



Case Study: Managed R&D Services to Lower Development Risks and Free Management Resources

The Situation

The Client is a mid-sized company developing enterprise management solutions (USA).

Initially the company was using a freelance scheme for some of their projects to cut development costs. Several freelancers were working in different cities of Eastern Europe with the in-house Development Director coordinating their activities.

At some moment, due to the extending of project scopes and standardization of corporate development policies, the freelance scheme became inefficient:

- The process was badly controllable.
- The process constantly required significant management resource.
- The scheme contradicted to a number of quality assurance, coding, and financial management policies.

Management of the company decided to choose a subcontracting software R&D provider.

Provider Selection

Apriorit was in a short list of potential partners due to the positive references of existent clients.

Initially the outstaffing scheme was on the table. In Apriorit, pure outstaffing is replaced with the managed services model that has been proven much more effective. Apriorit made an offer to the company that would resolve all problems with the existent scheme: a team of full-time developers, quality assurance specialists and part-time project manager to coordinate efforts and take responsibility of the deliverables.

This model supposed such benefits:

- A team with a single point of contact – project manager taking responsibility of the deliverables would require minimal management resources of the client.
- All team members are sitting in one place that would minimize communication problems.
- The client would not deal with pay-roll and other organizational tasks – managed services have unified invoice-based billing with a fixed monthly rate.
- Team work complies with the professional standards of Apriorit that can be also extended and modified according to the client's requirements.
- Development risks are lower as the team responsibility is not simple making of assigned particular tasks but delivering high-level results timely.

After reviewing bids and discussing all the options internally, the company decided to choose Apriorit and its managed services offering.

Additional arguments were the ability to provide the required team quickly (the team of 5 developers, 1 QA specialist, and 1 part-time project manager was ready to start in 3 weeks) and a valid set of strong competences (ASP.NET and MS SQL).



Work

The team started to work as agreed, in 3 weeks after the initial agreement had been signed. Development Director on the Client's side had a single point of management contact in the person of project manager and, if required, a single point of technical contact in the person of development leader.

The team required a couple of months to fully meet the expectations of the Client in terms of standards and process organization. In 2 months after starting point, the Apriorit and Client's teams met face to face in the development office to discuss achieved progress and finally agree all aspects of the process management. It was a very important milestone, as after it the joint project team achieved the desired level of efficiency.

In 6 months, after a number of successful product releases, the team was extended with 2 more developers and 1 business analyst. It allowed the Client to make the team even more efficient, as the specifications and other technical documentation are now also developed on the Apriorit side, in close communication with the development resources.

The Impact

The Apriorit team became an autonomous working unit within the Client process delivering timely results with no need of "micromanagement".

Although the development costs grew higher as compared with the initial freelance model, the new scheme provided a number of financial and process benefits:

- Although the project scopes grew, the Client did not need any additional management resources. It even made it possible to painlessly start and manage new projects.
- Financial department of the Client has fewer tasks and potential risks due to the transparent monthly payment scheme by subcontracting agreement.
- Well-coordinated work of professional R&D team with the broad industry experience allowed to significantly cut time-to-market for the Client's product and thus improve revenue.
- The overall process of product development became more predictable and stable.
- With the responsibility of the timely delivery of planned results pinned on the Apriorit, experienced R&D service provider, and covered by Apriorit guarantees, overall development risks were significantly lowered.

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