

Any strategic business decision naturally entails risks. Outsourcing your software development is not an exception since it involves stakeholders within different geographical, cultural and political environments and implies working on the project with the engagement of diversified staff. Consequently, issues of proper risk identification and management are brought to the forefront.

Understanding clients' concerns about risks, Intellias is truly committed to their mitigation and minimization of possible hidden costs. Having this in mind, we clearly identify and effectively cope with the major risks of outsourced software development that may be worrisome for our customers.

<http://www.intellias.com>

Handling Software Outsourcing Risks

Do risks and possible hidden costs of outsourced software development really outweigh resources, costs and time-to-market benefits in favor of in-house development?

Development

Development Risks

- ▶ Costs and time overruns
- ▶ Possible hidden costs
- ▶ Insufficient Quality Assurance
- ▶ Poor Project Management
- ▶ Mediocre methodology
- ▶ High personnel turnover



Risks Mitigation

- ▶ Mature methodology
- ▶ Flexible process
- ▶ Generally recognized industry standards and guidelines
- ▶ Process and performance metrics

▶ How can I ensure my software is developed according to predictable, well-defined and documented process?

Intellias ensures reliability of software development process by using mature methodologies, adopting dedicated approach to specific projects and running effective Quality Assurance.

We emphasize the importance of process and performance metrics and thus elaborate specifications, project schedules, cost estimates and release metrics. All this contributes to reducing overruns, slippage and possible hidden costs. Our clients are granted access to INTEMS ERP & PM system and therefore may closely monitor and control each stage of the development process.

Mature methodology coupled with well-defined, flexible processes is essential for effective risk mitigation. We follow generally recognized Rational Unified Process (RUP) with overall development process being based on a set of IEEE Standards for Software Engineering and CMM recommendations. Additionally, Intellias Quality Management System is compliant with ISO 9001 requirements.

Communication

Communication Risks

- ▶ Time-consuming
- ▶ Cultural mismatch
- ▶ Lack of alignment between parties
- ▶ Meeting client's expectations



Risks Mitigation

- ▶ Established communication model
- ▶ Cultural proximity
- ▶ Experience in managing software outsourcing relations
- ▶ Understanding business values

▶ Are vendor relationship management and establishing flawless communication so time-consuming?

Established communication model along with extensive experience in managing customer relationships and cultural proximity to Europe allow us to cast away perceived communication barriers as well as minimize other related risks, thus saving your time and resources for concentrating on core business activities.

Intellias takes a proactive stand towards minimizing communication risks. We promote thorough interaction by means of continuous flow of information between all project stakeholders. At the inception phase, it is initially backed up by outlining communication and contingency plans specifying communication tools and processes,

responsibilities for reporting on different aspects of engagement. Reinforced by Ukraine's cultural proximity to Europe, these measures contribute to better comprehension of clients' needs, managing expectations and aligning goals. Furthermore, Intellias is very enthusiastic about understanding customers' business values and delivering on them.

Security

Security Risks

- ▶ Intellectual property
- ▶ Business knowledge
- ▶ Data privacy
- ▶ Vendor's infrastructure
- ▶ End-product security



Risks Mitigation

- ▶ Protecting IP and sensitive data
- ▶ Secure infrastructure
- ▶ Meeting contractual and legal requirements
- ▶ Employee NDAs

▶ Will outsourcing of software development raise intellectual property rights and data safety issues?

Intellias is very security-conscious and devoted to protecting intellectual property and business knowledge of its clients. We recognize importance of protecting customers' information and express strong commitment to safeguarding their privacy. Hence, respective ethical rules and privacy policies have been adopted at Intellias.

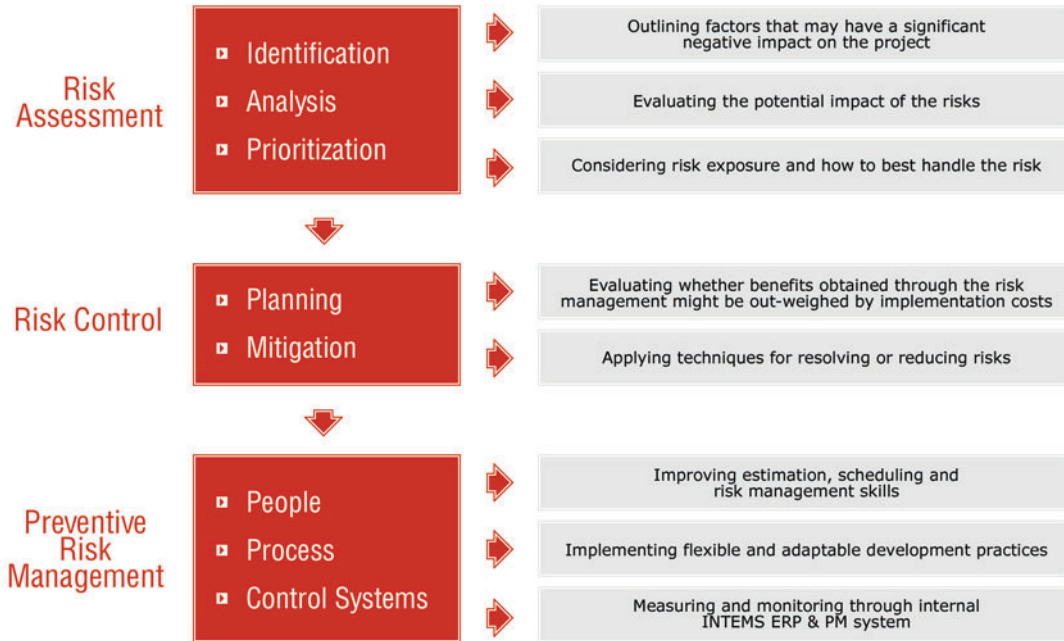
Modern encryption and access sharing technologies are commonly utilized at Intellias. This results in essentially secure infrastructure which provides reliable protection of information from unauthorized access by third parties. Furthermore, we maintain high level of employee credibility

through Non-Disclosure Agreements that comply with international standards and are designed for thorough protection of project information. All sensitive information that is passed on to Intellias during the project life cycle is stored in a secure environment.

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Risk Mitigation Process adopted at Intellias



In Focus: Risk Mitigation Practices – Call Center Operations Project

Having thoroughly evaluated customer's requirements and suggestions concerning the development of Call Center Operations system, Intellias identified and analyzed risks associated with project scope, utilization of new approaches and components, interdependence of modules, staff availability as well as provided for other possible contingencies. Thus, the **development plan anticipated risks and preconditioned their maximum possible mitigation.**

Project Team introduced detailed software requirements specification (SRS) with subsequent elaboration of comprehensive technology requirements specification. Furthermore, Intellias prepared respective effort estimates, schedules and comprehensive project documentation. Milestones, performance and release metrics were well-defined and constituted the subject of extensive evaluation and proper alignment between the customer and Intellias. It resulted in **sharing a common vision of risk mitigation measures** and laid strong foundations for project success.

On each incremental stage of the development process, Intellias Team proved its exceptional competence by conducting complex integrity analysis and offering well-grounded alternative problem-solving approaches and technology options.

Other factors contributing to **mitigation of development risks** include effective project management, efficient effort and task planning, well-defined workflow, code quality review practices, established QA procedures and creation of Alpha-environment accessible by customer for testing purposes. Furthermore, secure environment, access sharing technologies and employee NDAs contributed to **eliminating risks associated with IP rights and data safety issues.**

Communication risks were practically eliminated due to:

- ▶ effective communication both in English and German
- ▶ regular onsite visits
- ▶ ongoing submission of project development plans for customer approval
- ▶ status reporting
- ▶ corresponding predictability and flexibility in terms of development process

Intellias Team also provided the customer with recommendations on possible new business functions of the system in compliance with product positioning on the market, thus facilitating the minimization of related risks.

We believe that risks and their corresponding mitigation strategies must be subject to open discussions between client and vendor. Intellias facilitates its prospects and existing customers in conducting their due diligence on how to develop a successful risk management strategy in every way possible, i.e. by providing necessary information, holding extensive consultations, closely collaborating with customer's in-house Team.

Being a well-established offshore outsourcing company, Intellias is capable of safeguarding its customers from various risks and minimizing hidden costs associated with IT outsourcing by the means of risk identification, control and preventive risk management procedures.