

Off-shoring of software and other IT tasks to off-shore service providers is known trend with increasing number of companies taking advantage of the cost saving benefit it presents. SoftJin, with its unique business model of providing off-shore EDA software development services, enables EDA Product companies as well as EDA groups of semiconductor companies to save costs and get access to skilled EDA resources.

Why off-shore EDA software development?

Access to talent - EDA software development is a technically intensive exercise and requires skilled engineers with background in both computer science and VLSI Design. The availability of skilled engineers in India along with the requisite experience in undertaking large software projects is one of the key drivers for off-shoring EDA development.

Cost benefits - At the same time, there is a significant cost advantage in off-shoring as the cost of living in these countries is lower. Even with the increased communication and transportation related expenses, the loaded cost of EDA software development in countries such as India can turn out to be about 50% to 60% of the loaded cost in countries such as US.

How to off-shore? Own off-shore development center v/s Outsourced partner

Broadly, there are two ways to go about EDA off-shoring – directly building your own off-shore development center or by outsourcing parts of EDA software development to an external off-shore development partner. Whereas establishing own off-shore development center may be suitable for large companies with steady growth in head count, this may not be the correct model to follow for small to mid sized companies. Building your own off-shore development center has the clear advantage in terms of maximum control over the off-shore team and lower operating costs. However, there are some very clear drawbacks as well, such as higher set up costs and difficulty to attract and retain talent. On the other hand, outsourcing EDA software development to SoftJin avoids these drawbacks and also brings in the other associated advantages such as enabling focus on your core competencies, having flexible capacity and additional/complementary capability.

Own Off-shore Development Center	Outsourced Off-shore development
<p>Advantages</p> <ul style="list-style-type: none"> + More control over the off-shore team + Lower operational cost in the long run 	<p>Advantages</p> <ul style="list-style-type: none"> + Increased focus – Helps you focus your team on core competencies while outsourced team takes care of rest + Flexible Capacity – Varying and temporary requirements can be outsourced to off-shore partner + Additional/Complementary Capability – Get additional capability in relevant EDA areas. Partner can bring in industry best practices in certain areas.
<p>Disadvantages</p> <ul style="list-style-type: none"> - High set-up costs and effort involved in infrastructure development, team hiring and legal approvals - Difficulty to attract and retain EDA talent, especially for small-mid sized company with moderate off-shoring plans 	<p>Disadvantages</p> <ul style="list-style-type: none"> - Finding the right off-shore development partner and the additional transaction costs involved in engagement

What are the Business Models of engaging with SoftJin?

Based upon your business context and off-shoring plans, SoftJin offers various business models of engagement. These include **Turnkey Project, Time & Material (T&M) and Off-Shore Development Center (ODC)**. A comparative analysis of the features, benefits and suitability of the three business models is given in the chart below.

One of the preferred ways to kick-start relationship is to first undertake a short-term (2-3 months) pilot project under Turnkey Project model. It is advisable to have this Pilot project with low criticality but which is fairly representative of the technical complexity involved. Pilot projects can help remove the kinks from the off-shoring process and help you take more informed long-term off-shoring decisions. This can be followed by a T&M model based engagement for a medium duration (6-9 months) wherein SoftJin's outsourced team undertakes multiple projects of varying complexity as an extended arm of customer's in-house team. With mutual confidence and trust established, you can sign up for a long term ODC wherein SoftJin offers a dedicated team that can work on wide range of projects including research intensive projects of strategic importance.

Turnkey Project

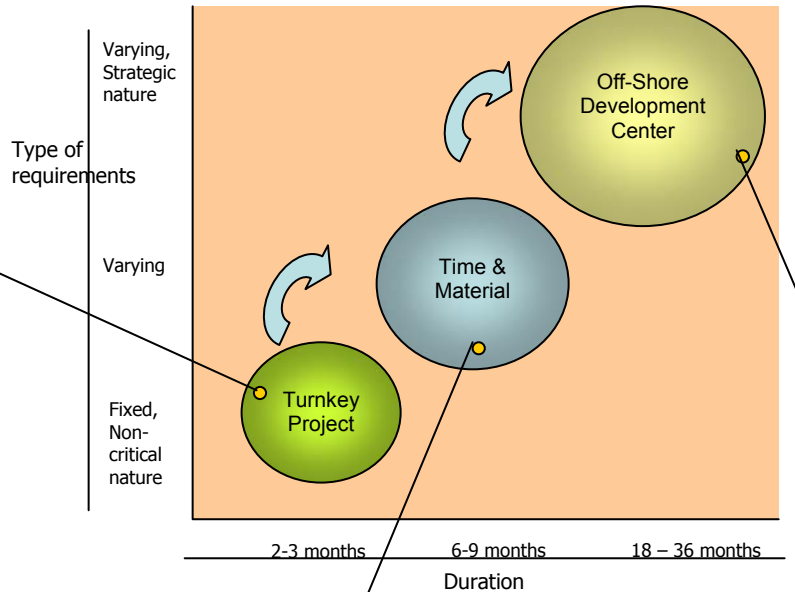
Context – Clear set of requirements are available

Features –

- The feature, performance and quality acceptance criteria are pre-decided
- We work on a fixed cost and time deadline
- Payment is made according to milestone based schedule

Benefits –

- There is lowered risk for customer as SoftJin underwrites cost and time overruns



ODC

Context – Long term off-shoring requirements

Features –

- Access to dedicated outsourced team that works on several projects at same time
- Capability of outsourced team is retained
- We take care of team management, IP Protection and Project management

Benefits –

- Most cost-effective in the long run
- Enables Innovation since the model enables undertaking Open ended projects

Time and Material

Context – Varying EDA resource requirements

Features –

- You get access to dedicated outsourced team
- There can be quick scale up and scale down of the outsourced team
- Close ended projects with periodic billing based on team size

Benefits –

- You get an extended arm of in-house team
- Model enables better EDA resource planning and utilization

Off-Shore Development Center

An ODC is the most suitable business model from a long term EDA off-shoring perspective.
How does ODC work?

- **Dedicated Team**
 - SoftJin builds a dedicated team for you and ramps it up based on your planned requirements.
 - Since team members are dedicated, the customer specific experience is nurtured and retained
- **SoftJin ODC Management team takes care of:**
 - Team management - Recruitment, performance management, technical guidance of team
 - Project management - Ensuring on-time and right quality delivery across simultaneous projects
 - IP Risk management - Various measures for protection of your IP shared with our team
- **Customer responsibilities include:**
 - Planned strategy of selecting suitable activities to be outsourced to SoftJin
 - Timely inputs and feedback on all projects
- **Highest cost advantage** compared to other business models. Pricing based upon:
 - Technical domain of work within EDA
 - Experience and skill level of team required
 - Volume (team size) and continuity of the engagement committed by the customer
- **Most effective utilization** of outsourced team's talent
 - More Innovative work due to possibility of undertaking research oriented, open-ended projects