

# India Offshoring Development Success Strategies

## Ridgehead Software, Inc.

Ridgehead Software, a US-based software development company with international resources primarily in India, was able to start up on a shoestring budget by offshoring to lower costs while maintaining quality. Many companies have experienced pain traversing this landscape, but we've managed to circumnavigate the most common pitfalls and have succeeded in putting together an amazing international team of dedicated full-time-employees and contractors.

### Background

Ridgehead Software got its start when a couple of contractors to a fortune top 10 company decided to start their own development company and begin contracting not as individuals, but as a business. Immediately, it was



realized that individual contractors command a premium wage, whereas businesses are expected to be more cost competitive. This led to the dilemma of how to grow the

company while managing costs. As many others have done, we chose to hire offshore development talent with a focus on India, due to our affinity for the culture, work ethic, and vibrancy of the country and its people (not to mention the food). Although we've earned a few scars along the way, we're pleased with the results. This article is about what we've managed to learn, or stumbled upon from the get-go, with a bit of skill and a lot of luck.

### Our Model

Our model for establishing a development team in India differs from other companies in that we chose to have everyone work from home. In India, commuting to an office is time consuming due to horrible traffic, which

results in two to four hours of windshield time daily. Other reasons for the work-from-home model are:

- We expect our team to work hours that overlap with US business hours. The result is that we are online and working together for five to eight hours a day.
- It allows us to be hyper-responsive to client issues and respond immediately. Being able to hop online and deal with issues immediately is an advantage when working from home as opposed to an office.
- We want our team members to have a healthy work-life balance. With our work hours and expectations, working from home is more conducive to striking that healthy balance.

Working from home is not as easy in India as it is in the US. Some challenges we ran into:

- Power issues with frequent black outs. We pay for backup power-systems so developers can continue working if there is no power.
- Internet in India can be unreliable at times. We encourage all our developers to have either a backup internet provider or a reliable mobile phone provider (with Internet) that they can use if necessary.
- Noise is a constant in most India cities. This can be a pain when on calls, as there can be dogs barking, traffic, people, etc. in the background. Car horns are honking incessantly at all times of day and night.

**Tip:** If you ever visit, make sure you bring ear-plugs for sleeping.

- Most young Indian developers who are fresh out of school do not live alone, so there are others in their

apartment. Making sure they have a place where they can close the door and have some privacy is important.

- We expect our team to over-communicate. We adjust our communication styles to match what our team needs versus enforcing a system. Communicating includes phone, video, IM, screen share, email, etc.

Interestingly, after some time, the team voiced a desire to work together a few times a week, so we established some office space to accommodate this collaborative working.

## Get Some “Eyes and Ears”

Sheer luck here for Ridgehead. Our initial hires in India worked out very well and they are still with us going on nine years now. We lucked out as we had worked with some of these individuals in previous engagements, so there was already history and mutual respect for us to rely upon. Having staff that can function as your “eyes and ears” on the ground is invaluable, as you can get an inside glimpse to what is really going on with your team.

By having key trusted employees located in the country of origin, we’re much more aware of issues, concerns, and successes that are uncovered when people meet face-to-face.

## Things to Try

Some useful things to engender a positive atmosphere include:

- Pay for the team to have dinner, drinks, coffee, tea, etc. at least once a week
- Pay for their transport, too! Paying for developers to eat a nice meal, as well as their transportation to and from the meal, will not break the bank.
- Get the pulse of the team and individuals. Are they happy? Do they want to work on different projects or learn different technology stacks? These questions are not always answered directly, so you may have to dig a little to get an actionable answer.
- Visit your team(s) at least once a year. Send US based employees to India to live and work with the team for a period of time. On one such visit, we rented a house in the foothills of the Himalayas and went white water rafting in the River Ganges. Work performance did not lag, we built bonds (and memories), and strengthened our team.

## The Joy Of Filters



Our hiring process is a series of well-scripted finely tuned filters. When we post an opening, the floodgates are released with hundreds of applications pouring in. Now, as a small company, there are daily decisions on how best to spend time and money - hiring a recruiting service is sometimes not in the budget, so we opt to run the hiring gamut from A to Z ourselves. So how do we navigate 500+ applicants for a single position down to offering one or two people the position? Read on...

- **Filter 1** – Choose one thing you can easily filter. Our career/job advertisements specifically request the candidate to include their PDF resume with their application. When we receive an inbound email looking for a position, if there is not an attached PDF, we delete it, plain and simple. Development is very specific and detail oriented. If the candidate is unable to read our full advert and follow a bolded requirement for applicants, then how are they going to fair when faced with a development requirement that is five pages long in scope?
- **Filter 2** – Written communication. We open the email and the attachment. Is the English correct? Am I able to interpret what they are attempting to convey? If their resume and email are difficult to read, then they won’t fit in well when we communicate via email and chat 80% of the time.
- **Filter 3** – Resume styling (or lack thereof). One in three resumes we receive have poor formatting, lack cohesiveness, and other odd issues that draw attention away from the actual words we’re supposed to be reading. If your font changes from Abadi MT size 14 on one line and then changes to Apply Chancery size 10.5 on another, then this is a good indication of how their user interfaces are going to render.
- **Filter 4** – Email questionnaire. The grammar, readability, and formatting of their email and resume leads us to believe they have the written communication skills and the eye for detail that we require from our work-from-home offshore dev team. Next we find out if the same holds true once they have to respond to custom questions. It’s usually five or six questions such as – Where do you live? (Sub-filter here,

if the job posting is for Hyderabad, but the applicant responds “Jaipur”, the recruitment ends.) How long have you been developing? Why do you love to develop code? All are intended to tease out more written communication as well as ensure the applicant are serious.

- **Filter 5** – Work schedule. In our job postings, the email questionnaire, and then in our first oral interview, the same deal-breaker is mentioned multiple times: Ridgehead Software developers located in India work from 5:00 a.m. to ~2:00 p.m. ET, which is 3:30 p.m. to ~12:30 a.m. IST. This is non-negotiable. These work hours are not for everyone, but for a subset of the population, they are perfect. As for Ridgehead, we want crossover with our US-based clients and US-based project managers. We hold scrums every morning at 7:00 ET to kick off the day and then still have several overlapping hours to round out the day. **Pro Tip:** Friday’s are usually “work your own hours” day, so offshore resources may choose to work daylight IST hours if they desire, but they remain on call until 3:00 a.m. IST Saturday morning to ensure we still have coverage in case of an issue.
- **Filter 6** – Oral interview with US-based project manager. The first five or ten minutes is standard spent warming up the candidate, making them comfortable. We have a scripted monologue about our company and development team, the type of languages we develop in, the type of applications we work on, how we manage remote employees, and how we follow a leadership model based upon a strengths-based approach. We tell them about us. We mention how rare it is for an employee to leave our company (check out the “Beware of Gotchas” section further below for a not-so-fun story). And then we ask them questions. “Talk about a time where your manager was wrong, what did you do?”. “Tell us about your proudest moment at work.” These series of questions are intentionally designed to tease out past behavior, as this is indicative of future performance. This is critical and bears repeating – we suspect behavior in the past will be mirrored in the future. So if the employee rage-quit because they had to work an outage on a weekend, we should expect that same behavior to happen in the off chance weekend work is required. Last, we are ranking their oral communication. Now, this is not as important as written communication, in our experience, and here’s why: written communication is the base for successful oral communication. If someone has the written skills, they

tend to strengthen and develop their communication skills when exposed long enough. Many candidates have English as a second or even a third language. Once they start working in an environment where English is the spoken and written language in all interactions, the oral communications tend to improve. This is important, because our clients all speak English, making communications in English a key skill requirement.

- **Filter 7** – Technical interview. Whoa, a filter that involves the actual job they’ll be performing; coding! The interviewee comes to our Hyderabad or Bangalore office – meets the team, goes through a one-hour battery of development tests and questions, then goes out and eats dinner with our team. We pay for transportation and meal. This filter is designed to:
  - Determine if they can actually code as well as have the ability and desire to grow and learn
  - Help the applicant get to know our team and how awesome they are (it’s not just about the candidate proving themselves to us, we also need to prove ourselves to them).
  - Have the team get to know the candidate to make sure there is goodwill and synergy
- **Filter 8** – Final interview. This is done with senior management. It’s one last filter to see if the others missed something. Towards the tail end of this meeting, we usually say “no thanks”, or “let’s talk salary”.

## Day-to-Day Doldrums

During work hours, all employees must be logged in to Slack and Skype and then be responsive.

Internet connection must be of high quality. Once a quarter we have everyone test their ISP connection and we record the results. In fact, additional money is paid every single paycheck, outside of salary, specifically for a good internet connection.

## The Circle of Trust

Trust is given from the onset. It’s not “earned” at Ridgehead, but instead, it is naturally given. We trust our filters. We trust our interviewing process. And we trust our team to make the right decisions. Guess what – they tend to make great decisions! Occasionally someone makes a poor decision, but that’s a great learning experience. Our team knows that we don’t shame or blame but, instead,

look to support and correct any poor decisions made – and learn from them.

## Overcoming Cultural Barriers

Saying “yes, I understand” to every single question is baked into India culture. If someone says “yes” they understand, then we probe and clarify, as often the “yes” is a lukewarm “maybe” at best. In Asian culture, saying “no” is often viewed as disrespectful, especially when interacting with someone more senior. Let’s be crystal clear – when an Indian does this, it’s not a lie. They are being respectful to the counterpart, customer, and/or manager they are communicating with. So how do we overcome this difference in western vs. eastern culture?

We ask probing questions and avoid yes/no questions. After finishing explaining a task or request, we ask the developer to describe it back. “Tell us what the end state will be”; this is a powerful question to tease out the developer’s understanding of the request.

Being “respectful” of management trickles into other areas, as well. We hire someone because we trust they are good at what they do and will make great decisions. If an employee disagrees with a management decision, we want to hear about. However, hierarchical lines in many Asian cultures lead to the boss always being right and to never questioning that person. This is the OPPOSITE of what Ridgehead expects from our team members. We hope they push and prod at our decisions so that we, as a team, are moving forward confidently.

## Beware of the “Gotchas”

Remember earlier how I mentioned we’ve rarely had anyone leave Ridgehead? It’s true, our turnover rate is extremely low. But for those who have left, there are some unusual (to us in the US) reasons someone may leave. For example, a developer left Ridgehead for a multi-national company as a condition of his arranged marriage. The brides’ parents stipulated he must work for a brand name organization and not a smaller niche company like Ridgehead.

Hindu females are expected to care for parents, grandparents, and in-laws in times of poor health. India passed The Maintenance and Welfare of Parents and Senior Citizens Act in 2007. The act legally requires children and grandchildren (but not minors) to maintain the health and wellness of an aging family member over 59 years old, with provision for food, residence, and medical attendance, and treatment. The law doesn’t

stipulate between male and female, but it’s most common for the female in the house to take on the responsibility if both husband and wife are working.

There are many Hindu holidays and celebrations. India has 20 national languages and all sorts of customs, rituals, religious groups, and ethnicities. A person from the north may celebrate one Muslim holiday, while a Hindu from the south may hold another day dearer, all while someone from the west coast may celebrate the Christian holidays. We establish the national holidays each person wants off at the beginning of the year. America fairly standard paid holidays. However, in India, there may be two employees who want to observe two completely separate “National” holidays. Flexibility and understanding are your friends here.

## Summary

Distance, communication, cultural workplace differences, lack of boots on the ground, and other issues contribute to challenges when offshoring development labor. Navigating these pitfalls over the last 10 years, Ridgehead has gained greater insight that has led us to overcome and succeed where many others fail. At the end of the day, you want less pain (and cost), not more, and the key ingredient is people – you, the people that work for you, the people you work for, and the people you hire. I hope this glimpse into our success helps, and we wish you the best of luck!

Want to learn more, email us at [info@ridgehead.com](mailto:info@ridgehead.com) or visit us at [www.ridgehead.com](http://www.ridgehead.com).