**OUTSHORE**

**IT-Offshoring** is important because:

• costs can be reduced and

• companies can concentrate on their core competencies.

OUTSHORE zooms in the outsourcing of **software development projects** starting with the development of individual moduls up to complete software systems.

However the outsourcing of development activities holds **risks**.

To contain these risks, we have to avoid mistakes and we have to develop structured **procedures** for the placings.

Reasons for IT-Offshoring mostly are:

• **Cost reduction** (especially labor costs)

• Increasing the **service quality**

• Concentraion on **core competencies**

• Quickening of **process cycles**

• Prevention of **capacity shortages**

Often IT-Offshoring-Projects are not successful. Reasons can be:

• the companies **lack of experience** with IT-Outsourcing and -Offshoring

• too **high expectations**

• **false election of the partner**

• **deficient project management**

Small and middle sized companies can see IT-Offshoring as a chance to compete in the global IT-service market.

The adequate adoption of IT-Offshoring can help to optain the IT location Germany and the associated jobs.

Lacking experience with the estimation and observation of IT-Offshoring-Projects holds many companies back from practicing IT-Offshoring.

By means of a **simulation tool** success factors, costs and risks of IT-Offshoring projects can be simulated a-priori. The simulation results can support companies in their decision of wether practising IT-Offshoring or not.

Aim of the project is the support of small or middle sizes companies in their decision of placing IT-Offshoring Projects.

The results of the project are to assure german IT-companies the ability to compete on an international level.
This shall be achieved with:

• an **empirical study** of completed and current IT-Offshoring-Projects,

• the identification of relevant **success factors,**

• the development of a **process model**,

• the development of a **tool** for rating the IT-Offshoring-Projects.

Benefits of an a-priori rating of an IT-Offshoring-Project are for example:

• estimation of the project costs and risks

• overview of outsourced project activities

• consideration of country specific, not monetary aspects when placing concrete projects in low-wage countires.

aims

The cooperative project OUTSHORE is supported by the Bundesministerium für Bildung und Forschung (BMBF) within the Forschungsoffensive Software Engineering 2006. The project runs from May 2006 until October 2008.

We would like to learn from your experiences.

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partner

**OUTSHORE**

ESTIMATE RISKS

IN IT-OFFSHORING

FZI

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pi consult
··· your e-business catalyst.

PROMATIS