



THE 2013 OUTSOURCING WORLD SUMMIT

JW Marriott Phoenix Desert Ridge | Phoenix, Arizona

February 18-20, 2013



Software Engineering – Without Borders or Boundaries - by SugarCRM and Intetics

Oleg Ridchenko, VP Service Delivery, Intetics Co.

Zac Sprackett, Director of Operations at SugarCRM Inc.

www.IAOP.org





A case study of building a successful remote team in Eastern Europe

- The selection steps and criteria to select the vendor
- Main challenges that we faced during operations setup and the steps which were taken to address them
- Setting communication in distributed teams
- A team member retention strategy set up to minimize the attrition
- Team building dynamics and main achievements of the engagement

Software Engineering without Borders or Boundaries



Fastest Growing CRM

Business

Leading provider of Open Source CRM Software
Founded April 2004 in Cupertino, California
400+ Employees
IBM Global Alliance Partner

Market Traction

Award winning products
3rd largest global CRM Provider by seats (Forrester)
1M+ users, 80,000+ organizations
435+ partners on six continents

Fastest Growing CRM Vendor

67% billings growth 2011 over 2010
73% billings growth 1H 2012 over 1H 2011
> 11 Million downloads
2,500+ new customers in 80 countries



Leader: 2010, 2011, 2012





Taking the Decision to Build Remote Team

- By 2011 significant customer's growth required rapid development power increase
- Shortage of IT resources on US and EU labor market limited the growth



- Decision to build a remote extension of current team: 30-60 engineers
- Location: Central or Eastern Europe
- Reasons:
 - Good cultural proximity
 - Availability of highly-skilled engineers
 - Cost Efficiency

Selection Process

- Evaluated several vendors from Eastern Europe:
Bulgaria, Belarus, Ukraine
- Main selection criteria:

- Size and capacity for rapid team growth
- Maturity of the processes within the company
- Expertise in building IT teams, references
- Suitable business model
- Legal framework
- Costs





Selection Process: Results

- Intetics Co. was selected as a partner for building the remote team
- Size and capacity for rapid team growth 400+ Employees in EE
- Maturity of the processes within the company ISO 9001, 27001, SCRUM
- Expertise in building IT teams, references 16+ years of expertise
- Suitable business model Offshore Dedicated Team
- Legal framework Headquarter in the US
- Costs Eastern-European Rates



How We Started

- Assigned a dedicated on-site project manager who spent 50-100% of time to the remote team
- Set up the infrastructure for remote collaboration: version control, issue tracking, document management and planning systems
- Started building the remote team from senior engineers
- Interviewed every candidate who was pre-screened by Intetics to make sure candidates met the requirements
- During first 3 months organized visits of on-site PM to Intetics
- During next 3 months key engineers from the remote team visited SugarCRM head office

Challenges

- Cultural differences – good cultural proximity, but still...
 - most engineers have critical thinking mind set
 - make sure the team realizes and shares your business values
 - make sure the team associates itself with your Company
 - presenting achievements and results of work is sometimes difficult
- Language Barrier
 - Everyone in the team can read and write English
 - All senior engineers (those who communicate with US colleagues) have spoken English
- Travel
 - need to plan business trips in advance, visa preparation take 1-4 weeks'



Challenges

■ Time zone difference

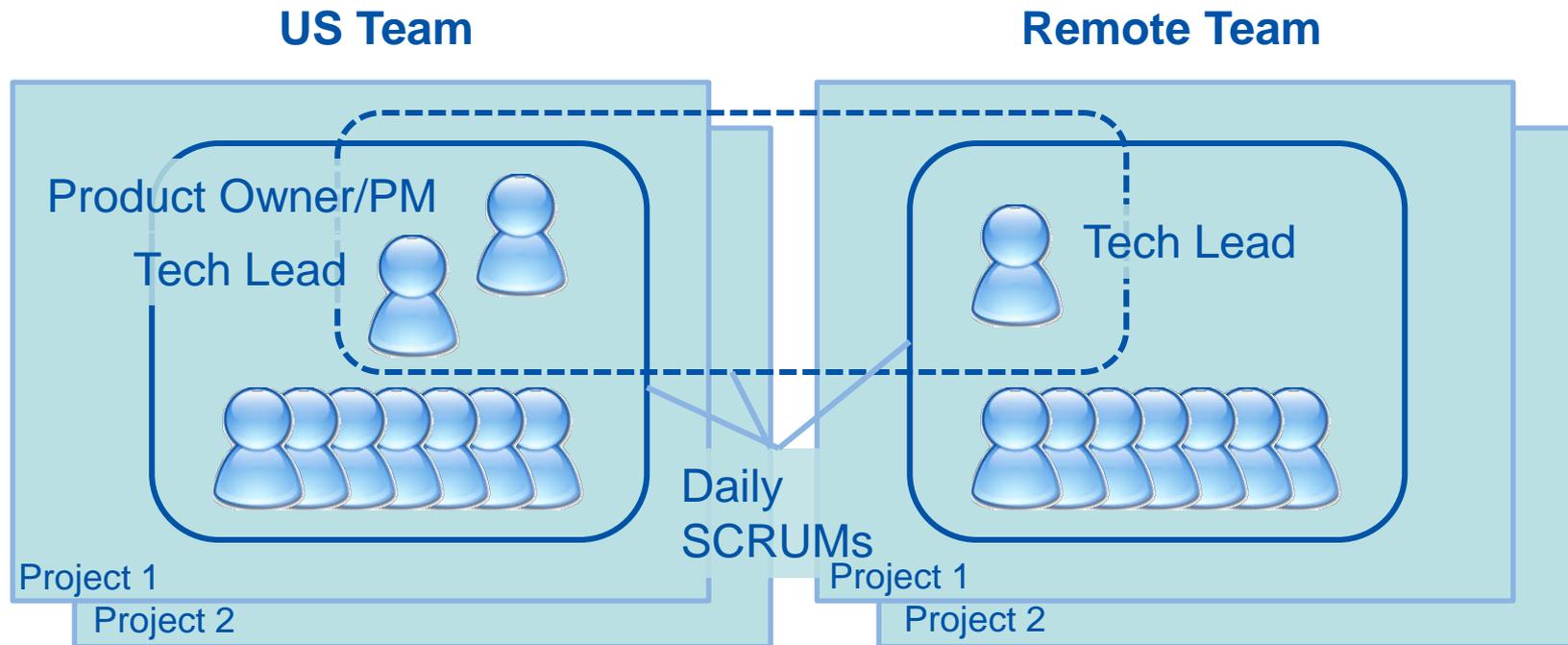
- 10-11 hours' difference leaves a narrow window to communicate on-line
- Set up regular 30-minute phone calls
- Set up and use efficient online collaboration and planning tools

■ Engineers seniority level alignment

- average developer age is younger than in the US. They usually have same tech qualification, but less communication and management experience
- need to make sure the engineers see perspectives for their career growth to keep retention on a good level

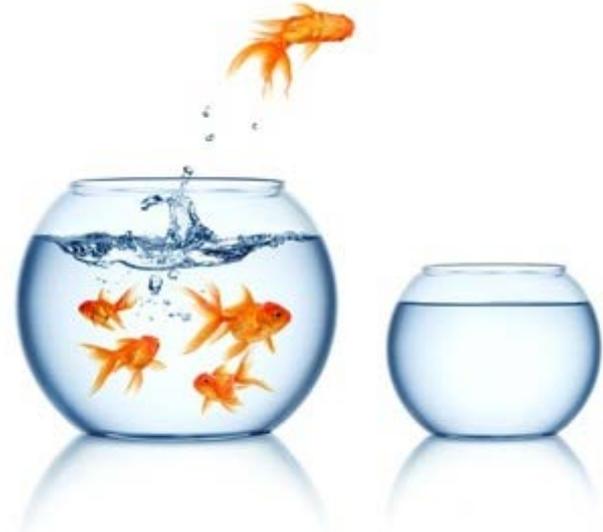
Setting Communication in Large Distributed Teams

■ Adapt SCRUM



Common Retention Strategy

- Attrition – one of the most important factors in remote collaboration
- Engineers find boring certain activities of enterprise software development
- We need to set clear career growth perspectives for remote team members and develop them in directions corresponding to our business goals

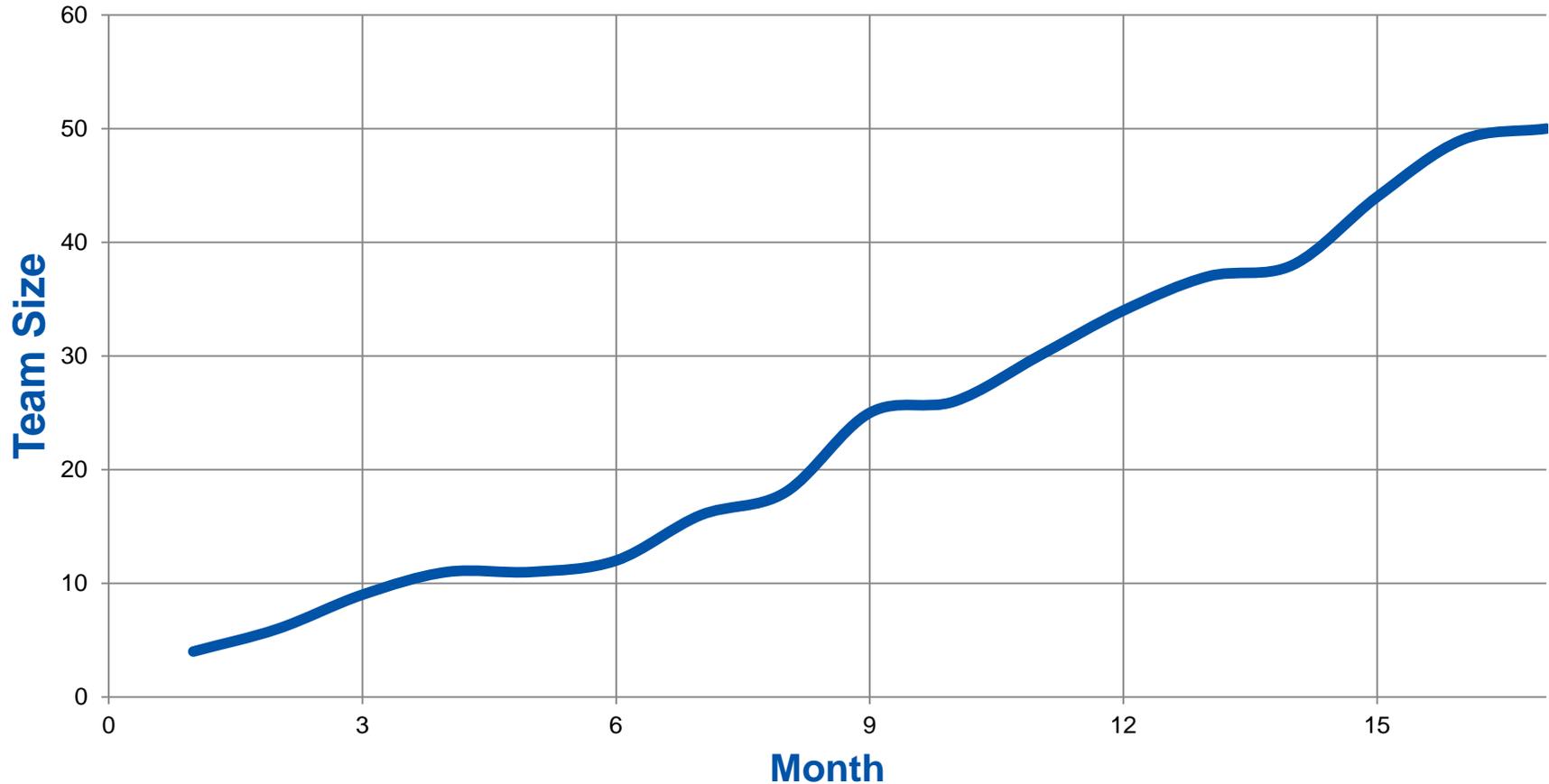


Personal Development Program

- Developed a common Personal Development Program based on Intetics attestation schema
- Formal assessments of engineers on 11 competences



Team Dynamics and Achievements





Team Dynamics and Achievements

- Fully-operational initial team built in 4 weeks
- Excellent engineering skills
- Excellent motivation
- Fast hiring capabilities – 2-4 weeks to bring the new engineer to the team
- Efficient knowledge transfer – about 4 weeks to get the new engineer to operational speed
- Minimal team setup costs (knowledge transfer time mainly)
- Significant costs savings

Thank You!

Zac Sprckett
Director of Operations
SugarCRM Inc.

Oleg Ridchenko
VP Service Delivery
Intetics Co.