

Company C1

[Demographic Data]

C1 is a local Palestinian company that specialized in outsourcing services. It provides a wide range of hardware and software development services for both local and international clients. The majority of their work is for international clients who are located in United States, France, Israel and Taiwan.

A face to face interview was conducted with a design verification manager to answer our research questions.

Clients location: United States, France, Israel and Taiwan.

Number of employees: 300 employee.

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?

Software outsourcing is an important driver for Palestinian IT sector.

2. How do you evaluate the importance of Palestinian software companies as service providers?
 - Palestinian IT companies compete with their quality more than cost.
 - Palestine is considered as a good option for clients who located in a closer geographical location due to similar time zone and availability for face to face meetings.
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 on software outsourcing services around the world give the client the ability to reach to the Palestinian outsourcing companies. On the other hand, client companies always have the choice to drop the Palestinian's outsourcing.

4. What do you think your software company should do to improve the process of software development outsourcing?

Expanding 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?

There are two models to measure the success:

- One time software outsourcing scheme: client gives their requirements then the vendor provides the software product that meets these requirements on time with high quality and with a predefined fixed cost.
 - Continuous software outsourcing scheme: some clients consider our employees as part of their teams. When we meet the clients' expectations, this usually get translated to an increase of hiring in our team.
6. What are the main factors that prevent and discourage software outsourcing in the Palestinian IT sector?
 - The lack of experience in the market.
 7. What are the main risks associated with software development outsourcing in Palestinian IT sector from vendors' perspective?
 - Political issues.
 - High cost of services.
 8. What are the strategies your software company follows to mitigate the risks of software outsourcing?
 - Building strong profiles with the customers we are working for.
 - 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.

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 an negative impact on clients?
Different time zones.
2. How does geographical distance affects decisions and activities of software outsourcing?
 - Some clients still chose our company because they prefer to work with vendors whom are geographical close to them.
 - Another important point I want to mention here that I was part of geographically distributed team with different time zones. We all worked continuously around the clock without interruption. This reflected positively on the client that he was able to acquire the desired software project in a shorter period of time.

3. To what extent geographical distance is considered as a key factor in the success or the failure of a Palestinian outsourcing project?
 - Geographical location is the third factor after quality and price.
 - One: quality
 - Two: cost
 - Three: geographical location.

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, cost is a critical key to attract clients to work with us.
 - After working with the client and having a good experience in the working field, we build a strong profile with them.
 - Therefore, we can easily introduced a new cost with a good acceptance from 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 increase their work.