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Solutions for the Real World

PDSA Special Report

Good Programming Isn't Cheap

"You Get What You Pay For"

Yes, we know it is cliché', but it is still very true! We have seen it over and over again in our many years of business. Someone tried to save money by going offshore, or by hiring the lowest cost consultant they could find to help them solve their business and/or software problems. They then end up spending more money in the long run. When that "Low Cost" consultant fails to solve the problem, the company has not only wasted their money paying these people, but they have also wasted precious time of their internal people. In addition, they may have lost the business opportunity they were going after.

Cheap Labor can be Found Offshore, but it will Cost You

There are many problems with hiring offshore consulting/development teams. One of the biggest problems is that no matter how brilliant they are in developing software, they simply do not understand how American companies work. This is not any fault of the offshore company. It would be the same if someone from Russia or India hired you to help them with one of their business problems. You just don't understand the culture in that company or that country and, thus, you will make mistakes. Mistakes are costly no matter how you look at it.

Then, there is the ever-present language barrier, the time differences and the inability to meet face-to-face with the person who will be helping you. Can you tell if that person has 5 years of experience or 20 years of experience over the phone? Not likely. But if you meet with someone in person, you will most likely be able to tell very quickly.

Consider the Total Cost when Hiring Consultants

When attempting to solve a business problem, first consult with someone who understands American business and can translate those business problems into a solution. You need good specifications (a written document describing the problem) and a prototype that clearly and succinctly shows you the intended behavior of the solution before you start creating the final application. To create the right specifications and prototype takes someone with a lot of business and technical expertise. You must hire the best person/company for this critical part of the job.

You are not going to get a good specification and prototype by hiring a low cost consultant with only a few years of experience under their belt. If you were building your own custom house, wouldn't you want to hire the architect with the most experience for the kind of house you want? And also wouldn't you want the foundation contractor to be the best in the business? After all, if the foundation is faulty, the building will fall and your maintenance costs will rise. You are only going to get top notch solutions by finding a well-respected, experienced person. This respect and experience may appear to be more expensive, but nothing is more expensive than a failed application or long and laborious overruns.

What to Look For in a Consultant

How do you find an experienced consultant? Here is a short list of some of the things you should look for:

1. **References:** They should be able to provide you with at least three references. Be sure to call and follow up on these references.
2. **Credentials:** Look for someone that has been published in magazines, books or other periodicals. Also check to see if they have any affiliation with the company in which whose tools they will use to create your project.
3. **Years:** They should have at least 15 years-experience in their industry. These types of consultants will have enough experience to get your job done.
4. **Solid Company:** They should work for a company that has been around for more than 10 years. Anything less and you run the risk of that company not being around for your whole project.
5. **Network:** They should have a good network of partners that they can call in for other areas that may affect your project. For example, if you are building a computer program, make sure they have a networking specialist to help ensure your network can support the program.

Good Labor Is Worth Every Penny

When looking at the cost of labor, you need to take into account more than just the hourly rate. For example, you need to look at how long the job will take. If you hire a low-cost consultant, you need to consider why that consultant is low cost. It is most likely because

they do not have much experience. This will translate into more time to accomplish the job, which means it will cost you more. Assume that you hire an entry-level consultant at \$50 per hour, but it takes them two or three times as long to accomplish the job compared to someone with more experience that you hire for \$100 per hour. You are better off hiring the \$100 per hour person because they will accomplish the job in a lot less time, and with greater accuracy. Hiring this person will get you a faster return on your investment and infinitely fewer headaches and fewer issues when maintaining your application.

Another cost you need to take into account is how much time you need to spend with the consultant. A consultant with less experience will need to spend more time with you and your team. If this is the case, then you need to assign an hourly cost to your time (and your people's time) and add that to the hourly rate of the consultant. Again, if you spend more time with the cheaper consultant, this will eventually cost you more than hiring the higher paid consultant, because they will be able to grasp problems quicker and offer solutions based on their wider array of experience. Thus, you save time and money.

There is a Right Way to use Offshore Resources

OK, so you still think offshore resources will save money on your project... Well, you can still utilize offshore resources, but only after you have thoroughly completed the design phase of your project. Just think of clothing companies or electronic manufacturers who have successfully used offshore resources. They only use offshore when the design work is completed here in America, then shipping the patterns or blueprints over to cheaper labor across the sea. If you can find a company that will help you do the design using experienced business analysts and then can ship work offshore, you might consider that option. However, if you can afford it, it is just best to keep the project here. The American programmers working on your project understand American business and will get the job done for not much more (and in the long run, cheaper) than their offshore counterparts.

Summary

While you can always find cheap labor, you need to look at the total costs involved with that labor. You will often find that the consultant with the higher hourly rate will ultimately save you money in the long run. At PDSA we employ only consultants that have many years of experience. We always use our most experienced consultants to lead your

projects. In fact, each of our senior consultants have more than 15 years of experience in business and computer consulting. If you need help saving money on a large project, please call us to discuss how we can help you.

Contact Information

If you would like to know more about the information in this special report, please contact either Paul D. Sheriff or Michael Krasowski at PDSA.

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