

THE STARTUP'S GUIDE TO

# Onboard Right Remote Product Development Partner





The important thing about outsourcing or global sourcing is that it becomes a very powerful tool to leverage talent, improve productivity and reduce work cycles.

~ AZIM PREMJI

Businessman, Investor, Philanthropist, Ex-Chairman Wipro Ltd.

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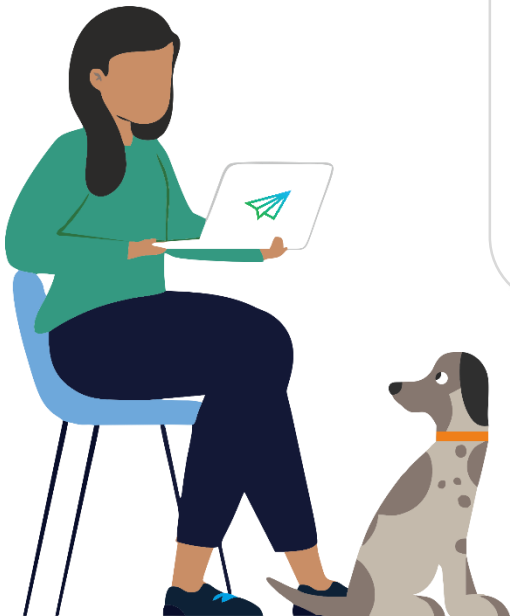
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01

# Remote Working

Current Scenario



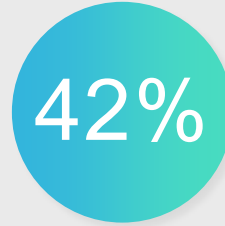
# Organizations are gravitating towards remote software development teams

for multiple reasons - freedom from hiring hassles, flexibility to choose from a vast talent pool, and cost reduction.

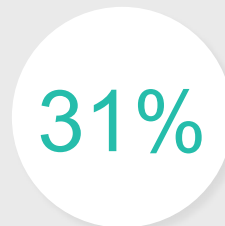
The COVID-19 pandemic is further acting as a catalyst to drive the adoption of remote working. Additionally, advances in telecommuting are uplifting remote working models in the IT industry.

Sources:

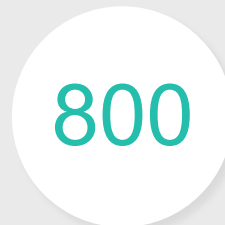
- 1) Does 'Working from Home' Work? Evidence from A Chinese Experiment.
- 2) 2020 Global Outsourcing Survey by Deloitte.
- 3) What 800 Executives Envision for Post-Pandemic Workforce by McKinsey



of the U.S. workforce is operating remotely making it 'working from home' economy<sup>1</sup>



of IT services are outsourced and this is here to stay<sup>2</sup>



Executives across industries reveal key trends - automation, AI/ML & remote/hybrid remote working<sup>3</sup>

02

## Identifying the 'Right' Fit

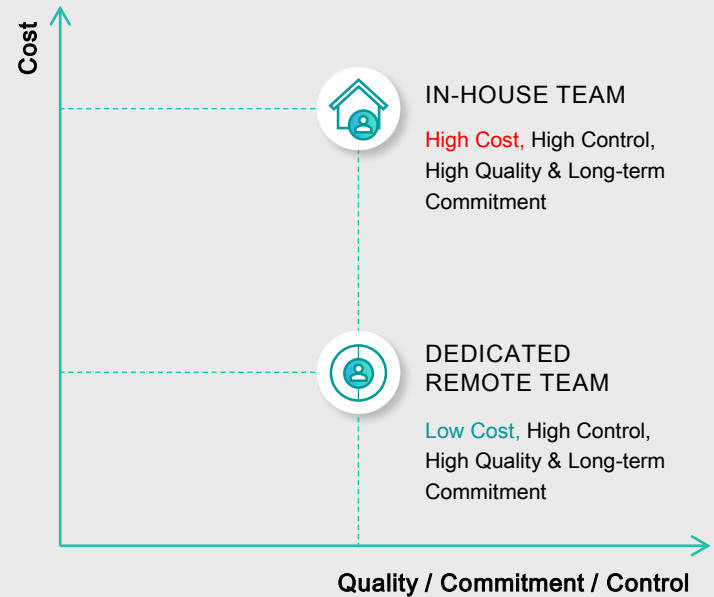
Why do you need a remote  
product development partner?



Our experience says, if your Startup is in the initial phase (Seed or Series A), it might be a great time start with a remote product development team.

A remote dedicated software development partner ensures:

- ✓ **Early identification of engineering gaps**
- ✓ **Cost savings**
- ✓ **Future growth by giving access to the right talent at a quicker pace**



If you think remote product development is a good fit, and wish to learn more about it, you've arrived at the right place!

The table, distilled from **our experience of 17 years in the industry**, gives recommendations in the form of ratings (out of 5 stars). These ratings will help you choose between a remote dedicated development partner and in-house development teams w.r.t multiple criteria.

## FACTORS



REMOTE DEV.  
PARTNER (RDP)



IN-HOUSE  
DEV. TEAMS

Are you an early-stage Startup?



*Remark : If your team is well-versed with product development for Startups, you can focus on getting product-market fit immediately than recruiting and training the hires.*

Is your employee strength less than 30?



*Remark : For Startups having an employee count of less than 30, on-boarding RDP can be faster and cost-effective than hiring new members for in-house teams.*

Looking to scale extensively & rapidly?



*Remark : For rapid scaling, the easy availability of the right people as an extension to your in-house team can enhance your engineering bandwidth.*

Have full-time in-house CTO/Tech Heads?



*Remark : Having a CTO in-house can bring you immense benefits, a technology leader who has worked with products of different domains can help bridge huge gaps.*





REMOTE DEV.  
PARTNER (RDP)



IN-HOUSE  
DEV. TEAMS

● Do you have experience in handling successful products for the industry you're in? Are you developing the product for the first time?

★★★★★

★★★★★

*Remark : The right experience of handling products in similar industries/ domains is crucial to set up the right processes and avoid fatal technology pitfalls.*

● Do you have a clear product roadmap?

★★★★★

★★★★★

*Remark : If YES then, your engineering team (in any model) can take your product to the next level. If NOT then, chalking out an effective roadmap with experts should be the best way forward.*

● Looking for a flexible engineering team?

★★★★★

★★★

*Remark : If you have a clear roadmap, your engineering team (in any model) can take your product to the next level. If not, chalking out an effective roadmap with experts should be the best way forward.*

● Need a team with cross-domain skills?

★★★★★

★★★

*Remark : Team members possessing cross-domain skills apply ideas/solutions from different domains to some of your industry's problems*



REMOTE DEV.  
PARTNER (RDP)



IN-HOUSE  
DEV. TEAMS

Want greater control over the day-to-day activities of the team?

★★

★★★★★

*Remark : Remote development teams should be autonomous in terms of taking decisions independently, otherwise you might end up adding communication overheads.*

Competing with tech giants/big firms for experienced talent?

★★

★★★★★

*Remark : Remote development teams can add immense value in such cases. They can help you onboard experienced talent, ensuring higher productivity and flexibility.*

Hiring team members with a Startup mindset?

★★★★★

★★

*Remark : Having team members who can readily adapt to change/uncertainty and take an increased level of responsibility ensures high growth of your Startup.*



Both remote product development and in-house product development have their pros and cons. It's advisable to choose the one that uplifts your Startup's engineering capabilities.



03

# Product Development for Startups

How is it different?



The best programmers are upto  
**28 times better** than the worst  
programmers.

~ ROBERT GLASS

Product development for Startups is an extremely thoughtful process that requires a clear understanding of priorities at every stage. Startups start small and evolve rapidly, which makes product development more challenging and demands the utmost attention.

## Right Blend of PPV



The right blend of PPV (People, Processes and Values) is a *make-or-break* factor when it comes to successful product development



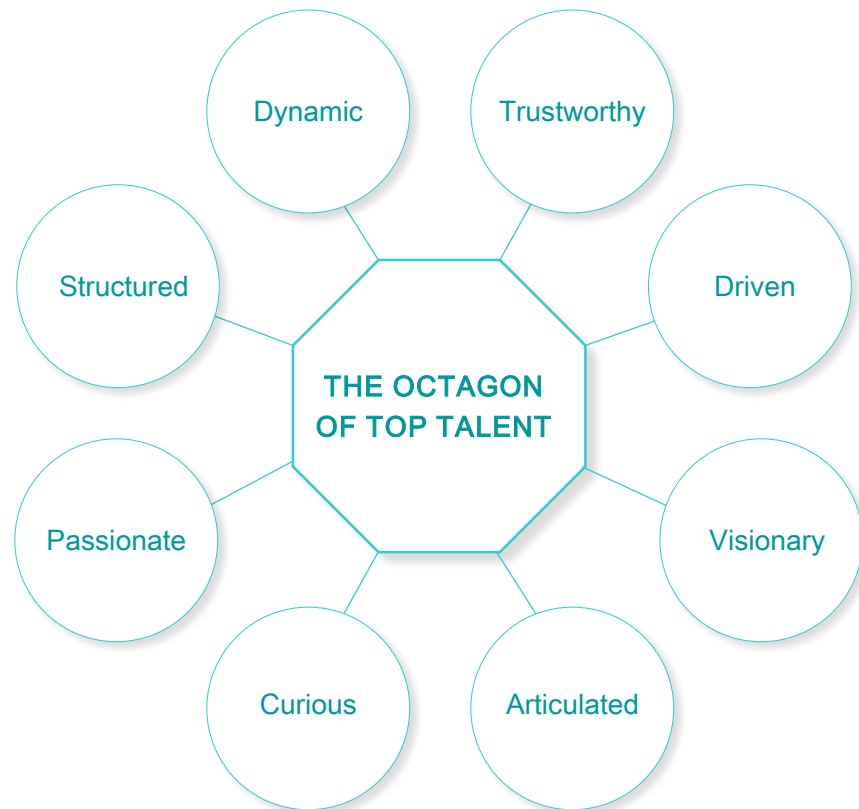
With desired product development  
*experience*

Who bring the right *Startup spirit* to  
the table

Dynamic, driven, passionate and  
born problem-solvers

Your people are not just resources but are assets of your organization.

It's important to *choose them wisely*.



# PRIORITY & PROCESSES

The priorities of Startups vary with every stage.

Processes that are *well-aligned* with these priorities bring out the best of results!



## Priorities



## Processes

EARLY STAGE	<ul style="list-style-type: none"><li>• Time to market</li><li>• Architecture for scale</li><li>• User experience</li></ul>	<ul style="list-style-type: none"><li>• Quick iterations</li><li>• Show &amp; tell sprints</li><li>• Product patterns</li></ul>
GROWTH STAGE	<ul style="list-style-type: none"><li>• Feature release velocity</li><li>• Marquee customer success</li><li>• Product scaling</li></ul>	<ul style="list-style-type: none"><li>• Formal sprint process</li><li>• Tech debt management</li><li>• QA automation, CI/CD</li></ul>
MATURITY STAGE	<ul style="list-style-type: none"><li>• Operations cost control</li><li>• Compliances &amp; audits</li><li>• Re-innovation</li></ul>	<ul style="list-style-type: none"><li>• Longer release cycles</li><li>• New technology POCs</li><li>• Certifications</li></ul>



For Startups, values lie at the *heart* of success.

Product development can reach great heights when the approach is built on the right set of values.

### Passion for problem solving

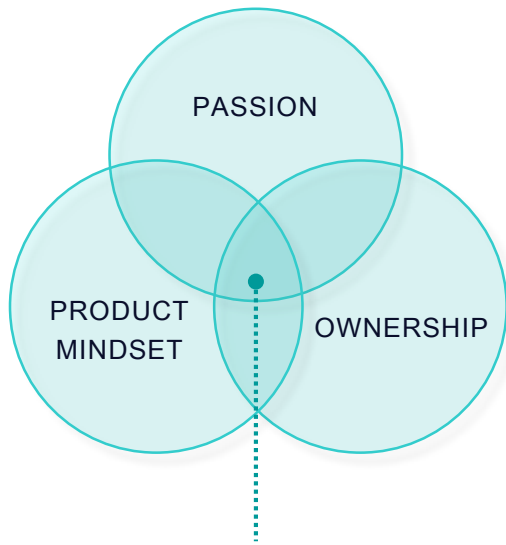
Startups thrive by solving the unresolved problems from real life. To accomplish this, they require people who love solving complex problems.

### Product mindset over project mindset

You need people who focus on solving critical issues before releases instead of the ones concerned about closing tickets for easy-to-solve issues.

### Ownership is the deal

Being committed to results, knowing & understanding the details, going beyond on-time delivery, and owning the product end to end.



The Right Value Set



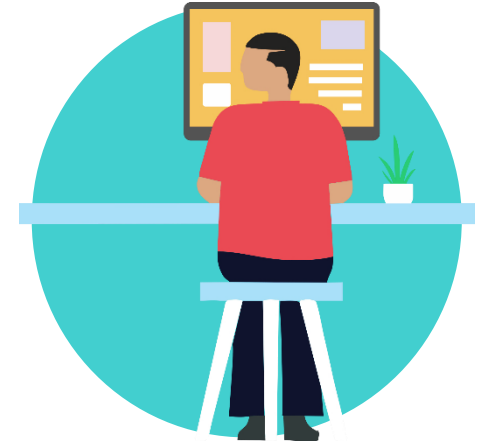


04

# Vendor Assesment

Key Factors to Consider

Tech vendors who can provide the right tech experience and expertise, have a decent client base and can forge fruitful strategic relationships are likely to create wonders. Long term associations also vouch for their quality of service and ability to serve end-to-end engineering needs. Detailed secondary research and multiple reference checks can help you select a credible tech vendor with whom you can trust your engineering.



Some questions to ask during your hunt for tech vendor include -

## Experience

- Do they have experience specific to Startups?
- How long have they been in the industry? Do they have relevant industry experience?
- How many Startups have they worked with?
- Do they have experience in offering end-to-end expertise in required technology?
- Do they have experience of handling clients from your geographic location?



## RECOMMENDED PROFILE

Choose an RPD partner who **understands Startup needs well and has worked in that ecosystem for a long time.**

You should specifically look for the one who offers end-to-end development and has already served few clients from your geographic location.

## Talent & Tech Capabilities

- Do they have experienced product managers, engineers, architects, data scientists, domain experts, etc.?
- Do the engineers have the required product development experience?
- What is the total headcount of the technical team?
- How well is their employee retention rate when compared to industry standards?
- Do they work on end-to-end development, from an idea to a market-ready product?
- Do they have an extensive tech portfolio to support all your technology needs?
- Do they offer remote teams dedicated to their clients?
- What is their overall turnaround time?
- How many unique innovations are introduced by them each year?
- Do they have patents published and research papers featured in prominent publications?



## RECOMMENDED PROFILE

The key is to **choose teams with flexibility of ramping up/down as and when required.**

Go for dedicated **remote teams with a wide tech portfolio** and experience in multiple end-to-end developments of similar products/industries. They will bring the right understanding of all your engineering needs, along with proactive enhancements.

## Model of Operation

- Do they have a proper remote operating model and, if yes, is it compatible with your business workflow?
- How effective is their communication framework?
- Is their model effective in handling communication issues due to different time zones?
- How lucid and transparent is their approach?
- Do they use Agile frameworks for software development?
- Do they conform to security standards imperative for the clients' business models?
- Are they compliant with your country's data protection policies like GDPR and more?
- Do they have privacy protection, NDAs, IP protection contracts, and service agreements in place and strictly adhere to them?



## RECOMMENDED PROFILE

The **model of operation** that the RPD partner follows should be your focal point. Are they looking at partnerships as mere vendor-client collaboration? Or are they more into **strategic partnerships fostering growth** of their customers? If the latter is true, there are high chances that they will have a greater commitment to your technology goals and can take your Startup to the next level.

Don't miss out on a **detailed investigation on the data and IP protection practices** that they have in place- a key factor for effective vendor assessment.

## Existing Clientele & Customer Experience

- What do their existing clients say about their services?
- Which are the key highlighted points by their clients in video testimonials?
- Have they worked for Startups from a similar domain?
- What is the average length of tenure with their clients?
- How is their client success rate over the years?
- How do their ratings and customer-approved reviews look on listing websites (like Clutch)?
- Do the case studies shared on their website attest to the quality of their services?
- What percentage of their existing clients refer them to other businesses?



## RECOMMENDED PROFILE

It's important to choose an RPD partner who **has long-lasting relationships with satisfied customers**, even though the number of clients is limited. It speaks a lot about the **company's ethos and their commitment** to offering the utmost service quality and ensure customer satisfaction.

Also, the **outcomes** that the RPD partner has enabled over the years is an additional credibility factor.

05

# Price Comparison

Can We Make Most with Less?



**Price comparison** still stands as a crucial part of vendor selection, especially for Startups in initial and growth phases. Here are some quick factors for price comparisons to help you make viable decisions-

## TEAMS

### Experienced

### Not-so-experienced

Focus

Build strategic partnerships

Temporarily increase team size

Cost

Relatively high but less than an in-house team

It will not be expensive

Monitoring

Minimal

Extensive

## MODEL

### Fixed price

### Time & material

Startups with fixed cost is a quite rare pair! Go for it only if you have a clearly defined scope for one part of your product development map

When requirements are complex, dynamic, and bound to evolve over time, this model can offer the desired flexibility

## LOCATION

### Near shoring

### Offshoring

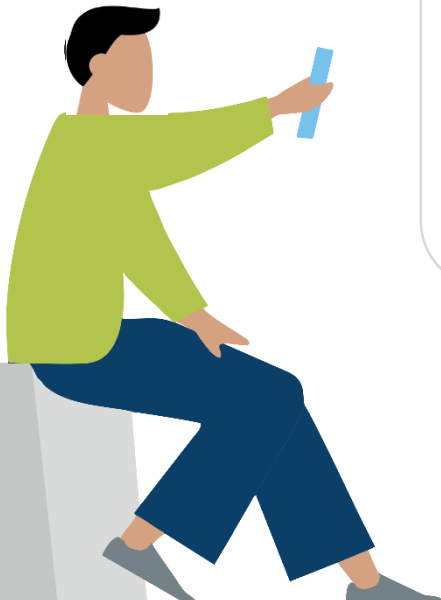
Can be a costly affair. Also, similar time-zones don't guarantee fewer communication overheads. In the end, it all boils down to the kind of people you have in the team.

Ranks higher in terms of cost-effectiveness. With the right tech vendor having experience in your geography, seamless communication and performance come as added advantages.

06

# Picking the Right partner

The Real Gamble





Finding the right remote product development company can be an absolute game-changer for your business.

The focus should be on having a close-knit team that can work as an extension of your in-house workforce and promise constant value addition.



## Trial Run

This method, if done for around 2 weeks, helps you evaluate around **60% of the vendor's work potential**.

- Negotiate **2 weeks of a trial run** with the team and assess based on **design, code, quality, productivity rate, problem-solving approach, communication overheads, and agile methodologies**.
- Share a limited version of the product and, with a team of 2-3 members, **ask for new user stories on top of it**. Evaluate these stories with an already-existing feature to probe their effectiveness.
- Observe their performance at each level: **from planning a sprint to designing and building a feature**. This helps gain enhanced visibility of their capabilities.

## Proof of Concept

A great way of assessing around **40% capabilities of an RPD partner**. It can help you judge their efficiency in problem-solving at the architectural level.

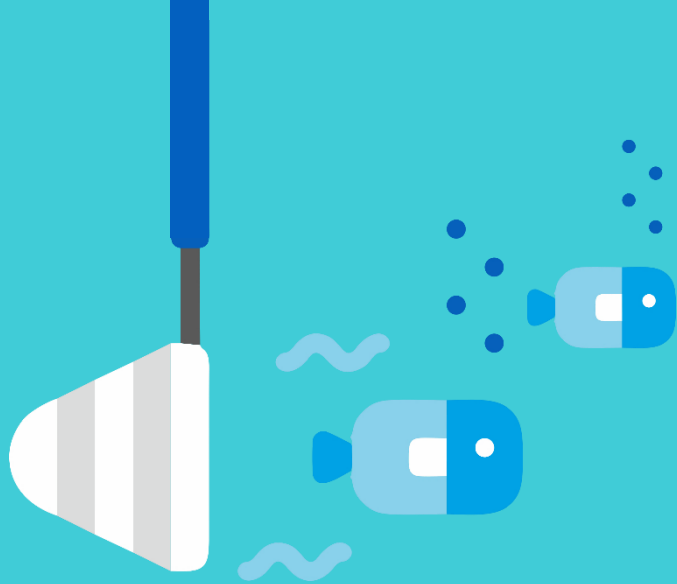
- Option 1 : **Unpaid PoC** to evaluate the potential of the vendor in solving any problem statements. The best part - It costs you nothing!
- Option 2 : **Paid PoC** and review their work for 1-2 weeks. This will offer you a deeper insight into your tech partner's expertise.

While you can pick either of the above options, **we recommend going for a paid PoC**. Based on their solution, you can decide whether you should collaborate with them or look for another capable vendor.

## Interview Key Stakeholders

This step helps you go one level up in assessing the tech capabilities of the remote product development partner you are interested in.

- Converse with key stakeholders like **team leads and main engineers**, as they engage in real groundwork.
- **Plan a mini assignment** with key engineers, which can give you a broader outlook of the approach they follow.



When the requirements of Startups can get dynamic over time, where is the sense in judging technology partners based on estimated work packages they offer?

# Don't Fall for the Estimation Trap!



Put **price tags on technical capabilities** rather than just following the lowest bid.



**Understand the complexity of systems** built from scratch (and not just maintained), hard problems solved, innovations introduced, etc.



**Analyze the development process** they follow. See if agile is something they follow, and not just preach.

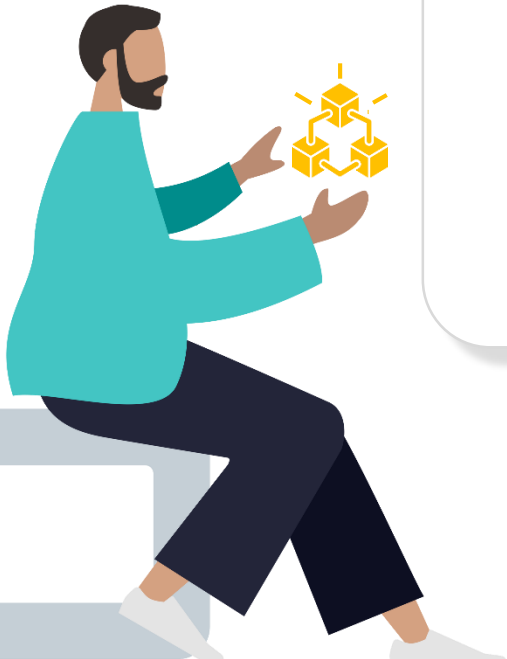


**Check if they meet high-level project milestones** all the while maintaining architecture and code integrity.

07

# RPD Teams for Startups

What's an ideal team structure?



## Dedicated Team

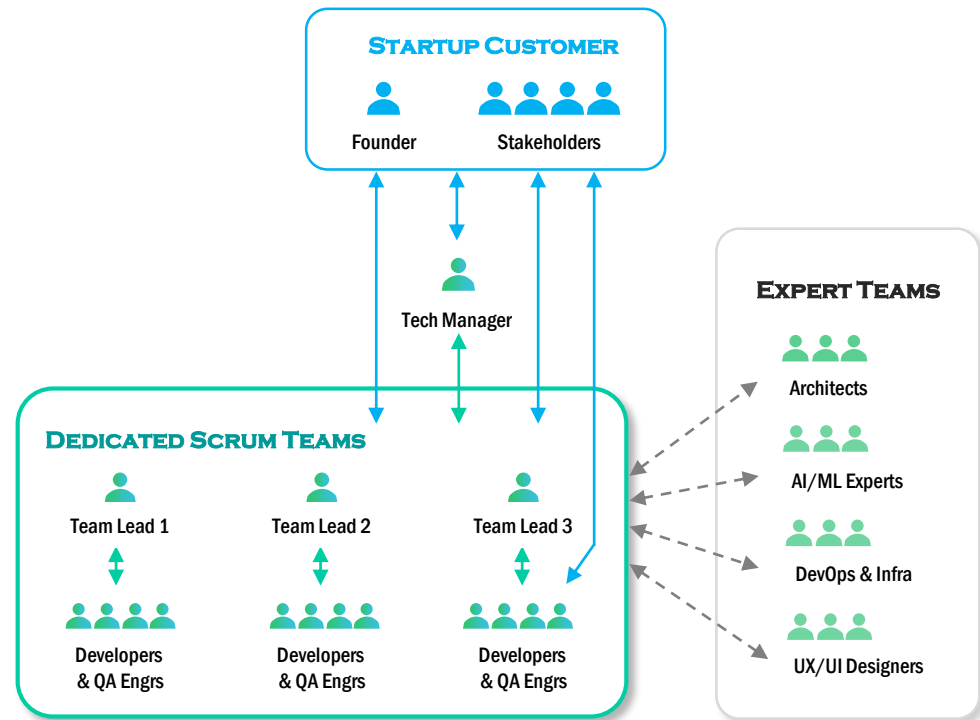
Align completely to the needs of the customer. Understand what's needed without much documentation, take small decisions on their own, and suggest better and newer ways of doing things.

## Expert Teams

Full-fledged specialists in their areas of work. Provide their extensive expertise as and when needed to solve complex problems.

## Tech Leaders

Bring the wisdom of handling minimum of 10 Startup product development cycles. Guide others on what works while solving technology challenges.



08

# The Final Words

Choose Wisely



A business needs to scrutinize its goals and capabilities well before choosing the right RPD partner. An RPD partner having experience of working with multiple startups can get you the right combination of people, processes and values. Here are some points for consideration-



Look at the products they have developed, the impact they have created and the relationships they have fostered.



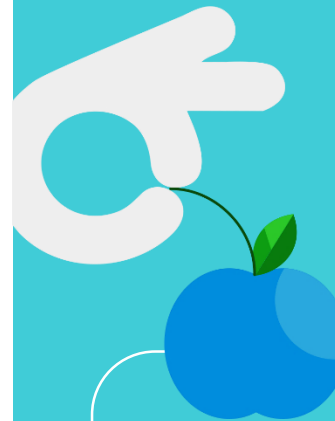
Your assessment should be based on experience, talent & tech capabilities, the model of operation, and existing clientele & customer experience.



If your requirements are complex and will evolve over time, go for the 'time and material' model with an offshore development partner.



While picking the right RPD partner, it is vital to perform three steps - trial run, get a PoC and interview of key stakeholders. While doing the price comparison, avoid falling for the 'low price' gimmicks by various tech vendors.



For Startups, experienced remote product development teams are a necessity. A one-stop partner for all your engineering needs would be the best bet to invest in from a time and cost perspective. They can not only guide you in the right direction but help you *tread the path of success*.



# Connect with us


And Discover New Possibilities

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