

# Project Management in 2010: Managing a 'Blended Team'

## White Paper Series

Modern-day project management of IT projects often encompass a mix of local fulltime employees, local contractors, remote employees and remote contractors. Managing a mix of resources across multiple time zones and cultures is an essential skill for today's IT project manager. This white paper shows you how to make a success of this relatively new phenomenon.

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## Introduction

Information Technology (IT) deployments are integral to any modern enterprise. Along with such deployments comes the inevitable lifecycle management of these products – the initial deployment itself, testing, maintenance, bug-fixes, upgrades and migrations to new packages. These activities form the core of project management tasks in modern-day IT projects.

Previously, managers led IT projects with local staff, assessing their quality, productivity and value-adding capabilities through local management. Prior to the Global Financial Crisis (GFC) of the first decade of this century, certain skills were in high demand, whilst labour costs were accelerating. Managers engaged in offshoring activities primarily to address the cost issue; but also to gain access to contemporary IT skills. They developed new project management tools to manage the quality and productivity of blended teams of local and offshore talent.

Post-GFC, IT projects are critical to deliver cost-savings. However, high-value talent is seeking to work on the more interesting projects, whilst not necessarily having the depth of skills needed for the projects, and seeking remuneration to be restored if not accelerated.

The modern-day IT project manager is buffeted by a variety of demands and skill requirements - from keeping abreast of ever-changing technologies; to managing geographically and culturally diverse teams, and to ramping such teams up and down depending on demand by using contractors and so on.

This paper analyses the skills the IT project manager must acquire to manage blended project teams successfully and ensure project completion.



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## IT Sourcing Definitions

With technology breaking down all barriers of geography, the jargon of today's project manager is riddled with many new terms. Prime among them is outsourcing – the shipping of parts of a project or even entire projects to development firms located in Europe, South America, India or South-east Asia. The approach has its benefits and drawbacks, and must be implemented with clarity, foresight and planning.

While outsourcing is a well-known methodology to lower project costs and access scarce skills, there are many subtle variants of this approach that many managers are unaware of.

### Offshoring

In the context of IT projects, this term refers to the relocation of a project (or parts of a project) to a different shore i.e., a different country. The offshoring can be done to an office or sister entity of the same firm in another country – the captive model, or to a completely different company.

Offshoring offers the following advantages:

- 🕒 **Low wages** - The country the project is offshored to typically have a lower wage structure than the source country.
- 🕒 **Ability to tap into far-off talent pools** - When certain skills/resources are scarce in the source country, but abundant in the destination country, offshoring of projects makes immense sense.

India leads the pack of countries that have thriving offshore sectors in IT services. Other countries where offshore IT services are popular include Latin America, the Philippines, Indonesia, and Eastern Europe.

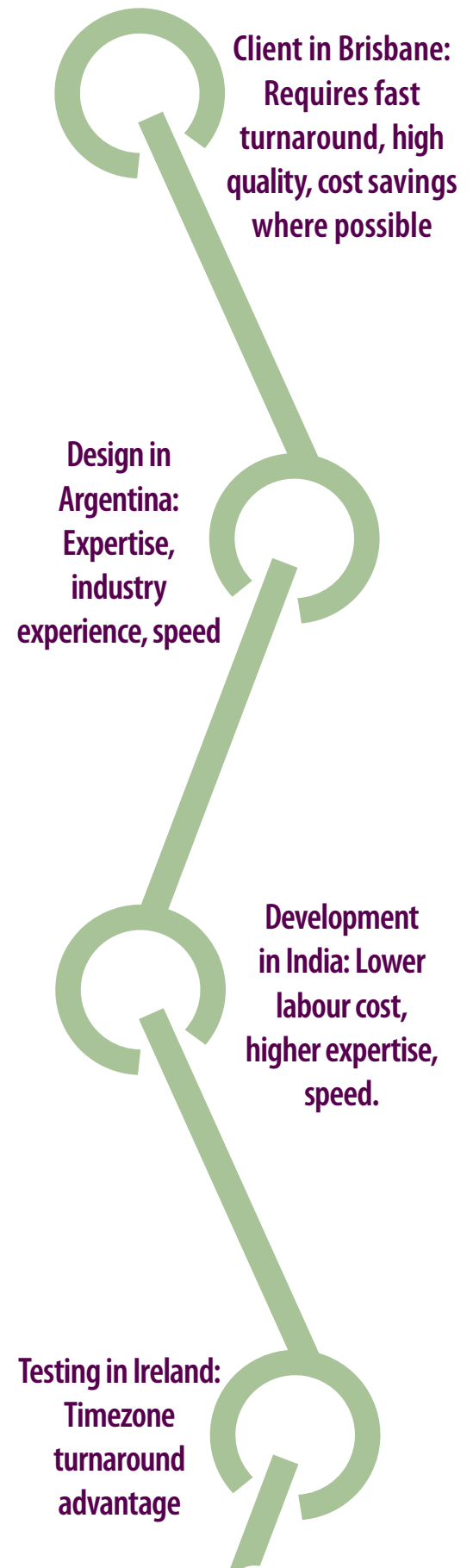
### Onshoring

This process involves moving IT projects to non-metro or lower cost areas of the same country as the source, where labour, technical and other operational costs are lower. Onshoring may involve some amount of "importing" of labour from other countries. For example, many US firms hire skilled technology workers on "H1 visas" or work permits, and locate them in lower cost US cities to undertake work.

The benefits of onshoring are significant:

- 🕒 **Uniform laws** - Whether the onshoring activity is within the client's own organisation or outsourced to another firm, the fact that it is happening within the same country means that there are no issues with respect to labour laws, taxation and other regulations. These factors may lead to major problems in some offshore/outsourced projects.

## Offshoring Example



- ⚙️ **Lower costs** - Many of the hidden costs associated with outsourcing/offshoring such as travel, training and governance can be sharply reduced or even eliminated in some cases.

## Nearshoring

Nearshoring is another variant of the outsourcing method. It involves sourcing IT projects to a foreign, lower-wage country that is relatively closer in distance. For example, US firms nearshore projects to Mexico, Central America and the Caribbean. Western European companies have found manifold benefits in nearshoring to Eastern and Central Europe.

Nearshoring offers many advantages vis-a-vis outsourcing:

- ⚙️ **Lower costs** - Costs in travel, training and management activities are reduced. As rising fuel prices have impacted air travel over the past few years, such cost reductions are significant to controlling project costs.
- ⚙️ **Temporal and cultural advantages** - Nearshore countries are often within the same time zones as the source country. This can be a major plus-point for projects that need close monitoring or significant interaction between the teams. Cultural barriers are also fewer, and teams take less time to overcome them and focus on the job at hand.

## Remote staffing

Remote Staffing or Remote Team Augmentation is a process which employs the best combination of offshoring, nearshoring and onshoring techniques to augment IT project teams with local full-time/part-time employees as well as contractors, and/or remote employees or contractors.

Remote staffing offers the following advantages:

- ⚙️ **Team augmentation, not replacement** - Remote staff are chosen to augment skills in current teams. They do not replace teams in the source country - a major issue with outsourcing that leads to low staff morale, issues with government/regulatory authorities and media.
- ⚙️ **Customisation** - A blind implementation of outsourcing or offshoring is often full of pitfalls. Outsourcing is full of hidden costs such as those of training, travel and governance.

Implementation models differ from project to project and firm to firm, based on their requirements. Many choose to use a blended version of an offshore-onsite model wherein a certain percentage of contracted/full-time resources are onsite, and a certain percentage are offsite, to staff their projects.

## Quick Reference

### Offshoring

Relocation of (parts of) a project to a different country where cost or technical advantages may lie.

### Onshoring

Moving (parts of) a project interstate where cost or technical advantages may lie.

### Nearshoring

Relocation of (parts of) a project to a neighbouring country. Similar to offshoring to eliminate time zone disparity.

### Remote staffing

Refers to resourcing via a combination of the above methods to achieve the best outcome.

## When to use Remote Talent






Remote staffing for team augmentation appears to hold the answer of the cost and quality equation and provide an added value in skills transfer. Initial deployments of remote staffing in projects must be done cautiously so as to extract the benefits, and to showcase it positively within the organisation.

Successful projects that use remote talent typically have one or more of the following characteristics:

- Limited Scope** - A small project with limited scope, or a smaller portion of a major one, is the best candidate to test remote staffing. Tasks ie development, testing, documentation and maintenance can easily be assigned to remote teams.
- Clear Alignment to Goals** - If the project outcome contributes directly to a target Corporate or Strategic goal, it will garner lots of positive attention to the concept.
- Good Augmentation of Team Capability** - Ensure that the people being staffed remotely have unique skills, i.e. Sharepoint, that will augment and complement the current/local team's capabilities.
- Goal Agreement** - Each stakeholder in the effort must agree on what the end goal of utilising remote staffing is – whether skill augmentation, cost savings, a follow-the-sun model or other.
- Enthusiastic Business Sponsor** - A successful project that utilises remote talent needs a business sponsor who has “bought in” to the concept to make it visible, and to set the ball rolling for more adoption.
- Use of Project Management Approaches** - Remotely staffed projects are well managed using the best-in-class project management practices and tools.

## Implementation Tips

**First, select the model that fits your needs:**

-  In-house development
-  In-house / outsourced blend
-  Onshore outsourcing
-  Offshore outsourcing
-  Offshore build-operate-transfer (BOT)

**Then put all of your efforts into project management**

**Use short iterations; review weekly or bi-weekly**

**Implement short (15' time boxed) daily scrum calls**

## Case Study

Remote talent provider Talent Trust's client Medtronic required the development of a cutting edge web-based application to collect, manage and analyse surgery data within a tight IT budget. Talent Trust provided the client a wide range of globally-located highly skilled IT contractors, who worked within the time/resources/budget constraints set by the client, and within the process parameters laid out. The result was a web-based solution whose quality and features exceeded client expectations that were delivered at a low cost (30% savings in budget and 50% increase in productivity).

Medtronic appreciated the skills of the on-demand task-based remote workforce that often exceeded those of their local on-site staff; and the visibility and greater control they got through Talent Trust's tools and processes.

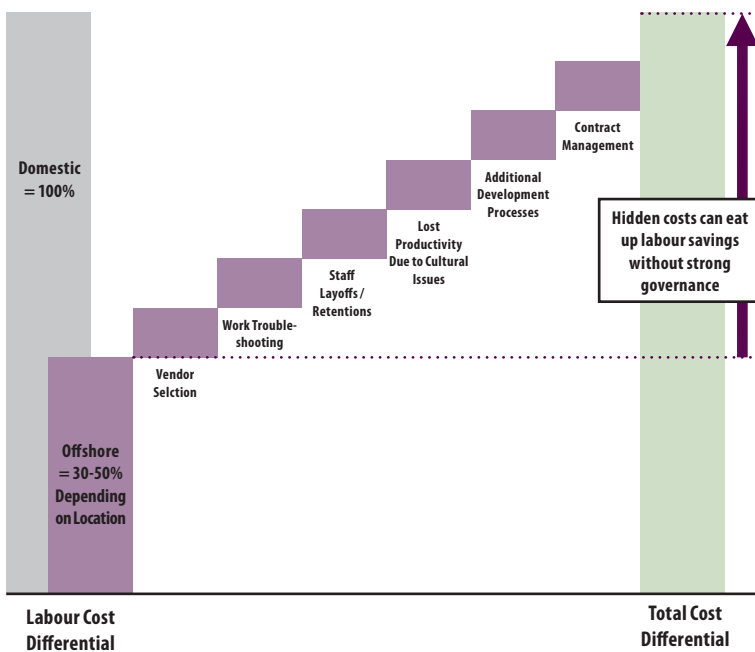
Talent Trust's web-based collaborative work platform and low-cost flexible solution enabled the impressive outcome, and made them the partner of choice for remote staffing of IT projects.

## Establishing Offshore Resources

Many large IT software firms and in-house teams have established, or smaller companies considered establishing, their own offshore teams or partners due to hidden costs in the establishment phase.

For those smaller, mid-sized organisations who want to take advantage of the immediacy of certified, experienced partners, there are now market-proven talent providers like Talent Trust in the USA, and OnTalent in Australia, who provide screened, customised IT resources to take advantage of the cost and quality benefits available.

### Hidden costs can creep into offshore projects and catch project managers unaware



For the Blended Team approach when establishing the virtual team, experienced managers factor in time and costs for collaboration tools upfront. A strong governance model is key to monitoring the various components of global virtual teams discussed in this paper.

*A number who embarked on this approach, soon decided that the management time, effort and expense was not securing the best return for the business*

## How to Make Blended Teams More Productive

Here are some tips to make blended project teams more productive and ensure success:

- 🕒 **Lay down the ground rules** - Create a mission/goal for the team. Identify all the stakeholders, roles and responsibilities. Document the proposed timeline in detail, along with deliverables and milestones – initially, this may involve documenting or “binning” even items that are unknown.
- 🕒 **Presence** - Create a sense within the team of the ‘presence’ of all team members. This calls for project team integration in all communications: commencement, weekly reporting, feedback, quality control, meeting productivity measures and so on. This is also tied up with the concept of “trust”. The project manager must build a sense of trust amongst both local and remote team members, by ensuring all of them have access to the same tools and information (based, of course, on their access levels).
- 🕒 **Manage cultural differences** - This is perhaps the most important tip for any IT project manager - make the effort to understand the cultures of the different members of your team, and accommodate cultural differences as much as possible. Such behaviour will gain the manager many dividends in goodwill, improve team morale and result in more efficiency.

While a detailed discussion of this concept is beyond the scope of this paper, here are some important rules:

- 🕒 **Know what team members value** - It could be something as simple as a birthday wish expressed, or a weekly 1:1 interaction via phone.
- 🕒 **Understand the structure** - Many western managers may assume a flat hierarchy exists in Asia. In fact, Asian societies are highly hierarchical, with age and experience having a lot of prominence. This hierarchy flows into the workplace as well.
- 🕒 **Read between the lines** - Non-western cultures have a obtuse approach to saying “No”. For example, a Swiss Manager visiting an office in India asked if he could take photographs. His guide said “It is too crowded” in reply, in effect, saying that it was not the right time to take photographs. Understanding the nuances of foreign cultures can make communication more effective.
- 🕒 **Make the effort to know the local customs** - Some highly effective managers start meetings by enquiring with remote workers about local festivals. This little gesture will go a long way towards establishing goodwill. Learn local work cultures – e.g., meetings after 7pm are frowned upon in France, whereas meetings after 5pm are a no-no in Holland.
- 🕒 **The weather** - When all else fails, the weather is the unfailing fallback. Many emerging economies are still largely agrarian, and weather plays an important part in peoples’ lives. A simple enquiry about how hot it is “over there” can break many barriers.



*With Talent Trust's offering,  
Medtronic can access  
programmers offshore and put  
them to work on our projects as  
virtual team members. We're  
saving time and money, and we  
even have more visibility into the  
work and greater project control.  
It's a lot more efficient than our  
current outsourcing process, and  
all we need is a browser.*

**Dick Pepper, Director of  
Technology, eBusiness Solutions,  
Medtronic**



## Teamwork Tools Create the Structure the Distributed Team Requires

**⌚ Collapsing distance** - There are many modern tools available to reduce a sense of distance between teams. In particular, distributed teams need structure and tools in order to interact. Use short iterations, two weeks is ideal and daily 15min calls, to reduce uncertainty and keep work progressing towards specific milestones. Some specific tips are:

### Unify Messaging Tools

Use digsby or Campfire

### User collaborative sites

Google sites

SharePoint

See wikipatterns.com for adoption

### Use VoIP

Skype with Business control panel

Google Chat

- ⌚ Running an early iteration of the software/project with the entire team to detect misunderstandings, false starts etc
- ⌚ Work with overlapping hours to enable availability and co-ordination among team members
- ⌚ Use a Blended Team for the Quality Assurance team; ie partly local and partly remote
- ⌚ Collaboration software can play a vital role in bringing teams together. Tools such as Acrobat Connect, SharePoint and Drupal that employ a combination of telephony, chat, video conferencing and application sharing for meetings and training sessions. Many of these tools have free versions that managers can use to get up and running in no time.
- ⌚ Collaborative project management software including the Enterprise version of Microsoft Project, which have both client-specific tools, or may be deployed over the internet; or completely web-based tools such as Basecamp (<http://www.basecamp.com>) offer the necessary tools to manage the people, milestones, timelines, work items and other details of a project. Such tools also act as central repositories for all the documentation, messages, and links associated with the project.
- ⌚ Code collaboration tools such as Squad, Assembla and Code Collaborator allow programmers who are physically distant to collaborate on modules and code very effectively.

Project managers have found that a combination of many such tools enable teams to work effectively together and meet deadlines.



*I have been extremely impressed with the practical application of the global resourcing model provided by Talent Trust since we started working with them. I have no hesitation in recommending Talent Trust as a first class innovative partner for the provision of high quality, low cost, offshore IT resources.*

**David Harwood,  
R&D Director, Agresso**



## Benefits of Quality Project Management

It is well known that a structured approach to project management can yield benefits rapidly. For example, a workflow segmentation framework can greatly aid the manager in scope, location and resourcing decisions.

Beyond this, a project manager can be called “best-in-class” in the new world of global talent only if they have managed Blended Project Teams of permanent local and remote, contract local and remote; as well as outsourced contracted resources; and produced the desired results. Such project managers are culturally aware and sensitive to locale-specific constraints.

The benefits of such “global” project management can be seen in results that impact the bottom line by providing cost and quality gains. That these projects reap the efficiencies of working in multiple time zones, increase productivity and better the morale in project teams is a much-desired side-benefit.

## Conclusion

Project management of IT projects that encompass a heterogeneous population of workers is a complex art and science. It requires training in software project management methodologies, a structured approach, analytical and problem-solving skills, and most important of all, critical soft skills including people management and working with cultural diversity.

The modern-day project manager must be prepared to develop their capability to use all the tools and resources at his disposal to execute in this environment and produce the required output.





<sup>1</sup> Wikibooks, “How do you manage Global Virtual Teams?”, [http://en.wikibooks.org/wiki/Managing\\_Groups\\_and\\_Teams/How\\_Do\\_You\\_Manage\\_Global\\_Virtual\\_Teams%3F](http://en.wikibooks.org/wiki/Managing_Groups_and_Teams/How_Do_You_Manage_Global_Virtual_Teams%3F)

<sup>2</sup> Sunit Jilla, Callcentrehelper.com, “How to manage a remote team in an Indian Call Centre”, <http://www.callcentrehelper.com/how-to-manage-a-remote-team-in-an-indian-call-centre-6835.htm>

## About OnTalent

OnTalent is a specialist recruitment agency. We partner with clients to deliver guaranteed outcomes.

Our diverse clients value the advice provided by our consultants, because of their experience in individual market-sectors. This specialist industry focus ensures that only well-qualified talent is recommended, and backed by our six month guarantee. Our areas of specialisation include:

-  Executive and managerial
-  Engineering
-  Technical and operations
-  Information technology

## Remote IT Resourcing and the Talent Trust

Alliance  TALENT TRUST™

Talent Trust assists clients meet their staffing needs by provisioning highly skilled IT professionals located offshore.

Through the Talent Trust Alliance, we offer our clients a trusted channel to the substantial savings of utilising offshore talent combined with expert onshore account management. We select the right talent, working in the right time zone, to ensure easy collaboration and outstanding results.

Over the last 10 years, Talent Trust has hand-picked and assembled 50 premier IT services firms across Latin America, Eastern Europe and Asia. This unique ‘aggregation model’ presents a broad and tenured platform for working efficiently and effectively with overseas IT firms.