



**6-STEP  
STRATEGY  
TO WIN OVER  
VIETNAM IT MARKET**

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Vietnam has recently emerged as one of the most appealing destinations for foreign investors and is expected to uphold this status in years to come. In fact, the legal landscape for setting up a business in Vietnam has witnessed a significant transformation with the introduction of new legislation, including the key Laws on Enterprise and Investment. These developments are underpinned by the Government's continuous commitment to encouraging investment and further integrating Vietnam into the international market.

There are certain ways of expanding your business to Vietnam. For the IT sector in specific, setting up an Offshore Development Center (ODC) is the quickest and most cost-effective option for startups and enterprises that want to do business in Vietnam. However, not everyone has thorough insights into the market and how to successfully build up an ODC.

27 years of experience in the ICT industry, alongside long-lasting partnerships with giant companies in ODC projects, allow CMC Global to deliver a comprehensive point of view about setting up a new business in Vietnam and why IT companies should choose ODC as a starting point here.

This booklet sets out to provide you with the know-how about the process of investing in Vietnam, from market analysis to legal explanation for the current business climate. In addition, we will also integrate the best practices from our own case studies as a trust-worthy and realistic perspective for you to manage your future ODC.

It stands to reason that the legal environment in Vietnam is constantly changing, and every investing decision is distinct. Thus, this guide should be regarded as a general overview of the Vietnamese market, not an official legal advice.

If you have further inquiries about your particular situations, please do not hesitate to contact us through any channels listed at the end of this booklet.





**STEP 1**

**KNOW YOUR DESTINATION  
AND ITS GROWTH POTENTIAL**

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Vietnam has undergone tremendous growth since it first opened the door to cross-border trade in the late 1980s and early 1990s. For the first time, the country's economy experienced a significant reform under “Đổi mới”, launched in 1986 with the goal of creating a “socialist-oriented market economy”<sup>1</sup>. Over the past 30 years, many favorable conditions and exciting opportunities for foreign investors have been initiated by the government, giving Vietnam an impetus to adhere to international standards on business set-up.

When it comes to the IT sector, Vietnam is known as an emerging destination for foreign companies to invest in, gradually replacing huge tech markets such as China and India. Compared to other places in the region, Vietnam has prominent advantages as its leverage.

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### Strategic location

Located next to China and at the heart of ASEAN, Vietnam is certainly a safe alternative location for investors as they try to limit the disruptions or delays to existing supply chains in China. Its long coastline, direct access to the South China Sea and proximity to the world's main shipping routes give Vietnam the perfect conditions for trading.

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### Favorable Trade Agreement

2019 marked an important milestone with the implementation of EVFTA (EU-Vietnam Free Trade Agreement) between Vietnam and the European Union. The agreement promises to open new opportunities for domestic and foreign enterprises to expand their footprints into the two markets. Besides, Vietnam is also involved in several trade agreements with many countries, especially with its Asian neighbors. Previously, the country has seen another key turning point with the signing of the very first bilateral FTA with Japan via the Viet Nam-Japan Economic Partnership Agreement (VJEPA).

**At present, Vietnam is a signatory to the following agreements<sup>2</sup> :**

- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
- ASEAN Economic Community
- ASEAN Free Trade Agreements with Japan, South Korea, India, China, Hong Kong, Australia and New Zealand.
- Bilateral Free Trade Agreements with Chile, South Korea, Japan and Israel
- EU-Vietnam Free Trade Agreement (Expected to take effect in August 2020)

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### Ease of doing business

Vietnam ranked 70 among 190 economies in this year's Doing Business 2020 report<sup>3</sup> released by the World Bank Group. Accordingly, the two leading areas of assessment for Vietnam include “Getting credit” and “Construction Permits”, ranking at 25th among all the economies. It was the result of improvements in some bureaucratic processes for business establishment adjusted by the government. In 2020, the Vietnamese government is already taking steps towards further development and is speeding up the application of 4.0 technologies in the area of business as well as cultural and social life.

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<sup>1</sup> Đổi Mới, Wikipedia [https://en.wikipedia.org/wiki/%C4%90%E1%BB%95i\\_M%E1%BB%9Bi](https://en.wikipedia.org/wiki/%C4%90%E1%BB%95i_M%E1%BB%9Bi)

<sup>2</sup> Market Entry Guide for Vietnam 2019, Domicile

<sup>3</sup> Doing Business 2020, World Bank Group

## EASE OF DOING BUSINESS RANKING

Rank	Economy	DB score	Rank	Economy	DB score	Rank	Economy	DB score
1	New Zealand	86.8	65	Puerto Rico (U.S.)	70.1	128	Barbados	57.9
2	Singapore	86.2	66	Brunei Darussalam	70.1	129	Ecuador	57.7
3	Hong Kong SAR, China	85.3	67	Colombia	70.1	130	St. Vincent & the Grenadines	57.1
4	Denmark	85.3	68	Oman	70.0	131	Nigeria	56.9
5	Korea, Rep.	84.0	69	Uzbekistan	69.9	132	Niger	56.8
6	United States	84.0	70	Vietnam	69.8	133	Honduras	56.3
7	Georgia	83.7	71	Jamaica	69.7	134	Guyana	55.5
8	United Kingdom	83.5	72	Luxembourg	69.6	135	Belize	55.5
9	Norway	82.6	73	Indonesia	69.6	136	Solomon Islands	55.3
10	Sweden	82.0	74	Costa Rica	69.2	137	Cabo Verde	55.0
11	Lithuania	81.6	75	Jordan	69.0	138	Mozambique	55.0
12	Malaysia	81.5	76	Peru	68.7	139	St. Kitts and Nevis	54.6
13	Mauritius	81.5	77	Qatar	68.7	140	Zimbabwe	54.5
14	Australia	81.2	78	Tunisia	68.7	141	Tanzania	54.5
15	Taiwan, China	80.9	79	Greece	68.4	142	Nicaragua	54.4
16	United Arab Emirates	80.9	80	Kyrgyz Republic	67.8	143	Lebanon	54.3
17	North Macedonia	80.7	81	Mongolia	67.8	144	Cambodia	53.8
18	Estonia	80.6	82	Albania	67.7	145	Palau	53.7
19	Latvia	80.3	83	Kuwait	67.4	146	Grenada	53.4
20	Finland	80.2	84	South Africa	67.0	147	Maldives	53.3
21	Thailand	80.1	85	Zambia	66.9	148	Mali	52.9
22	Germany	79.7	86	Panama	66.6	149	Benin	52.4
23	Canada	79.6	87	Botswana	66.2	150	Bolivia	51.7
24	Ireland	79.6	88	Malta	66.1	151	Burkina Faso	51.4
25	Kazakhstan	79.6	89	Bhutan	66.0	152	Mauritania	51.1
26	Iceland	79.0	90	Bosnia & Herzegovina	65.4	153	Marshall Islands	50.9
27	Austria	78.7	91	El Salvador	65.3	154	Lao PDR	50.8
28	Russian Federation	78.2	92	San Marino	64.2	155	Gambia, The	50.3
29	Japan	78.0	93	St. Lucia	63.7	156	Guinea	49.4
30	Spain	77.9	94	Nepal	63.2	157	Algeria	48.6
31	China	77.9	95	Philippines	62.8	158	Micronesia, Fed. Sts.	48.1
32	France	76.8	96	Guatemala	62.6	159	Ethiopia	48.0
33	Turkey	76.8	97	Togo	62.3	160	Comoros	47.9
34	Azerbaijan	76.7	98	Samoa	62.1	161	Madagascar	47.7
35	Israel	76.7	99	Sri Lanka	61.8	162	Suriname	47.5
36	Switzerland	76.6	100	Seychelles	61.7	163	Sierra Leone	47.5
37	Slovenia	76.5	101	Uruguay	61.5	164	Kiribati	46.9
38	Rwanda	76.5	102	Fiji	61.5	165	Myanmar	46.8
39	Portugal	76.5	103	Tonga	61.4	166	Burundi	46.8
40	Poland	76.4	104	Namibia	61.4	167	Cameroon	46.1
41	Czech Republic	76.3	105	Trinidad and Tobago	61.3	168	Bangladesh	45.0
42	Netherlands	76.1	106	Tajikistan	61.3	169	Gabon	45.0
43	Bahrain	76.0	107	Vanuatu	61.1	170	São Tomé and Príncipe	45.0
44	Serbia	75.7	108	Pakistan	61.0	171	Sudan	44.8
45	Slovak Republic	75.6	109	Malawi	60.9	172	Iraq	44.7
46	Belgium	75.0	110	Côte d'Ivoire	60.7	173	Afghanistan	44.1
47	Armenia	74.5	111	Dominica	60.5	174	Guinea-Bissau	43.2
48	Moldova	74.4	112	Djibouti	60.5	175	Liberia	43.2
49	Belarus	74.3	113	Antigua and Barbuda	60.3	176	Syrian Arab Republic	42.0
50	Montenegro	73.8	114	Egypt, Arab Rep.	60.1	177	Angola	41.3
51	Croatia	73.6	115	Dominican Republic	60.0	178	Equatorial Guinea	41.1
52	Hungary	73.4	116	Uganda	60.0	179	Haiti	40.7
53	Morocco	73.4	117	West Bank and Gaza	60.0	180	Congo, Rep.	39.5
54	Cyprus	73.4	118	Ghana	60.0	181	Timor-Leste	39.4
55	Romania	73.3	119	Bahamas, The	59.9	182	Chad	36.9
56	Kenya	73.2	120	Papua New Guinea	59.8	183	Congo, Dem. Rep.	36.2
57	Kosovo	73.2	121	Eswatini	59.5	184	Central African Republic	35.6
58	Italy	72.9	122	Lesotho	59.4	185	South Sudan	34.6
59	Chile	72.6	123	Senegal	59.3	186	Libya	32.7
60	Mexico	72.4	124	Brazil	59.1	187	Yemen, Rep.	31.8
61	Bulgaria	72.0	125	Paraguay	59.1	188	Venezuela, RB	30.2
62	Saudi Arabia	71.6	126	Argentina	59.0	189	Eritrea	21.6
63	India	71.0	127	Iran, Islamic Rep.	58.5	190	Somalia	20.0
64	Ukraine	70.2						

Source: Doing Business database

The rankings are benchmarked to May 1, 2019, and based on the average of each economy's ease of doing business scores for the 10 topics included in the aggregate ranking. For the economies for which the data cover two cities, scores are a population-weighted average for the two cities.

Rankings are calculated on the basis of the unrounded scores, while scores with only one digit are displayed in the table.

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### Low set-up costs

According to FDI Vietnam, in contrast to many other countries, there are no minimum capital requirements for most business lines in Vietnam. In fact, setting a high capital for registering a company in Vietnam is one of the 7 common mistakes that foreign investors often make here.

You can start a business in Vietnam without having a great amount of charter capital in your back pocket. Just make sure you have enough funds to cover the planned expenses of your company set-up and you are good to go.

Also, note that the amount of capital you stated must be fully paid within 90 days of the date of your company registration.

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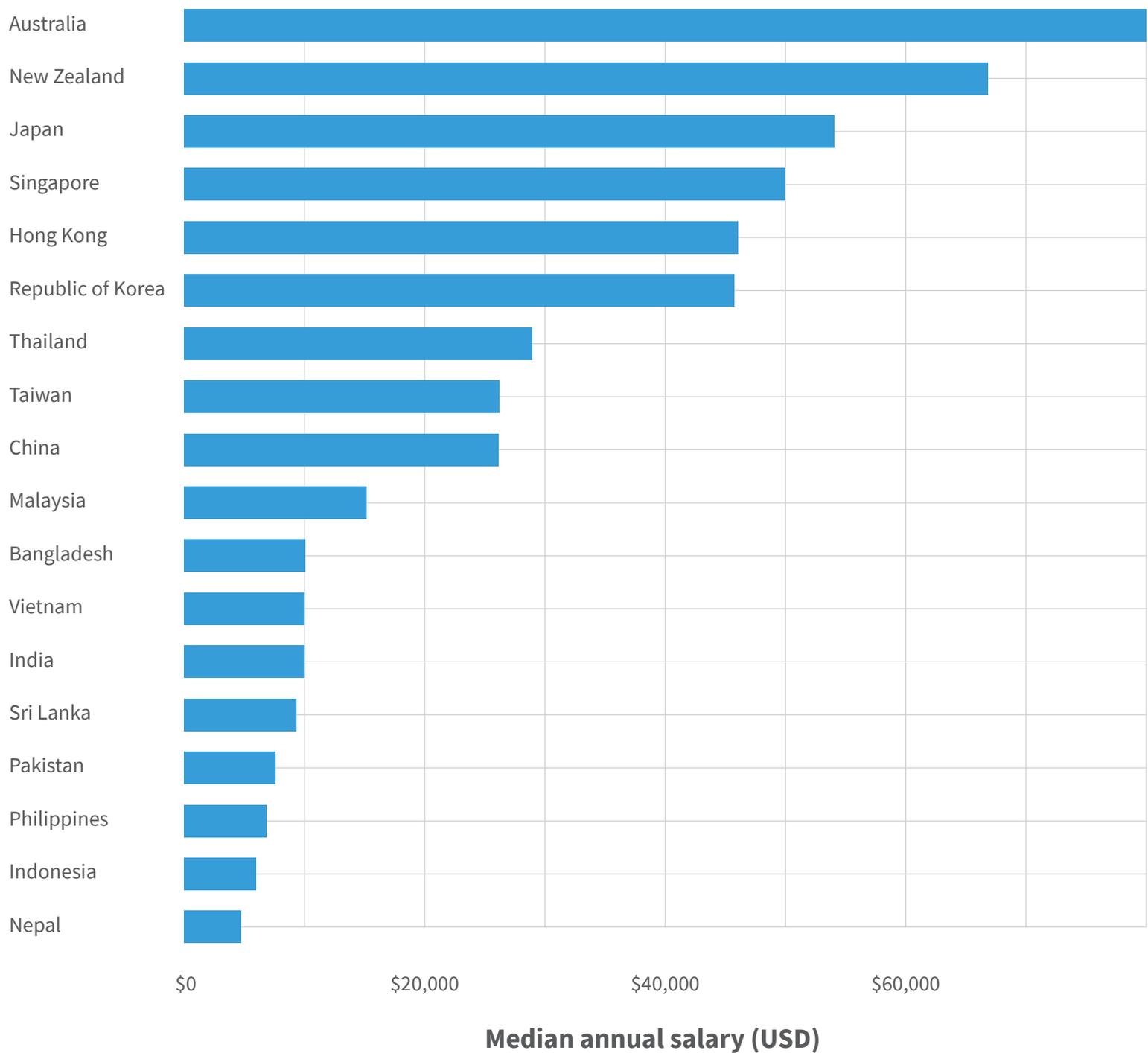
### Competitive Labor costs

Competitive labor pricing has always been an attractive reason for global entrepreneurs to come to Vietnam. According to a survey of stackoverflow, Vietnam only ranks 7th bottom-up in terms of median salaries for developers.

Vietnam has a growing number of IT professionals. However, most of them are getting the payment lower than their peers in the region. Highly-skilled engineers in Vietnam earn around \$10,000 per year which is \$5000 lower than the average cost in Malaysia. And even with the same skill sets, they can earn nearly \$30,000 in their neighbor Thailand.

## Developer salaries in Asia-Pacific

Median salaries for developers range dramatically across this region





**STEP 2**

**MAKE A PERFECT PREPARATION**

After getting an overview of Vietnam, make sure to list out these questions and find the appropriate answers before taking the first step to set up a business in the country.

- What is the size and growth of the market?
- How does the local legal and regulatory regime impact my identified industry?
- How much should I localize?
- What is the go-to-market strategy to quickly set-up and build my business in Viet Nam?

Having the answers for all those questions means it is the right time to start making an entry plan, researching taxation, legal implications, accounting requirements, HR laws and others.

### Q. What is the size and growth of Vietnam market?

A. Vietnam's GDP was \$266bn in 2019, equivalent to a growth rate of 7% and one of the fastest rises in the region. Its population reached 97 million in 2018 (from about 60 million in 1986) and is expected to expand to 120 million by 2050<sup>4</sup>. About 70 percent of the population is under 35 years of age with a life expectancy of 76 years, the highest among countries in the region at similar income levels. Viet Nam represents a huge pool of both potential customers and employees for many investors. Hanoi, located in the north, is the capital of Viet Nam and Ho Chi Minh City, in the south, is the largest commercial city. Da Nang, in central Viet Nam, is the third largest city and an important seaport.

### Q. How does the local legal and regulatory regime impact my identified industry?

A. Viet Nam is a socialist country operating under the single-party leadership of the Communist Party.

## HIERARCHY OF REGULATIONS



<sup>4</sup> Vietnam Overview, The World Bank In Vietnam, [worldbank.org](http://worldbank.org)

One of the Government's priorities is to enhance the legal system, which will result in a more business-friendly regulatory environment. Consequently, in 2019, numerous laws came into effect, largely focusing on sectors such as IT, real estate, and agriculture. Among them, the most significant ones are the Law on Cybersecurity, the Law on Securities (amended), the Law on Zoning and the Law on Competition.<sup>5</sup> Before doing business in Vietnam, you must equip yourself with thorough knowledge of The Law on Investment (LOI), Intellectual Property (IP), Business etiquette and culture.

**Q. How much should I localize?**

Vietnamese are more comfortable using their native language rather than English. However, many English speakers can be found in Vietnam, especially in the larger cities. One important ritual in Vietnam is presenting business cards. Cards are exchanged at the beginning of a meeting using both hands. Translating written materials into Vietnamese shows respect for Vietnamese colleagues and business partners. Face-to-face business meetings are important in Viet Nam and an appropriate level of respect must be shown according to rank and seniority.

**Q. What is the go-to-market strategy to quickly set-up and build my business in Viet Nam?**

A. There are many forms of business in Vietnam, limited-liability company, joint-stock company, branch, partnership, representative office and public-private partnership (PPC) to name but a few. The government has introduced new policies and clearer guidance supporting enterprises to do business in the country. Regarding the IT sector, there are three common options for starting a business: Company/ Representative Office Establishment, Mergers & Acquisitions (M&A) and Offshore Development Center (ODC). Depending on your goals and capabilities, these options will offer you the right benefits to help you quickly enter the Vietnamese market.

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<sup>5</sup> Doing business in Vietnam 2019, PwC



**STEP 3**

**EVALUATE ENTRY-MODE OPTIONS**

When planning your market entry process, it is critical to fully understand the options and structures that exist in Vietnam, and restrictions that might be applied.

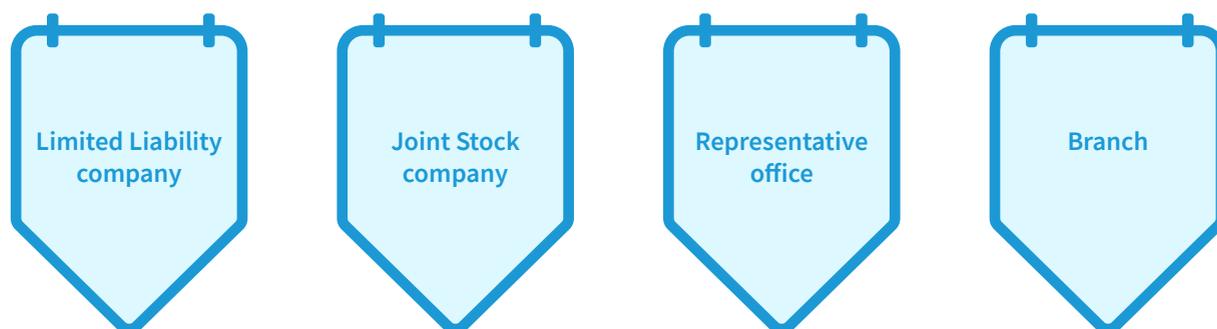
As mentioned above, there are several considerations for IT companies when choosing Vietnam as their next destination. However, in this handbook, we will discuss further 3 main options of starting up a business in Vietnam namely Company/ Representative Office Establishment, Mergers & Acquisitions (M&A) and Offshore Development Center (ODC).

### Company/ Representative Office Establishment

Located next to China and at the heart of ASEAN, Vietnam is certainly a safe alternative location for investors as they try to limit the disruptions or delays to existing supply chains in China. Its long coastline, direct access to the South China Sea and proximity to the world's main shipping routes give Vietnam the perfect conditions for trading.

The incorporation process of each type of legal entity is different and takes from 1 to 3 months. Foreign investors can form several kinds of legal entities in Vietnam.

## LEGAL ENTITY TYPES IN VIETNAM



Among those, Limited-Liability Company (LLC) and a Joint-Stock Company (JSC) are the most popular choices of company registration in Vietnam. Foreign investors should pursue the process as follows<sup>6</sup>:

- What is the size and growth of the market?
- How does the local legal and regulatory regime impact my identified industry?
- How much should I localize?
- What is the go-to-market strategy to quickly set-up and build my business in Viet Nam?

### Mergers & Acquisitions

The Vietnamese government has streamlined the Mergers and Acquisitions (M&A) process to encourage investment in new sectors of the economy. For investors that consider establishing a business in Vietnam too cumbersome, the M&A route could be an ideal solution to remove obstacles. With an M&A, investors can enjoy preexisting access to consumers, locations, and distribution channels. However, to successfully carry out M&As in Vietnam, it is vital to acquaint oneself with the procedures and restrictions associated with acquisitions.

<sup>6</sup> <https://www.cekindo.vn/services/vietnam-company-registration>

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M&As are governed primarily by two laws namely the Law on Enterprises and the Law on Investment. The Law on Competition and the Law on Securities are also used to govern M&As, but to a lesser extent. M&As in Vietnam are largely regulated by the Law on Enterprise No. 68-2014-QH13 and Law on Investment No. 67-2014-QH13.

Investors should also decide on whether the process will be a merger or an acquisition. A merger is when two companies join to form one company by transferring assets, rights, obligations and interests to the merged company and therefore terminating the merging companies. Acquisitions, meanwhile, require a change in ownership and are typically in the form of existing share purchases or new shares but also involve acquiring assets.

There are three basic types of mergers including the merging of two foreign-owned companies; the merging of two local companies; and the merging of a locally-owned company with a foreign-owned one. For acquisition, the process depends on the type of ownership. For instance, an acquisition of a single member limited liability company (LLC) by another single-member LLC involving foreign-owned companies does not involve any special procedures. There are, however, some additional steps like submitting transfer of capital contribution documents to the Ministry of Planning and Investment (MPI). Upon receipt, it would take up to 15 days for the MPI to process and issue an approval letter and other steps involved in changing the owner will ensue.

Investors should carry out stringent due diligence checks and refer [the Law on Enterprise regulations](#) to get more detailed investment plan.

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### Offshore Development Center

Offshore Development Center (ODC) is an offshore team located abroad that provides software development services to the company. To put simply, it is a subsidiary of a company operating in another country. The ODC is a popular business model for different types of companies including startups and enterprises. For the IT sector, this model is known as an ideal option for business extension to Vietnam especially when the model has been successfully used by IT companies to offshore the development, design and testing of their products.

Due to the limitations of in-house resources and the demand of cost-cutting solutions, many IT companies have found ODC to be the optimal option for their expansion to another country. CMC Global, as a top service provider in Vietnam, has partnered with and supported many international companies to establish offshore teams in the country. We provide customers with in-depth knowledge about key roles in ODC and why this model should be at the top of their mind when investing in Vietnam.

Though forming a partnership with an ODC company would bring your company a plethora of advantages, there are also disadvantages that should be noted.

**PROS****✔ Cost reduction**

You won't have to worry about expenses for setting up the necessary infrastructure.

**✔ Access to a large pool of IT talents**

An ODC is a place where you can find highly proficient IT teams with proven IT competency.

**✔ Great control over operations**

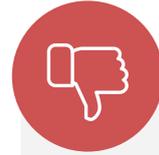
You'll be able to evaluate and keep track of the current work progress.

**✔ Continuous technical support**

ODC offers continuous technical assistance during the entire cycle of the project.

**✔ Efficient allocation of resources**

Without an ODC, resources allocation would be a very challenging feat.

**CONS****⚠ Remote management challenges**

Fostering open communication with remote employees can be difficult.

**⚠ Cultural barriers**

Cultural differences can negatively affect the work process.

**⚠ Legal barriers**

Some countries prevent foreign companies from setting up business within their territories, which poses a great challenge to the registration of new legal entities.

**⚠ Security risks**

It's not exactly easy to keep your confidential information safe at a distance.



*“CMC Global is honored to have worked in partnership with many international clients in ODC projects in Vietnam, providing high-quality personnel and in-depth key insights into the market.”*



**STEP 4**

**START UP WITH A WELL-PLANNED  
ODC PROCESS**

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Before venturing into the work of establishing an Offshore Development Center, you should have a checklist to determine the best vendor.

- **Professional Capabilities**

Locating service providers with the skill sets and experience worth large investments is a great concern for foreign companies. Beside India and China, the two most popular countries for outsourcing, Vietnam has become an attractive destination for many businesses looking for a trusted service provider. The country is home to an ever-expanding pool of high-quality and tech-savvy IT talents with a solid background in software engineering.

- **Business experience**

A key indicator for the quality of the company is their work profile with past partners. Listen to past testimonials, reviews, case studies from their clients and partners. These are great insights into the company, its operating systems and business activities.

Working with an experienced ODC company is more advisable because they are more acquainted with the technologies and procedures involved in ODC projects. They also tend to keep abreast of the latest tech trends and updates to provide their clients with cutting-edge solutions.

Furthermore, you can also place more confidence and security in working with long-running companies as they have already made a name for themselves on the market.

- **Communication**

Communication is key in any business operation, especially when working with an ODC company in a different country. Places with a good English proficiency level such as the Philippines, India and Vietnam, can save investors a great deal of burden. In addition, this also means that there are fewer chances of misunderstanding, leading to less human errors during work.

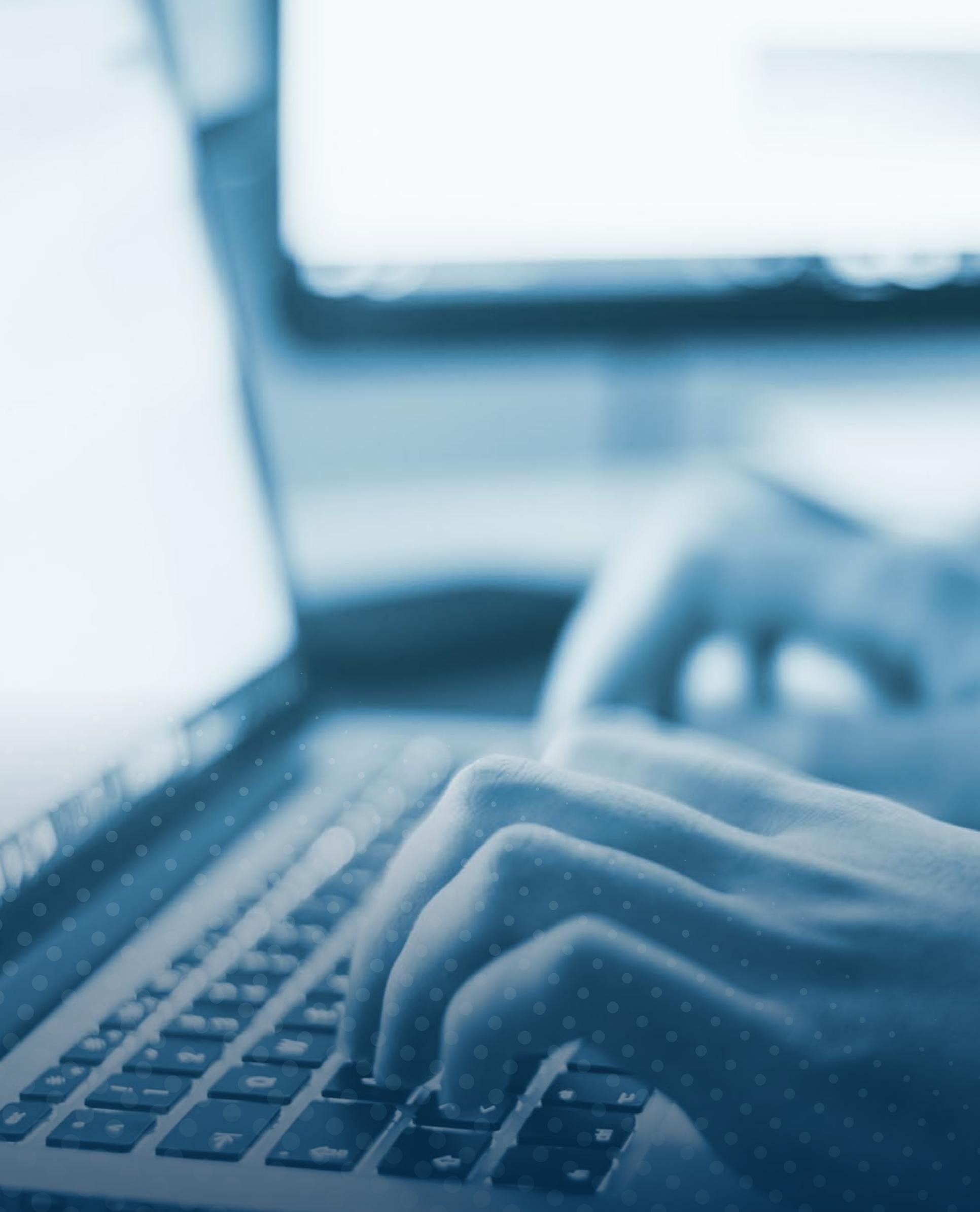
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After going through the above requirements, the next stage is to set up an ODC step-by-step. Firstly, assort your organization structure with your new team because it is important that each member of the team understand their role and responsibilities. After that, you should create descriptions for all vacancies as well as other requirements and plan your ODC security measurement. Before jumping into direct management, you should allow some time for your team to understand their place in the company.

At CMC Global, we offer the standard ODC process as below to help client make a detailed plan before forming an offshore team. The process will help you get a practical overview when partnering with vendors.



Knowledge on ODC types of contract is another vital step within the entire process. We have an in-depth guide about Outsourcing models and contracts in our previous e-book. Do not miss it [here!](#)



**STEP 5**

**DIVE DEEP INTO BEST PRACTICES**

CMC Global has extensive experience in helping customers setting up a smooth-running ODC. We have partnered with global companies in many projects to turn their dream ODC into reality. Let's take a deep dive together into our best practices to get a reliable reference and build up your perfect plan.

### Case study 1

#### Client Profile

- Client: Japanese customer based in Vietnam
- Business Field: Information Technology Research and Development

#### Project Information

- Project Team Size: 50 resources
- Timeline: July 2018 – Present
- Project Type: System Automotive Testing
- Responsibility: Verifying functionalities of Head Unit in certain vehicles

#### Ramp up plan

Step	Presentation (ODC Setup, resource qualification, contract)	1st Ramp up	2nd Ramp up	3rd Ramp up
Timeline	May-June 2018	July-Sep 2018	Sep-Oct 2018	Oct-Nov 2018
Number of resources	0	15	30	50

#### Business view:

- ✓ Competitive price
- ✓ Trusted Partnership

#### Technical view:

- ✓ Security
  - Testing on new products to be launched in near future, therefore the customer has strict requirements regarding information security.
  - CMC was required to follow the checklist of information and security compliance.
- ✓ Productivity
  - The customer was required to have 50 test cases/resource/day.
  - CMC proposed proper improvement plan to reach the required productivity.

## Case study 2

### Client Profile

- Client: One of the top 10 biggest corporations in Korea
- Business: Food & Beverage, Entertainment, Communication & Media, Pharmaceuticals, Home Shopping, etc.

### Project Information

- Project Team Size: 58 Resources
- Timeline: October 2017 – present (to be extended annually)
- Project Type: System Operation & Maintenance
- Responsibility: Provide necessary resources to support the client in the operation, maintenance, enhancement, and development of their existing system.

### Ramp up plan

Step	Presentation (ODC Setup, resource qualification, contract)	Knowledge transition	1st Ramp up (Pilot)	2nd Ramp up	3rd Ramp up (Project Extension)
Timeline	Aug-Oct 2017	Oct-Nov 2017	Nov-Dec 2017	Oct-Nov 2017	Nov-Dec 2017
Number of resources	0	25	35	58	65

### Business view:

- ✓ Competitive price: save cost up to 40%
- ✓ No language barriers

### Technical view:

- Knowledge transition: Working process, knowledge transfer (entertainment, back-office, finance, manufacturing)
- Security: CMC worked on modules archiving huge data of their human resources and end-client, the customer had strict requirements for information security of end-client and their HR
- SLA criteria commitment: CMC reached 86 points ahead of the set goal of 83 points for 2018

## Case study 3

### Client Profile

- Client: American Customer (Big brand name)
- Business: Food & Beverage, Entertainment, Communication & Media, Pharmaceuticals, Home Shopping, etc.

### Project Information

- Project Team Size: 20 Resources
- Timeline: 2014 – Now
- Project Type: Software Development & Enhancement
- Responsibility: Support the client in some new development and enhancement on a number of application in Enterprises and Finance/Banking domain.

### Ramp up plan



### Business view:

- ✓ Competitive price

### Technical view:

- **Security:** Compliance with their global security standard regarding infrastructure and information security.
- **Attrition rate:** CMC maintained a low staff turnover rate for this ODC over years (0% 2018)

————— To better manage our ODC, here are some of our suggestions:

- **No discrimination between in-house and offshore teams**

Both units have their important roles to play in the company's success. Thus, the offshore team should not be regarded as a separate side projects, but should be treated equally as any other department. Involving every unit in the decision-making process with fair treatment across the company will result in a harmonious and efficient working environment.

- **Inform the team of the big picture**

Companies should keep in mind that the only difference between an ODC and other teams is its location. Therefore, as with any other team, members of an ODC team must have a good grasp of the business big picture so that they can contribute to the common goals of the companies, alongside in-house teams.

So, what does “the big picture” include?

First, provide your ODC with an incentive and motivation to work by getting your company's mission, vision, values and culture across loud and clear. Giving your staff a purpose to thrive can engage them more to their job, resulting in improved productivity.

At the same time, a clear vision that aligned with the overall goals of the company can also serve as a guide for your offshore team to come up with a deployment plan that is most suitable for your specific needs. Therefore, it is of great importance that the ODC team be aware of the fact that even the smallest details in the work are closely linked to the bigger picture of the company.

Another way to improve working morale among offshore staff is to draft out a comprehensive list of tasks and priorities that are available. This shows that there are always other aspects to tackle if they happen to get stuck on one task.

- **Clear communication**

Directions should be kept simple and easy to understand. Language and cultural barriers can really hinder working efficiency among international business. In such case, remember to get straight to the point when giving out directions and demands so everyone can understand.

You can ensure this by using visual cues to better demonstrate your ideas, such as a screenshot or video recordings rather than hours of meeting minutes. Lately, remote conferencing is also on the rise with the help of Skype or Zoom where people can update each other on their work progress without direct face-to-face contact.

- **Team morale**

Keeping motivation high is a vital concern for business scale-ups. Your team of highly qualified developers and their efforts should be validated accordingly. Sometimes, motivation also comes in the form of challenges where they are given new, exciting and high-stake tasks.

Allow your ODC team to decide for themselves and voice their own opinions when possible. Trust and confidence works better than constant nagging, especially among offshore staff. However, it is still important to set boundaries and always maintain effective communication between you and your team.

Listening to new ideas and opinions from your offshore team is another important key to a successful ODC business. Once your offshore employees feel appreciated, they are more likely to share valuable insights and remain strongly committed to their job.

A hand is shown in the foreground, pointing towards the right. The hand is rendered in a light blue, almost ethereal glow against a dark blue background. In the background, a person wearing a light blue suit jacket and a white shirt is visible, but they are out of focus. The overall image has a monochromatic blue color scheme with a subtle pattern of small white dots.

**STEP 6**

**FIND YOUR TRUSTED  
LOCAL PARTNER**

Choosing a trusted vendor to partner with is the vital step when setting up an ODC in Vietnam. However, before investing into an ODC, you should make a few checks before signing an agreement. After all this is a huge step in the development process of your company and its corporate branding.

Here are some critical things you must check on your partner:

#### ✓ **Development Strategy**

The question is, does the ODC vendor understand your business goals and long-term objectives? Is there a clear understanding of your company's senior management about the objectives of the ODC? Does the ODC have the short-term and long-term objectives of the partnership clear? Answering those questions to plan your detail strategy.

#### ✓ **HR**

Check the vendor about their developmental processes in place to manage the ODC's operations. What safeguards does the ODC have in order to ensure the continuity of the project? What is the staff transition planning? How does the ODC recruit its IT professionals?

#### ✓ **Flexibility and Customization**

How to interview the Project Manager? Is it possible to alter or review the team during the ongoing project? What level of scalability does the ODC offer? Can the ODC workspace be adjusted according to the size of your project and does the ODC allow co-branding?

#### ✓ **Communication**

Does the entire ODC team have good English proficiency or do they have skillful translators that can help you communicate well?

What type of communication method do they use? (Skype video chat or conference call, email feedback, constant status reports or messaging tools for one-to-one communication).

How frequently does the ODC submit you with a project report?

#### ✓ **IP Protection**

What security measures are there at the ODC for protection of servers and critical data? Do they have CCTV cameras or not?

Does their security system go through regular audits?

Does the company's objectives and infrastructure conform to CMMi and/or ISO 27001 procedures?

#### ✓ **IP Protection**

Does the ODC have adequate systems and processes with them for on-budget or on-time deliverables?

What kind of TQM tools do they use?

Do their QAs conform to your company's corporate goals?

## ABOUT CMC GLOBAL

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With 27 years of experience acquired from CMC Corporation in the field of Information & Communication Technology (ICT), CMC Global has been providing a wide range of comprehensive IT services, from consulting solutions to implementing infrastructure to achieve the highest level of requirements.

CMC Global applies proven industry standards in operation and management systems to ensure the highest quality of services and meet customer satisfaction. CMC Global integrates international standards and quality management practices such as CMMi and ISO 27001 into the entire software development process, thus enhancing project delivery qualifications.



### COMPETITIVE PRICING POLICY

CMC Global offer reliable and high-quality services at a competitive price range that is worthy of our client's trust and investment. With our help, the ODC project to your business can begin much sooner with much lower expenses compared to building everything from scratch.



### EXPERIENCED RESOURCES

Here at CMC Global, we maintain a stringent procedure of recruitment to ensure a staff consisting of a pool of highly-skilled, certified and proficient software developers. They can help our clients reach their business goals using unparalleled domain expertise combined with cutting-edge technologies.



### SECURITY

Partnering with CMC Global, our clients can still retain full control over the project management, even from the staff selection stage for the ODC. We also adopt a flexible and scalable model that allows effective resources allocation in accordance with our clients' demand. All projects in CMC Global is guaranteed with 100% absolute security.

We're happy to discuss with you to find out success solution.

## Find more about us

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