

# MAGIC MATRIX OF SOFTWARE SERVICE PROVIDER INTEGRATION

How to Define a Good Service Provider  
Integration Strategy

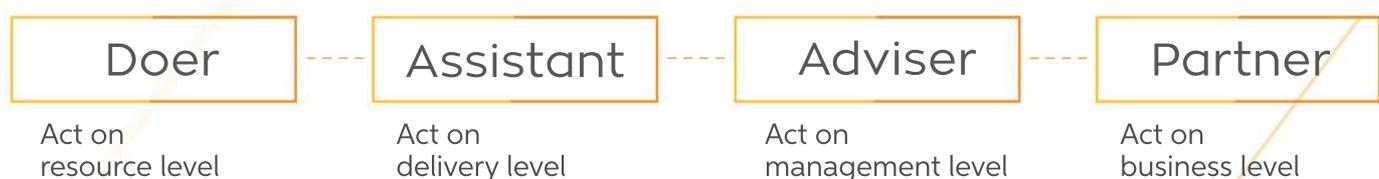
Whenever launching a new software project, one of the first decisions every executive has to make is to choose the right software service provider and define integration strategy of the provider with in-house operations. This is always a difficult decision coupled with multiple challenges.

In this paper we go over the primary criteria executives should consider when defining the level of service provider integration to the project and business. The paper is to serve companies evaluating software development services, executives striving to standardize provider collaboration processes, and project teams engaged in the service provider selection.

## Four Types of Service Providers

When you start developing an ideal integration strategy, do not rush into provider assessments. Take your time and think of the kind of software service provider you need. In what role would the service provider act?

For the purpose of integration into a software development initiative providers can be divided into four common types: **Doer**, **Assistant**, **Adviser**, and **Partner**.



## What kind of partnership do you need?

Each type of software service providers offers a different level of integration. Therefore, before choosing the best one for your project and business, ask yourself these questions:

- \* Do you need a software service provider to possess domain knowledge?
- \* To what extent do you want the provider to be involved in your business?
- \* Do you need the software service provider team to be involved in the decision-making process?
- \* Do you need a custom development strategy or want the team to recommend and follow the industry proven frameworks?
- \* Do you want the provider team to align with a task backlog or work as per your requests?
- \* Do you need a dedicated QA team on the project?
- \* Do you need a production support team?
- \* What level of team engagement into product management do you prefer?

With the answers in your mind, start creating the integration matrix. Using the questions above as the main points of your matrix, start adding your requirements going upwards from the minimum to the maximum. The more sophisticated your requirements are, the deeper integration you need.

# Service Provider Integration Matrix

Integration Level	Doer	Assistant	Adviser	Partner
<b>Domain knowledge</b>	The team has limited domain knowledge	Decent domain knowledge for effective task implementation	Provider's team has advanced domain knowledge to make tech propositions	Comprehensive knowledge allowing the provider to consult the client
<b>Provider engagement into the decision-making process</b>	Provider does not participate in the business analysis (BA) process	Provider makes tech propositions and submits them for client approval	Provider team is involved in the BA phase to propose technical solutions	Provider takes ownership of the BA and proposes technical solutions
<b>Project management</b>	No PM on provider side. Client manages the provider team	Provider manages part of the project and closely collaborates with the Project Manager/Product Owner on the client's side	Provider manages the entire project, sometimes including management of the client's team	
<b>Development of client processes</b>	Provider works as per client requests with or without defined processes	Provider makes process improvement recommendations and follows the client's development practices	Provider runs the client's process improvement and follows the iterative development cycle	Provider is strongly involved in the client's process development. Processes are based on an agreed framework which best suits the client. Constant process monitoring and improvement is in place
<b>Worklog planning</b>	No backlog, task per task interaction	Client creates the backlog and defines task priorities	Provider's team creates backlog and advises priorities	Provider's Project Manager/Product Owner speaks on behalf of the client and defines priorities
<b>Testing activities</b>	No dedicated QA on the provider's side. Developers test their own code or testing is done on the Client's side	Provider runs functional testing only	QA team works based on existing policies and frameworks Team may include automation testers along with functional ones on both sides	Provider owns the entire quality control and quality assurance processes Accent on automated testing

Integration Level	Doer	Assistant	Adviser	Partner
<b>Production support</b>	Provider's team works on bug fixes as part of regular tasks and without much context	Provider runs general support issues in the context of production impact	Provider closely collaborates with client support managers on prioritization and business impact	Provider closely collaborates with support managers and provides the first/second line of support
<b>Product management</b>	Tasks are issued directly by the client	Provider manages the project according to the predefined set of requirements		Provider participates or fully covers product management/ becomes product owner

As soon as you define the desired level of service provider integration, your next step is to choose a certain contract type and business model.

## Contract Types and Business Models

	Doer	Assistant	Adviser	Partner
<b>Contract type</b>	Time&Material	Time&Material/ Offshore dedicated team	Offshore dedicated team	Remote In-Sourcing / Output-based
<b>Commitment type</b>	Requirement specifications (team works as per client's requests only)	Staffing contract (service provider ramps up a dedicated team)	Service level agreement	Service level agreement
<b>Pricing type</b>	Per hour	Per hour	Per head	Unit/ Output-based
<b>Provider team structure</b>	Offshore team only	Offshore team + Offshore PM	Offshore team + Offshore PM + frequent visits	Offshore team + Onsite manager
<b>Communication type</b>	IMs, emails, calls	Doer level plus: regular conference calls with the client; provider's PM business trips for personal communication; knowledge transfers	Assistant level plus: regular personal communication; business trips of provider and client stakeholders	Adviser level plus: provider's full time on-site representative, participation in client's top management meetings

## Conclusion

Choosing the right service provider is not an easy task. Before searching for a suitable candidate take your time to decide in what role you see the service provider and then define the evaluation criteria. This helps you understand to what extent the provider should be involved in your decision-making processes, product strategy and overall business and to create an effective integration strategy and product success.

## About Intetics

Intetics is a leading global technology company focused on creation and operation of distributed professional teams for custom software development, software testing, systems integration, and data processing. Intetics is the pioneer of Offshore Dedicated Teams and the inventor of Remote In-Sourcing, which allows clients to create their ideal IT teams most efficiently. Intetics has broad industry experience, deep software engineering expertise, an outstanding quality management platform and an unparalleled methodology for talent recruitment, team building and talent retention that guarantee that clients receive exceptional results for their software applications and data processing projects. At Intetics, our outcomes do not just meet clients' expectations, they have been exceeding them for our two decades in business.

Intetics is ISO 9001 (quality) and ISO 27001 (security) certified and Microsoft and Oracle Gold Partner. The company's innovation and growth achievements are reflected in winning prestigious Inc 5000, Software 500, Chicago Innovation, CRN 100, Deloitte Technology Fast 50, European IT Excellence and Best European BPO awards, and inclusion into Top 100 Global Service Providers and Top 100 Outsourcing Companies lists.