

CHECKLIST FOR SELECTING VIETNAM SOFTWARE OUTSOURCING VENDOR

We have compiled a list of key steps and a checklist of the key considerations you may wish to take into account when examining Vietnam as a potential outsourcing destination and selecting a Vietnam software outsourcing vendor.

Checklist

- A. Country and City Evaluation
- B. Vendor Evaluation

Key steps to go offshore

CHECKLIST

A. COUNTRY AND CITY EVALUATION

(Top 3 Vietnam cities: Ho Chi Minh City, Hanoi, Da Nang)

Political Stability	<ul style="list-style-type: none">✓ Any political conflict in the last 10 years✓ Religious, ethnic disputes✓ Economic growth and stability
Natural Disasters	<ul style="list-style-type: none">✓ Earthquake, flood, typhoon, hurricane, tsunami
Technology Capability	<ul style="list-style-type: none">✓ Software park, high tech park✓ Number of multi-national high tech companies
Infrastructure	<ul style="list-style-type: none">✓ Internet connectivity✓ Electricity up-time✓ Transportation
Human Resources	<ul style="list-style-type: none">✓ Number of IT graduates✓ Availability of resources✓ Supply versus demand
Language skill	<ul style="list-style-type: none">✓ English, Japanese, etc.
Pricing	<ul style="list-style-type: none">✓ Average salary of IT engineers at different levels: junior, senior, technical lead, project manager

Living Condition for Expat	<ul style="list-style-type: none"> ✓ Your friends' feedback ✓ Tourism preference ✓ Multi-national companies' reports, e.g. HSBC
Others	<ul style="list-style-type: none"> ✓ Tax incentives ✓ Time zone

B. VENDOR EVALUATION

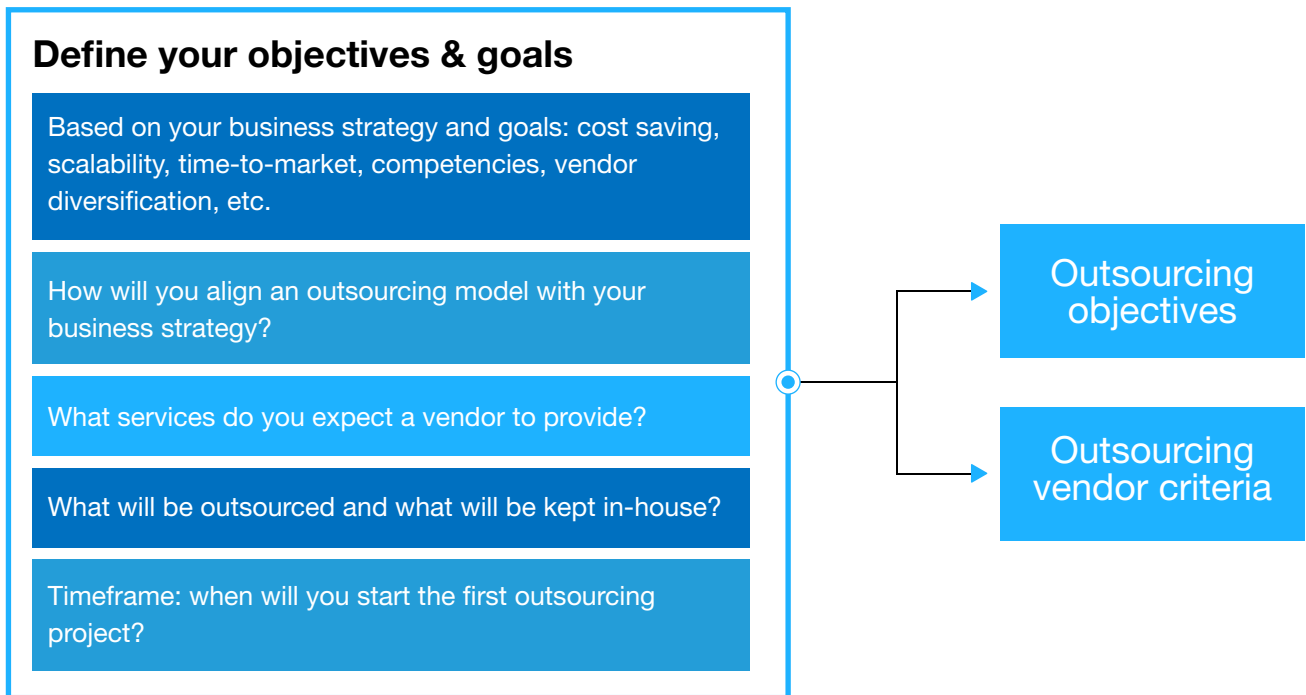
Track record	<ul style="list-style-type: none"> ✓ Company profile and reputation ✓ Number of years in software outsourcing business ✓ Case studies that are relevant to your needs
Customer list	<ul style="list-style-type: none"> ✓ Number of active clients ✓ Number of active clients that are large companies ✓ Number of clients similar to your company
Service offerings	<ul style="list-style-type: none"> ✓ List of available vendor services and experience in each service ✓ Compare to your short and long term needs
Infrastructure	<ul style="list-style-type: none"> ✓ Ability to expand ✓ Electricity up-time, power generator ✓ Internet connectivity, VPN ✓ Network and communication ✓ Backup system
Global presence	<ul style="list-style-type: none"> ✓ Overseas offices ✓ Any offices in your country
Human Resources	<ul style="list-style-type: none"> ✓ Number of engineers ✓ Ability to attract talent ✓ Recruitment process and criteria ✓ Staff motivation and incentives

Human Resources	<ul style="list-style-type: none"> ✓ Attrition rate ✓ Training system
Technical skill	<ul style="list-style-type: none"> ✓ Skills coverage ✓ Experience in large and complex projects ✓ Innovation, R&D capability
Quality process	<ul style="list-style-type: none"> ✓ Engineering process maturity ✓ Certification ✓ Project management tools ✓ Metrics ✓ Reporting ✓ Visibility of offshore team activities ✓ Escalation procedure
Language skill	<ul style="list-style-type: none"> ✓ Language proficiency (written and verbal) ✓ Language training
Relevant experience	<ul style="list-style-type: none"> ✓ Domain expertise: finance, e-commerce, healthcare, education, etc. ✓ Technical skills: C++, Java, C#, PHP, mobility, cloud, testing, big data and analytics, etc.
Ramp up capability	<ul style="list-style-type: none"> ✓ Resource pool ✓ Ramp up time
IP Protection and Security	<ul style="list-style-type: none"> ✓ Physical security ✓ Network security ✓ Data security ✓ Internal procedure ✓ Business continuity
Pricing	<ul style="list-style-type: none"> ✓ Pricing models ✓ Blended rate ✓ Rate increase

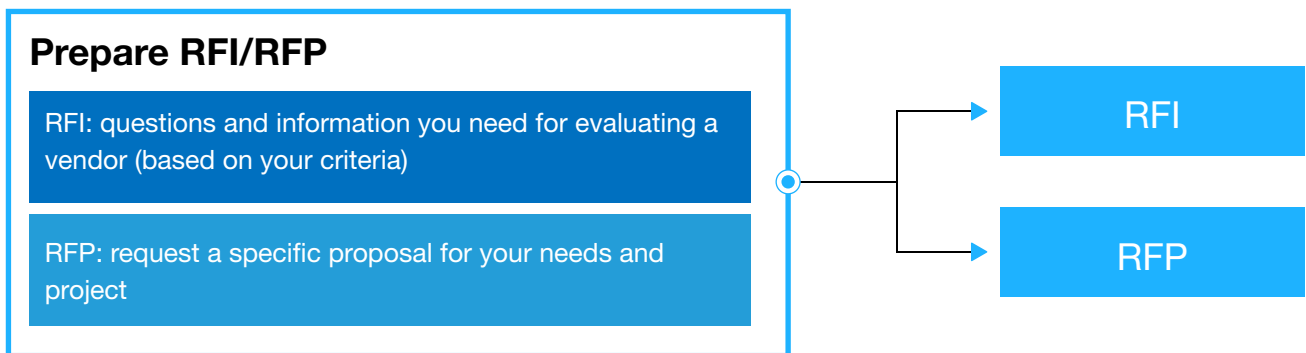
Pricing	<ul style="list-style-type: none"> ✓ Non-labor costs ✓ Overall cost ✓ Payment term
Culture	<ul style="list-style-type: none"> ✓ Professionalism ✓ Commitment ✓ Flexibility ✓ Open & friendly ✓ Integrity ✓ Proactive ✓ Innovative
Key Strengths	<ul style="list-style-type: none"> ✓ Value propositions ✓ Key expertise ✓ Differentiation from other vendors
Key Weaknesses	<ul style="list-style-type: none"> ✓ Limitations ✓ What the vendor cannot provide
Sustainability	<ul style="list-style-type: none"> ✓ Financial stability ✓ Business continuity plan, disaster recovery plan ✓ Dependency on a single customer, domain or market

KEY STEPS TO GO OFFSHORE

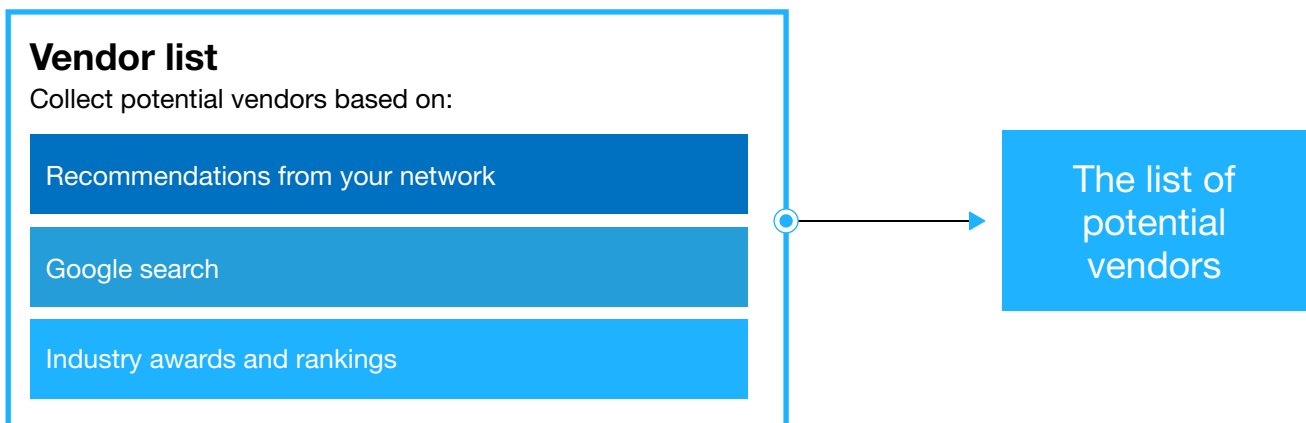
– STEP 1



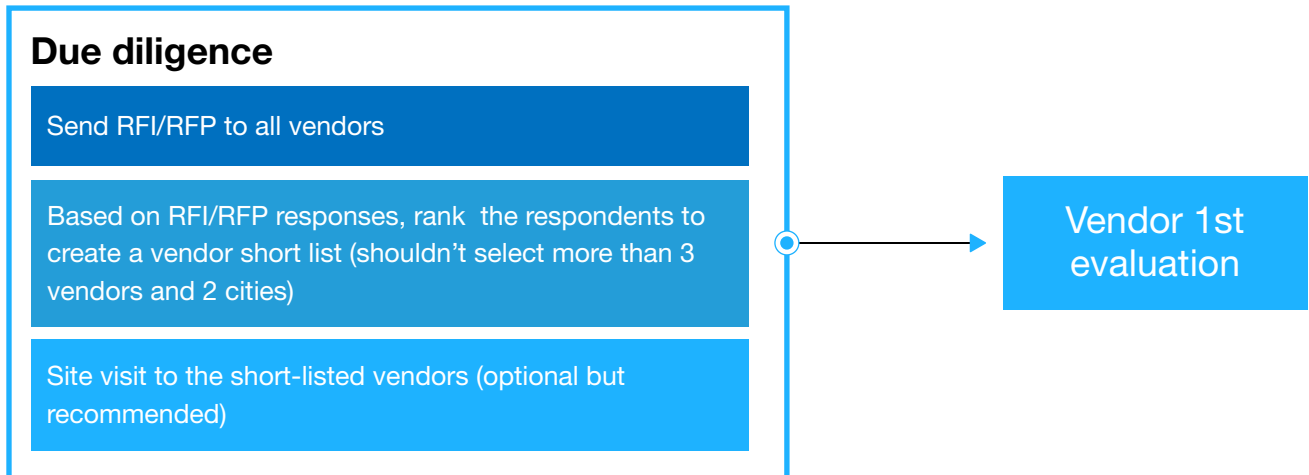
– STEP 2



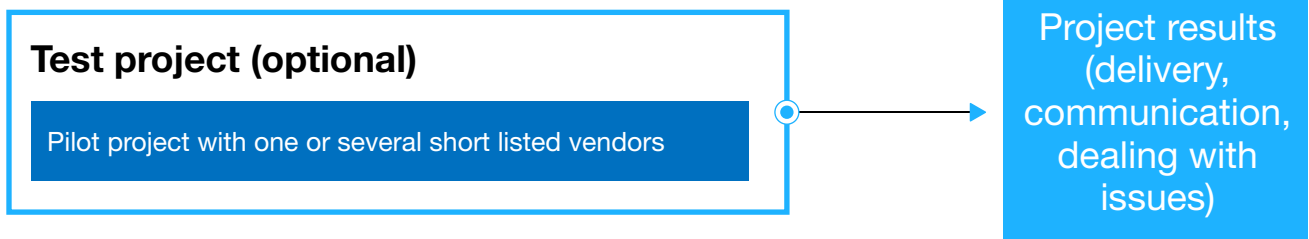
– STEP 3



— STEP 4



— STEP 5



— STEP 6

