

Balancing Development and Support Through a Capability Service Model:

Outsource the headache
of skill demand peaks and valleys





Technology moves at a breakneck pace, but despite the fact we have long since entered the digital age, many companies still struggle to keep pace, especially when it comes to custom application development.

Research from Gartner predicts that market demand for application development will grow at least five times faster than IT's capacity to deliver through 2021.

Why? Modern IT teams are under immense pressure to balance competing priorities between “keeping the lights on” and innovating new applications that will keep their business competitive.

Adding to that challenge is the ongoing headache of navigating changes in skill demand throughout the lifecycle of application development and support. Building and delivering a portfolio of custom applications requires an ever-evolving, complex set of skills – skills that can be limited among an internal team already stretched beyond its capacity.

Custom applications promise to improve customer service and business efficiency. But if IT can't manage skill demand, the business cannot realize the full promise and potential of their custom application portfolio.

So how can businesses overcome the challenges associated with managing skill demand in application development and support?



The Allure and The Pitfalls of Going Solo

Utilizing in-house IT teams to build and maintain a portfolio of custom applications is an attractive prospect. It provides greater control over the process and existing team members have a deep understanding of the organization that informs both their process and the product.

However, relying solely on in-house teams comes with significant challenges, including:

Skill gaps

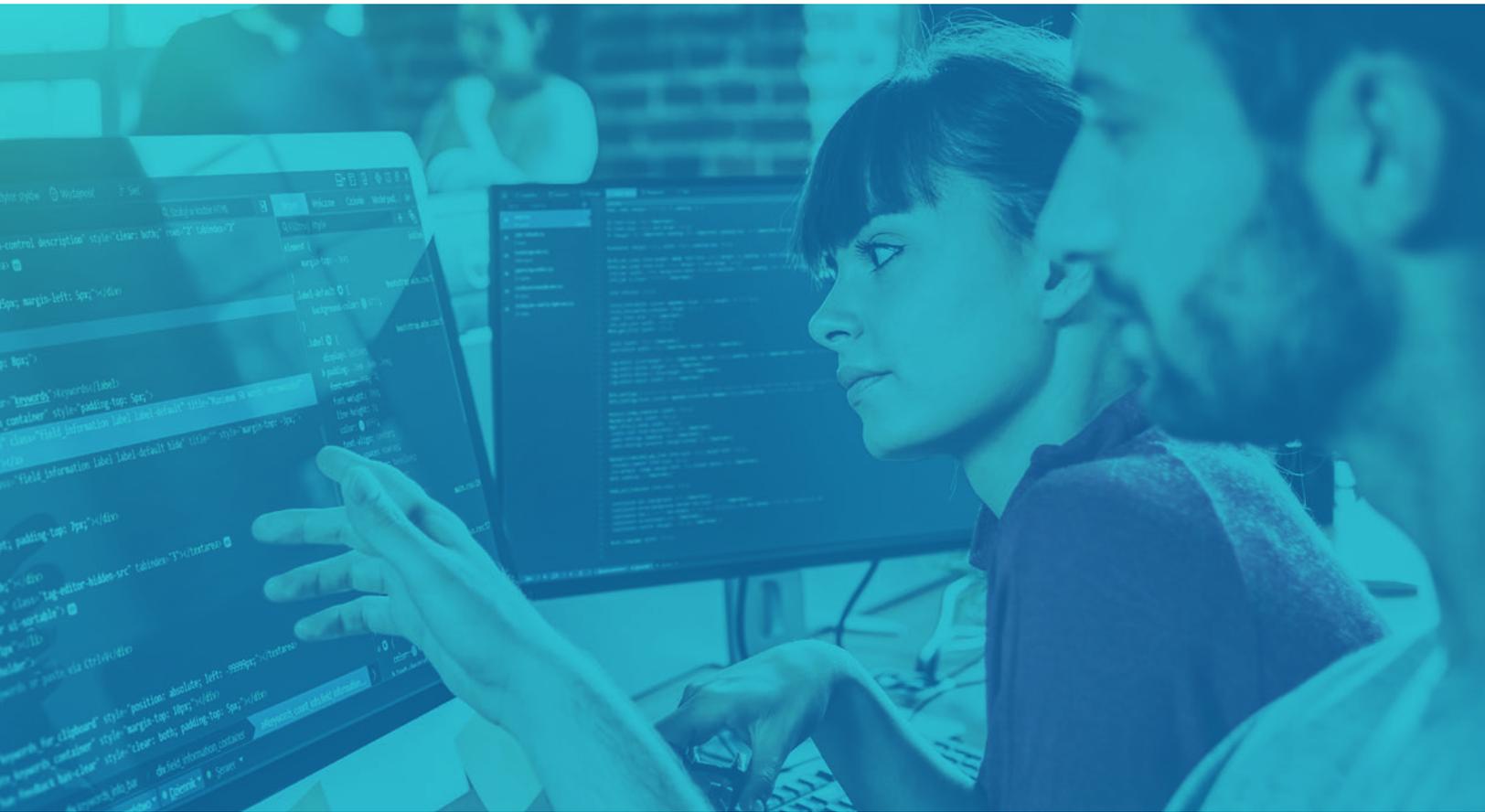
An internal IT staff has a finite set of skills, but developing and maintaining a portfolio of applications requires continually evolving skill sets. This is especially true if a custom application is to have mobile capability or must integrate with a system that has mobile capability. There is a well-documented skill gap in IT today, and the skill gap in the mobile space is even more difficult to overcome.

Prioritization

An-house teams have mission-critical goals and responsibilities outside of application development and maintenance. IT leaders often have to choose between keeping existing systems and applications running and innovating new applications that will keep the company competitive.

Infrastructure

Internal server, middleware, storage and other resources can limit the development process.



Agility limitations

Businesses struggle to respond to market shifts and to deliver innovations when they rely on internal staff for custom application development, maintenance and support.

Velocity

Given the limitations and challenges associated with saddling an internal team with custom application development, it is virtually impossible to achieve a competitive velocity in new application development.

Maintenance and support

A portfolio of custom applications are never “complete.” Support can comprise 80 to 90 percent of the total cost of ownership, but internal teams often cannot keep up. Poor support leads to poor user experience and failure of applications to deliver value.

The Benefits of Handing Over the Keys

Overcoming application development challenges in-house can be an insurmountable task, which makes outsourcing an attractive and effective solution. Outsourcing allows internal IT teams to focus on mission-critical tasks and strategic initiatives not related to application development and maintaining a competitive edge in the market.

The right partner can:

- Ensure the portfolio of applications is never plagued by a skill crisis.
- Respond quickly to the rapid pace of change.
- Deliver faster development and greater cost savings.
- Maintain applications and provide support to ensure functionality is maintained and value is delivered.



But who can be trusted to achieve these goals?

Big Names vs. Small Price Tags

There are endless application development consulting options in today's market and there are myriad factors to consider when weighing those options. Many companies are drawn to one of two choices: big-name consulting firms and offshore providers.

Big-box firms have a certain panache, and name-dropping large consulting firms can be a huge boost to the corporate ego. However, a big name doesn't always mean access to appropriate skills once the rubber hits the road.

The unfortunate reality is large consulting firms are not likely to staff a project with the best and brightest if the client lacks the deep pockets of a Fortune 100 company, which means skill demand can still be a challenge.

Offshoring solutions are attractive for businesses that want a smaller price tag, but that smaller price tag comes with an important asterisk. Depth and breadth of skills can be lacking among offshore teams. The wrong skill sets and poor skill demand management cause bottlenecks and rework, delaying release dates and increasing costs well above the bargain-basement contract price.

A Better Path to Value

In order to build and maintain a portfolio of custom applications that delivers value, adheres to timelines and controls costs, decision makers must look beyond big names and tiny price tags, focusing due diligence in key areas:

- Access to skills.
- Service delivery model

These key areas go hand in hand. Access to skills informs a provider's

service delivery model. It doesn't take a PhD to understand having a strong team that possesses the right skills at the right time ensures exceptional service at all phases of development, maintenance and support.

One word of caution: It is critical to avoid the pitfall of mistaking "access to skills" for headcounts. Both big firms and offshore providers can offer a large cadre of team members. However, a truly effective partner focuses on skills, rather than headcount. With the right people in place, it is possible for fewer consultants to deliver faster results while still maintaining costs.

Maintain The Portfolio, Maintain Value

Building applications is a "sexy" prospect. Maintaining them is not. But maintenance





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and support are necessary in order to keep applications up-to-date and ensure they stay fully integrated with enterprise systems.

Maintenance and support cycles are vastly different than development cycles, and they can change rapidly. The more robust a portfolio of applications, the more complex maintenance becomes. Chaos can quickly set in as leaders must balance maintenance and support against developing new features for existing applications and creating new applications. The wrong approach or the wrong team can lead to an endless and costly cycle of problem resolution.

Even though maintenance and support are critical to the effectiveness and value of an application portfolio, the least expensive support models are often the

most attractive. However, users need an application that adds value and allows them to do their jobs effectively and efficiently. In a break-fix support model, applications merely staying afloat, and are virtually guaranteed to fail over time.

Once again, stakeholders must look past price tags in order to uncover whether a partner can ensure applications deliver value and rise to their potential. This means considering:

Firm Experience

Know who you're trusting your portfolio of applications to. Study the background and experience of the firm and its leadership.

Approach to Service

Is it holistic? Analytic? How does this align with the changing needs of the business?

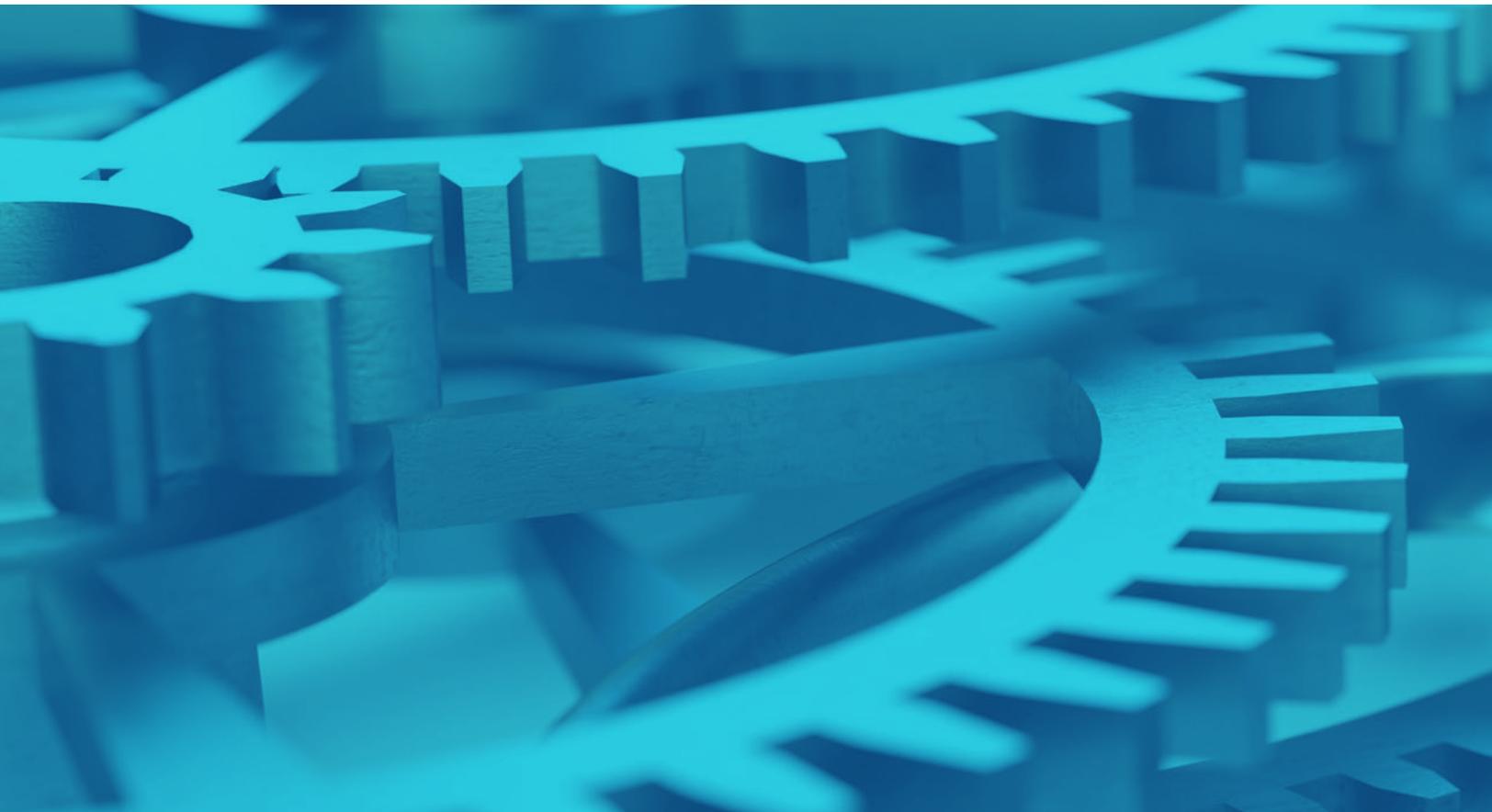
Flexibility

How quickly can the provider respond to change orders? How quickly can they respond to technical issues? If the process of defining service level agreements is complicated, imagine how difficult changes will be down the line.

Customer Service

Will the business be treated as a valued customer, no matter the contract size? How responsive will team members be to immediate and non-emergency concerns alike?

A partner that is experienced, flexible, responsive and staffed with the right people ensures that an application delivers its anticipated value to the business.



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