

Company C4

Infinite tiers

[Demographic Data]

C4 is a medium size company that is specialized in different aspects of software engineering such as web development, quality assurance and system administration. About 99% of their work are for international companies and very limited work for local clients.

We followed a focus group interviews to answer our research questions. A focus group interview was conducted with three employees in the company; technical manager, quality assurance manager and one of the senior software engineers.

Number of employees: 140 employees.

Clients location: very big names in United states and Europe.

RQ 1: How Palestinian IT sector perform outsourcing in terms of detailed business model? And what are the factors that foster outsourcing from vendors' perspective?

1. What's your view of the status of software development outsourcing in the Palestinian IT sector?

IT sector in Palestine is a thriving sector. Software outsourcing is a vital driver for this IT sector.

2. How do you evaluate the importance of Palestinian software companies as service providers?

- Palestinian companies deliver excellent quality that keeps clients satisfied.
- Palestinian companies are committed to the success.
- Palestinian IT sector just looking for getting success.
- Price is one of the factor but is higher than other developing countries.
- Generally speaking the good quality is the main factor.
- Quality of Palestinian companies compete the quality of international companies.
- Palestinian IT sector has a good competitive force. Palestinian are seeking success and put good efforts sustaining their customer needs and requirements.

3. What are the business drivers that contribute in considering Palestinian software companies as one of the software outsourcing vendors in the region and worldwide?

- High demand around the world.
- High quality of delivered services.

4. What do you think your software company should do to improve the process of software development outsourcing?
 - Expand the type of provided services.
 - Build a strong profile by improving the quality of our work.
5. How success is measured in your software organization, and what are the factors and key elements you consider to classify the software project as a success one?
 - Meeting the deadline.
 - Clients received their works with high quality.
 - Client satisfaction.
 - For continuous work, the clients increase the number of hiring in our team.
6. What are the main factors that prevent and discourage software outsourcing in the Palestinian IT sector?

The small population and hence IT communities size prevents Palestine from being a global IT outsourcing competitor compared to developing countries like India and China

7. What are the main risks associated with software development outsourcing in Palestinian IT sector from vendors' perspective?

Lack of experience in the market

8. What are the strategies your software company follows to mitigate the risks of software outsourcing?
 - Building strong profiles with customers they are working for.
 - Having an organized stream of work to avoid shortage of work between our employees.
 - Having a good relationship with our local universities, to bridge the gap between the academy and industry so we can confidently hire and rely on our fresh graduates faster and smoother.
 - Training fresh graduates in our company to reach for the best who can fit in our company.

RQ 2: To what extent geographical barriers influence outsourcing in the IT sector in Palestine?

1. What are the barriers within your software outsourcing company that have a negative impact on clients?
 - Different time zones is one of the main challenges.
 - Trust issues at the beginning of the work.

2. How does geographical distance affects decisions and activities of software outsourcing?
 - Geographical distance by itself may not have a big advantage to the client. This is due to the communication technologies.
 - It is not a priority for the client to see and contact the developers face to face.
3. To what extent geographical distance is considered as a key factor in the success or the failure of a Palestinian outsourcing project?

Quality

price

Geographical location less priority.

RQ 3: How cost reduction is considered as a key factor that influences the outsourcing investment in the Palestinian IT sector?

1. To what extent does cost reduction affect the client's' decision to outsource software projects to Palestinian IT companies?
 - At the beginning of the project it is a critical key to attract clients to work with them.
 - Palestinian companies pressing themselves to succeed and win the client's trust, so they can increase the cost during the work.
 - if we help our client and reduce the cost of services without affect quality, our client will become more willing to keep the good quality of the released products and increase the cost. This usually translates into benefits and expansion on the client side.
2. How an IT Outsourcing contract relates to cost reduction as well as to the client's' goal of revenue increase?
 - Cost reduction encourage clients to work with them.
 - So this will increase the client profits.