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A Hitachi Group Company

6 Questions

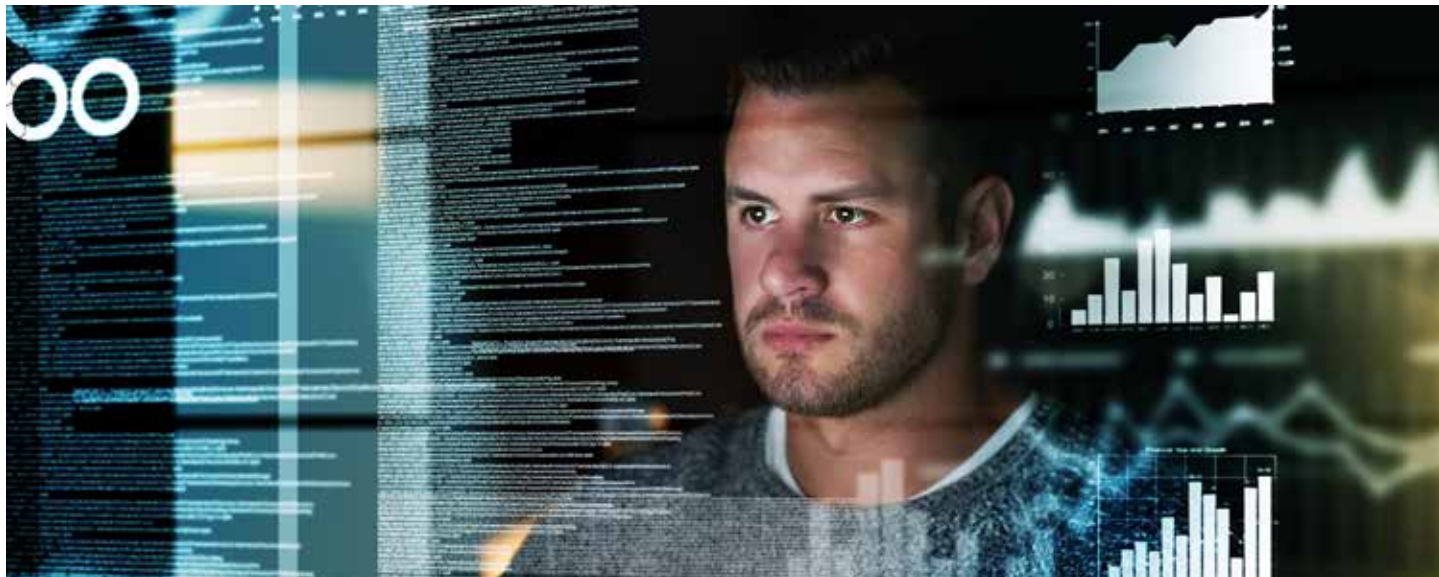
to Ask When Looking for
a Software Engineering Partner

A Guide for Independent Software Vendors

Introduction

Enterprise ISVs must deliver innovative solutions at velocity and at scale.

Independent software vendors (ISVs) are racing to help enterprises accelerate not only their digital transformation but also the modernization of their legacy applications. At the same time, ISVs are looking to deliver an entirely new class of cloud-native capabilities that leverage AI, hyperautomation, and digital reality while laying the groundwork for future explorations in areas from blockchain and Web 3.0 to edge computing and solutions that enable implementation and monitoring of enterprise sustainability efforts. Tremendous opportunities and challenges abound in both the short and long term.



As a result, more and more ISVs realize they need a software engineering partner. Outsourcing may seem an obvious solution, but there's a significant difference between traditional outsourcing vendors and today's software engineering partners.

Outsourcing typically means throwing a business problem over a wall and then receiving a solution sometime later. But the traditional model is fraught with inadequate communications and improperly set expectations, poorly aligned visions, and outright failure. ISVs may respond to such poor experiences by looking to a staff-augmentation model. That may indeed yield incrementally better results or marginally reduce risk, but it does so at the expense of efficiency, commitment, and value creation.

We don't recommend either of these models. To deal with the pace of change and technical sophistication of today's environment, you'll find more value and drive greater innovation working hand-in-hand with a knowledgeable, scalable, and trusted technology partner.

In this e-guide, we assume you are looking for a software engineering partner. More importantly, we provide you with best practices for selecting the right software engineering partner and ensuring that your partnership succeeds.



Question 1

Why do you want a partner?

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his may sound like a very basic question, but identifying exactly why you want a software engineering partner is crucial to selecting the right one. Different partners have different strengths and ways of working with clients, so it's important for a business to truly understand its own vision, capabilities, and maturity.

In our own 20+ years of experience as a software engineering partner for many high-tech and ISV organizations, we have found that most clients partner because they face one or more of the following challenges.

You don't have the right skills.

You want to build a new product with omnichannel digital experience, transform a legacy monolith to the latest architecture, or migrate to a reliable, scalable, and secure solution on cloud, but all of those activities require niche skills — including digitization experience across product, UX design, and technology — that you can't access locally. Or as is often the case these days, you want to leverage the technology of a different industry to innovate in your own — for example, to bring channelless conversational experiences to CRM, contact centers, and unified communications.

You have the skills but not the scale or the time.

Even the most tech-savvy ISV companies will lose market share or miss opportunities if they can't continuously deliver better outcomes, greater focus on customer experiences, improved market competitiveness, deeper and more actionable data analytics, or more efficient use of resources — while empowering their customers. You need a partner who can help you quickly scale your engineering operations through established teams, established industry processes, solution accelerators, and world-class infrastructure.

You need your
executive team to be

100%

behind the
partnership for it
to succeed.

You need to transform your business.

Innovation is a mandate for any successful business. We often work with traditional businesses who are on the cusp of digital transformation but don't yet have the processes, infrastructure, or mindset to drive the changes required to digitally transform.

- Are you looking for a partner that promotes and manages the culture of innovation within their organization?
- Are you looking for a partner who can help you build digital platforms and ecosystems? Do you see a need for smart, mobile, or IoT devices to capture new opportunities?
- Do you have a pressing need to leverage currently emerging and promising future technologies to achieve the next level of excellence?
- Do you need a partner who can not only deliver engineering expertise but also help you drive innovation?

You need to do more with less.

We'd be remiss if we didn't mention cost savings as a reason to partner. Budgets are tight for many companies right now, and partnering with a leading player in software product development and engineering services — including within regulated industries — could help you achieve a bigger return on your investment.





Question 2

How mature is your organization?

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oes your organization have the culture, executive buy-in, and processes to work with a software engineering partner in the first place? You must know what your future goals look like to sell a partnership to your executive team, and you need your executive team to be 100% behind the partnership for it to succeed. You must be able to not only see where your market is going and how you fit into that evolution, but also identify your own maturity parameters:



Process Maturity

- Do you have a consistent, repeatable development process?
- Are you predictably releasing high-quality products?
- How often do you have post-release field issues?
- Are your processes automated?
- How is your customer satisfaction?



Partnership Maturity and Cost-Effectiveness

Do you have the people, processes, technologies, domain expertise, and infrastructure in place to collaborate with a third-party partner and do it cost-effectively?



Organization Maturity

- Does your leadership have a solid vision and product-led growth strategy for product development?
- Do you have the support and resources to engage with a partner?
- Have you defined the metrics by which you will measure success?
- Does your organization follow design-led engineering principles?
- Does your organization focus on a continuous improvement journey?

Most ISVs we work with can self-assess, but maybe not in all areas. This is especially true for companies that are evolving at velocity. Much like the adage, “You don’t know what you don’t know,” a business may have a general idea of where they want to go but not the knowledge of how to get there. In this scenario, it’s crucial to bring in an advisor who can help you clarify your goals and identify the specific steps to achieve them.

For example, we once partnered with a global information analytics business specializing in science and health. Following a period of acquisition and growth, they wanted to take a holistic view of their offering to create a product that added value to research, funders, and stakeholders. We designed a new product experience that manifested their updated value proposition and better supported their research community and processes. This is the level of value you should demand from an engineering partner.



Question 3

Is the right person driving the search?

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e realize this may be a sensitive topic because — if you're reading this — this section applies to you. We've found that when a company wants to differentiate itself through software or digital products, they need someone with experience in software or digital products to drive the search for a software engineering partner.

Certainly, IT, procurement, legal, and other business functions should be involved in the process of selecting a partner. But they should not be leading the charter because they will not be the ones to consume the partner's services.

The service consumers are most informed about the business context and technical roadmap and can identify whether potential partners can meet their requirements from a skill and process perspective.

For example, we partnered with an ITIL and MSP domain ISV that was looking for an outside team to help re-architect and design their flagship monolith product to a scalable microservices-based platform. They also needed help to consolidate multiple products they had acquired over time onto one common platform. The CTO led the search to find the right partner to help them with software development, software verification, and testing — and chose GlobalLogic.

One year into the process, the five teams working cohesively with the partner have already developed multiple modules in the latest tech stack in the revamped architecture with several new value-added features. We currently form about one-third of the client's development team and the company expects that to become 50/50 as development continues.

In our experience, the most successful partnerships are driven by the:

- Chief Technology Officer
- Chief Product Officer
- Chief Digital Officer
- Chief R&D Officer
- VP/AVP/Director of Software Product Development and Engineering



4 Question 4

How do you select the right partner?

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ifferent software engineering partners have different strengths. For example, if you want to industrialize your current processes or optimize a platform for third-party systems, you should partner with a provider who specializes in IT services. These types of partners are your more traditional outsourcers who will execute on your specific guidelines, manage repetitive tasks, or maintain your current systems.

However, if you need help digitally transforming your business or developing embedded software, creating a SaaS platform, developing an AI-enabled security product, or empowering end users through decentralization rendered by Web 3.0, then you need a very different type of partner. GlobalLogic falls into this second category—we create distributed teams that blend seamlessly with our clients' teams to provide high-level innovation and end-to-end engineering services. We refer to this as partnered insourcing rather than outsourcing.

Because speed, quality, and agility are the key pillars for any digital transformation journey, it is vital that you understand how and to what extent your potential partner manifests those qualities.

More importantly, though, your potential partner should ask you questions. If a partner blindly agrees to everything you ask for without exploring how the partnership and resulting product will drive business value — that's a red flag. A good partner will ask how your planned investment in the partnership fits with your larger business goals and strategies. They will even challenge you if they don't agree with your approach.

Even if you simply want to partner with an IT outsourcing vendor to collaborate on a short-term project, you should be open to — and value — a partner who demonstrates the ability to say, “No.”

If you do not have an advisor to guide you through the software engineering and IT service provider landscape, we suggest leveraging analyst reports to find a matrix of who does what. Once you narrow down partners to interview, some good questions to ask include

- How are you different from your competitors?
- What are your core competencies?
- How much attention can you provide me?
- Have you previously done what I want to do?
- Have you worked with someone like me before?
- Do you have case studies or customer references?
- Do you have tools and accelerators to speed up the development process?
- Do you have experiential learnings that can be applied to my situation?



Question 5

Does team location matter?

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ou've heard the terms onshore, nearshore, and offshore. Some companies have strong reasons for wanting their partner team to be in a specific location or time zone, including for customer support, increased value, location-specific markets, or even a long-term strategy to establish teams in major technology hubs. But most companies simply need access to specific skills. In this scenario, it really doesn't matter where those skills are located — if you have the right processes in place for distributed engineering.

We call this mindset rightshoring. GlobalLogic searches to find the people with the right skills, experience, and competencies to staff all our ISO 13485–certified locations, with a long-term plan to build a training and resource certification program for our individual team members.

We once consulted with a company who wanted a QA center in a specific location because it was a short plane ride from their local headquarters. In our assessment, the targeted location would be unable to support the skill sets and other requirements of the client, but they were insistent that they wanted a nearshore team.

We ended up not working with the company, and they moved forward with establishing a two-story QA center in their desired location. A year later, they were facing significant collaboration challenges, even though their teams were distributed across just two floors.

So, regardless of whether your teams are distributed across a building or across the world, what really matters is establishing solid processes and tools for distributed collaboration. For example, GlobalLogic has developed an entire science around building distributed engineering labs, which includes parameters and tools such as:

- KPIs, SLAs, and other metrics to measure the progress of a client's lab
- Communication and documentation tools like Jira, Confluence, Wiki, and SharePoint
- SDLC best practices, Agile and Scrum processes, and the Scaled Agile Framework (SAFe)
- Escalation processes, aligned organization structures, and partnership owners



Question 6

Do you have a team integration plan?

You've selected a partner — great! You already know that you'll need to set up the right processes, infrastructures, and technologies for distributed engineering before bringing your partner onboard. We won't go into detail about these requirements because your partner will provide you with (or at least advise you on) everything you'll need. Instead, let's talk about team integration.

One of the biggest challenges that many companies don't think about when bringing in a software engineering partner is the people aspect. We often experience pushback from a customer's in-house teams who may feel threatened about working with an "outside" partner. They may be resistant to the change or even actively undermine the partnership.

If you don't have a communications and collaboration process in place before working with your selected partner, you will face significant cultural challenges. Below are three crucial lessons that we've learned over the years to smoothly integrate our teams with our clients' teams.



Start planning at the contract level.

Many contracts are structured in a standard vendor-client format, which creates unequal footing at the very beginning of the partnership. Where you can, format your contracts to read more like a true partnership, with team incentives, MBOs, and other metrics of success that put your internal and partner teams on equal terms. In our own client partnerships, we operate under a "shared burden, shared success" mentality.



Be transparent with your internal team.

Be upfront and direct about bringing in a partner — and create a plan to win over your internal teams. Assure your teams that they are still very much valued; tell them exactly what to expect of the new partnership; and explain specifically how a partner will benefit both the company and them personally. A well-thought-out communications plan is just as important as your technology or process plans.



Integrate your teams immediately.

To further cement a "one team" mentality, create a common organization chart and make sure that your internal and partner HR teams talk to each other regularly. Identify a partnership champion on both your end and the partner's end, and create "partnership ambassadors" among both teams by sending members to work at each other's engineering centers for a few weeks. Video chat is a great tool for real-time collaboration, but nothing compares to creating relationships face to face.



Conclusion

For ISVs that specialize in high technology, finding the ideal software engineering partner can be daunting. But with the right strategies and the ability to self-assess, it can lead to enormous benefits. Beyond black-and-white metrics like ROI, partnering with a software product engineering company that specializes in high-quality regulated software product development can provide you with a unique outside perspective that leads to surprising new innovations — and new and expanded revenue streams.

We hope this e-guide has provided you with a valuable blueprint for selecting a software engineering partner. To learn more or to speak with one of our own experts, please reach out to info@globallogic.com.

GlobalLogic

With more than 20 years of experience in software product development and engineering services, GlobalLogic helps some of the world's leading enterprise ISVs create world-class experiences, accelerate new product and feature development, and capture new revenue streams. More than 3,000 engineers from GlobalLogic have helped with 400+ applications built from scratch for 100+ media clients leveraging 15+ engineering labs around the world.

3,000+ engineers

400+ delivered projects

100+ clients

15+ engineering labs

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