

Outsourcing the Software Testing Effort: A Negotiating Checklist

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This Session

- My plan is to
 - introduce the outline (15 minutes), then
 - illustrate issues by bringing them out in discussion.



Outsourcing?

- Process in which a company transfers all or part of one of its departments to an outside vendor who then handles the company's affairs for a price that is spelled out in the outsourcing contract.
- Most of the employees who ran the equipment (i.e. the information systems (IS) employees) are either terminated or hired by the vendor.



Software Test Outsourcing?

- Sometimes done to eliminate test dept.
- More often it supplements rather than replaces the department.
- Many reasons to outsource **some** of software test, such as load balancing, independence, available expertise, certification, cost control, or in-house political logjams.



Software Test Outsourcing?

- There are predictable risks, too:
 - Bureaucracy (communications and management costs inappropriate to your business model)
 - Ignorance of your market's needs
 - Oblivious to human factors or “design” issues (often, intentionally oblivious)
 - Huge cost overruns
 - Shallow work
 - Security leaks, conflict of interest, loss of intellectual property rights, etc, etc,



The Outline

- Lawyers and testers often work from detailed outlines.
 - This helps us make sure that we aren't overlooking critical details.
 - But the risk is that we'll spend too much time trying to deal with everything.
 - There are over 1000 issues in the outline, you have use common sense thinking about your priorities.



Structure of the Outline

- Deciding that (if) you want to outsource
 - Potential benefits
 - Risks
 - Benefits to the outsourcer
 - Circumstances that motivate outsourcing
 - Favorable conditions for outsourcing
 - Thinking about the services to be provided



Structure of the outline (2)

- Forming the relationship
 - Agree on your schedule
 - Work through the costs
 - Define the services
 - Other benefits you might realize by outsourcing
 - Qualifying the outsourcer
 - Dispute resolution and risk management
 - Intellectual property



Structure of the outline (4)

- Additional standard contractual issues
 - Confidentiality
 - Non-competition
 - Employment issues
 - Conflict of interest or obligations
 - Liability for quality of the work
 - Other liability clauses

Structure of the outline (5)

- Managing the ongoing relationship
 - Who has the final authority on testing priorities?
 - How independent is the outsourcer?
 - How will you supervise the effort?
 - Where does the outsourcer's staff work and who manages them?
 - What status reporting do you expect?
 - Deliverables
 - Approvals
 - Measurement of performance



Structure of the outline (6)

- Testability issues
 - Background info for the tester
 - Visibility and control
 - Configuration management and change control
 - Comparable equipment
 - Bugginess
 - Automation support
 - Support for early testing



Structure of the outline (7)

- Other standard contracting issues
 - Assignment of rights / responsibilities
 - Integration clause
 - Choice of law and forum
 - Relationship of the parties
 - International legal issues
 - Severability
 - Notice

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