

# TITAN

## CONSULTING



# INSIGHTS



## THE HIDDEN COSTS OF OFFSHORE DEVELOPMENT: WHAT YOU NEED TO KNOW

### How Titan's SAP Fractional Consulting Helps You Save!

— Kent Lamb, Partner

There was a time when offshore rates of \$40 per hour appeared exceptionally cost-effective. However, many have since come to understand that these initial figures can be misleading, and the true cost is often significantly higher.

There are many stories from CIOs, VPs, and Directors complaining about their offshore support. The rates may be cheap, but the quality and time-to-results are not acceptable. As a result, **more companies look for hybrid onshore and offshore models as the best way to support the business.**



We assisted one of our major retail clients in addressing a similar challenge. Although their offshore partner initially offered

attractive rates, the work consistently took three times longer to complete. As a result, the true cost – measured in delays, lost value, and mounting frustration – was significantly higher than anticipated. Moreover, the offshore team lacked the agility required to adapt to the fast-paced changes demanded by the business, ultimately hindering progress and responsiveness.

One example was a minor adjustment due to regulatory

changes. The offshore team estimated 160 hours of effort, but it would take two months for the work to make it to the top of the queue.

### That was not acceptable to the business!

The manager called us and asked if we had an alternative staffing solution to handle the requirement. One of our Solution Architects familiar with the regulatory changes laid out a solution and plan that satisfied the business' requirements and the IT budget.

**In less time and with less investment, we delivered on the requirements.** Since that experience, this client has used Titan Consulting in a hybrid onshore/offshore model that yields better results for their budget, and equally important, the business.

### The pendulum is swinging back:

Historically, organizations commonly logged thousands of hours annually for ABAP and other SAP development tasks. These efforts typically involved routine, well-defined activities such as report generation, data conversions, and basic enhancements. In that context, managing hourly rates was a key priority, as the work was largely predictable and volume-driven.

Today, however, the landscape has shifted. Many SAP environments are now mature and stable, and the nature of development work has become significantly more complex and time-sensitive. For small and mid-sized enterprises in particular, the focus has moved away from simply controlling hourly costs. The new imperative is speed-to-results – delivering timely, high-impact solutions that align closely with evolving business demands.

Titan's Fractional Consulting capabilities provide IT organizations with a strategic complement to their existing delivery models. While many companies maintain a primary offshore partner to handle routine break-fix tasks and day-to-day operational support, **Titan offers a more agile and responsive alternative for high-impact initiatives.**

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## C O N S U L T I N G



As a flexible, on-demand partner, Titan is well-positioned to support rapid deployments, time-sensitive projects, and specialized, one-of-a-kind initiatives that require deep expertise and immediate execution.

The focus for many SAP customers is yielding more from their SAP systems: S/4, Supply Chain, BTP, Integration Suite, Fiori/Build and more.

A global manufacturing client was operating on SAP ECC and using SAP PI/PO to manage integrations between internal systems and external partners. While PI/PO had served well over the years, it had become increasingly expensive to maintain.

The challenges with the PI/PO custom interface included limited support for modern protocols, performance bottlenecks when handling real-time data exchange, rigid infrastructure that couldn't scale quickly and delayed onboarding of partners due to long development and testing cycles.



The client wanted us to help them develop a strategy to replace the current PI/PO interfaces with Integration Suite. One of our Senior Technical Solution Architects reviewed their current setup and helped them design API-first architectures to enable seamless communications between systems, set up integrations for cloud-based applications, and ensure data consistency and real-time information flow.

**Companies need specialized integration consultants who can design and implement effective strategies**, but they don't always require a full-time resource – just expert help at key sprints or specific phases of the transition process, adapting to evolving requirements. This means you can bring in expertise when you need it most. Consultants can seamlessly adjust the scale and timing of their involvement as needed.

### Faster Time-to-Value:

The fractional consulting model offers businesses flexibility, cost efficiency, and targeted expertise during the SAP PI/PO to SAP Integration Suite transition. Whether it's in the early planning stages, during complex configuration, or in the post-implementation phase, fractional consultants can provide exactly what is needed at each step – helping businesses navigate the migration smoothly while reducing risks, cutting costs, and improving overall efficiency.

We have more examples for Supply Chain, Finance, and OTC where small changes can create big results for your business.

### Next Steps:

Is your offshore application development costing you too much or taking too long? Let our team show you bonafide business cases where we have delivered the right solution, in time, and for the best value!

Contact your Titan Consulting Director or visit our website at [titanconsulting.net](https://titanconsulting.net) for more information.