OUTSOURCING MODELS COMPARISON

	Staff augmentation (aka team extension)	Dedicated team (aka managed team)	Full process outsourcing (aka managed services)
Customer's involvement	Full involvement and direct management of outsourced employees	An in-house PM (or product owner) stays involved throughout the process, helping guide a product's direction and making decisions, but without day-to-day team management, which frees up their resources	A customer's involvement is minimized. An in-house representative controls a vendor's performance using regular KPI reports
Responsibility for the project and related risks	On a customer's side	Shared between a customer and a vendor. SLA can be signed but is not obligatory	On a vendor's side. SLA is always signed
Responsibility for the quality	On a customer's side. The vendor is responsible for providing the qualified team members	A vendor is responsible for the quality of their part of work, which is measured by KPIs	On a vendor's side. Guaranteed results (the scope, deliverables, timelines) are stated in SLA
Decision-making	On a customer's side	A customer remains central to the decision-making and development of software vision. A vendor makes decisions regarding project management of their part only	The decision on the software vision is on a customer's side, but a vendor helps shape it and also makes all the decisions regarding project management
Resource allocation	100% allocated to the project		
Responsibility for setting up the process	On a customer's side. A customer organizes and controls employee onboarding, and a vendor supports the process	Shared between a customer and a vendor. A vendor's project manager organizes team onboarding together with a customer. The team integrates into the existing development process. The setup is usually quick due to a preassembled team.	On a vendor's side. Setup duration depends on the readiness of requirements and the complexity of a project
Team management	On a customer's side. A vendor can partly manage employees internally, in addition to the management of the customer	An outsourced PM manages the team's day-to-day process and workflows and reports to an in-house PM (or product owner) as often as needed to ensure a project meets a customer's requirements	On a vendor's side
Transition of project artifacts and knowledge accumulated during the project	A customer manages knowledge transfer and retention	A vendor manages knowledge transfer and retention, and a customer is deeply involved	On a vendor's side
Efficiency of development	On a customer's side	A vendor is eager to maximize the efficiency to meet the agreed KPIs targets (if any), although it depends on the efficiency of the team on a customer's side	A vendor is highly motivated to maximize the efficiency to meet the agreed KPIs
Summary	**A vendor is perceived as a resource manager**	**A vendor acts as a partner, taking responsibility for their part of a project and managing the risks at their side**	**A vendor acts as a partner, setting up the process and taking full responsibility for a project (or a project portfolio) and managing the risks at their side**

Do you have any questions left?

Feel free to <u>contact our team</u> to get answers about the specifics of any model or discuss the possibility of outsourcing with ScienceSoft.

ScienceSoft
Professional Software Development