

ON-SITE/NEAR-SHORE/OFF-SITE DELIVERY MODELS

The delivery model utilized is based on the location(s) of the project resources in the service delivery.

ONSITE DELIVERY MODEL

Under the Onsite Delivery Model the service providers position their skilled personnel on the client's site who work in continuous interaction with the client's team for the entire period ranging between the point of collecting information to its implementation as well as its maintenance and support. The only difference between the customer's normal working model and the onsite model is that the client's task is accomplished by a team of outsiders i.e. service providers working within the same premises as the other employees of the client.

Onsite Delivery Model is usually adopted where the scope of the project is repetitive and open-ended as is the case with most of the process re-engineering related services. Also where the client is not very clear regarding the end results required by them or where there is a possibility of fluctuating requirements during the course of the project, Onsite is a preferred delivery model. In some cases where direct and continuous client participation and interaction is desired after each and every step involved like getting the approval of the client's team after each stage of project this is the only model which fulfills this need. If the client wants to upgrade their existing system and migrate to the latest technology then in such cases also the onsite model is preferable, if the client is able to afford the changes that will be required in their existing set-up to accommodate the service provider's onsite team. Onsite Model is the best for short-term projects.

As for example if the client wants to install an ERP system in the organization, then it has no other option than to go for the Onsite delivery model. Clients may also insist on working with the onsite model where the project concerned is a highly confidential task and everything has to be done in a secretive manner. Well, for this model, it becomes necessary that the client is able to accommodate the sudden scalability in its teamwork as well afford the costs involved therein.

The advantages of Onsite Delivery Model are the following:

- Face-to-face dealings with the client: Continuous interaction with the client is possible which enables the service provider to have a clear understanding of what the client is expecting from them and also of the end results desired by the client.
- On Hand Information: The service provider can obtain first hand information by understanding the scenario existing at the client's place.
- No chance of communication gap.
- Minimum chances of alterations in later stages: The number of changes required in the output provided by the service provider will almost be negligible.
- For the clients, time-to market involved in this model is less.

The additional costs involved in providing the additional facilities to the onsite team working within the client's premises may act a limiting factor for the onsite model to be adopted by the clients.

OFFSITE DELIVERY MODEL

In Offsite Delivery Model, the service provider works in a nearby vicinity of the client i.e. the service provider will be located within the same city/country as that of the client. This will prove beneficial to the client as well as to the service provider as the service provider will have a better understanding of the client's need resulting from the fact of having an almost similar background as far as the geographical factor is concerned.

Offsite Model enables the client and service provider to have a face-to-face interaction on a regular basis, which will be advantageous to both of them. This is especially beneficial when the client's requirements are not well defined and are expected to change during the course of the project. The offsite service provider working near to the client will be able to understand and accommodate those changes in a faster and better way into the project. Also when the client is not in a position so as to expand its facilities all off a sudden to accommodate the service provider's team and requirements and at the same time they want to outsource to somebody located near to them then the offsite model is the one, which caters to both these needs. The client also feels as if it's playing an important role in the development process by having a significant and sufficient control on the development process.

Suppose the client wants to have an additional functionality incorporated within its existing software product that is currently being used by it so that it can meet additional requirements being faced by the business. The modifications should be compatible with the client's existing set-up. Here the client would like to go for offsite type of outsourcing model for the simple benefit that the service provider can come over to the client's place and study the existing system in detail and then work on the modifications. Even after the implementation of the modified software product if the client faces any problem, the offsite team will be able to help them out.

The advantages of offsite delivery model are the following:

- **Faster Response:** Responsiveness to changes in client's needs is faster.
- **Clear Perception:** Physical proximity helps to understand the client's needs in a better way.
- **Good Synchronization:** Better coordination between the client's team and service provider's team.

Because of the factor of geographical proximity involved in the offsite model between the client and the service provider, the client will have access to limited technical expertise only, which may affect the quality of work that could have been received by going for service providers beyond their geographical boundary.

OFFSHORE DELIVERY MODEL

In Offshore Delivery Model, the entire project is accomplished at the service provider's offshore development center, which is located in a different country. The client will be dealing directly with the offshore team. The service provider will have no face-to-face interaction with the client during the entire process once the initial interaction with the client regarding their requirements and expectations is over. Of course as the project progresses, both the parties will be communicating regularly through other means of communication so as to clear off any doubts that may arise.

The offshore software delivery model is preferred where the project is well planned in advance to its commencement and the service provider's offshore development center team has a clear understanding as to what the client's needs are. Also the client should be very clear about what they expect and it should be conveyed in clear definite terms to the service provider. The level of fluctuations in the client's requirements is expected to be minimum in this type of model. The clients prefer to go for the offshore model when their project is long termed and voluminous.

Offshore Outsourcing is again the best option when the client expects to have a series of IT projects, critical to achieve its business objectives, to be done at an affordable cost. The offshore development center can have a dedicated team catering specifically to the client's needs; thereby enabling the service provider to provide the best possible results as expected by the client. The outcome of such an arrangement will be in perfect compliance to the client's anticipations.

In cases where the client wants a particular application developed, which caters to a specific task of that client alone, then it's better to go for Offshore Outsourcing Delivery Model. This model will facilitate the service provider to go for the number of trials involved therein and then hand over the final product to the client. The client will not have to bother about the risks resulting from trial testing within its existing setup.

The advantages of Offshore Delivery Model are the following:

- **Reduced Costs:** Advantage of low labor cost, which will be reflected in drastic reduction in the overall costs.
- **Excellent Results:** Clients can get high quality work from the quality offshore resources.
- **No extra Expenses:** Client doesn't have to put additional infrastructure needed to complete their tasks.
- **Access to the Most Optimal Resources:** Client can have access to the best possible technology, skilled manpower and equipments, depending on their budgets.
- **24/7 Productivity:** Project is not affected by time-zone difference.

Since there is no presence of the service provider at the client's site, in the offshore model there is always a possibility of communication gap between the client and service provider, which may lead to some misunderstanding. Here the level of risk involved is also

high as if any disaster strikes the offshore development center or the offshore center faces any problem then the progress of the project would be interrupted resulting in delay of project completion.

However, before deciding to adopt the offshore delivery model the client needs to be aware about certain offshore outsourcing issues, which have to be taken care off. In addition to this, before selecting the service provider certain points need to be evaluated before deciding to go for a particular offshore vendor.

ONSITE/OFFSHORE (HYBRID) DELIVERY MODEL

In Onsite/Offshore (Hybrid) Delivery Model, the outsourcing work is distributed between the service provider's onsite center and the offshore development center & thereby the client gets the advantage of both types of outsourcing models. It is one of the most successful and popular outsourcing models employed today by many companies. The distribution of work depends on the type of project. Usually 20-30% of the work is done by the onsite center and the rest is done by the offshore development center.

Generally, the tasks accomplished at the onsite center include:

- Gathering initial information about the project through direct interaction with the client.
- Understanding the requirements/specifications clearly.
- Planning and initial designing as to how the project will go about.
- Interact directly with the clients to accommodate any changes, if there are any, so as to minimize/eliminate last minute changes.

- Execution/Implementation of the project in accordance with client's expectations and making sure that the client is fully satisfied with the end results.
- Dealing with the client and managing partnership.

Tasks accomplished at the offshore development center include:

- Understand the specifications and come up with a detailed design.
- Responsible for the progress of the project.
- Ensuring that the outcome matches to the specifications given by the client.
- Crucial and continuous support to the onsite center.

Onsite/Offshore model is generally preferred in cases where the project is complicated and is expected to continue for a longer period of time. So the client will not have the burden of managing a large onsite team and at the same time can also avail of all the benefits of **offshore outsourcing**. Besides the client can get any queries cleared by interacting with the onsite team.

Hybrid model is preferred in software development outsourcing as the offshore factor results in huge cost savings as well as the total cost of ownership of the infrastructure and manpower involved is also reduced considerably.

The advantages of Onsite/Offshore Delivery Model are the following:

- Direct dealings with the client: Direct interaction with the client is possible through the onsite center. So no possibility of communication gap. Also the service provider gets a better picture of the client's needs.

- 24/7 productivity: Round the clock continuous work cycle becomes possible by making the best possible use of the time-zone difference.
- Access to the most excellent resources: Client can have access to the best technology, skilled manpower and equipment possible made available to them by the offshore development center.
- Great cost benefits: Cost savings resulting from majority of the work being outsourced to the offshore development center where the resources are comparatively cheaper.
- Best possible management of resources: Usage efficiency of resources is highest with this model.

The management and administration costs involved in maintaining both the centers may inhibit many service providers from going for the onsite/offshore model. Also cultural differences between the onsite team and offsite team need to be managed effectively to get better results.

OFFSITE/OFFSHORE DELIVERY MODEL

Offsite/Offshore delivery model is also one of the most successful and popular outsourcing models employed today. In this model the service provider will have their center near to client's premises and the job will be distributed between this offsite center and an offshore development center located in a different country. The offsite center will act as the mediator between the client and the offshore development center. The task undertaken by each of the teams depends on the type of work as well as on the facilities available in each of the centers and the facilities required to complete the task. Usually, the offsite team handles 20-30% of the total work and the offshore team manages the rest.

Tasks accomplished by the offsite team:

- Collecting initial information from the client.
- Analyzing the collected specifications of the project.
- Planning and initial design.
- Communicating in a right way, the complete specifications to the offshore center.
- Testing/Checking before handing it over to client.
- Interacting with the client on a regular basis.
- Ensuring on-time delivery.
- Helping the client in implementation and maintenance.

Tasks accomplished at the offshore development center:

- Thorough and comprehensive design.
- Successful Development of the project as per the detailed design.
- Testing before handing it over to offsite team.
- Providing technical and operational support.

The Offsite/Offshore Model is preferred where the clients want to outsource to a service provider located near them thereby having a control on the development process and also where they want to avail of the benefits resulting from offshore outsourcing. Changes in client's requirements, if any, can be communicated better to the service provider on account of the client's proximity with the offsite center.

In software development cases where the Offsite/Offshore Model is used the offsite team does all the requirement analysis and hands over the specifications to the offshore development center wherein the development and testing of software is done. The software is then handed over to the offsite center, which then implements it at the client's site.

The Advantages of Offsite/Offshore Delivery Model are the following:

- Quick Response: Responsiveness to changes in client's requirements is faster on account of the offsite center.
- Clients get all the advantages of offshore delivery model.
- The client has control on the development process up to a certain limit.

The management and administration costs involved in maintaining both the centers may inhibit many service providers from going for the offsite/offshore model. Also the cultural differences arising from the geographical differences between the offsite center and offshore center need to be managed effectively.