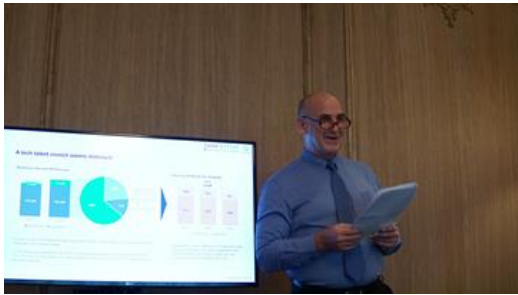


Custom Offshore Software Development: Why it's Needed and How to Make it Work

On 16th May 2019 [Reciprocus](#) and [Axon Active](#) hosted an afternoon talk to address some of the emerging concerns of the tech and broader business community in Singapore.



David Emery, Founder and Chairman of Reciprocus, opened the floor, sharing how the thriving start-up ecosystem along with the digital transformation of traditional enterprises and government investment into R&D positioned the Lion City as a global innovation hub, but also led to the explosion in demand for tech talent. Key takeaways:

- **14% increase in demand for technologists** within a three-year period – from 202,600 in 2017 to 231,100 in 2020
- **9% decrease in supply of home-grown talent** in a three-year period – from 4,479 graduates in 2015 to 4,066 in 2017
- An estimation of **41,700 of technology roles to be unfilled in 2020**

Source: IMDA, Infocomm Media Manpower survey (2018)



In this context, overcoming tech skill shortages naturally emerges as a top priority for business owners and managers, especially as labour market regulations in Singapore are tightening and technologists are increasingly commanding higher salaries.

Markus Baur, CEO of Axon Active, then presented how these challenges can be effectively addressed with custom offshore software development:

Here are key insights, shared by Markus, on how to make offshoring work, based on 10 years of operating the Swiss-owned centre out of three locations in Vietnam:

- **Lack of resources is the number one reason for companies going offshore**, followed by missing knowledge. Reducing costs only comes in third.
- **Going offshore has to be a strategic choice**, executed on a long-term plan as opposed to a quick fix. Offshoring partners need to be carefully evaluated.
- **Companies need to consider the right offshore model** – project-based vs. dedicated team. The major advantage of having a dedicated team is that resources are committed to the client long-term and offshore staff can establish a close relationship with the onshore team, effectively becoming part of it.

So, does offshoring work in practice?



Yes. Attendees had the opportunity to hear from guest speaker Patrick Meier, CIO of CRIF, who is based in Switzerland and has been partnering with Axon Active for nearly 10 years. From a client perspective, the main advantages of custom offshore development delivered by dedicated teams are:

- **Increased productivity and fast product releases** – potentially shippable product increments delivered on 2 to 4-week iterations. Time difference can aid productivity.
- **Scalability and flexibility** – you can start small with one scrum team of 5 members and subsequently scale up to larger groups with Scrum of Scrums as and when needed, maintaining the same level of agility and efficiency as in small teams.
- **Continuity of knowledge** – often the case in the past, CRIF never lost knowledge by losing a team member once they started partnering with Axon Active's scrum offshore teams. Oftentimes, offshore team members also actively feed knowledge of emerging technologies into the onshore organization.

The talk was followed by a networking sessions with the presence of representatives from various organizations such as Aimia, Mobility X, Elixir Technology, PSideo, SOFGEN, BizInsights, the New Luncher.



If you would like to receive the full presentations from the event, or have any questions, please get in touch with enrica@recipocus.com