

Top Reasons Why Startups Should Outsource Web Development

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Since technology offers new opportunities for business growth, large companies are eager to invest in promising startups. Now it is the forward-thinking individuals who drive innovation. However, limited funding remains a challenge for beginners. Where can you look for reliable developers? What is IT outsourcing and what pros and cons does it have? We've got the answers!

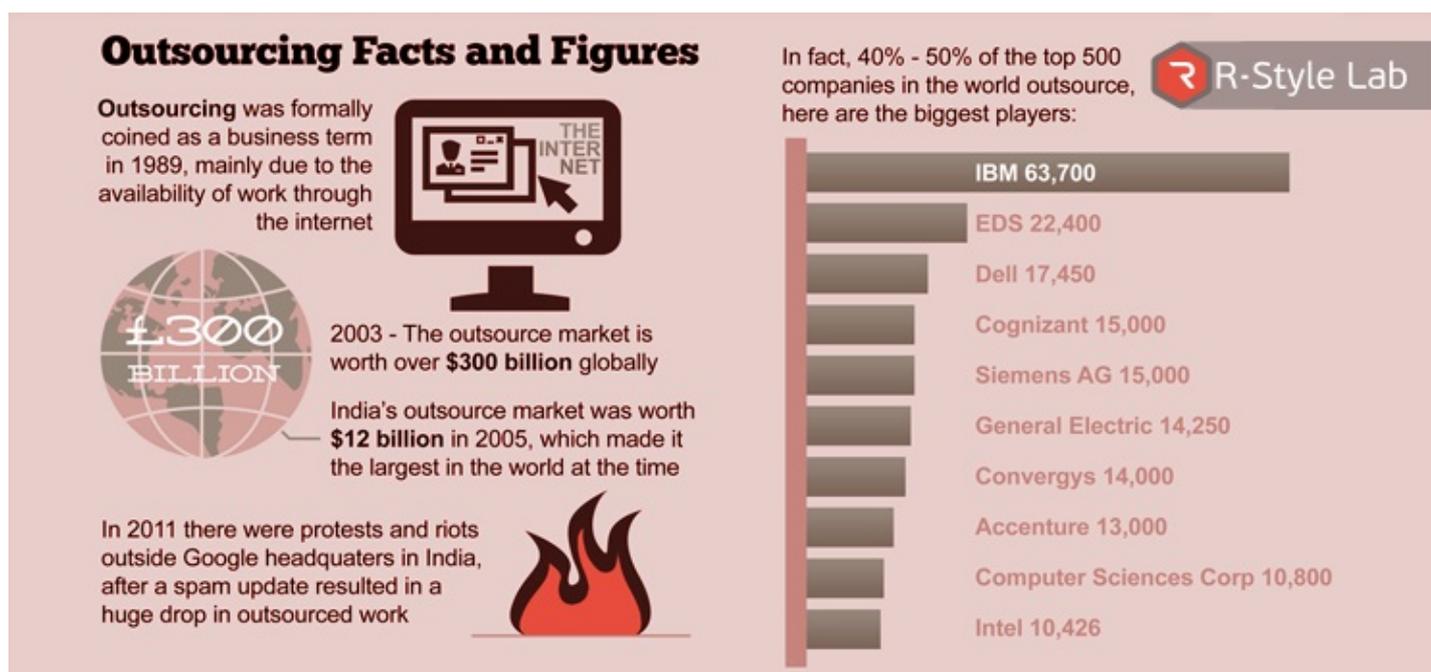
Why outsource website and app development?

Starting a new business is always hit-or-miss. The lack of funding and expertise may result in underwhelming product sales and eventual bankruptcy. It also takes a lot of time to build an in-house team of professionals dedicated to your enterprise.

In June Entrepreneur [published](#) a list of 25 startups that thrived on outsourcing. Businessmen tend to assign a great share of their responsibilities to third-party companies that specialize in marketing, finance or, in our case, web development.

Why and when do your startup needs outsourcing?

- You carry out software engineering projects once in a while (but it's not your major);
- Web development is not the only problem you have to address;
- Your employees lack computing and management skills;
- Your country is considered high-cost (so you have to go offshore to cut expenses and increase revenue);
- Your business needs an on-and-off development team to handle seasonal projects.



IT outsourcing: pros and cons of third-party web development

Here are the benefits of web outsourcing:

- You can optimize capital expenditures and labor costs. Outsourcing turns permanent costs into variable ones. Once the product – an application or a complete website – is finished, you can move on from your outsourcing partner;
- You can devote more time to your core activities. Brian O'Malley, a venture capitalist from Accel, is [pretty sure](#): businessmen can either do everything on their own and never really succeed in any of their tasks, or focus on the crucial aspects like planning and innovation;
- You'll be given a competitive advantage over your fellow entrepreneurs. Companies with great expertise in outsourcing ([website and custom application development](#) in particular) know the trends and will help you create a user-friendly interface and professional layout to meet the standards of your industry;
- You can eliminate risks and get high-quality results (as long as you manage to find good developers for your startup; [this](#) is what may happen if you're unlucky).
- However, there several pitfalls you have to avoid (and overcome!) while working with outsourcing companies:
 - Disclosure of confidential information. Your intellectual property (IP) falls into three major categories (design, trade secrets and copyright) and may be presented in various forms (like graphics and codes). In order to protect your data, you have to identify the IP, look for a reliable developer and sign NDA (non-disclosure agreement) – a standard document every respectful outsourcing company offers to protect your intellectual property (beware of companies that don't offer/refuse to sign NDA);
 - Failure to meet deadlines and provide a decent-quality product. Sometimes it is difficult to monitor your outsourcing partner's performance, that's why you should choose a vendor experienced in distant cooperation. Also, consider the benefits of a dedicated team (a group of developers and managers who study your case and devote entire time to your project). Having chosen this model of partnership, you will gain more control of the development process;
 - Unexpected costs. In outsourcing there is a certain risk of additional charges which may occur if you want to add or change something in the project after you've signed a contract. Actually, there is nothing you cannot cope with via risk management and with the right pricing model. There are two to choose from – ["fixed price"](#) or ["time and material"](#). A fixed price contract specifies payment for the whole project regardless of time spent on its realization. Time-and-material contracts, on the contrary, allow you to make changes to the project since you pay for the employees' time. A reliable vendor will surely assist you in choosing the right model taking into account all peculiarities of your business and your project;
 - Cultural differences. Such benefits of outsourcing as lower rates and partial employment may turn into disadvantages, since there is always a certain cultural gap between you and your partner since you come from different countries and backgrounds. Effective communication depends on such factors as traditions, religion and traits of character predetermined by your partner's mentality. According to Geert Hofstede, culture is nothing but the collective mental programming of human beings, and it's culture that makes us different. In order to compare your own values to those of your foreign employee, you can visit the Hofstede Centre [website](#). We also recommend that you choose a vendor with a headquarters in the USA or Europe to eliminate the chances of miscommunication.

Where can you find developers for startup companies?

There are numerous online platforms that generate data on the world's leading software vendors. Some of these websites charge outsourcing companies for their services, and it basically means that such ratings are biased.

The independent platforms like [Clutch.co](#) also provide paid services; however, their ratings mostly depend on customer feedback, business reputation and the quality of service. Clutch delivers data on top outsourcing companies from all over the world. The classification is based on the region and the type of services provided (web development, mobile development, etc.).

When you outsource web and application development, costs may vary. Countries like India and Philippines offer development services at a minimum price. However, the quality of coding in these countries leaves much to be

desired.

If you're aiming at the price-quality balance, you should consider the countries of Eastern Europe and Baltic region (Belarus, Bulgaria, Poland, Latvia, etc.). Developers from these countries are considered the most experienced and skilful in the world according to [Venture Beat](#) and [StackOverflow](#).

How to choose the very best?

- Choose several outsourcing companies and compare them keeping in mind all the advice mentioned above, as well as your own quality criteria;
- Visit their websites to get an overall impression (pay attention to the content, web design, list of completed projects and clients' testimonials). A company with numerous UI and UX issues will hardly be of any help, as well as a company with no or little experience;
- Contact the managers via email or Skype. Evaluate the quality of communication (response time, accuracy of English, willingness to help);
- Make sure your potential partners are deadline-sensitive;
- After all this done you'll probably have some decision in mind!

Outsourcing has become a major trend in web development. Enterprises no longer build in-house teams; instead, they [tend to establish](#) long-term partnership with foreign companies. And your startup can surely ride a wave of outsource popularity.