

## **Offshore Project Management – Risks and Best Practices**

- An Overview by Zinnov & Kovair

## Overview

Outsourcing and offshoring have been the biggest trends of the last decade in IT. As more and more companies take advantage of the overwhelming benefits of reduced costs and increased flexibility, the trend toward offshore work is likely to continue.

Companies have been evolving and refining their Project Management processes for software development for many years.

When project teams are in multiple locations and time zones, they get less face time, and the communication between team members is more asynchronous.

## Challenges in Offshore Project Management

To foster collaboration and bring the needed oversight to offshore projects, companies must modify their Project Management processes and practices to account for:

- Decreased Communication due to Time Zones
- Decreased Visibility into Project Status
- Configuration Management and Integration
- Dynamic and ever changing project priorities
- Cultural differences between customer and vendor countries

In addition, offshore work adds other external factors that affect Project Management in companies:

- As the number and scope of outsourced projects increase, projects are managed in the larger context of long-term contracts with vendors, the emphasis moves from Project Management to Project Portfolio Management or Vendor Management
- Offshore work changes the rules for managing security and privacy of data as well as protection of intellectual property
- Companies may need to work with multiple vendors to leverage domain expertise and to reduce dependence on one vendor.

There are abundant number of business articles and other evidence that offshore projects need more oversight, control and alignment with business priorities.

Processes and tools need to be put in place to manage changing scope, requirements and priorities and to communicate them across the entire team working on a project.

## Effective Processes, Tools and Best Practices

Many project teams coordinate their hours with their offshore colleagues or vendors so that they have a few hours of overlap between their daily working hours. Given that the communication between offshore team members is more asynchronous, it becomes important to document tasks, documents, and project information such as milestones, status, discussions, meeting notes, and issues.

Using templates (with review, approval etc.) can bring consistency to important processes.

## Coordinating Multiple Communication Channels

A typical project team has multiple channels of communication including phone calls, meetings, emails, fax, mailing lists, shared documents, and tools such as ERP and CRM systems. Key information scattered across multiple channels of communication makes it difficult to coordinate and consolidate project information.

A tool that allows integration of documents, tasks, workflows and key project information with Dashboards is useful for integrating project information across different channels of communication. Central information repository and effective coordination across multiple channels means that when individual tasks are completed, final integration and configuration management is easy and smooth.

## Document Management and Online Forums

Email is often the most used tool among project teams, but email has several weaknesses including lack of security, unreliability with large file attachments, and difficulty in tracking versions. Using a secure web-based Document Management System with check-in/check-out, version control and auto-publishing ensures that documents are accessible anytime and anywhere to people when they need them.

Online forums also allow a much richer project knowledge base to be built and stored where team members can refer to previous discussions.

## Control and Collaboration

With decreased communication in distributed project teams it is important to bring consistency and control over important processes so that critical steps of review and approval can happen with minimum delays. Setting up Workflows is a powerful way for project teams to collaborate on important processes that consist of a set of related tasks to be performed by a number of people in a pre-specified sequence.

Repeatable processes such as Requirements Gathering, Design Approval, Document Review etc. can be pre-defined and assigned to a number of users such that notifications are sent out to team members when a task is waiting for them and the status of the entire Workflow can be tracked at all times.

## Tracking Project Status and Reporting

With project teams distributed globally, project managers, supervisors and customers find it hard to get reliable information on project status in a timely way. It is a significant burden on the project team to report progress and status in real time as it takes a lot of extra work and slows down the project. For project status reports to be fully effective, people need to get access to project information in real time (even if their view is limited to partial information), rather than reports prepared for them, which get stale the minute they are produced.

## Project Management Tools

Tools that are used to manage individual projects produce so much information that they do not provide a good picture where the project is based on milestones, costs, deadlines and forecasts. What is needed is a tool that consolidates key information across projects, resources (and people) and between companies (such as vendors, customers), to give a high level view of the important information. If the project management tool can track key information across projects and manage security and access, then it becomes possible to provide real-time project information to decision makers without burdening the project team with extra reporting work.

For more information on best practices :

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**About Zinnov:** Zinnov is a leading offshore research and consulting firm assisting companies in their offshoring strategy, setup and operations compliance. Zinnov's end-to-end solutions, best practices and methodologies have provided immense benefits to the clients' sourcing needs. With a solid offshore and onsite presence, Zinnov is able to conduct systematic and objective research on sourcing topics concerning the industry. Zinnov clients include Fortune 1000 companies across business domains.

**About Kovair:** Kovair provides document management, project management and collaboration software solutions and services. Kovair combines the power and ease-of-use of web-based software with the scalability and security of enterprise-class document management systems. Kovair solutions are being used for Document Sharing, Project Management, Product Design, and Reporting in various industries such as High-Tech, Manufacturing, Advertising, Construction, Finance and Healthcare.

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