Your Goals

Your Service Provider Shortlist

II. Evaluate the Prospects

Background

Capabilities

Company Culture & Talent Sustainability

Processes and Tools

Quality Standard

Legal and Security

III. Reference Check



I. The Basics First

The questions below will give you a good idea about what technologies and skill sets your project need. It will also help you come up with a shortlist of reliable prospective vendors with a sustainable business model.

To get the best possible results, answer the following questions as comprehensively as possible.

Your goals

Having clear goals will help you determine what type of assistance, and which specific skills, you need from your tech team to complete your software project. This is also your chance to assess the main purpose of your project and whether you really need it for your enterprise.

- What is the main goal of your software development project?
- Why do you think your business needs the software/system?
- What is the overall scope of the project?
- What are your main technical requirements?
- What are the possible additional requirements/specifications?
- Which types of expertise (or which specific tech skills) do you need?
- How big/small do you want the tech team to be?
- Do you need an assistant, an advisor, or a full-service solutions provider?
- Are you looking to hire a client-managed team or a provider-managed team?
- What kind of business relationship are you considering—a short-term one with clearly defined features or a long-term collaborative partnership with evolving requirements and solutions?

Your service provider shortlist

With so many providers out there, choosing the one that best fits your needs can be overwhelming. So you need to narrow down your list of potentials, which should be about 2 to 4 companies at most.

We recommend you do this research yourself. Check company websites, social media profiles, and reliable business review sites like Glassdoor, Clutch.

- Do they have the capabilities you are looking for?
- Are they among the top providers in the field?
- Do they have a good reputation?
- What is their ratio of positive to negative reviews?





II. Evaluate the Prospects

These questions are for your prospective providers. These can help you further narrow down your shortlist and help you choose the best solutions provider for you. You will need ample time to assess each one of them before you can find the right software development firm that fits your needs.

Don't send all these questions to your prospective vendors. Instead, we advise that you go through some of the items over the phone first to tick off a few of the questions, or perhaps have video calls. It's even better if you can actually visit their offices.

It may also be good advice to meet their teams before you make the final decision. That way, you will be able to assess not only their offices, workspaces, employees, and management style but also their location, communication style, and accessibility on a regular basis.

Background

In order to have a successful business relationship, it is crucial that you and your tech partner have aligned values and long-term goals. To find answers to this, you should talk not only to the vendor but also their current and previous clients.

Basic profile

- How many years have you been in the software development industry?
- How many years have you been offering your services to offshore countries?
- Describe your company's business model. What are your company's main guiding principles?
- What are your core values?
- Describe your key services.
- What are your areas of expertise?
- Describe the company's financial condition.
- What sets your company apart from other software development firms?
- What sets your company apart from other software/web development firms?

Client list and references

- How many clients have you handled?
- How many clients do you currently have?
- Which countries or regions are your clients from?
- Have you handled and completed projects similar to ours?
- Describe the last three projects you recently completed.
- Provide at least two references with contact information.
- Provide the platforms on which you can be found.
(e.g., Glassdoor, Clutch, social media, etc.)

To do a proper reference check, proceed to part III of this checklist.

Pricing model

- What is your pricing model?
- What is your payment schedule?

Capabilities

After doing the initial research, it's time to conduct a more in-depth assessment of each prospective provider. You need to have an idea about their size and structure, skills and technologies, and scalability so you can determine if they have the capabilities to complement your business operations and achieve your goals.

Size and structure

- How many employees do you have?
- Provide the number of employees per position.

Services, skills, and technologies

- What technologies do you offer?
- What is your team's experience in those technologies?
- What additional services do you offer?
- Do you use subcontractors for any work performed for a client?

Availability, flexibility, and speed

- Describe your process of scaling teams up or down.
- What happens to a project when an employee leaves your company?

Company culture & talent sustainability

Find time to speak to a few of their employees so you get a better feel of their company culture and their team's happiness index, which could also give you some clues to their overall sustainability.

Talent pool

- Are all employees based in your offices or do you have remote developers?
- What are their educational backgrounds?
- What do you look for when hiring new employees?
- What are their specific certifications?
- Do you offer further training to your employees?
- What kind of cultural training do you provide your employees? How frequent?
- How does your company keep up with the latest industry trends?
- What is your attrition rate?
- What are your employee retention strategies?
- Describe your hiring and onboarding processes.

Company culture

- What company benefits do you offer your employees?
- What is your management style?
- Do your employees feel free to talk with anyone in management?
- How and how often do you get feedback from employees?
- Describe the composition dynamics of your teams.
- Describe the management team's level of experience.



Processes and tools

Understanding how your tech partner communicates, works, and finds their talents are crucial elements not only for the partnership but also to the software development process. You need to find a vendor that can not only produce high-quality output efficiently but also deliver results consistently. It may also be wise to find out whether they can accommodate a provider-managed team or a client-managed team so that you will have realistic expectations about your partnership.

Approach to a project & communication

- Describe how your team manages requirements.
- Describe the collaborative process your teams have with clients.
- What industry standards do you follow to ensure quality and customer satisfaction?
- Describe your escalation process.
- What collaboration and communication tools do you use internally?
- What collaboration and communication tools do you use with clients?

Development & reporting processes

- What software development approaches are you familiar with and specialize in?
- What are your reporting guidelines for deliverables and performance?
- Describe your time accounting and milestone management process.
- Describe how teams log hours in the development process.
- What project management tools do you use?
- Describe the infrastructure expertise of your company.
- What tools do your teams use for the entirety of a software lifecycle that deals with code authorship, gathering and reporting code & quality metrics, defect tracking, and management changes?



Quality Standards

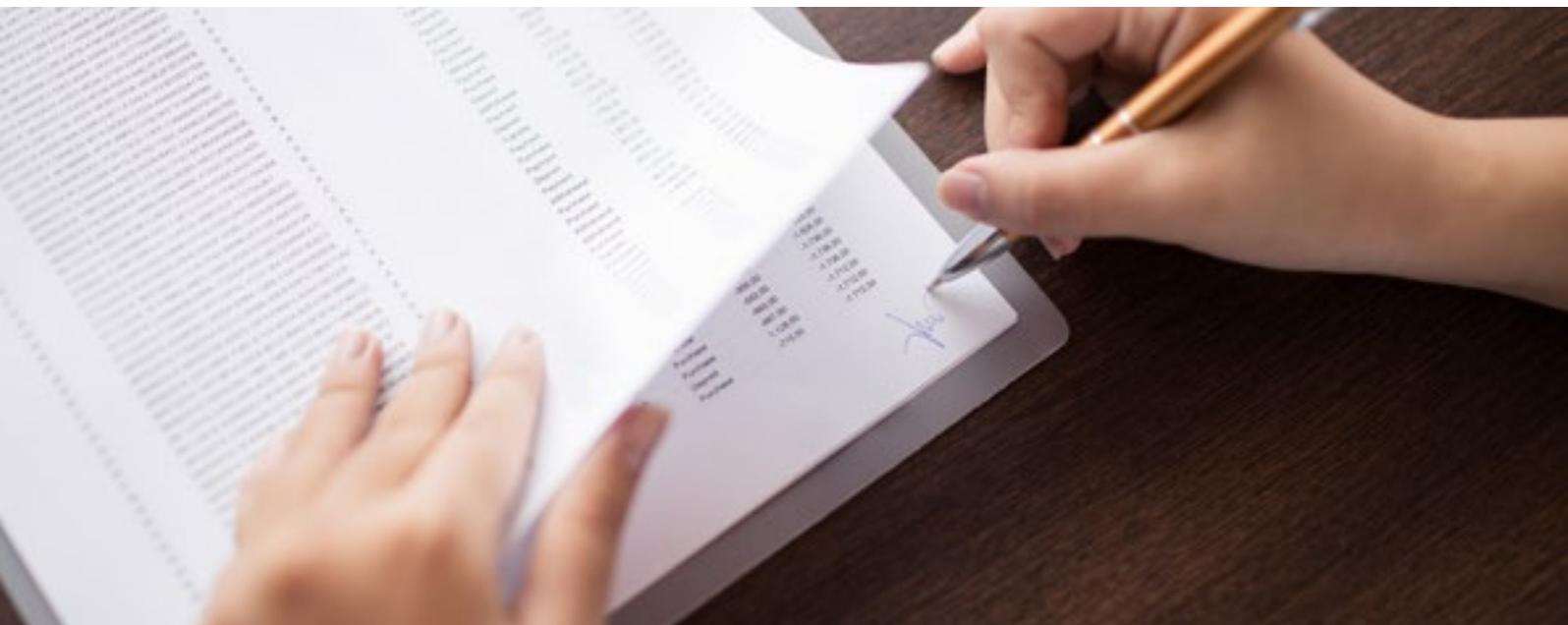
Aside from cost, you also need to set the records straight regarding the expected quality of work, during the development phase as well as on the completed project. What is their take on the essential industry standards, and how do they ensure high quality, legible code? And do they adhere to clean code principles to control the quality of whatever they produce?

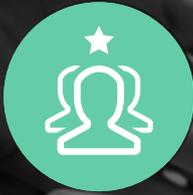
- What are the standard quality deliverables?
- Describe your testing process.
- What quality certifications do your teams have?
- How do you ensure high quality and legible code?
- What are the clean code principles your teams adhere to?
- What do you think about commenting code?

Legal and Security

Aside from management style, talent pool, technological capabilities, and other important aspects involved in the software development process, you also need to address the business side of things. This means the contract, security, and other practical aspects of the project.

- What are your security and confidentiality guidelines in protecting your clients' IP, source codes, and/or other sensitive information?
- Who owns the code, process, hardware, licenses, and other materials required in the project?
- What warranties do you provide for the intellectual property and work deliverables?
- What are the major legal points of the contract?
- What are the contract term, expiration, and renewal options?





III. Reference Check

Client reviews are equally important, so the right vendor should be able to provide you with references from the last few projects they have handled. Preferably, ask for ones that are similar to you in industry, size, client base, and geography.

A clientele can provide you feedback on the vendor's real work ethics, capabilities, and past working relationships. They can help you gauge the vendor's competence about taking on and completing your project. Moreover, they may also offer useful tips for those initial weeks of collaboration, and maybe even some valuable advice for the long-term.

Ideally, senior executives or managers of the vendor's previous clients are the ones who should answer the following questions.

- What is your business and how do you operate?
- What type of software development did the vendor do for you?
- Was the project completed?
- How long was the development process?
- How was your working relationship with the vendor?
- How responsive were the team and project manager?
- Did the team require any training to complete the project?
- How responsive was the vendor to any project issues?
- How does the system perform? Did it meet your expectations?
- Does the system have any added features you did not expect?
- Did the system bring any significant benefits to your business/company?
- How much did the total project cost?
- Did the vendor charge you with any hidden or recurring expenses in the course of the project?
- Did the vendor charge any additional taxes on top of their proposed total project cost?
- Would you recommend the vendor as an efficient software outsourcing partner?

CONCLUSION

Whether you're a startup founder looking to build a development team from the ground up, or you're an established business owner looking for additional resources to grow your existing tech team, this checklist will help you narrow down your shortlist of software outsourcing vendors, and hopefully, enable you to make better and more informed decisions for your business.

Outsourcing solutions allow companies like yours to focus on their core business. However, finding the right vendor ensures that you get the full benefits of outsourcing your solutions to software development firms in the Philippines or any country of your choice.

Final Reminder

Remember, the 7 essential criteria in evaluating software development firms are:



Background



Processes and Tools



Capabilities



Quality Standards



Company Culture & Talent



Legal and Security



Sustainability

Curious to see how we can help with your software development outsourcing needs? **Get in touch** with us, and we can get you started with a free strategic analysis of your project.



ABOUT ARCANYS

Arcanys is a Swiss software development company with a delivery center in Cebu City, Philippines. Our focus is in the development and implementation of great and innovative ideas into smart software solutions for enterprises and startups.

Our core business is to help our clients from the design of the specifications to the release of a software project. We provide and manage teams of full-time software developers collaborating with offshore IT teams who are primarily based in North America, Europe, and Australia. We are dedicated to helping clients spot areas for improvements in their innovation process, from solid specifications to limiting errors and bugs, with a keen interest in delivering projects on time; just as you expect it.

With our extensive experience in dealing with onshore and offshore clients, you can be assured not only with the quality of the output, but also with the quality of your outsourcing relationship with us. Talk to us today to find out how we can help you achieve your software development goals.

CONTACT ARCANYS

For business inquiries, drop us a line at fred@arcany.com or leave us a message through our contact form at <https://www.arcany.com/contact/>.