



White paper

Cheaper by the dozen

Why outsourcing may not be as inexpensive as it sounds

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Cheaper by the dozen

The annual salary for an Indian programmer is \$5000 while a programmer in the United States makes \$50,000. That's a 10X difference. You can hire a 19-year old wunderkind in the U.S. for \$30,000. Why not send all your development work to India, Russia, or even get an army of smart kids to do it?

Software development is not yet a commodity market; it's still an artisan's business. Well-written software products that are expected to last a decade require certain advanced skills. As any market matures, so do the skills required to produce those products. Procedures, policies, and experience develop over the years and result in a bar of entry to newcomers. Established market leaders have developed project management skills, policies, and procedures from their years of trial and error. This wealth of intangible knowledge is a major factor in creating good products. This is obvious from other markets that have had more time to mature, such as the auto industry.

Companies eager to reduce their expenses can mistakenly discount this body of knowledge, and embrace the notion that programmers come cheaper by the dozen, and if we hire enough of them they'll get the job done. Before handing a project to an offshore development team, or a group of eager youngsters, make sure you have the management bases covered by experienced people. Also consider that a 20% reduction in cost can result in a 20% reduction in productivity, or worse, a 50% reduction in quality. The law of nature is that you get what you pay for. Nothing is free.

This is not about advocating the use of high-paid engineers; it's about recognizing the need for experienced craftsmen at the helm. It's about knowing the need for procedures and policies that guarantee success and also knowing that youthful energy is not a replacement for sound project management techniques. The 90's Internet boom should have taught us that much.

About Us

Scoutwest, Inc. develops and publishes project management and time tracking products for consulting, manufacturing, government, and general business applications.

Thousands of small to large businesses, in dozens of countries worldwide, trust their mission critical business processes to Scoutwest products. Standard Time® and Standard Issue® work together to offer well-rounded project management solutions.

We specialize in packaged software for timesheets, project management, time tracking, defect tracking, and issue tracking. Standard Time is a web-based timesheet that also runs on Windows, Palm OS, and Pocket PC. It can be used for client billing and task management. Standard Issue is used for bug tracking and general issue tracking.

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